

*ENGLISH*

# Kollektivavtal

1 april 2017 - 31 mars 2020



# **Collective Agreement between**

Föreningen Industriarbetsgivarna  
(the Swedish Association of Industrial Employers)  
and Svenska  
Pappersindustriarbetareförbundet  
(the Swedish Paper Workers' Union)

The agreement text is shaded

The comment text is not shaded

Period of validity: 1 April 2017 – 31 March 2020

## Contents

<b>Contents .....</b>	<b>2</b>
<b>Section 1 Scope of the Agreement.....</b>	<b>3</b>
Subsection 1 Place of work.....	3
Subsection 2 Duties outside the scope of the Agreement.....	4
<b>Section 2 Pay provisions .....</b>	<b>5</b>
Subsection 1 Type of pay.....	5
Subsection 2 Basic pay structure principles.....	5
Subsection 3 Payment of salary .....	6
Subsection 4 New duties.....	7
Subsection 5 Pay changes when circumstances change .....	7
Comments on Section 2 Pay provisions.....	8
<b>Section 3 Transfer or temporary reassignment compensation.....</b>	<b>12</b>
Subsection 1 Local agreements.....	12
Subsection 2 Transfer .....	12
Subsection 3 Temporary reassignment .....	12
Comments on Section 3 Transfer and temporary reassignment compensation .....	14
<b>Section 4 Phased retirement premium (LP).....</b>	<b>19</b>
Subsection 1 Working time accounts.....	19
Subsection 2 Information on amount of allocation .....	20
Subsection 3 Withdrawal options.....	20
Subsection 4 Allocation in proportion to time .....	21
Subsection 5 Compensation during leave .....	22
Subsection 6 Scheduling of time off.....	22
Subsection 7 Allocation to pension premiums.....	24
Subsection 8 Cash payment .....	25
<b>Section 5 Insurances .....</b>	<b>26</b>
<b>Section 6 Local agreements .....</b>	<b>27</b>
Norms for local agreements .....	28
<b>Section 7 Negotiation procedure .....</b>	<b>30</b>
<b>Section 8 Period of validity.....</b>	<b>31</b>
<b>Annex 1 Union training .....</b>	<b>32</b>
<b>Annex 2 Part-time work .....</b>	<b>34</b>
<b>Annex 3 The contractor issue.....</b>	<b>35</b>
<b>Annex 4 Provisions on retirement pension.....</b>	<b>37</b>
<b>Annex 5 Stricter negotiation obligation when hiring temporary personnel.....</b>	<b>41</b>
<b>List of other agreements in effect between the parties.....</b>	<b>45</b>

## Section 1 Scope of the Agreement

### Subsection 1 Place of work

The Agreement applies to the following workplaces affiliated with the Swedish Association of Industrial Employers:

ABB Figeholm	Karskär
ABB Figeholm Quant Service	Katrinefors
Ahlstrom Falun	Kisa AbsorBest
Aspa Bruk	Klippans Bruk
Bengtstors RexCell	Kvarnsveden Pappersbruk
Billingsfors Bruk	Kvarnsveden Pålgård
Braviken Pappersbruk	Kvarnsveden Valmet
Bäckhammar Lignoboost	Lilla Edet
Bäckhammars Bruk	Lessebo
Dals Långed Stenqvist	Långasjönäs Hygien
Domsjö	Långasjönäs Pappersbruk
Fiskeby	Munkedal
Fors	Munksjö Pappersbruk
Frövi	Munksund
Gruvön	Mölnlycke
Grycksbo Paper	Mönsterås
Göransson's Åkeri i Färila AB	Mörrums Bruk
Hallsta Pappersbruk	Norrköping AGNA Logistik
Husum	Norrköping Fitesa
Hylte Bruk	Nyboholm
Hylte Convertering	Nymölla
Iggesunds Bruk	Nymölla Omya
Karlsborg	Obbola
Oppboga	Ställdalen
Ortvikens Pappersbruk	Svanskog
Pauliström	Säfte
Piteå Smurfit	Timsfors Lagamill

Rockhammar	Waggeryd
Rottneros Bruk	Vallviks Bruk
Rottneros Packaging AB	Väja
Skoghall	Värö Bruk
Skutskärs Bruk	Åmotfors
Skärblacka	Åmotfors Energi
Strömsbruk	Örebro Pappersbruk
Strömsbruk Tallriksfabrik	Östrand Engbergs
Strömsnäsbruk	Östrand Massafabrik

### **Subsection 2 Duties outside the scope of the Agreement**

The collective expertise of a company's employees is important for the company's competitiveness. It is beneficial for an employee to also know how to perform duties outside the area in which the employee is contractually employed. Thus, situations may occur where an employee temporarily performs duties that are outside the principal area in the Agreement.

#### ***Note***

*The duty to perform work is determined separately for employees by the so-called 29/29 principle which links this duty to the Collective Agreement's application area.*

## **Section 2 Pay provisions**

### **Subsection 1 Type of pay**

The type of pay at the workplace is established through local agreements. The fixed pay which is normally paid out as a monthly salary may, where applicable, be combined with a variable component in the form of a premium, bonus or share of profits.

### **Subsection 2 Basic pay structure principles**

Pay is determined through local agreements and is established in local agreements. In determining pay, attention is to be paid to the responsibility, powers and level of difficulty established in the competency criteria for each position and to what extent the individual employee meets these criteria. Pay should be increased in line with increased responsibility and level of difficulty, and is to be based on the employee's performance and skills.

Initiative, responsibility, ability to cooperate and flexibility are very important factors in determining pay levels.

The same principles are to apply for women as for men.

These basic principles are to be applied so that there is a pay structure for the company's employees that has fair pay differentiation between groups of employees and between individual employees. One important factor when making these determinations is finding a balance between broad knowledge (skill diversity) and deep knowledge (specialist expertise).

An assumption in pay differentiation is that it will be done in such a way that it promotes opportunities for and an interest in training, as well the desire among employees to take on more advanced assignments. One important component in this system is the preparation of training/education plans and competency criteria descriptions to ensure credibility and stability in the pay structure system.

In addition to pay grades or other appropriate classification systems, local agreements may be made to create a system for individual supplements based on individual know-how and skills that the company wants to encourage and reward. Supplements of this nature could include special training, skill diversity, practical experience, powers, responsibility and long length of service. Qualities such as thoroughness, quality awareness and efficiency may also be criteria used in designing individual pay supplements.

For employees with special qualifications or whose duties require special theoretical education and practical training, local agreements may be entered into on creating separate pay grades or setting an individual salary. An individual salary will normally be adjusted so that it includes the pay components which for other employees may be paid in the form of individual supplements. Pay negotiations for employees with an individual salary are thus entirely based on individual grounds.

### **Note**

*An employee who is or has been on parental leave is to be included in the annual pay review, and the employee's probable development in the current position based on assessment criteria as if the employee had not been on leave is to be taken into account.*

### **Subsection 3 Payment of salary**

- a) In matters regarding salary payment method, pay period, pay instalments where applicable and the matter of who is to be the payment service provider, a local agreement is preferable.

If the local parties cannot agree on this, matters of this type are to be resolved with the participation of the industry parties.

### **Note for the record**

- 1 *The length of the pay period may not exceed one month.*
  - 2 *In the event salary is paid out in instalments, the employee is to establish the size of the pay instalment to be paid out in each individual case and when such a payment is to take place.*
- b) If, due to an error, the salary amount paid out is too high, the employer has the right to deduct the corresponding amount from the employee's pay on a future pay day. If the employee does not agree to this deduction, the employer must comply with the Employers' Set-off Rights Act (*Lag (1970:215) om arbetsgivares kvittningsrätt*) procedure for forced set-off.
- c) The employee party is not entitled to claim compensation in the event new pay routines are installed.

## Section 2 Pay provisions

---

Payrolls kept by factories are to be made available during business hours to the factory's employee who has been appointed by the Swedish Paper Workers' Union's onsite division to scrutinise the lists.

### **Subsection 4 New duties**

Compensation for new duties and other work not regulated by the local agreement is paid – pending a local compensation agreement – according to locally agreed rules for work for which no compensation has been established or, if no such rules exist, according to compensation rules for comparable duties. Equivalent rules apply for underage employees.

### **Subsection 5 Pay changes when circumstances change**

If there is a change in the conditions on which a local agreement regarding the pay components bonus, premium or share of profits are based, the following applies:

Either party has the right to request a change to the agreement such that the earning criteria correspond to those applying before the change.

If a party has requested such a change, the relevant agreement on bonus, premium or share of profits will be cancelled with immediate effect. In the period following the cancellation an amount will be paid corresponding to the average outcome of the previous local agreement over the most recent 12-month period or another period agreed on by the parties before the change was implemented.

If a party so desires, negotiations are to begin on changes in the old system as needed to achieve the objective described above.

If it is not possible to reach a local agreement on requested changes, it is up to the industry parties, at the request of either local party, to conclude the negotiations based on the stipulations in this provision

## **Comments on Section 2 Pay provisions**

### **Subsection 1 Type of pay**

The provision is based on the type of pay at the company being determined in local agreements and the ability of the parties to choose the type of pay deemed most appropriate for the work in question. The rules are not designed to influence the choice being made between fixed salary or fixed salary in combination with a variable component.

The locally agreed types of pay apply until the parties to the agreement agree on replacing them with something else. The national agreement cannot thus be used to justify a unilateral change to a locally agreed type of pay in any other form than a monthly salary being the normal type of pay in the sector based on the rules on common general terms of employment.

### **Subsection 2 Basic principles for the pay levels**

This part is the most important part of the Section. Here the industry parties express their views on which assessments should characterise the local pay determination process.

The first sentence already establishes that it is both the nature of the duties and the level of difficulty, as well as the employee's ability to meet the established criteria, that should guide the process of salary setting.

For operational positions it should in most cases be natural when designing the basic pay differentiation structure to start with the criteria that must be applied to those holding the various positions.

To achieve a flexible work structure and also to enable the employees to develop in their work, there are local systems in place aimed at encouraging skill diversity.

The simplest means of achieving this has been for the employees who attend training in duties outside the scope of their actual position to receive a pay supplement for this. Sometimes having skill diversity – particularly if the employee has learnt a job at a higher pay grade than the employee's own pay grade – has led to the employee's pay grade being raised.

It has become increasingly evident that the desired skill diversity – which in itself promotes flexibility within the organisation – must be combined with certain individuals possessing a deep knowledge of the various aspects of the organisation's activities. An important and at the same time very complex task is creating a balance between these desired aspects when setting pay levels.

## Section 2 Pay provisions

---

By tradition it has been fairly easy to identify methods to provide compensation for skill diversity. The criteria for when a person should be deemed to have mastered the purely operational part of a new element of a job have not been particularly difficult to determine. The same applies to what is required to maintain the skills associated with a position.

It has proved to be significantly more difficult to identify relevant criteria to establish various requirements with respect to deep knowledge (specialist expertise). This notwithstanding, progressive methods will be necessary to make these determinations in order to develop good tools for this important aspect of establishing a pay structure. This is also the area where there is the greatest risk of arbitrary action being suspected.

In terms of maintenance and other service jobs, the grounds on which the pay structure is established are somewhat different. For these categories the term “position” is not used in the same way as when talking about operations employees. It is instead relevant to use occupational titles such as mechanic or electrician etc. These titles cover all those within the occupation – from a completely inexperienced employee coming straight from vocational training to highly qualified employees with extensive training and many years of occupational experience.

Pay scales for this category are in most cases based on some form of documented skills development. The term pay grade has, in this context, in most cases been used to measure the different criteria levels on the competence/pay development scale. Here too, pay grading has proved to be a blunt instrument that needs to be supplemented by more flexible and individualised elements to meet the requirements in force.

### **Individual supplements and individual salaries**

One way to supplement the traditional pay grade classification is to apply the option of individual supplements and individual salaries. The need for these supplementary rules will probably gradually increase as the need for employee skills development increases.

The type of individual supplement that may be appropriate must be determined based on the various training, flexibility and responsibility criteria that are to be encouraged.

Individual supplements for this purpose are used in many parts of the industry.

## Section 2 Pay provisions

---

Another similar aspect is rules on possible individual salaries for certain employees. These provisions are mainly aimed at employees whose duties are similar to those of salaried employees, but for which the normal pay grade classification may not be precise enough as an instrument. The idea is for the agreement to offer the same possibility of individual salaries as are found for these groups in other agreement areas.

The normal procedure should be for employees who have individual salaries not to also receive the individual supplements that other employees may receive. The elements most employees are compensated for in individual supplements are included in the pay received by those with individual salaries.

### Work structure/training

In normal circumstances it would probably be reasonable to first decide on a work structure and then describe and implement the necessary development of positions and skills. A pay structure allowing individual development could in this context be an important instrument to promote the desired work structure development.

Typical work structure criteria are usually:

- Short decision paths aimed at each employee being knowledgeable about their area, equipped with the necessary authority and taking personal responsibility.
- Flexibility in varying circumstances; employees are able to do various tasks and can therefore replace each other if someone is absent.
- A learning organisation with a focus on continuous skills development for all employees, who do good work that contributes to efficient production.

The people at a company are an important, costly and often hard to replace resource. It is therefore vital that the work structure is designed in such a way that the individual resources are used and developed in the most effective way possible. To achieve this, it is important to supplement the work structure with systems for training and on-the-job learning so that an employee can increase his/her knowledge and competence at work at the pace the employee is willing and able to.

Training in various forms is important for an industry that is constantly changing. To gain the full effect of the opportunities offered by a pay structure that takes into account individual development, it is important to allow the employees to complete the training necessary to enable them to meet the needs of a constantly developing work structure.

## Section 2 Pay provisions

---

It is natural for an individual pay system to be linked to systematic development and training plans, as well as competence assessments. These should indicate which criteria are to be met for an individual pay scale and the training opportunities that exist for individual employees.

It has often become evident that a person's willingness to accept pay differences depends on a sense that there are objective reasons for this, and that others who are also prepared to accept the same terms can receive the same pay increase.

### **Subsection 5 Pay changes when circumstances change**

The industry parties agree that it is necessary to have a correction rule for situations where the circumstances relating to a performance-based or result-related component in the pay system are changed.

The basic idea is very simple. If conditions change, the rules need to be changed so that the earning potential is the same as before the change.

If a party requests this type of correction, the old system will cease to apply with immediate effect. A calculation should be made of the average earnings outcome over the past 12-month period before the old system ended and, where applicable, taking into account any pay adjustments made.

The idea is also that negotiations on a new (corrected) performance-based or result-related pay system are to be initiated if any party so desires.

If these local negotiations do not resolve the issue, it is the responsibility of the industry parties to conclude the negotiations based on conditions in the provision in the national agreement.

## **Section 3 Transfer or temporary reassignment compensation**

### **Subsection 1 Local agreements**

The industry parties agree that it is the responsibility of the local parties to reach an agreement on remuneration rules if an employee is transferred or reassigned. If no other agreement is reached, the following is to apply – taking into account, however, that any improved terms and conditions as applied according to what is customary locally will not be reversed.

### **Subsection 2 Transfer**

Transfer means an employee being moved permanently to another position or another job. The intention is for the change to be permanent, i.e. that the person in question will be given a new regular assignment.

An agreed salary is to be paid for the new position/the new job from the day the transfer takes effect.

If the transfer is to a position/job with lower pay, an individual supplement (transfer supplement) is to be paid to employees who have at least two years of continuous service with the company – in addition to any job training supplement and orientation supplement – equivalent to the difference between the employee's monthly salary in the old position and the monthly salary in the new position.

If, after the transfer, there is an increase in the rate of pay for the new position/new job, the supplement is to be reduced by an equivalent amount. General pay increases decided on by the key parties do not warrant a reduction of the supplement.

In the case of a transfer that takes place at the request of the employee and where the transfer is not motivated by, for example, age or health reasons, there is no obligation to pay a transfer supplement.

### **Subsection 3 Temporary reassignment**

Temporary reassignment means an employee being moved temporarily to another position or another job. The intention is that the employee will return to the original position/job after a brief period of time.

### Section 3 Transfer or temporary reassignment compensation

---

If the employee is temporarily reassigned to a higher paying position/job, an individual supplement (transfer supplement) is payable in an amount equivalent to the difference between the higher monthly salary and the regular monthly salary divided by 175 for the hours worked in the temporary position.

If the employee is temporarily reassigned to a lower paying position/job, the employee will retain his/her regular salary during the transfer period.

These compensation rules do not apply to temporary reassignment of employees who, according to an agreement, are available as reserve personnel (substitutes) or who normally “float” between different work locations or positions.

#### **Note**

- 1. In temporary reassignment of employees, a period exceeding four weeks is to be avoided.*
- 2. Moving an employee to another position/another job for reasons relating to operational changes due to economic or market-related conditions, and therefore resulting in changes in shifts, is considered a temporary reassignment as long as it is not intended to be a permanent move. A decisive factor in determining whether these changes are to be regarded as transfers or temporary reassignments is ultimately a question of how temporary the change is meant to be, even if it lasts longer than four weeks.*

## **Comments on Section 3 Transfer and temporary reassignment compensation**

### **Introduction**

The specific rules for compensation when moving personnel are divided into two parts: permanent transfer to another position (*transfer*) and temporary move to another position (*temporary reassignment*).

*Transfers* are a natural aspect of a company's aspiration to make the best use of and develop the human resources within the company. As a rule, the transition to a new regular position is also associated with a higher salary. It is assumed that the transfer of employees to another lower paying position will mainly take place in the case of personnel who, for age-related or health reasons, can no longer fulfil their duties in a certain position.

When *temporarily reassigning* employees the main reason for an income supplement is that the employee is to be compensated for the disruption that may arise in connection with a temporary transition to duties other than the employee's normal duties, and that it will help promote a positive attitude among the employees to temporary reassignment.

### **Subsection 1 Local agreements**

The provisions in Subsections 2 and 3 are to apply if no other local agreement has been put in place. Better terms and conditions as may apply according to local practice are not intended to be made worse by this industry party agreement. Nor is there anything preventing the local parties from agreeing on, for example, standard rules whereby a reassignment supplement is only payable once the supplement reaches a certain minimum amount or the timeframe exceeds a certain number of hours.

Local transfer or reassignment agreements should be adapted to Subsection 2 and Subsection 3 so that their application is as uniform as possible. The principal rules will in this regard be considered as guidelines.

### **Subsection 2 Transfer**

*Third paragraph:* Each transfer decision should be based on enabling the best possible match to be made between available personnel and work assignments ("right person in the right place").

### Section 3 Transfer or temporary reassignment compensation

---

When establishing the two-year period, an employee whose employment was terminated due to redundancy and who has subsequently been reemployed based on the preferential right to reemployment under the Employment Protection Act may also include the prior period of employment.

The purpose of the transfer supplement is to ensure that the transfer does not result in an income reduction.

It is not always the case that the person being transferred possesses the knowledge and experience that would make it possible for him/her to immediately meet the “normal criteria” for the new position.

If a local job training or orientation supplement is paid to new employees in certain positions, this type of supplement should also be paid to transferred personnel. The effect of receiving this type of supplement in addition to a transfer supplement must not, however, be such that the person in question ends up with higher earnings than in his/her previous position/job. If an employee is transferred to a newly created position/job, remuneration for the new position/job is to be established in the normal manner through negotiations. The result of a comparison between the employee’s current monthly salary and the monthly salary established for the new position/job will then determine whether or not a transfer supplement will be payable.

If an employee is transferred to another position in connection with returning to work after a long absence, i.e. more than one quarter (e.g. due to military service, parental leave or a prolonged illness), the earnings comparison in the transfer rules is to be made based on the employee’s monthly salary before the absence began plus any pay raises for the position/job during the person’s absence. The pay level set in this way is compared with the monthly salary for the new position/job, including any pay raises during the absence of the employee in question. Any difference between the salary levels constitutes the transfer supplement.

In cases of repeated transfers, the industry parties have agreed to apply a rule whereby the earnings comparison is to be based on the monthly salary for the original position/job, taking into consideration any pay raises during the interim period if the employee receives a transfer supplement at the time of the new transfer. This rule ensures that the employee’s earnings status is protected from de-escalation due to multiple transfers and a situation is avoided where the transfer supplement determines the new, higher earnings level.

## Section 3 Transfer or temporary reassignment compensation

---

The term “monthly salary” thus includes the salary component which in the pay statistics relates to time wages and piece wages. This means that the pay supplement according to Sections 5–7 in the general terms of employment should not be included in the basis for the pay calculation.

*Fourth paragraph:* Since the transfer supplement is mainly meant as protection against direct income reduction in connection with a transfer, the principal rule is that an increase in pay for the new job is to be matched by a reduction in the supplement. The idea is that, over time, remuneration for the new job will catch up with the amount that would have been paid in the old job. One important exception to this main rule, however, relates to the general pay increases that are required under the central agreements. These increases are not to result in a reduction of the supplement.

*Fifth paragraph:* If a transfer is initiated by the employee, a transfer fee is to be paid if the move is deemed objectively motivated, e.g. for age or health-related reasons. If, on the other hand, a transfer request is granted despite the fact it is not motivated by such objective reasons, there is no obligation to pay a transfer supplement.

### **Note**

*If the issue of a transfer arises for reasons that are the fault of the employee, no transfer supplement will be paid. This situation could arise, for example, if the employee, through gross negligence at work, has posed a safety risk or engaged in misconduct so that a transfer to another position is deemed necessary.*

### **Subsection 3 Temporary reassignment**

*First paragraph:* The temporary nature of the reassignment does not change just because it lasts for a longer period of time. This applies, for example, if a person is moved to another position/job due to ill health, military service or for another similar reason. It is thus the intention of the reassignment that is the determining factor.

A temporary reassignment normally ends when the employee returns to his/her previous job. A temporary reassignment may, however, end in a different way; namely, if it is decided that the person is not to return to his/her previous job. It could, in such a case, be a matter of the employee remaining in the new position/job or moving to an entirely new position/job. In the former case, where he/she remains in the position/job, the rules for transfers are to apply from the date of the new decision; the latter case involves either a new temporary reassignment or a transfer.

### Section 3 Transfer or temporary reassignment compensation

---

The rules do not apply in cases where a position or a job is changed so that the employee's earnings potential is in one way or another diminished, e.g. if the salary changes due to changed conditions under the Collective Agreement, or due to changes in the criteria for a position where work performance is evaluated etc.

The rules only apply to reassignment in the employee's own agreement area (primarily the local agreement).

Furthermore, the rules do not apply to a position or a job where the employee would normally switch between work assignments or where it is customary for the employee to perform other duties from time to time. In practice, however, many different combinations may be possible here, so that a general rule in this context is not appropriate. The industry parties are in agreement that the local parties, in these cases, should look at the possibility of a local agreement. The basic assumption is normally that a reassignment supplement will be paid if there is a difference in the earnings levels between the positions/jobs. Thus the actual earnings level is the determining factor.

*Second and third paragraphs:* The rules on calculating reassignment

supplements are based on the same principles as described above regarding transfers. Since no specific term of service is required to qualify for a reassignment supplement, this type of supplement may also be payable to new employees. A distinction must be made between these cases and a transfer taking place in connection with the new employee's introduction and orientation, and as described above in the instructions regarding the rules for transfer supplements.

In cases where a training or orientation supplement is payable when there is a temporary reassignment, this rule is to be applied based on the same principles as described for transfers.

In the case of successive reassignments, i.e. where a reassigned employee is moved to another new position/new job without having returned to his/her original position/job, the pay comparison is based on the earnings level for the original position/original job.

Where applicable, reassignment supplements will also be paid for shift changes and overtime.

### Section 3 Transfer or temporary reassignment compensation

---

*Fourth paragraph:* At workplaces there are some people with multiple positions/jobs or where there are reserve personnel and substitutes. Employees in the first-named group have positions/jobs that involve planned reassignment between different duties, and their pay has been agreed upon accordingly. Reserve personnel or substitutes also have individual agreements that are intended to compensate for inconvenience associated with reassignment.

## Section 4 Phased retirement premium (LP)

### Subsection 1 Working time accounts

Individual working time accounts are set up for all employees.

An amount is allocated to each working time account calculated per calendar year. The basis for the allocation is the salary that has been paid out during the calendar year in question.

The allocations constitute 3.5% of the pay basis according to the specifications below.

The pay basis includes:

- a) Regular monthly salary including bonus.
- b) Inconvenient working hours supplement (*OB-tillägg*).
- c) Supplement for unscheduled fill-in time.
- d) Other special supplements and compensation for work during regular working hours.
- e) Compensation for leave paid by employer, for example paid leave of absence and paid time off under the Trade Union Representatives (Status at the Workplace) Act.
- f) Sick pay.
- g) Compensation paid out during the year according to this subsection.

The pay basis does not include:

- a) Overtime compensation, which in itself is due to the fact that the working time account is there to cover loss of pay if regular working hours are reduced.
- b) Standby compensation and other special supplements and compensation related to overtime work.
- c) Holiday pay and holiday compensation. This is linked to the fact that the allocation is a variable salary component and that holiday pay or holiday compensation is paid at 0.54% of the allocation per paid holiday day. Since holiday pay – except for the holiday supplement – consists of monthly pay that is paid during the employee's holiday, a deduction is made from total annual pay of 4.6% of the monthly pay per paid holiday day. Thus the deduction is normally  $25 \times 4.6\% \times$  monthly salary.

### ***Comment***

*As described above, the principle for the allocation to the working time accounts is based on the salary and compensation relating to work during regular working hours and to the compensation paid by the employer during so-called paid leave.*

*Note that this applies to compensation that has actually been paid. Accordingly, no fictitious calculations are to be made for amounts that would have been paid as salary if the employee had not been absent.*

### **Subsection 2 Information on amount of allocation**

After the end of each allocation year and before the end of January in the following year, the employer is to provide information to the employees on the amount of the allocation made for each of them

### **Subsection 3 Withdrawal options**

Allocations to working time accounts can be withdrawn in the form of time off, pension premiums or cash.

After the employee has received information on the amount allocated during the year, the employee is to inform the employer in February how he/she wants to use the allocated amount.

In the case of new employees, however, for the first five years (five options), according to the second paragraph, the provision is to be taken out as pension premiums. However, this does not apply to employees who have previously had indefinite-term employment at a company in the same group and who thus have had the right to choose a withdrawal option under the first paragraph if this individual's employment was terminated due to redundancy and the individual was subsequently reemployed or given a different job within the Group.

### ***Note***

*Employees have the right to split their balance between different options.*

For the purpose of encouraging employees to choose the pension allocation option, in addition to the portion of the allocation that the employee chooses to take as pension premiums, the company is to top up the portion of the allocation being used in this way in accordance with Subsection 7.

## Section 4 Phased retirement premium (LP)

---

The employee also has the right every year to use the amount corresponding to saved compensatory rest as a pension allocation. This pension allocation may not, however, be greater than the amount that the employee took as pension premiums during the year under the rules on working time accounts. This restriction does not apply if the employee has taken out the entire allocation in the working time account as pension premiums. When compensatory rest is converted into a pension allocation, however, the top-up described in Subsection 7 is not added

### **Subsection 4 Allocation in proportion to time**

If the earned balance is to be used as payment for time off, the amount of time off is to be calculated as follows in the case of a full earning period:

Amount	40 hours/w	38 hours/w	36 hours/w
3.5%	63 hours	59.5 hours	56 hours

The times indicated in the table refer to hours worked in the year that the withdrawal of the time earned took place.

If the earning period was reduced – for example, because the employee was only employed for part of the year or there has been extensive unpaid leave (absence) – the time off is reduced correspondingly.

The extent of the time off is reduced, where applicable, only by full hours.

Absence for less than whole hour periods will not result in a reduction.

The extent of the time off is reduced, where applicable, when the absence exceeds 200 hours. For each 200 hours of absence, the extent is reduced by an amount corresponding to one eighth of the balance earned.

This means, for example, seven hours (full amount earned 56/63 hours) for each 200-hour period of absence during the earning period (year). The proposed model is based on retaining the absence limits that were required in order to help reduce leave when the system was introduced.

## **Subsection 5 Compensation during leave**

The actual amount accrued during the earning period (year) is the amount to be allocated to the working time accounts. Since inconvenient working hours compensation and other similar compensation are included in the basic amount, the allocated amounts are normally higher for shift workers than those working during the daytime in the earning period (year).

The allocated amount is to be used as payment during the time taken off and at the same time an unpaid leave of absence deduction is made for this time.

This may, for example, mean that the person who has accrued the balance through shift work, but is working during the daytime at the time of withdrawal receives a higher day remuneration rate than if this individual had been at work. The opposite is true for a person who has accrued the amount during the daytime but who is working shifts when the withdrawal is made.

### Example

The following example illustrates the principle intention of the rules:

1. If two people on shift work with a fully accrued allocation equivalent to 3.5% have the same pay and inconvenient working hours compensation etc. during the earning period (year), they will both receive the same allocation to their account. If these individuals agree with the employer to take three days off during elk hunting week, for example, the compensation per day will be the same for both of them – irrespective of whether one would have worked three morning shifts and the other three night shifts.
2. Of two individuals with the same pay, one has worked and earned full income for the entire earning period (year), while the other has had prolonged sick leave on a number of occasions. Since sick pay – mainly in combination with sick benefits – is considerably lower than regular salary, the allocation will be lower for the individual who has been off sick. The time during which sick pay was paid out is, however, included in the basis for the right to time off. Upon withdrawal, the consequence of this will be that the compensation per day will be lower for the person who has been on sick leave

## **Subsection 6 Scheduling of time off**

Scheduling of time off may be regulated in a local arrangement between local parties. If scheduling of time off is not regulated in a local agreement the following applies:

## Section 4 Phased retirement premium (LP)

---

The main rule is that both the needs of the company and the wishes of the employee are to be taken into account.

If several employees want time off at the same time and the employer has no reasonable ability to meet everyone's wishes, the employee who submitted the request first has priority.

If the employee wishes to delay his/her request for time off, there is an increased risk that the employer will find it difficult to honour the employee's requested dates. It is not consistent with the intent of the agreement for the employer, on repeated occasions, to inform an employee that his/her request for time off cannot be met and that the employee will therefore be unable to use the time off earned during the year.

According to the main rule, employees are not entitled to request more time off during a year than the amount of time corresponding to the allocation made for the year. If the amount of time earned is greater, the surplus is to be taken in cash or as pension premiums. Employees do, however, have the right to save excess hours so that they can take time off in the form of full days. Saving hours in this way may result in the time off taken in some years amounting to one day more than the allocation for the year.

If the employee chooses to submit a request for time off 30 days or more before the date requested, the following applies in addition to what is stated above.

The employer is to inform the employee of whether or not the requested dates are granted no later than one week after the request is received.

The employee is to approve the days off in accordance with the employee's request unless the dates for the time off will cause inconvenience for the employer's operations.

If a request for time off is denied, the reason is to be clearly explained.

If the employee making the request does not get the dates he/she requested, the employee, taking into account the above-mentioned 30-day rule and the consultation obligation, has the right to the same amount of time off at a different time requested by the employee him/herself. Those dates for time off can only be denied if the timing would cause significant inconvenience to the employer's operations.

## Section 4 Phased retirement premium (LP)

---

### Sickness in connection with agreed time off

If the employee becomes ill during the period agreed to as paid leave, the following applies:

- The employee may, despite the illness, treat the period as paid leave according to the agreement. This means that the time is not counted as sick leave and no sick pay is paid out.
- The employee may instead count the time off as sick leave and not use the time as paid leave. In this case, sick pay is payable (taking into account any qualifying days).
- In the latter case, the employee may ask to receive the allocated amount as cash compensation or – if possible from a practical point of view – take the leave at a different time and save the compensation for this occasion.

### *Note*

*Time taken as leave according to this section raises the numbers stated as limits for general overtime in Section 4 B Subsection 2 in the Agreement on general terms of employment*

## **Subsection 7 Allocation to pension premiums**

For employees who, in accordance with Subsection 3, wish to use the funds allocated as pension premiums, the following applies:

### **a) Amount of pension premium**

- The employer will pay in the allocation described in Subsection 1 and shall top this up with a further 28% of the allocation to pension premiums in the case of employees who are under 25 years of age at the allocation date (1 January).
- The employer will pay in the allocation described in Subsection 1 and shall top this up with a further 33% of the allocation to pension premiums in the case of employees who are over 25 years of age at the allocation date (1 January) and who, during the calendar year prior to the allocation date, had a pensionable salary reported to Fora of no more than 7.5 income base amounts.

## Section 4 Phased retirement premium (LP)

---

- The employer will pay in the allocation described in Subsection 1 and shall top this up with a further 58% of the allocation to pension premiums in the case of employees who are over 25 years of age at the allocation date (1 January) and who, during the calendar year prior to the allocation date, had a pensionable salary reported to Fora of more than 7.5 income base amounts.
- In the case of employees who, as at the allocation date of 1 January, no longer pay into the SAF-LO Collective Pension (ASL), the employer will pay in an amount in accordance with the first bullet point here.

Payment to Fora as described above is in the form of a Phased Retirement Premium

### **b) Reporting to Fora**

- The employee is to notify the employer in writing of his/her request that the funds allocated in the working time account be used to pay pension premiums.
- The employer makes a list of names, personal ID numbers and the size of the allocated amount for each of the employees who has requested allocation to pension premiums.
- The employer is to send the list with a statement of the funds allocated to FORA in the month of March, unless another arrangement has been made between the employer and FORA.

### **Note**

*Provisions concerning the content of the pension rules can be found in Annex 4.*

## **Subsection 8 Cash payment**

Employees who have informed the employer of their desire to receive payment in cash are to receive the allocated amount in March.

The amount is not used as a basis for inconvenient working hours compensation or other percentage-related supplements. On the other hand, as a variable component it constitutes a basis for calculating holiday pay and holiday compensation.

## Section 5 Insurances

Agreements made between the Swedish Employers' Association (now the Confederation of Swedish Enterprise) and the Swedish Trade Union Confederation (LO) on insurances as described below apply as collective agreements, in accordance with the wording agreed upon by the confederations.

- a) Tjänstegrupplivförsäkring, TGL (Government and Social Insurance Office group life insurance) and Avgångsbidragsförsäkring, AGB (redundancy payment insurance);
- b) Avtalsgruppsjukförsäkring, AGS (group sickness insurance) and Avtalspension SAF/LO (collective pension insurance); and
- c) Trygghetsförsäkring vid arbetskada, TFA (work injury insurance).
- d) Föräldrapenningtillägg, FPT (supplementary parental benefit insurance)

## **Section 6 Local agreements**

Local agreements based on this Collective Agreement as well as the agreement on general terms of employment according to the norms stated below are prepared for each factory/mill. In addition to a reference to this Agreement, the local agreements include the local arrangements which have proved to be necessary at each individual factory/mill.

No additions are to be made to local agreements without the joint approval of the industry parties.

As companies that have not previously been bound by a Collective Agreement between the Swedish Forest Industries Federation and the Swedish Paper Workers' Union are granted membership in the Swedish Association of Industrial Employers, a local agreement is to be drawn up.

If in negotiations the parties do come to an agreement on the terms of the local agreement, either party can take the matter to central negotiation. If the parties cannot agree in the central negotiations, the matter is referred for a final decision to the pay board for Skogsindustrierna (an association of Swedish Forest industries) – Paper division. The pay board is to act expeditiously to reach a decision in the matter. The board is to take into account the pay levels and pay structures of equivalent companies/operations in the industry.

## Norms for local agreements

**Local agreements** at factories ..... entered into between ..... and the Swedish Paper Workers' Union division no. ...., with binding effect for the parties once the agreement has been approved in its entirety by the parties' union/industry associations.

### Section 1

The Collective Agreement between the Swedish Association of Industrial Employers and the Swedish Paper Workers' Union applies at the factories/mills.

### Section 2 Regular working hours

At the factories/mills, the following working hours apply:

#### I Continuous operation

- a) Continuous three-shift operation applies according to the attached schedule at all operating units except.....

Working hours per holiday-free work week as of ..... consist of ..... hours.

- b) Continuous three-shift operation takes place according to the attached schedule for the following departments and work processes:
- c) Continuous day work applies according to the attached schedule for the following departments and work processes:

#### II Intermittent operation

- a) Intermittent three-shift work with shift changes at 6.00, 14.00 and 22.00 takes place at the following operating units:

Working hours per holiday-free work week as of ..... consist of ..... hours.

- b) Intermittent two-shift work takes place in the departments and for the work processes below according to the following schedule:

First shift	Working hours.....
	Meal breaks.....

Second shift	Working hours.....
	Meal breaks.....

## Section 6 Local agreements

---

- c) Intermittent day work takes place in the departments and for the work processes below according to the following schedule:

Monday–Friday	Working hours.....
	Meal breaks.....
(Saturday)	

- d) In the departments and for the work processes below according to the following schedule: (Here so-called partially continuous work is introduced, i.e. work carried out on Sundays, but with a different number of working hours on Sundays than on weekdays.)

### **Section 3**

Local salary agreements based on the pay provisions in Section 2 of the Collective Agreement and the rules contained therein on categories of pay grades, systems for individual supplements, individual salaries, and bonus and premiums where applicable.

### **Section 4 Other provisions**

This agreement applies from .....and during the same period as the national agreement for the workplace most recently agreed upon by the industry parties with the amendments during the agreement term according to the most recent extension agreement.

## **Section 7 Negotiation procedure**

As agreed on 18 January 1977, the agreement reached by SAF and LO on 12 December 1976 concerning the continued application of certain rules in the main agreement serves as a collective agreement between the parties.

### ***Note for the record***

*The parties agree on the main agreement's provisions in Chapter II that limitations are not to lead to restrictions on the applicable provisions concerning the payment of premiums, bonuses or piece wages.*

## **Section 8 Period of validity**

This agreement is valid from 1 April 2017 until 31 March 2020.

Stockholm, 31 March 2017

***Swedish Association of Industrial Employers***

Robert Schön

Per Widolf

Gunnar Norbäck

***Swedish Paper Workers' Union***

Matts Jutterström

Pontus Georgsson

Mikael Jansson

Lars Wåhlstedt

## **Annex 1 Union training**

### **Special agreement on time spent on union training**

Sveriges Skogsindustriförbund (an association of Swedish forest industries) and Svenska Pappersindustriarbetareförbundet (Swedish Paper Workers' Union) are in agreement that a certain portion of the five hours granted to the union member under the Collective Agreement item G on union communication is to be used according to the guidelines below.

Based on the number of Swedish Paper Workers' Union members at the respective workplace, the number of hours is established as of 1 October and these hours are available for paid union activities during the subsequent calendar year. Each member contributes three hours to this calculation.

The number of hours thus calculated in advance must, in accordance with a programme designed by the Swedish Paper Workers' Union, be used for union training paying particular attention to the union activity at the company as well as union training in general, in matters relating to the relationship between employers and employees under the law and agreements, as well as the economic and technical conditions affecting the companies' development.

Based on the scope of the training programme, no later than one month before the beginning of each course the department is to provide a list to the company of the union members who will attend the course within the framework of the time allowance. Those who will serve as instructors are also to be included in the established time allowance as long as they are employed by the company and being paid by the company.

#### **Comment**

*Union training according to this section is to be scheduled in the employee's spare time and compensation paid based on regular pay and overtime compensation. Time that is not used by those registered for training will be deducted from the time allowance and may not be used for other purposes or for training of other members.*

*It is the responsibility of the division to regularly report, in the manner agreed upon locally, the name of employees who have taken part in the training. Payment of compensation for training is made on the first regular pay day after the report is submitted. This requires the report to be submitted in time for the payments to be processed and paid on the regular pay day.*

## Annex 1 Union training

---

*Time spent on training according to this Section is not to be reported as time worked when applying Section 4 B Subsection 2 of the agreement on general terms of employment.*

Stockholm, December 1986

**Sveriges Skogsindustrieförbund (an association of Swedish Forest industries)**  
Göran Swanström

**Svenska Pappersindustriarbetareförbundet (Swedish Paper Workers' Union)**  
Ingvar Jansson

## **Annex 2 Part-time work**

### **Agreement on part-time work**

The companies are to ensure that part-time employees' hours of work and earnings are as stable as possible. In the case of permanent part-time employment, a work schedule is to be produced unless the particular nature of the work assignments renders this impossible. All regular, recurring work hours are to be indicated on the work schedule.

Social benefits according to laws and agreements are in certain cases determined by the number of work hours and when they are scheduled. If the part-time employee works less than 16 hours a week, the employee's right to redundancy pay insurance and group life insurance is reduced. Contractual AGS benefits may also be reduced in certain cases and pension benefits are affected if the employee works less than 208 hours per calendar quarter. The annual wage earnings must exceed a certain amount – the base amount – in order for the employee to be allocated ATP pension points.

The part-time employee must be informed of these stipulations and of other employment terms and conditions relating to part-time work. Where it is possible from a practical perspective and in cases where the employee so desires, the part-time employee's working hours are to be established so that the employee is entitled to the above-mentioned social benefits.

In the event there is a need to increase the workforce, part-time employees are to be offered the opportunity to increase their hours first.

The parties agree that any disputes regarding the application of this agreement are to be settled by SAF and LO.

## **Annex 3 The contractor issue**

### **Recommendations regarding the contractor issue**

In the notes to the minutes of the negotiation proceedings of 27 April 1964, item 2, the industry parties on each side made the following statement on the contractor issue:

“In connection with the discussions held during the year on the so-called contractor issue, the parties hereby state as their unanimous opinion that the craft union principle shall apply. As it is not possible to produce exact or universally applicable rules on the extent to which the engagement of contractors is to be deemed consistent with upholding the craft union principle, a judgement must be made in each individual case, taking into consideration what is customary within the industry. If local disputes should arise in this matter, the industry parties on each side are prepared to actively participate in resolving them.”

Sveriges Skogsindustriförbund (an association of Swedish Forest industries) and the Swedish Paper Workers’ Union hereby confirm the 1964 declaration.

Although the industry parties only had a few disputes to settle during the years 1964–1974, it is reasonable to call to mind the following main points on the practical application of the 1964 declaration.

1. Application of the craft union principle presupposes that the size and composition of the company’s workforce are such that they meet the normal workforce requirement for the company’s operating activities. In principle, permanent positions in operational or maintenance departments shall not be filled by employees of contractor firms.

Rational use of the available internal resources and the rational organisation requirement, make it necessary, however, to engage contractors to perform certain work. This situation requires certain exceptions to be made from the pure craft union principle.

2. Examples of work where special reasons justify engaging contractors are major new construction, reconstruction and comparable repairs, and machinery installation. Another example is highly specialised work, the need for which only arises during a limited part of the year. The industry parties have further determined that it is not possible to maintain service departments – maintenance services – at a size allowing them to fully meet the manpower needs during peak periods, e.g. in connection with weekend stoppages,

holiday stoppages and special repair stoppages in the case of machinery breakdown etc. In such contexts it is therefore also necessary to continue to assume that there will sometimes be a need to engage contractors.

3. Application of the craft union principle is facilitated if the company's own non-operations specialists are used to perform work at other workplaces belonging to the company located close by. It should also be ensured that employees do not encounter difficulties regarding their contractual obligation to work overtime upon request.

Sveriges Skogsindustriförbund (an association of Swedish forest industries) and the Swedish Paper Workers' union agree that, at the local level, there is mutual agreement on aiming for a practical application of the craft union principle in accordance with the 1964 declaration and the guidelines above. It is therefore of importance that management informs and consults with the union about ongoing contractor work and, where applicable under the Swedish Act on Co-determination in the Workplace, enters into negotiations on such planned work.

## **Annex 4 Provisions on retirement pension**

### **Section 1 Provisions on retirement pension**

Retirement pension is earned by the employee being credited with the premiums allocated by the employer according to Section 4 Subsection 7 of the Collective Agreement.

### **Section 2 Retirement age and level of pension benefits**

According to the agreement between SAF and LO on collective pension insurance (avtalspension), the employee reaches retirement age at the beginning of the calendar month in which he/she turns 65.

Pension benefits under this agreement between the Swedish Forest Industries Federation and the Swedish Paper Workers' Union are calculated as a five-year pension, but may be paid out during a shorter or longer period if the employee so desires. The pension may also be calculated as a lifelong pension if the employee requests this.

Pension is paid out as of the month in which the employee reaches retirement age or at another time as requested by the employee, but no earlier than at 55 years of age.

#### **Note**

*The parties note that the funds the employer has available to allocate annually under the provisions regarding the phased retirement premium are intended to enable employees to reduce the length of their working life in some way if they wish to do so.*

*It is therefore in line with the intention of the agreement that the funds allocated for pension premiums are used to allow employees to retire before the normal retirement age.*

*Employees who wish to use the allocated funds to retire before the normal retirement age have the right to receive information from the insurance company on the size of the pension in different retirement date scenarios. The employees then notify the company of the date on which they wish to start drawing their pension under this agreement.*

*For employees wishing to use the amount allocated for retirement before the normal retirement age, the rules stipulate that the pension is to be paid out at the same monthly amount for all months until the date the employee reaches the*

*normal retirement age.*

*Retirement pension paid out according to this agreement may also take the form of partial pension, i.e. the employee receives pension according to the agreement while also continuing to work part-time.*

### **Section 3 Part-time pension**

Workers who opt solely for pension allocations in their working time account for a total of ten years (ten options) are entitled from the age of 60 to reduce their working hours in order to receive a part-time pension under the following conditions.

Employees who want to exercise this right must apply no later than six months before their part-time hours are to take effect.

The basic assumption is that an application for a part-time pension with a 50% reduction in hours will be granted, while an application for a part-time pension with a percentage of working hours other than 50% will require an agreement to be reached. In exceptional cases, however, the employer may deny or defer an application if granting it would significantly disrupt operations.

In a case where the employee does not inform the employer in writing at least six months before the application date of his/her intention to apply for part-time work, the employer may delay the start of the reduced hours on these grounds.

### **Section 4 Repayment protection**

The employee may opt for retirement pension repayment protection. Repayment protection is a solution whereby in the event of an insured person's death, the value of the retirement pension will be paid out as pension to a beneficiary according to Section 6. The amount is:

- in the case of a traditional pension: retirement pension value reported according to instructions issued by Finansinspektionen (FI, the Swedish financial supervisory authority);
- in the case of unit-linked plans: 100% of the value of the fund units.

If employees opt for repayment protection later than on the first date this option is available or more than 12 months after a family event, a health declaration is required. A family event here is when an insured party gets married, becomes a registered partner, becomes a cohabiting partner or has a child.

The repayment protection covers the entire value of retirement pension earned according to this agreement, regardless of who manages the assets. Employees suffering from a serious illness will, however, be granted repayment protection only for premiums earned from the beginning of the year after opting for repayment protection.

If an employee dies before reaching retirement age, the repayment protection will be paid out for five years. When the insured employee reaches retirement age, repayment protection will remain in place unless the individual decides to cancel it. The length of the payment period once the employee has reached retirement age depends on whether the retirement pension is for life or for a fixed term.

If the employee chooses to opt out of repayment protection at or after retirement age it cannot be reintroduced.

A more detailed description of repayment protection is provided in the rules of the insurance provider/fund manager.

### **Section 5 Value statement**

FORA issues value statements to employees containing information on the value of the pension assets for each year the employee is credited with the premiums.

The employee's employer has the right to receive this information from FORA where this information is necessary for the employer to assess its right to receive a tax deduction for the pension costs.

### **Section 6 Beneficiaries**

#### *General provision*

Unless FORA has been otherwise notified in writing, the beneficiaries of retirement pension repayment protection are (i) the insured employee's spouse or cohabiting partner and (ii) the insured employee's children with inheritance entitlement.

Partners are the same as spouses in this context under the Act (1994:1117) on Registered Partnership.

Spouses continue to be beneficiaries even where divorce proceedings are under way. Registered partners continue to be beneficiaries even in cases where dissolution of the registered partnership is under way.

## Annex 4 Provisions on retirement pension

---

A cohabiting partner is an unmarried individual who was living on a permanent basis with an unmarried insured employee under marriage-like circumstances or under circumstances that resemble a registered partnership at the time of death, on condition that they

- have, have had or are expecting a child together  
*or*
- have previously been married to each other or lived together in a registered partnership  
*or*
- have cohabited permanently for a period of at least six months.

### *Special beneficiaries*

The insured employee may designate, in writing, a different beneficiary.

Designated beneficiaries may only include the following individuals:

- a) Spouse/registered partner or former spouse/registered partner.
- b) Cohabiting partner or previous cohabiting partner.
- c) Child/stepchild/foster child of the insured employee or of an individual under a) or b).

If several children are beneficiaries, the pension is divided equally between them regardless of whether they are general beneficiaries or specially designated beneficiaries.

If there are no beneficiaries there will be no disbursement.

## **Annex 5 Stricter negotiation obligation when hiring temporary personnel**

### **Section 1 Negotiation and disputes in connection with hiring temporary personnel**

If, in connection with negotiations on hiring temporary personnel that take place according to the Swedish Act on Co-determination in the Workplace, an employee association claims that the employer's planned action may be contrary to the Swedish Employment Protection Act Section 25, and the employer's staffing need is for a period of more than five weeks, the employer, before making a decision, is to negotiate the matter separately according to the second paragraph.

In this negotiation the employer is to state the reasons for meeting the staffing need by hiring temporary personnel. The negotiations are to cover the issue of whether the employer's staffing need can instead be met by reemployment of employees with a preferential right to reemployment, in which case the issue of whether such employees have sufficient qualifications for the job is also to be addressed.

If, after negotiations according to the second paragraph have taken place, the employer still claims that the employer's workforce needs cannot be met by reemployment of employees with a preferential right to reemployment, the negotiating parties shall further – taking into account the company's needs, but also the legitimate interests of the employees – assess the possibility of reaching an agreement on reemployment according to Section 14 Subsection 10 of the general terms of employment, rather than hiring temporary personnel.

If in the negotiations the parties do not agree on whether hiring temporary personnel for more than five weeks is in violation of Section 25 of the Swedish Employment Protection Act, central negotiations are to be requested by the employer without delay after the local negotiations are concluded.

Central negotiations are to take place within ten days of the date they were requested. The central parties are to seek to resolve the issue being negotiated such that both the company's needs and the legitimate interests of the employees are taken into account.

If no agreement is reached in the central negotiations, the employer side must, within three working days of conclusion of the negotiations, refer the matter to an arbitration committee according to Section 2 Arbitration committee for hiring temporary personnel.

If the employer side fails to request central negotiation or fails to refer the matter to an arbitration committee, no hiring is to be done or hiring must be stopped within fourteen days.

If the employer side requests central negotiations by the deadline and refers the matter to an arbitration committee by the deadline, hiring may take place until one week has passed from the arbitration committee's decision.

The negotiations are to be conducted with all due haste.

## **Section 2 Arbitration committee for hiring temporary personnel**

The parties agree to form an arbitration committee as described below. The arbitration committee's procedures are to be simplified and swift.

The committee is to consist of one member from the Swedish Paper Workers' Union and one member from Swedish Forest industries Federation. The committee is also to have an impartial chairman. If there is disagreement on who to appoint as the impartial chairman, the Swedish National Mediation Office is to appoint the chairman.

The arbitration committee is to announce its decision quickly and as a rule no later than three weeks from the date of being convened. If either organisation has not appointed a member within the given three-week period, the arbitration committee will have a quorum with the impartial chairman alone. A decision may also be made if the labour organisation has not complied with an order to submit a written response to defend its position. The arbitration committee may, hold oral proceedings before a decision is made, but is not obliged to do so. As a rule, oral evidence is not to be given to the arbitration committee in oral proceedings, but this is permitted if the proceedings can take place in a speedy manner despite the hearing of evidence.

In its decision the arbitration committee is to explain whether actions planned or taken by the employer are or may be considered to be contrary to Section 25 of the Swedish Employment Protection Act.

The arbitration committee will not report the reasons in writing, but the committee may report the reasons verbally to each party.

The arbitration committee's decision is not to be regarded as a recommendation, but is legally binding in the sense that it is to be regarded as a breach of the Collective Agreement if the order arrangements in Section 1 are not observed.

If the hiring of temporary personnel begins or is not stopped in the manner prescribed in Section 1, despite the fact that the arbitration committee has determined that the employer's planned or executed action may be considered contrary or is contrary to Section 25 of the Swedish Employment Protection Act, a breach of the Collective Agreement will have taken place for each employee affected. Each employee has the right to normal damages of 1 ½ the price base amount for the harm the employee has suffered. If the hiring of temporary employees has started and the arbitration committee has determined that the action taken is contrary to Section 25 of the Employment Protection Act, this is to be considered a breach of the Collective Agreement and the arbitration committee has the right to determine the level of damages to be paid.

If the employer complies with the arbitration committee's decision, or if the arbitration committee finds that the action is not contrary to Section 25 of the Swedish Employment Protection Act, the parties are to act to resolve any legal disputes based on the above-mentioned section of the law.

**Note**

*The parties agree that if damages are awarded by the arbitration committee, damages will not be awarded under Section 25 of the Swedish Employment Protection Act.*

The parties also agree to form a temporary personnel hiring committee in accordance with what is stated below.

**Temporary Personnel Hiring Committee**

The parties state that any inappropriate circumvention of the preferential right to reemployment, regardless of the manner in which this happens, constitutes a breach of good practice in the labour market. The parties therefore agree that a Temporary Personnel Hiring Committee is to review hiring issues based on good practice in the labour market.

Provided that the Temporary Personnel Hiring Committee members are in agreement, the committee will be able to provide general guidelines on what may be considered good practice.

The Temporary Personnel Hiring Committee is also to monitor and discuss hiring issues of a general nature. One point of departure is that the interests of both the employees and the temporary personnel with respect to good working conditions and the employer's interests in terms of running an efficient organisation are to be taken into account. Special attention is to be paid to providing a good and safe

## Annex 5 Stricter negotiation obligation when hiring temporary personnel

---

working environment.

The parties agree to negotiate on a work plan for the Temporary Personnel Hiring Committee, with an obligation to maintain industrial peace.

## **List of other agreements in effect between the parties**

1. Cooperation agreement, excluding agreement on a suggestion scheme, in its most recent wording from 1 April 2010.
2. Agreement on general terms of employment in its most recent wording from 2017.
3. Agreement on pay statistics from 21 December 2015.
4. Agreement on employer collection of trade union fees (1971).
5. Workplace training from 10 January 1994.
6. Measures on skills development and recruitment from 13 December 1994.
7. Guidelines on skills development from 4 January 1998.