

# **Collective and Wage Agreements for the Insurance Sector**

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## **COLLECTIVE AGREEMENT FOR EMPLOYEES OF THE INSURANCE SECTOR**

### **Section 1: Scope of the agreement**

1. This collective agreement determines the terms of employment for employees and full-time insurance sales agents who are employed by member companies of the Federation of Finnish Financial Services, hereinafter referred to as "Companies", and are members of the Union of Insurance Employees in Finland. Separate agreements have been made on the salaries of employees and the terms of remuneration of insurance sales agents. The aforementioned persons shall be referred to hereinafter as "employees".

2. For the purpose of this agreement, "insurance sales agent" shall mean a person whose main task is direct sales work. An insurance sales agent can work either independently or supported by one or several assistants.

3. "Employee" shall refer to an employee other than an insurance sales agent.

*Entry on the record:*

"Main task" shall mean a task which, in terms of time, takes the majority of the working hours.

An insurance sales agent's main task is direct sales work which may comprise:

- creation of new customer relationships and maintenance of existing customer relationships
- financial arrangements for customers
- providing training and communications for insurance agents
- arranging customer events
- working at customer sites

Insurance sales agents usually have individual, pre-determined targets which they seek to achieve, determining their own working methods within the framework of the instructions provided by their employer.

Insurance sales agents normally manage a network of insurance agents. An insurance sales agent's area of operation is usually geographically limited.

4. Unless otherwise specified, all sections of this agreement apply to both employee groups. If the stipulations are limited to only one of these groups, this shall be indicated either in the title or in a specific record entry.

5. However, this agreement does not apply to:

- a) employees holding a managerial position, such as department managers or persons comparable to them or above them in the organisation.
- b) employee groups of the Companies which are bound by some other collective agreement

- c) summer assistants or employees whose average regular weekly working hours do not exceed 16 hours or whose employment contract has been concluded for a maximum of three months.

## **I TERMS OF EMPLOYMENT ON RECRUITMENT, TRAINING PERIOD AND TERMINATION OF THE EMPLOYMENT RELATIONSHIP**

### **Section 2: Recruitment**

1. At the beginning of the employment relationship, the employer and the employee must draw up a written employment contract in accordance with the model jointly approved by the trade unions.

*Entry on the record:*

It was agreed that the stipulation in the aforementioned paragraph will be applied to employment relationships commencing on or after 1 September 1980.

2. If the employer and the employee agree on individual terms of employment that are better than those stipulated by the relevant collective agreement in force, this must be done in writing.

3. When concluding the employment contract, the employer and the employee may agree on a trial period of a maximum of four months, during which the employment contract may be cancelled without notice by either party.

4. If the employment contract has not been cancelled during the trial period, normal termination stipulations shall apply to the employment relationship.

5. When concluding the employment contract, the employee must be informed of which collective agreement shall be applied to him or her as well as of the industry's organisational and negotiation relationships.

6. When concluding the employment contract, the employee shall also be informed of who functions as the shop steward of the workplace.

7. Unless specifically agreed, the employment contract shall not be regarded as temporary or concluded for a deputyship or fixed term. The basis for determining that a post is fixed-term must be mentioned in the employment contract.

*Remark:*

Employment contracts tied solely to a calendar period shall be concluded only in special cases.

### **Section 3: Training period**

1. A training period shall be applied in employment relationships concluded for an indefinite period. The training period lasts a maximum of one year, after

which the employee is made permanent. The employee will receive a written notification of the employment having become permanent.

2. A training period performed in some other insurance company shall be taken into account in its entirety when transferring to another insurance company.

3. Work as a summer assistant for one summer shall not be taken into account if the employment relationship has ended after it.

4. However, an employee shall not be made permanent before the trial period has ended.

#### **Section 4: Termination of an employee's employment relationship**

1. If the employee terminates the employment relationship, the notice period shall be one month. If the employment relationship has lasted longer than 10 years, the notice period shall be two months.

2. If the employer terminates the employment relationship, the notice periods shall be as follows:

- If the employee's employment relationship has lasted less than five years: two months
- If the employee's employment relationship has lasted over five years but less than nine years: three months
- If the employee's employment relationship has lasted over nine years but less than 12 years: four months
- If the employee's employment relationship has lasted over 12 years but less than 15 years: five months
- If the employee's employment relationship has lasted over 15 years: six months.

#### **Section 5: Termination of an insurance sales agent's employment relationship**

1. If the insurance sales agent terminates the employment relationship, the notice period shall be one month. If the employment relationship has lasted longer than 10 years, the notice period shall be two months.

2. If the employer terminates the employment relationship, the notice periods shall be as follows:

- If the insurance sales agent's employment relationship has lasted less than five years: two months
- If the insurance sales agent's employment relationship has lasted over five years but less than nine years: three months
- If the insurance sales agent's employment relationship has lasted over nine years but less than 12 years: four months
- If the insurance sales agent's employment relationship has lasted over 12 years but less than 15 years: five months
- If the insurance sales agent's employment relationship has lasted over 15 years: six months.

3. This shall not apply to cases in which, according to law, the employment

relationship may be cancelled without observing any period of notice or the work must be either wholly or partly suspended due to force majeure.

4. The termination of an employment relationship shall be performed in a verifiable way.

5. Upon the termination of an employment relationship, the Company may lay off an insurance sales agent for the notice period. In such a case, the Company shall pay the insurance sales agent pay for the notice period, which is determined on the same basis as sick pay.

6. The contracting parties agree that negligence in one's work shall refer to a situation in which the insurance sales agent's customer acquisition performance falls short of the minimum required by the Company in terms of quantity, quality or retention in force of the insurance contracts, taking account of seasonal fluctuations and following a previous written reprimand or warning issued by the Company.

*Entry on the record:*

A precondition for a written warning is that the insurance sales agent has been previously reprimanded for failure to achieve his or her targets and warned of the possible consequences. The Company must determine the reprimand threshold and the duration of the reprimand period after having discussed the matter with the chief shop steward. As a general rule, the reprimand period shall last less than three months. The validity of the reprimand shall expire after one year unless otherwise agreed locally.

7. Unless minimum requirements have been confirmed, the insurance sales agent's performance after the issuance of a reprimand shall be evaluated by comparing it to that of other insurance sales agents working for the Company in comparable circumstances.

8. When issuing a reprimand or warning to an insurance sales agent, the employer shall inform the agent of the Company's support and sales promotion measures and work arrangements aimed at helping the agent to achieve his or her targets. The agent's chief shop steward shall be informed of any reprimands or warnings given.

*Entry on the record:*

If the Company considers giving a reprimand or warning, it must inform the insurance sales agent's chief shop steward of the basis thereof beforehand so that its justification can be verified.

9. After issuing a warning, the employer must wait up to three months before the effect of the warning can be objectively determined. This period must not coincide or overlap with the insurance sales agent's annual holiday, long-term sick leave or comparable absence.

*Application instruction:*

Upon application of the warning procedure, a distinction must be made between the sales targets set for the insurance sales agent and the

minimum requirements referred to in the above record entry. In other words, failure to meet the sales targets does not in itself constitute sufficient grounds for terminating an employment.

In order to avoid any misunderstanding between the Company and the shop steward regarding the above application instruction, it would be expedient for the Company to inform the shop steward beforehand of the principles for confirming the insurance sales agents' sales targets and the threshold values for issuing a warning.

10. If the time used for local remuneration negotiations with the employer fundamentally differs from the estimated time applied when setting the sales targets of insurance sales agents directly participating in said negotiations, this must be taken into account when assessing whether said negotiators have achieved their targets.

11. An insurance sales agent participating in actual negotiations with the employer shall be paid compensation for loss of income covering the time of participation, this compensation being agreed locally. In such a case, the employer shall take account of the fact that the chief shop steward's compensation partly covers this type of loss of income.

12. The unions recommend that the Company and the organisation representing insurance sales agents agree locally on the effects of the termination of employment on the payment of remuneration.

## **II MANAGEMENT OF WORK, THE RIGHT TO ORGANISE AND SHOP STEWARD**

### **Section 6: Management of work and the right to organise**

1. The right to organise is inviolable on both sides.
2. If the employee finds that he or she has been dismissed, in violation of the provisions of this section, due to his or her membership of an employee organisation, the employee shall contact said organisation and request an investigation of the matter before any other measures are taken.
3. The Company has the right to manage and distribute work and recruit and dismiss employees.

#### *Entry on the record regarding employees:*

If an employee has been hired for a certain type of job in the Company, he or she shall, nevertheless, be obliged to perform other types of work if necessary.

### **Section 7: Shop steward**

1. The unions have concluded a separate shop steward agreement that regulates the shop steward system.



2. An employee functioning as shop steward may not be pressured or dismissed from work on account of said position.

### **III TERMS OF EMPLOYMENT ON WORKING HOURS AND ANNUAL HOLIDAY**

#### **Section 8: Employees' working hours**

1. Regular working hours shall not exceed 7 hours and 36 minutes a day or 38 hours a week. As a general rule, regular working hours shall be spread over five weekdays, excluding Saturdays.
2. Regular Saturday work requires a written agreement between the Company and the employee, made on a voluntary basis. Regular Saturday work can be agreed in the employment contract of new employees if they, according to said contract, are hired for a job in which regular Saturday work is being implemented or planned.
3. Either party may terminate the agreement observing a notice period of three months.
4. When the Company adopts regular Saturday work, the following procedure shall be observed before its implementation:
  1. The employer shall draw up a plan on the implementation of Saturday work in the Company and propose this to the personnel that would be affected by the planned change. Furthermore, the chief shop steward and the employee association shall be informed of the proposal. The proposal shall describe the planned extent and duration of Saturday work.
  2. The employer shall agree with the chief shop steward on how personnel that would be affected by the planned change shall be consulted on their willingness to perform Saturday work, after which the inquiry shall be carried out.
  3. Negotiators selected by the employee association, including some persons referred to in Item 2 above who are interested in Saturday work, shall negotiate the conditions of Saturday work, including:
    1. Number of personnel and work shift staffing levels
    2. Work arrangements
    3. Occupational safety
    4. Holiday and free day arrangements
    5. Lunch arrangements
    6. Occupational health care

When the parties agree on the matter specified in Item 3.1, the consent of those employees who have expressed their interest in Saturday work as specified in Item 2 above shall be taken into account in particular.

*Entry on the record:*

The unions recommend that the contracting parties agree on Saturday

work in those workplaces where it is necessary from the viewpoint of the Company's business operations and where a sufficient number of employees volunteer for Saturday work. The employee association has no right to ban the implementation of Saturday work if there is a sufficient number of volunteers for it. Saturday work can be implemented at the earliest as of 1 May 2001.

4. After the negotiations, the employer shall draw up a detailed proposal on the conditions and arrangements of Saturday work. The chief shop steward and the employee association shall be informed of the proposal.

5. The employee shall give his/her binding consent to performing Saturday work.

6. Even if the employee has already agreed on Saturday work upon the conclusion of his or her employment contract as specified in Section 8, Subsection 2 above, Saturday work cannot be adopted until the negotiation procedure referred to in this Section has been implemented in the workplace in question.

7. The system shall be taken into use.

*(Unions' joint interpretation: If a workplace has suspended the application of Saturday work for over a year, the voluntariness of all employees shall be reinvestigated, and if the new Saturday work model deviates from the previous one, such deviations must be negotiated and agreed in accordance with this Section).*

The unions agree that observing the aforementioned procedure also fulfils the obligations of the employer set forth in the Act on Co-operation within Undertakings.

5. Regular working hours shall equal those specified in Subsection 1 above and the working week shall consist of five days in such a manner that if the employee regularly works on Saturdays, the following Monday shall be free unless otherwise agreed.

6. Regular Saturday work shall be remunerated through hourly wages raised by at least 50 per cent, unless the employer and employee association have agreed on some other compensation.

7. Midsummer Eve and Christmas Eve shall be free days unless some other arrangement is necessary in order to safeguard the Company's undisturbed operation.

*Entry on the record:*

The Federation of Finnish Financial Services undertakes to issue recommendations regarding the working hours of New Year's Eve and Maundy Thursday.

8. Regular daily working hours can be extended by a maximum of one hour, providing that the average weekly working hours over a period of three weeks

do not exceed those calculated in accordance with Subsection 1 above.

9. A daily rest period shall not be included in working hours if the employee is free to leave the workplace during it and the rest period is at least half an hour.

10. A sufficient regular working time shall be reserved for employees after the office's closing time.

*Entry on the record:*

The purpose of the above is to restrict the formation of regular overtime work for customer service employees.

### **Section 9: Employees' regular working hours based on a local agreement**

In deviation from the provisions of Section 8 above, the employer and the association representing employees can agree that the average regular working hours are 38 per week. In such a case, daily regular working hours cannot exceed 10 hours over a period of 26 weeks and weekly regular working hours cannot exceed 40 hours. In such a case, the provisions of Section 10 below shall enter into force with respect to the working hours adjustment system, work schedule and bargaining procedure.

### **Section 10: Working hours adjustment system, work schedule and bargaining procedure**

1. When shifting to average working hours in accordance with Section 9 above or amending the working hours system, the employer shall negotiate with the association representing employees about the arrangements required by such shifts.
2. When applying average working hours in accordance with Section 9 above, the employer must, in advance, prepare a working hours adjustment system at least for the period during which the regular working hours are balanced to 38 hours. Furthermore, a work schedule shall be drawn up for at least one month, indicating the beginning and end of regular working hours.
3. The employer shall attempt to draw up the work schedule in a fair and equal manner from the viewpoint of employees. The work schedule must be provided to employees in writing and in good time, at least two weeks before the start of the period the schedule concerns. Thereafter, the schedule can be altered only with the consent of the employee/s concerned or for some compelling reason related to the arrangement of work.
4. Any agreement on average working hours as specified in Section 9 above shall be made in writing. Notice can be given on an agreement made indefinitely, to take effect at the end of the working hours' reference period. The period of notice shall be four weeks unless otherwise agreed.
5. Employees shall be notified of any agreement concluded by the employee association as referred to in Section 9 above, no later than one week prior to

its taking force. The agreement shall bind all employees whom the contracting association can be considered to represent. The agreement shall include stipulations on the conditions under which an employee shall have the right to observe his or her earlier working hours.

### **Section 11: Employees' shift work**

1. A working hours system for shift work shall be drawn up in advance and at least for a period of three weeks, and provided to employees at least one month before the beginning of the period in question, except in a case of force majeure in which case it must be provided at least one week in advance.
2. The employer shall attempt to draw up the work schedule in a fair and equal manner with respect to the alternation of employees.
3. In shift work, the regular working hours for a three-week period may not exceed the working hours of employees observing ordinary office working hours for the corresponding period.
4. The three-week period shall include the number of free days equalling those of employees observing ordinary office working hours.
5. Upon changes of shift, the employee shall receive at least one free day.
6. When shifting to shift work or amending the shift work system, the employer shall negotiate either with the shop steward or the association representing employees on the arrangements required by such a shift.

### **Section 12: Insurance sales agents' working hours and certain remunerations**

1. Although insurance sales agents plan their own work in co-operation with their supervisors, they have, in principle, a five-day working week that begins on Monday and ends on Friday.
2. If an insurance sales agent deviates from the above principle in order to perform his or her duties successfully, he or she must notify the supervisor about this.
3. If an insurance sales agent, upon the employer's initiative, participates in exhibitions, trade fairs or comparable events at weekends, he or she shall be paid compensation to be agreed locally.

### **Section 13: Employees' work shift staffing levels**

For tasks involving direct computer work, the minimum work shift staffing shall be two employees, excluding exceptional cases in which the employee, for particular and temporary reasons, must work alone, or if the working conditions have been otherwise arranged so that security aspects have been taken into account.

### **Section 14: Employees' keyboard work**

Individual recovery breaks shall be arranged for employees continuously doing routine-type keyboarding work, so that a continuous stretch of such work shall not exceed one hour.

### **Section 15: Annual holiday**

1. The employee shall be granted an annual holiday in accordance with the Annual Holidays Act in force unless otherwise provided below.

2. The employee's entitlement to annual holiday shall be determined on the basis of the duration of his or her employment as follows:

2.1. 2.5 weekdays for each full holiday credit month for an employee whose employment relationship has continued uninterrupted for one year by the end of the holiday credit year preceding the holiday season.

2.2. Three weekdays for each full holiday credit month for an employee whose employment relationship has continued for at least ten years by the end of the holiday credit year preceding the holiday season.

3. When calculating the duration of the employment relationship, the employee's total service in the insurance industry shall be taken into account.

4. An unpaid absence of a maximum of three months shall be taken into account when calculating the duration of the employment relationship. However, absences related to childbirth shall be taken into account as agreed in Section 19 below.

5. That part of the annual holiday which exceeds 24 days shall be granted in accordance with the Annual Holidays Act.

6. At the end of the employment relationship, the amount of holiday compensation shall be determined on the basis of the employee's holiday entitlement under Subsection 2 above.

7. The provisions of this section shall not apply to annual holiday practices deviating from the Annual Holidays Act nor reduce the holiday entitlement of the Companies' employees.

### **Section 16: Transfer of annual holiday**

1. If necessary from the viewpoint of the Company's operations, the employer shall be entitled to grant that part of the annual holiday which exceeds 18 days and which, according to the Annual Holidays Act, should be taken during the holiday season, as an uninterrupted holiday outside the holiday season. Before dividing holiday as referred to herein and determining the timing of that part of the holiday granted outside the holiday season, the employer must discuss the matter with the employee concerned. With respect to the statutory holiday thus given outside the holiday season, unless this is granted with a 50% extension, an extraordinary holiday bonus shall be paid, equalling 50% of the statutory holiday pay payable for that part of the holiday, taking account of

what has otherwise been agreed on holiday bonus.

2. If observing a compensation method that deviates from the one specified in the previous Subsection is feasible due to seasonal fluctuations or other comparable reasons, or if the Company has otherwise observed a deviating compensation method, the employer may also compensate the transfer of annual holiday as referred to above by granting the employee a 50% compensation in time as an alternative to the extraordinary holiday bonus.

### **Section 17: Carried-over holiday**

1. The Company and the employee can agree that the portion of the holiday that exceeds 18 days be taken, either wholly or partly, during the following holiday season or thereafter as carried-over holiday.

2. The employee shall have the right to carry over that portion of his/her holiday which exceeds 24 days, either wholly or partly, provided that this does not cause major harm to the production or service operations of the workplace.

3. The stipulations of the Annual Holidays Act shall apply to carried-over holiday.

#### *Entry on the record:*

The purpose of the amendments made to the collective agreement on 1 November 2007 regarding carried-over holiday is not to change the carried-over holiday agreements currently in force.

### **Section 18: Holiday bonus**

1. An employee that returns to work from annual holiday shall be paid a holiday bonus which is 50% of his or her holiday pay provided for by law and the collective agreement.

#### *Entry on the record:*

The holiday bonus shall be paid even if the employee's employment relationship ends during the annual holiday and he or she does not return to work after it.

The holiday bonus shall also be paid in connection with possible holiday compensation if the employment relationship ends during the holiday season for a reason beyond the employee's control.

2. The holiday bonus shall be paid in connection with the annual holiday pay unless some other payment time is agreed locally. If the annual holiday has been divided, that part of the holiday bonus which corresponds to each part of the holiday shall be paid in keeping with the above stipulations, unless otherwise agreed locally.

3. A precondition for the payment of holiday bonus is that the employee begins his or her annual holiday on the specified or agreed date and returns to work immediately after it has ended. The right to holiday bonus also arises if the employee has, immediately before the beginning of the annual holiday or after

it, during the employment relationship, been absent from work with the employer's consent or has been prevented from coming to work as referred to in Chapter 2, Section 7 of the Annual Holidays Act. If the annual holiday ends due to such an obstacle, the holiday bonus shall be paid as stipulated in Subsection 2 above.

*Entry on the record:*

Absence from work due to a child care leave is comparable to a situation in which the employee is absent with the employer's consent. A precondition for the payment of holiday bonus is that the employee returns to work from the child care leave in accordance with a notification referred to in the Employment Contracts Act or a change made to it later on justified grounds.

4. An employee who is retiring on an old-age pension, disability pension, early old-age pension or early disability pension shall be paid a holiday bonus.
5. Holiday bonus shall be paid to an employee leaving for military service after he has duly returned to work after it.
6. If the employer has, due to a reason beyond the employee's control, terminated the employee's employment contract to end during the annual holiday so that the employee cannot return to work from the annual holiday due to the end of the employment relationship, the employee shall not lose his or her right to holiday bonus as a result of this.

## **IV ABSENCE AND LEAVE REGULATIONS**

### **Section 19: Absences related to childbirth**

1. The employee shall be granted maternity leave, paternity leave, parental leave and child care leave as specified in Chapter 4 of the Employment Contracts Act and the Health Insurance Act.
2. The employee shall have the right to full pay for maternity leave of 72 weekdays and paternity leave of 6 weekdays.
3. If the employee has adopted a child under two years of age, she shall be given paid leave of 72 weekdays comparable to a maternity leave, as of the day when she received the child.
4. If the employee is on maternity, paternity, parental or child care leave provided for by law for longer than 18 months, the absence exceeding this time limit shall not be comparable to employment when determining benefits tied to the duration of the employment relationship.
5. The employer shall pay the maternity or paternity leave pay directly to the employee and apply for reimbursement in accordance with the Health Insurance Act after having received the necessary clarifications from the employee.
6. If the employer loses the maternity or paternity pay reimbursement because

the employee has not provided the necessary clarification for its application by the time limit provided for by law, the amount equalling the lost amount shall be deducted from the maternity pay.

7. An employee or insurance sales agent returning from family leave shall have the right to return to his or her previous or a comparable job.

## **Section 20: Sick pay**

1. If the employee is prevented from performing his or her work due to an illness or accident that he or she has not caused intentionally or through gross negligence, the employee shall receive:

- Full pay for the period of illness lasting up to 30 days
- If the illness lasts longer than 30 days, the employee shall receive pay for the second and third month of illness only once during the calendar year and only once due to an illness that has continued through the turn of the calendar year

*Entry on the record regarding insurance sales agents:*

A permanent insurance sales agent shall be paid sick pay calculated in the same manner as holiday pay.

2. If the illness lasts longer than three months, the Company can pay sick pay at its own discretion.

*Entry on the record regarding employees:*

If an employee is prevented from performing his or her work due to an illness, he or she must provide a medical certificate if the Company so requires.

If the Company determines the doctor from whom the medical certificate must be acquired, the Company shall pay the costs arising from the medical examination.

3. If the employee interrupts his or her parental or child care leave due to incapacity for work arising from his or her own illness or some other reason, the employer shall not be required to pay sick pay for the period that the parental or child care leave would have lasted.

4. An employee who, due to the above-mentioned reasons, is prevented from working, is obliged to inform the Company about this and the estimated duration of the obstacle without delay.

5. The employer shall pay the sick pay directly to the employee and apply for reimbursement in accordance with the Health Insurance Act after having received the necessary clarifications from the employee.

6. If the employee receives sick pay for the period entitling to daily allowance under the Health Insurance Act, he or she shall, without delay, provide the Company with clarifications required for the application of daily allowance that shall be reimbursed to the employer under said Act.



## **Section 21: Coordination of employees' sick pay**

1. From the sick pay shall be deducted any daily allowance or comparable compensation paid to the employee for the same disability and for the same period by an employee sickness fund that receives contributions from the employer, or on the basis of the Workers' Compensation Insurance Act, the Employees Pensions Act, other insurance paid in full or in part by the employer, the Motor Liability Insurance Act or the Act on Compensation for Crime Damage. If sick pay has been paid before the payment of some of the aforementioned compensations, the employer shall have the right to draw the compensation or recover its amount from the employee, but not in excess of the amount paid by the employer.

2. However, from the sick pay shall be deducted any amount that the employee receives for the same period on the basis of insurance paid by the employer or as allowance from an allowance fund into which the employer has paid at least half of the joint owner or membership fees on behalf of the employee.

## **Section 22: Medical examinations**

1. The employer shall not reduce the employee's pay for regular working hours in the following cases:

- Due to a laboratory or x-ray examination prescribed by a physician in connection with a medical examination and necessary for diagnosing an illness, or due to physical therapy necessary for maintaining the employee's ability to work
- Due to a visit to an eye specialist or optician necessary for maintaining the employee's ability to work if based on a referral from occupational health services
- Due to treatment of an acute dental condition if said condition causes the employee's incapacity for work and requires treatment during the same day or work shift. A precondition for this is that the incapacity for work and the urgency of the treatment are proven by a dentist's certificate
- Due to a pregnant employee attending a medical examination performed by a physician or health clinic in order to acquire a certificate required for obtaining a maternity grant in accordance with the Health Insurance Act
- Due to an employee visiting a maternity or child health clinic
- Due to the employee participating in health examinations referred to in the Decision of the Council of State on statutory occupational health care and approved in the plan of action for occupational health care as examinations to be performed during the employment relationship, and the related travel.
- Due to the employee participating in examinations referred to in the Act on the Protection of Young Workers as well as examinations required by the Health Care Act as a result of the employee transferring within the same Company to a new position in which said medical examination is required. If the employee is referred for the examinations cited in this section or if a check-up is ordered in connection with such an examination, the employer shall also compensate the necessary travel costs. If the examinations and check-up are performed in another locality, the employer shall also pay a daily allowance.

- Due to the employee seeing a doctor with a disabled child or a child younger than 10 years of age in order to diagnose an illness as well as taking laboratory tests or x-ray examinations related to said medical examination during the same day.
2. A precondition for the application of the above-mentioned stipulations is that the examinations and check-ups have been arranged in a manner that prevents the unnecessary loss of working hours while also taking account of possible flexible working hours.
  3. The above stipulations on the non-reduction of the employee's salary shall not apply in those cases in which the employee receives sick pay for the time in question.

### **Section 23: Temporary absence**

1. A temporary absence which, as a general rule, lasts no longer than one day, may not be reduced from the employee's salary or holiday if said absence is caused by a sudden illness of a child or other near relative or the death or funeral of a near relative.
2. When a child younger than 10 years of age, or a child under 18 years of age with a serious illness as referred to in Section 4 of the Decision of the Council of State (130/85), suddenly becomes ill, the child's guardian shall receive pay in accordance with the regulations concerning sick pay for a short, temporary absence which is necessary in order to arrange care for the child or personally care for the child.

#### *Implementation guidelines:*

The length of a sudden, short absence shall be determined on the basis of what is necessary in order to arrange care for the child or personally care for the child. However, such an absence must not exceed three days.

A precondition for the payment of salary to persons other than single parents is that both guardians be gainfully employed and the other guardian have no possibility of arranging care or personally caring for the child due to his/her employment and working hours.

A report of the absence must be provided in accordance with the regulations for the collective agreement concerning the payment of sick pay. Likewise, a report regarding the other guardian's inability to care for the child must be provided.

The employee's annual holiday benefits shall not be reduced due to the absence referred to above.

#### *Interpretation:*

The absence must be related to arranging for care or personally caring for the child as a result of his/her sudden illness, not a pre-arranged treatment period.

3. If the employee's child has a severe illness as referred to in Section 4 of the

Decision of the Council of State (130/85), the employee shall be entitled to unpaid absence from work in order to participate in the care, rehabilitation or care training of the child as referred to in Section 3 of said Decision. Such absence must be agreed with the employer in advance.

4. If personally caring for or arranging for care for a sick child or other near relative requires a longer absence, the employer shall attempt to arrange the possibility of a longer unpaid absence than mentioned above, if permitted by the work situation.
5. An employee shall be granted a paid day off for his/her own wedding.
6. An employee whose employment has continued for at least one year shall be granted a paid day off on his/her 50<sup>th</sup> and 60<sup>th</sup> birthday if these coincide with his/her working days.
7. An employee liable for military service answering a call-up shall not lose any of his/her income.
8. If an employee participates in military refreshment courses for reservists, the difference between his/her salary and reservist's pay shall be paid to him/her for the days of participation.
9. If the employee participates in the work of a municipal council or government or a statutory election committee or electoral commission associated with national or municipal elections, the employee's annual holiday benefits shall not be reduced due to any such meetings being held during working hours. If such meetings are held during the employee's working hours, he/she shall be paid the difference between his/her salary and compensation for the loss of income paid by the municipality insofar as such compensation is lower than his/her salary. The difference shall be paid after the employee has provided a clarification of the compensation for the loss of income paid by the municipality.
10. If an employee moves to another residence, he/she shall be granted a paid day off if the day of removal coincides with his/her working days. An employee shall have the right to a paid day off for removal no more than once during any twelve consecutive months.
11. The employee must agree with the employer on any absence complying with this section.

## **V OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

### **Section 24: Regulations and social benefits**

1. The Company shall observe the instructions and working order in force from time to time which, however, shall not be inconsistent with this Agreement.
2. When drawing up or amending the instructions of the Company, the employer must negotiate with the association representing the employees or, if

this does not exist, with the shop steward.

*Entry on the record:*

Annual holidays or other social benefits for employees employed by the Companies, which are in force and fall within the scope of this Agreement, shall not be reduced during the validity of this Agreement without the consent of the contracting parties.

## **Section 25: Compensation for travel expenses**

Employees' travel expenses shall be compensated in accordance with the travel rules model or at least in accordance with the wage agreements.

## **Section 26: Removal costs**

If the employee is permanently transferred to another locality on the employer's initiative, the employee shall be compensated for his/her reasonable removal costs.

## **Section 27: Employee's meal benefit**

The Companies shall, at their expense, provide employees with the opportunity to have a meal at the workplace or near it.

## **Section 28: Insurance sales agent's meal benefit**

1. The Company shall, at its expense, provide the insurance sales agent with the opportunity to have a meal on working days for which the agent shall not receive a daily allowance for travel.

2. In those localities where it is impossible in practice to arrange a meal benefit, this can be replaced with monetary compensation.

## **Section 29: Group life assurance**

The employer shall pay for group life assurance for the employees as agreed between the central organisations.

## **Section 30: Meeting facilities**

1. A registered affiliated association of the Union of Insurance Employees in Finland shall have the opportunity (before working hours, during lunch breaks or immediately after working hours and, if separately agreed, during the weekly rest period) to arrange meetings associated with employment matters at the workplace on the following conditions:

- The arrangement of a workplace meeting must be agreed with the employer three days before such a meeting, if possible.
- The employer shall provide the meeting facilities, which is a place controlled by the employer, either at the workplace or near it, and appropriate for the purpose. If such a place does not exist, the parties shall negotiate to find a suitable solution.

- The association which booked the meeting facilities and the meeting organiser shall be responsible for maintaining good order at the meeting. The association's elected officials shall be present at the meeting.

2. The meeting organisers shall have the right to invite representatives of the Union of Insurance Employees in Finland, its affiliated association and the Finnish Confederation of Salaried Employees STTK to the meeting.

### **Section 31: Collection of membership fees**

The Federation of Finnish Financial Services recommends to its member companies that if the employee or insurance sales agent has given its authorisation thereto, the employer shall collect the membership fees of the Union of Insurance Employees in Finland in connection with salary payments. At the end of the year or employment relationship, the employer shall provide the employee and the insurance sales agent with a certificate of the withheld amount, for taxation purposes.

## **VI NEGOTIATION PROCEDURE AND INDUSTRIAL PEACE**

### **Section 32: Local bargaining**

1. A Company and a registered employee association may agree on deviations from the provisions of the collective agreement within the limits specified by law. However, they cannot agree that the whole collective agreement or an essential part thereof, such as the pay system or the working hours system, be entirely superseded. The parties to such an agreement shall be the Company and the registered employee association in question.
2. The negotiations shall be conducted during a period of industrial peace, and the negotiations shall not be transferred to trade union and employer association level.
3. In their agreement proposal the parties shall specify the provision or provisions of the collective agreement from which they wish to deviate, and provide grounds for such a deviation.
4. Any local agreements shall be made in writing.
5. The agreement shall specify the persons to whom it applies, the provision of the collective agreement that is concerned and the contents of the local agreement.
6. The agreement may be valid for a fixed term or until further notice. In the latter case, the agreement may be terminated by observing a period of notice of three months. The agreement shall contain provisions on how the previous terms shall be revalidated if the agreement is terminated.
7. A copy of the agreement shall be sent to the trade union and employer association for information.
8. The agreement shall enter into force on the agreed day but not until the

trade union and employer association have received notice of it.

9. The agreement shall have the same legal effect as a collective agreement concluded between a trade union and an employer association.

10. Any disputes arising from the interpretation of agreements based on this Section shall be resolved similarly to disputes arising from the interpretation of a collective agreement unless otherwise required by a salary discussion record.

11. The negotiators nominated by the employee association shall be given sufficient working hours to perform the duties arising from the conclusion of the agreement.

### **Section 33: Settlement of disputes**

1. Any disputes arising from the interpretation or breach of this agreement shall be primarily resolved through negotiations between the Company and the employee's shop steward.

2. If local negotiations fail to produce a settlement and the other party wishes to submit the matter to the trade union and the employer association for resolution, a memorandum must be drawn up and signed by both parties, briefly specifying the matter under dispute, the related facts and both parties' opinion.

3. The trade union and the employer association shall attempt to start negotiations within two weeks from being requested to do so and conduct the negotiations promptly, avoiding unnecessary delay.

4. If a consensus is not achieved between the trade union and the employer association, either party can bring the matter before the Labour Court for decision.

### **Section 34: Strikes**

Any means of industrial action that are directed at this collective agreement, either in full or at any individual provision contained herein, are prohibited.

### **Section 35: Validity of the agreement**

1. This agreement shall remain valid until 30 September 2011.

Helsinki, 24 September 2010

Reijo Karhinen

Jorma Kontio

**UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen

Kirsi Kovanen

## **WAGE AGREEMENT FOR EMPLOYEES OF THE INSURANCE SECTOR AS OF 1 JANUARY 2009**

Section 1: Scope of the agreement

Section 2: Pay system

Section 3: Wages

Section 4: Part-time employee's wages

Section 5: Division of monthly salary

Section 6: Insurance examination

Section 7: Transfer to a more demanding position

Section 8: Positions above pay grades

Section 9: Travel and transfers

Section 10: Overtime

Section 11: Shift work

Section 12: Evening and night work supplement

Section 13: Stand-by compensation

Section 14: Call-out work

Section 15: Telephone call on business matters

Section 16: Strikes

Section 17: Settlement of disputes

Section 18: Validity of the agreement



## **WAGE AGREEMENT FOR EMPLOYEES OF THE INSURANCE SECTOR AS OF 1 JANUARY 2009**

### **Section 1: Scope of the agreement**

This agreement shall apply to employees falling within the scope of the collective agreement for employees of the insurance sector.

### **Section 2: Pay system**

1. The employee's wage shall be determined individually while taking account of the job's competence requirements, the employee's qualifications and performance and the principle of equal pay for equal work.

Employees shall be placed in pay grades on the basis of job grading (Appendix 1).

2. If the employee's duties become less demanding so that the competence classification points linked to the new post decrease by at least 80, the employee's job grade may be reduced. In such a case, the employee's wages can also be reduced by the amount equalling the change in the minimum wages, in other words, by the difference between the old and the new pay grade. When the employer and the shop steward discuss the matter, the employer shall present the grounds for such a change in position. The employee's job grade and wages can be reduced as of the beginning of the fourth month following such a change in position.

#### *Entry on the record:*

This provision shall not affect either the expansion or reduction of the employer's managerial prerogative or unilateral changes made in employment contracts.

3. The employer shall inform each employee how his/her job has been graded and how his/her total salary, including increments, is formed.

4. The supervisor and the employee shall together evaluate the job grading on the basis of the job description if the employee's duties essentially change for example due to company reform or appointment to another position. If the employee is moved to a higher pay grade, the resulting wage increase shall enter into force in the beginning of the following month. The wage increase must be at least equal to the difference in minimum wages of the employee's previous and new pay grades. If necessary, the employee may either him/herself or via the shop steward request a clarification as referred to in the previous Subsection.

### **Section 3: Wages**

1. The employees' minimum wages based on regular maximum working hours allowed by Section 8 of the collective agreement are specified in Appendix 3.

### **Section 4: Part-time employee's wages**

1. The wages of a part-time employee falling within the scope of the collective agreement shall be calculated on an hourly wage basis. However, the wages shall be paid to the employee as a monthly salary. Minimum hourly wage is calculated by dividing a full-time employee's corresponding grade-based pay by 150.

A part-time employee's individual pay component that exceeds the minimum pay can be proportioned to his/her working hours. A part-time employee's insurance examination increment shall be paid in full in compliance with the agreement valid from time to time.

2. A part-time employee's individual pay component that exceeds the minimum pay can be proportioned to his/her working hours. The insurance examination increment of a part-time employee shall be paid in full in compliance with the agreement valid at the time.

### **Section 5: Division of monthly salary**

If the employee is not entitled to his/her pay for the whole pay period, the pay payable to him/her shall be calculated as follows:

1. The wages payable to the employee for the pay period are divided by the number of days of the pay period which were or would have been his or her working days. The daily wages thus obtained are multiplied by the number of days for which the employee is entitled to receive pay.

2. A fixed monthly salary divisor can also be applied if so agreed locally.

3. The employee's holiday pay and holiday compensation shall be calculated as stipulated in the Annual Holidays Act.

### **Section 6: Insurance examination**

Employees who fall within the scope of competence classification and have passed the insurance examination shall be paid a specific insurance examination increment amounting to EUR 72/month as of 1 November 2007.

### **Section 7: Transfer to a more demanding position**

1. If an employee's duties change substantially, his/her position shall be rescored.

2. If an employee is transferred to a more demanding position, an induction period of a maximum of twelve months shall apply, the length of this period depending on the competence classification of the job.

3. The employee shall be informed in advance of the length of the induction period.

4. During the induction period, the employee shall receive pay based on his/her new position.

5. If the transfer is intended as temporary, the employee must be informed in advance of its estimated duration. If the more demanding job lasts over one month, pay based on the new position shall be paid for the time worked in excess. The maximum uninterrupted duration of a temporary transfer is one year, except in the case of child-care leave when the transfer may last as long as the leave.

## **Section 8: Positions above pay grades**

1. Positions above pay grades shall refer to such positions whose score exceeds 910 points or which were not included in the pay grade system when it was implemented.
2. The minimum pay for positions above pay grades shall be at least 2 per cent higher than the pay for the highest pay grade. This rule shall also apply to previously unclassified positions.

### *Entry on the record:*

If the position has been scored on the basis of the 7 + 25% rule and a new employee is hired for a similar job, the new employee's position shall also be classified regardless of the wage level.

If an entirely new job description is created in the area of classified positions, it shall be classified, and if the scores exceed 910 points, the position shall be placed as a position above pay grades.

## **Section 9: Travel and transfers**

1. If an employee, upon the order of the employer, has to perform work in another locality, he/she shall be compensated for the costs arising from travel and maintenance in accordance with the Company's travel rules, however, in such a manner that the actual costs are covered.
2. If an employee must temporarily work in a location that, compared to his/her regular place of work, due to its location or poor traffic connections,
  - considerably extends his/her commute to and from work, or
  - otherwise adversely affects his/her arrival at work/home, or
  - considerably increases his/her costs,the employee shall be paid a separate compensation to be agreed locally on a case-by-case basis. The stipulations of the Company's travel rules shall be observed when agreeing on compensation of such additional costs, if applicable.
3. If the employee's duties require travel between several places of work in the same locality within the daily working hours, compensation for the travel expenses shall be agreed locally.

## **Section 10: Overtime**

1. Overtime refers to work carried out in addition to working hours stipulated in Section 8 of the collective agreement and performed within the limits set out in the Working Hours Act.

2. Daily overtime shall be compensated for by an hourly wage increase of 50 per cent for the first two hours and 100 per cent for any subsequent hours. Weekly overtime shall be compensated for by an hourly wage increase of 50 per cent for the first eight hours and 100 per cent for any subsequent hours. If the overtime work extends beyond midnight, this shall not reduce the compensation percentages.
3. Work performed on a public holiday shall entitle the employee to an hourly wage increase of 100 per cent.
4. Overtime performed on a Sunday or public holiday shall be compensated for by an hourly wage increase of 150 per cent for the first two hours and 200 per cent for any subsequent hours.
5. Only full quarters of an hour shall be taken into account when determining the amount of overtime compensation.
6. The hourly wages based on which the overtime compensation shall be calculated is obtained by dividing the monthly wages, including fringe benefits, by the regular weekly working hours multiplied at a maximum by four.
7. If the employee's regular evening or night shift continues overtime, an evening or night shift increment shall be added to his/her hourly wages.
8. An employer and an employee can agree that overtime compensation be converted into corresponding free time during regular working hours or that such free time be added to the carried-over holiday referred to in Section 17 of the collective agreement. In the latter case, the regulations concerning carried-over holiday shall be applied to such free time, where appropriate.
9. Overtime compensation shall be paid or free time corresponding to such compensation shall be granted within two months of the overtime in question. Any claims against the overtime compensation must be made within one month of the overtime in question, unless there is an insurmountable reason for not doing so.
10. Any practice already applied by the Company regarding remuneration for work extending beyond midnight shall not be changed.

### **Section 11: Shift work**

1. An employee doing regular shift work shall be paid at least 20% of his/her basic hourly salary as an evening shift supplement and at least 30% of his/her basic hourly salary as a night shift supplement for the evening or night work hours included in his/her work shift.
2. Any shift work performed on a public holiday shall be compensated in accordance with Section 10 above.

### **Section 12: Evening and night work supplement**

1. If an employee performs work included in his/her regular daily working hours
  - between 6 pm and 11 pm, he/she shall be paid a supplement as compensation for these hours, this being at least 20% or his/her basic hourly wages, or
  - between 11 pm and 7 am, he/she shall be paid a supplement as compensation for these hours, this being at least 30 % or his/her basic hourly wages.
2. When calculating compensation, only full quarters of an hour falling between said hours shall be taken into account.

### **Section 13: Stand-by compensation**

If an employee's contract, which defines the duration of a stand-by duty, requires him/her to be on standby duty at his/her residence or other agreed place, from where he/she can come to work when requested, the employee shall receive half of the hourly wages for the stand-by time, which shall not be included in the employee's working hours.

### **Section 14: Call-out work**

1. Call-out work refers to a situation in which an employee is summoned to work outside his/her regular working hours after having left the workplace.
2. One hour's wages shall be paid for call-out work and, if such work is overtime, the overtime compensation. In addition, call-out pay shall be paid for call-out work, this being determined on the basis of the time of the call out as follows:

#### **I For daytime work**

- a) If the employee has been summoned for call-out work after his/her regular working hours or on his/her free day but before 9 pm, compensation equalling two hours' wages shall be paid.
- b) If said summon has been issued between 9 pm and 6 am, compensation equalling four hours' wages shall be paid.

#### **II For shift work**

##### **a) On the morning shift**

On the morning shift, call-out pay shall be paid as agreed above regarding day work.

##### **b) On the evening and night shift**

If the summons to call-out work is issued within 9 hours from the end of the employee's regular working hours, compensation equalling three hours' wages shall be paid.

- c) If the summons to call-out work is issued after 9 hours have passed since the end of the employee's regular working hours but at least one hour before

the beginning of the employee's next regular working time, compensation equalling two hours' wages shall be paid.

If the work referred to in I b) and II b) above is overtime, the overtime compensation shall immediately be 100 per cent.

### **Section 15: Telephone call on business matters**

If an employee receives a telephone call on business matters outside his/her regular working hours, during free time, and the employee is able to handle the matter over the phone, the employee shall be paid at least one hour's ordinary hourly wages. If the phone call takes place on a weekday between 10 pm and 7 am or on a Saturday, Sunday or public holiday, the compensation shall be three times the hourly wages.

### **Section 16: Strikes**

Any means of industrial action that are directed at this collective agreement, either in full or at any individual provision contained herein, are prohibited.

### **Section 17: Settlement of disputes**

Any disputes arising from the application or interpretation of, or breach against, this agreement shall be resolved as agreed in Section 33 of the collective agreement, unless otherwise required by a salary discussion record.

### **Section 18: Validity of the agreement**

This agreement shall remain valid similarly to the collective agreement for employees of the insurance sector.

Helsinki, 24 September 2010

## **FEDERATION OF FINNISH FINANCIAL SERVICES**

Reijo Karhinen                      Jorma Kontio

## **UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen                      Kirsi Kovanen

**Appendix 1****JOB GRADING FORM**

Federation of Finnish Financial Services  
Union of Insurance Employees in Finland

Job scores

BASIC COMPETENCES REQUIRED BY THE JOB	LEARNING TIME		
	1. ≤1 year	2. ≤ 2 years	3. > 2 years
1. No specific educational requirements	40	60	80
2. High school	80	100	120
3. University	120	140	160

KNOW-HOW / The job requires:	
1. Basic know-how	60
2. Advanced basic know-how	100
3. Professional know-how	150
4. Extensive professional know-how or limited specialist know-how	200
5. Versatile professional know-how	250
6. Extensive specialist know-how	300
7. Versatile specialist know-how	350

FREEDOM AND RESPONSIBILITY / The job requires:	
1. Clear instructions	50
2. Ability to handle established situations and working methods	100
3. Independent information seeking and application	150
4. Independent judgement and problem-solving	200
5. A predetermined service mission	250

SEPARATE RESPONSIBILITY / The job involves individual or group-specific:	Scores		
1. Induction and/or training responsibility	0	20	40
2. Supervisory responsibility	0	40	80
3. Responsibility for customer relationships	0	40	60
The score is affected by the number of responsibilities and the importance of the individual responsibility factor			
Total score _____			

INTERACTION					
The score is affected by the number and dissimilarity of contacts and the challenges related to service situations	40	70	100	130	160

STRESS			
1. Being tied to timetables	0	20	40
2. Working alone	0	20	40
3. Stress arising from working conditions	0	20	40
4. Physical strain	0	20	40
The score is affected by the number of stress factors and the importance of the individual stress factor			
Total score _____			

Total job score
-----------------



## Appendix 2

### INSTRUCTIONS FOR FILLING IN THE JOB GRADING FORM

#### BASIC COMPETENCES AND LEARNING TIME

Basic competences shall refer to the education completed before the beginning of the employment relationship. Learning time shall refer to the induction and occupational instruction and guidance time required by a new employee to achieve independent preparedness for work.

#### KNOW-HOW

The job shall be graded as a whole. The job areas, which can also refer to competence areas, shall be agreed locally. Working as a member of a team shall not affect the starting point that each employee's own actual job be graded. The purpose is to grade actual tasks performed rather than targeted job descriptions or planned development areas.

##### **Basic know-how:**

- Familiarity with workflows and documents
- Basic knowledge of information systems
- Know-how is obtained through induction; separate instructions shall be given for deviations

##### **Professional know-how:**

- Requires professional skills obtained through work experience, or basic or advanced vocational training in the field
- Requires expertise in the task area
- Involves independent work and self-driven information seeking

##### **Specialist know-how:**

- Requires familiarity with professional "history data" and in-depth expertise in the task area

##### Restricted:

- The job involves one task area

##### Extensive:

- The job involves several task areas

##### Versatile:

- The job involves various task areas that require versatile professional know-how and coordination of data, such as the parallel evaluation of the customer's and Company's interests

#### FREEDOM OF ACTIVITIES

This shall be evaluated at the level of the individual, without taking possible team work or the team's authorities into account.

#### 1. Independent information seeking and application

- Often involves general guidelines or a large number of detailed instructions and regulations
- Requires independent information seeking and application with respect to current and future guidelines and regulations

## **2. Independent judgement and problem-solving**

- Assignments usually general by nature
- The guidelines and standards in force require an evolving or creative approach
- Independent judgement involves professional or financial responsibility
- Ability to provide independent, possibly novel solutions

## **3. Pre-determined service mission**

- Provides the person holding the post with independent responsibility for the planning and implementation of work and the effectiveness of operations
- The performance of the person holding the post is guided by the jointly agreed service mission rather than specific guidelines or practices
- The results achieved are evaluated

## **SEPARATE RESPONSIBILITIES**

### **1. a) Responsibility for employee induction**

Induction refers to the instruction of the Company's employees in their work or with respect to changes in their work as well as new employee's induction in his or her work, the organisation, working environment and other staff.

### **1. b) Training responsibility**

Training includes, for instance, separately arranged events in which employees are taught to use a new system or equipment and offered information on new sales techniques and the contents of new products.

If the company pays separate remunerations for training presentations and the post does not involve other training responsibilities, the related scores based on the pay system shall not be applied when grading the job.

### **2. Supervisory responsibility**

In connection with job grading, it must be clarified whether the team has been assigned supervisory responsibilities and, if so, who exercises them.

Supervisory responsibility refers to responsibility for the work and results of an employee or group of employees.

### **3. Responsibility for customer relationships**

This refers to responsibility for the maintenance and enhancement of customer relationships or responsibility for the company image.

## **INTERACTION**

As a general rule, external and internal customer service are equally valuable.

For example, direct, basic customer service related to other duties, such as claims handling, insurance handling or pensions handling provides a score of 100. Customer service work is interactive.

## **STRESS**

### **1. Being tied to timetables**

This refers to continuous or regular, daily pressure to keep to timetables.

### **2. Working alone**

This refers to the fact that the person must continuously work alone (one-person office) or isolated from colleagues (microfilming).

### **3. Stress arising from working conditions**

This refers to work involving, for example,

- soiling of work clothing
- exposure to high or low temperatures
- such heavy noise that requires the employee to raise his/her voice to be heard
- the continuous need to wear hearing protector
- draught that exceeds ordinary draught present in office facilities
- the need to work in difficult working positions for a long time

### **4. Physical strain**

This refers, for example, to work causing fatigue or involving the need for physical strength or elevated energy consumption. This is usually linked to tasks that require continuous carrying or recurrent lifting.

**EMPLOYEES' PAY GRADES****Appendix 3****Employees' minimum wages as of 1 October 2010**

<b>Employees' minimum wages as of 1 October 2010</b>		
Helsinki Metropolitan area	Minimum wages, EUR/month	Score limit
B	1776	Below 590
C	1892	591 -
D	2023	671 -
F	2164	751 -
G	2319	831 - 910
above pay grades	2365	911 -

<b>Employees' minimum wages as of 1 October 2010</b>		
Rest of Finland	Minimum wages, EUR/month	Score limit
B	1721	Below 590
C	1830	591 -
D	1953	671 -
F	2090	751 -
G	2237	831 - 910
above pay grades	2282	911 -

**SALARY DISCUSSION RECORD****Appendix 4****Section 1: Pay principles**

1. An employee's wages shall be determined individually while taking account of the job's competence requirements, the employee's qualifications and performance and the equal pay for equal work principle.

An employee's minimum wages shall be determined on the basis of job grading which complies with Section 2 of the employees' wage agreement or a job grading agreed locally in compliance with this salary discussion record.

The employer shall inform each employee, in accordance with Section 2, Item 3 of the wage agreement, how his/her job has been graded and how his/her total salary including increments is formed.

The job grading shall be evaluated on the basis of the wage agreement in connection with a change in duties caused by an organisational reform or appointment to another post or other essential change in duties. Any pay increase arising from an essential change in duties shall be implemented as of the beginning of the month following the change in the job grade level by increasing the employee's pay by at least the difference between the minimum grade-based pay of the old and new post.

Any other changes in duties shall be evaluated in the salary discussion on the basis of the job grading, and any pay increases justified by a higher job grading shall be implemented on the basis of this discussion.

The employee's qualifications and job performance shall be evaluated on the basis of the evaluation form included in the collective agreement, unless a company or group of companies and a member association of the Union of Insurance Employees in Finland agree otherwise.

2. The Company shall establish its pay policy after it has been considered either by a salary discussion workgroup or, if this does not exist, together with the employees.

A company needs an up-to-date pay policy which forms the basis of its salary discussions. The pay policy shall refer to principles derived from the company's business strategy on which the company's whole pay system is based. This may include views on how wage development shall be ensured, how the implementation of the pay policy shall be monitored and how the effectiveness of the pay policy shall be evaluated. The contents of the pay policy shall be presented in more detail in the contracting parties' joint salary discussion guide.

The Company shall provide sufficient training and information on the contents of its pay policy before the pay discussions are initiated.

3. An employee's wages are affected by his/her:

- \* duties and any changes taking place in them (the requirements of the job)
- \* work experience
- \* competences (know-how; maintenance and development of professional skills)
- \* work performance (quality of work and goal-orientedness)
- \* willingness to develop his/her own work and working methods
- \* co-operation and interaction skills

4. The starting point shall be to achieve a pay policy and wage development which the employees find fair and motivating.

## **Section 2: Salary discussion**

1. The employee's individual fixed total salary shall be increased on the basis of the salary discussion unless the discussion leads to the conclusion that this shall not be done.

Individual fixed total salary shall refer to the employee's regular salary, which is paid in money on a monthly basis and includes the following:

- Grade-based pay
- A job-specific allowance complying with the pay system which was in force until 1 April 1999
- Individual allowance
- Equality allowance (1 Dec. 1994)
- System-based allowance/surplus (the difference between the pay grades of 31 March 1999 and 1 April 1999)
- Seniority increments
- Other allowances ("tails") based on the collective agreement

Any allowances related to the working conditions (including evening, night and shift supplements, stand-by, call-out and telephone call compensations, insurance examination increments, various performance and sales bonuses) shall not be regarded as individual fixed total salary.

The inclusion of local allowances in individual fixed total salaries can be agreed with a member association of the Union of Insurance Employees in Finland.

2. The employer's representative and the employee shall agree on the time of the salary discussion in line with the possible guidelines issued by the salary discussion workgroup.

The supervisors performing salary discussions shall inform the shop steward in good time of the period during which the discussions are supposed to take place.

Salary discussions shall be performed before the salary increase dates agreed in the collective agreement. The employer's representative performing salary discussions shall have the power to decide on salary increases payable on the basis of the discussion.

3. The employee shall have at his/her disposal, in good time before the salary discussion, available information on:
  - the average earnings and wage development in the insurance industry
  - average earnings within the Company on the basis of company-specific statistics presented in accordance with the statistical designations of the Confederation of Finnish Industries EK
  - company-specific information on the range of job grades.
4. A personal salary discussion is an important part of the employee's wage determination and wage development. The supervisor shall be obliged to perform and the employee shall be entitled to have a salary discussion at least once a year. The supervisor and the employee shall confirm the outcome of the salary discussion in writing. A summary of the discussion shall be drawn up in accordance with the attached model, unless a company or group of companies and a member association of the Union of Insurance Employees in Finland agree otherwise.
5. The purpose of the salary negotiation shall be:
  - To describe the employee's current duties and achieved results in a dialogue between the supervisor and the employee
  - To discuss the employee's qualifications and work performance
  - To discuss the employee's salary while taking account of his/her present and possible future duties and areas of responsibility
  - To seek a consensus on the employee's salary increase

### **Section 3: Discussions and negotiations preceding the implementation of salary discussions**

The following matters shall be handled by the Company, either in the salary discussion workgroup or, if this does not exist, with the shop steward or, if this does not exist, with the employees, before the salary discussion model is implemented for the first time:

1. Number of shop stewards in accordance with the shop steward agreement

In line with the application principles of the shop steward agreement, the agreement allows each Company to resolve for itself the way in which it wishes to create a suitable shop steward system which should reflect the Company's organisation and, thus, create a basis for its shop steward activities.

2. Pay policy and its handling  
Communicating the pay policy to the Company's employees

The trade union and the employer association recommend that, if possible, the employer's representatives that decide on the Company's pay policy also participate in the handling of the pay policy.

3. Salary discussion training for supervisors and employees
4. Implementation of salary discussion in the Company

5. Contents of the collective agreement solution, possible matters agreed locally in deviation thereof, and the level and dates of salary increases.
6. Salary discussions in exceptional situations
7. Follow-up of salary discussions and handling of salary discussions concluded in disagreement

Discussions preceding and following salary discussions:

After having implemented the salary discussion model, the Company shall consider any changes in matters referred to in Section 3 before the subsequent application of the model.

#### **Section 4: Protection of the individual**

1. Before the salary discussions, the employees and supervisors performing the salary discussions shall obtain induction and training in job grading, competence and performance evaluation, the pay policy principles and on conducting salary discussions. This will take place during regular working hours and the employer shall bear any necessary costs involved.

Joint training shall also be arranged for the supervisors and employees.

2. The supervisor and the employee shall be entitled to suspend the salary discussion on justified grounds, such as acquiring additional information. A salary discussion suspended by the employee shall not be continued until he/she has been provided with the opportunity to contact the shop steward, if such exists in the company.
3. Any salary discussions ending in disagreement shall be handled in accordance with the negotiation procedure set forth in this salary discussion record.
4. Within two months of the implementation of salary increases based on the salary discussions, the employer shall submit to the salary discussion workgroup any cases in which an employee's salary increase in three successive discussions has been less than half of the average percentual increase distributable on the basis of the discussions. The employee may forbid the handling of his/her case in writing.

If the Company has no salary discussion workgroup, any cases referred to in this Item shall be handled with the shop steward, if such exists in the Company.

5. Two written and signed summaries shall be drawn up of the salary discussion, indicating the outcome of the discussion and its grounds and the views of both parties. The other copy shall remain with the employee.
6. Any other salary discussion documents shall be drawn up in two copies, one of which shall remain with the employee.



7. As a result of the salary discussion, an employee's fixed individual total salary cannot be reduced.
8. During the employment relationship, the employer shall retain all salary discussion documents for at least 10 years as of the date of the discussions and provide the employee with this information on request. The documents can be retained in electronic format.
9. The employer shall determine the parties to the salary discussion and inform said persons about it. In addition, the employer shall immediately inform the parties of any changes in this.

### **Section 5: Special situations**

1. If an employee is prevented from attending a salary discussion due to his/her absence, the discussion shall be conducted between the supervisor and the employee either before the impediment or immediately after it.
2. If an employee has not worked at all between salary discussions due to a family leave, sickness, military or civil service or voluntary military service, he/she shall be guaranteed a pay development which corresponds at least to the percentual Company average. Salaries of such employees are taken into account when calculating the pay sum prior to salary discussions, even if the salaries are actually paid only after the employee has returned to work. These employees are also included when wages of similar employees are compared.
3. If an employee's supervisor changes, the supervisor who conducted the previous salary discussion and the employee shall document any matters required for the future discussion.
4. If an employee works under several supervisors, all of his/her duties shall be taken into account in the salary discussion.
5. If a salary discussion has not been conducted by the agreed date for a reason arising from the employer, the employee shall be paid the average increase based on the salary discussions conducted in the Company, on the salary increase day. In this case the average increase refers to increase in euros, not percentage.
6. If an employee refuses to attend a salary discussion, the supervisor shall decide the salary increase.
7. With respect to a full-time chief shop steward or a full-time occupational safety officer who are fully exempt from work, at least the average percentual pay increase of the Company shall be guaranteed.

### **Section 6: Salary discussion workgroup**

1. A salary discussion workgroup shall be founded in those Companies that have a company-specific member association of the Union of Insurance Employees in Finland. Instead of a Company, such a workgroup can be

founded at group or corporate level if separately agreed by the group or corporation with a member association of the Union of Insurance Employees in Finland.

A salary discussion workgroup:

- monitors and promotes the functionality and practical implementation of the salary discussion system
- considers the pay policy principles on an annual basis before conducting salary discussions
- participates in the planning and implementation of training required by the salary discussion system
- clarifies how Company-specific job titles have been placed with respect to general statistical titles
- handles any disagreements related to salary discussions

2. A Company/group/corporation and a member association of the Union of Insurance Employees in Finland representing the Company's employees shall agree on the composition of the workgroup, but in such a manner that the number of employer representatives is no more than half of the number of employee representatives. If the local parties cannot reach a consensus on the composition of the salary discussion workgroup, the member association of the Union of Insurance Employees in Finland shall appoint four representatives and the Company/group/corporation two representatives for the workgroup.
3. The employer and the personnel shall appoint their representatives for the salary discussion workgroup. The member association of the Union of Insurance Employees in Finland shall decide on the selection method for employee representatives. The chief shop steward is an ex officio member of the salary discussion workgroup as an employee representative.
4. The term of office of the employee representatives of the salary discussion workgroup shall be two years unless another term of office is agreed between the Company/group/corporation and the member association of the Union of Insurance Employees in Finland.
5. The salary discussion workgroup shall agree on its working methods, organisation and meetings. However, the employer must convene the workgroup when needed and at least once every calendar year.

The documents to be handled at the meeting shall be forwarded to the workgroup members at least one week before the meeting.

6. Employee representatives shall be granted a sufficient paid exemption from work for the time needed for the meetings of the salary discussion workgroup and the related preparations between the employee representatives. This exemption shall be taken into account in the employee representatives' workload, targets and work arrangements.

The employer shall bear any necessary costs arising from the salary discussion workgroup.

## **Section 7: Salary data provided by the Company**

1. The Company shall provide the shop steward with payroll data regarding the comparable fixed individual monthly salaries of identical personnel falling within the scope of the collective agreement, for the month when the salary increases were implemented and the preceding month, plus a specification of the payroll regarding those within the pay grades and those above them. In addition, the chief shop steward shall be provided with information on the number and amount of salary increases implemented.

If the Company has no shop steward, the employer shall provide the personnel with payroll data regarding the comparable fixed individual monthly salaries of identical personnel falling within the scope of the collective agreement, for the month when the salary increases were implemented and the preceding month.

The Company shall provide the aforementioned information within two months of the salary increase day unless otherwise agreed with respect to said Company with a member association of the Union of Insurance Employees in Finland.

2. A supervisor who conducted salary discussions shall inform the employees concerned, about the number and average amount of salary increases implemented on the basis of the discussions within two months of the increase. Information shall not be given on groups with fewer than 6 persons, if it would make a single person's raise evident. In such cases, groups shall be merged so that they consist of at least six persons.
3. Furthermore, the shop steward shall be provided with information specified in Section 6 of the shop steward agreement. As soon as possible after the Company has received company-specific statistics from the Confederation of Finnish Industries EK, the chief shop steward shall obtain the following data based on the salary statistics of the previous October, specified by Company:
  - a) job grade breakdown
  - b) average earnings by statistical job title applied by the Confederation of Finnish Industries EK
  - c) the abovementioned data broken down by men and women

Other data besides job grade breakdown shall not be provided on groups of less than six persons.

4. If the employer and the shop steward cannot reach a consensus on the implementation of salary increases at Company level, the shop steward can demand that the matter be handled in accordance with the negotiation procedure set forth in this salary discussion record.

## **Section 8: Union-level earnings development evaluation**

After the contracting parties have obtained the salary statistics of the insurance sector compiled by the Confederation of Finnish Industries EK, the union-level earnings development shall be evaluated by a pay system workgroup

established between the trade union and the employer association. This shall be performed as soon as possible after statistics by the Confederation of Finnish Industries EK have been published.

Within the Companies, the evaluation shall be carried out as soon as possible after the Companies have received company-specific statistics from the Confederation of Finnish Industries EK. The earnings development shall be at least in line with the level agreed in the collective agreement.

The evaluation shall be performed by the salary discussion workgroups complying with the collective agreement. If the Company has no salary discussion workgroup, this evaluation shall be carried out between the employer and the shop steward, if such exists in the company.

### **Section 9: Local bargaining**

1. The following provisions regarding salaries can be subject to local bargaining in Companies or, alternatively, groups or corporations, in accordance with Section 32 of the collective agreement:

- Employees' pay system including job grading
- Salary discussion workgroup
- Evaluation of an employee's competences and work performance
- Job description form
- Salary discussion summary
- Personally carried out salary discussion

Entry on record:

The salary discussion may exceptionally be carried out using electronic communication methods typically used in negotiations, if genuine interaction, privacy and confidentiality are ensured.

2. A local wage agreement shall be based on the competence requirements for each type of task and meet the general requirements of the sector's collective agreement regarding, for instance, equality matters. A local wage agreement cannot supersede the collective agreement's provisions regarding general increases, salary increase dates or the provisions of Sections 4–6 and 9–17 of the employees' wage agreement concerning the wages of part-time employees, the division of monthly salary, insurance examination, travel and transfers, overtime, shift work, evening and night work supplement, stand-by compensation, call-out work, a telephone call on business matters, strikes or settlement of disputes.

3. Any disputes concerning the interpretation of local agreements based on this Section shall be settled in accordance with the negotiation procedure set forth in this salary discussion record.

### **Section 10: Negotiation procedure**

The negotiation procedure shall apply to any disputes arising from the conduct of salary negotiations agreed in this record, salary increases payable on the basis of such negotiations and local bargaining. Since the employer decides the Company's pay policy, it cannot be handled as a matter under dispute by virtue

of this negotiation procedure.

With respect to the provisions of the collective agreement other than those specified in this salary discussion record, a negotiation procedure specified in the insurance sector's shop steward agreement and employees' wage agreement shall be applied.

### 1. Local negotiations

Any disputes under this record shall first be subjected to local negotiations between the employer's representative and either the relevant shop steward or the employee in accordance with the shop steward agreement.

If no consensus is achieved in local negotiations, either party may submit the matter to the salary discussion workgroup in those Companies, groups or corporations in which such a workgroup has been established in accordance with this salary negotiation record.

Unless the dispute is settled in local negotiations, a memorandum shall be drawn up on the matter without delay, specifying the facts of the dispute as well as the views of both parties, including their grounds.

### 2. Union-level pay system workgroup

If local negotiations have ended in disagreement, either party may bring the matter to a union-level pay system workgroup for a decision.

However, the trade union and the employer association agree that individual disagreements concerning the evaluation of competences or performance shall not be handled at union-level but these should be solved primarily at Company-level. If the Company has no salary discussion workgroup, the local parties may also submit an individual disagreement concerning the evaluation of competences or performance to the union-level pay system workgroup for a decision.

### 3. Labour Court

If the union-level pay system workgroup cannot reach a consensus, both the trade union and the employer association may submit the dispute to the Labour Court for a decision, providing that the dispute is not related to a supervisor's individual evaluation of competences and performance.

## **Section 11: Miscellaneous provisions**

In companies with 10 or more employees within pay grades and 10 or more employees above pay grades, the negotiation-based raise is calculated and divided within these groups.

The confidential posts of a shop steward, occupational safety officer or employee representative participating in the Company's administration and the related use of time shall be taken into account when evaluating the person's competences and work performance. These employees shall not be

discriminated against in salary discussions due to their confidential posts.

After the salary discussions, the employer shall inform the chief shop steward of the shop stewards' percentual earnings development. Should this reveal any deviations from the Company's average earnings development, the reasons for such deviations shall be clarified and possible adjustment needs evaluated.

The trade union and the employer association shall draw up joint guidelines and provide training material in support of the Companies' salary discussions and arrange joint training events for supervisors and employee representatives.

The Company shall, for its part, provide guidelines and training for supervisors, employee representatives and employees for conducting salary discussions.

**JOB DESCRIPTION****Appendix 5**

As of (date)

Name of employee:

<p>Job and position in the organisation</p> <p>Job title: Organisational unit: Supervisor:</p>
<p>Task areas</p> <p>Main tasks: Special tasks:</p>
<p>Job requirements</p> <p>Competences: Knowhow: Freedom of action, and responsibilities: Other personal responsibilities: Other team-specific responsibilities:</p> <p>Interaction Internal contacts: External contacts:</p>

Date and signatures

Employee                  Supervisor

Appendices: Job grading form, scores and pay grade

**Salary discussion****Appendix 6****Competence and work performance evaluation**

Name of employee: \_\_\_\_\_

Name of supervisor: \_\_\_\_\_

	Development area	Meets the job requirements	Exceeds the job requirements
<b>Professional skills, competences and work experience</b> <ul style="list-style-type: none"> <li>– Maintenance and enhancement of professional skills and competences</li> <li>– Work experience</li> <li>– Development and willingness to develop oneself</li> <li>– Willingness to develop his/her own work and working methods</li> <li>– Multi-skilled person</li> <li>– Language skills</li> <li>– Management and leadership (only in managerial positions)</li> </ul>			
<b>Co-operation and interaction skills</b> <ul style="list-style-type: none"> <li>– Ability to promote co-operation in various situations <ul style="list-style-type: none"> <li>○ As a supervisor</li> <li>○ As an employee</li> <li>○ As a colleague</li> <li>○ In relation to customers</li> </ul> </li> <li>– Contributing to the common good and participation</li> <li>– Ability to give and receive feedback (particularly in supervisory positions)</li> </ul>			
<b>Quality of work</b> <ul style="list-style-type: none"> <li>– Quality of work and feedback received</li> <li>– Management and leadership (only in managerial positions)</li> </ul>			
<b>Work performance and goal-orientedness</b> <ul style="list-style-type: none"> <li>– Ability to work in line with goals</li> </ul>			



Unanimity of the employee’s competences and work performance

Yes \_\_\_\_\_

No \_\_\_\_\_

Grounds for disagreement

Supervisor: \_\_\_\_\_

Employee: \_\_\_\_\_

Continue on the reverse side if necessary

Signatures and date:

Supervisor

Employee

\_\_\_\_\_

\_\_\_\_\_

In the salary discussion, the supervisor and the employee evaluate the employee's performance and competences with respect to his/her job requirements based on this form, unless the use of some other evaluation system has been agreed in accordance with the collective agreement.

Both the supervisor and the employee shall sign the evaluation form.

The form also includes a question on whether the supervisor and the employee are unanimous about the evaluation and its grounds.

The supervisor and the employee shall have the right to suspend the salary discussion. A salary discussion suspended by the employee shall not be continued until he/she has been provided with the opportunity to contact the shop steward, if such exists in the company.

**Salary discussion summary****Appendix 7**

Employee: \_\_\_\_\_  
 Supervisor: \_\_\_\_\_

<b>1. Job requirements (tasks)</b> Job description appended
<b>Main changes that have taken place in the tasks:</b>  
<b>The employee's pay grade will change</b> ___ Yes, new pay grade ___ ___ No
<b>Possible future changes in tasks:</b>  
<b>2. Employee's competences and performance (how the work is performed)</b> Competence and work performance evaluation form appended
<b>Development needs identified in the salary discussion:</b>  

General increase on xx.yy.20zz: EUR \_\_\_\_\_ (\_\_\_\_\_ %)

Salary increase based on the salary discussion: EUR \_\_\_\_\_ /month as of xx.yy.20zz.

Fixed individual monthly salary as of xx.yy.20zz: EUR \_\_\_\_\_

We agree about the amount of the salary increase.

We disagree about the amount of the salary increase.

Grounds for disagreement:

Supervisor: \_\_\_\_\_

Employee: \_\_\_\_\_

Continue on the reverse side if necessary

Signatures

Place and date \_\_\_\_\_

Supervisor \_\_\_\_\_

Employee \_\_\_\_\_

**INSTRUCTIONS:**

**If necessary, the amount of the salary increase can be established in a short follow-up discussion after the supervisor has conducted all of the relevant discussions.**

**Changes in tasks and salary increases at times other than during salary discussions**

Salary increases arising from essential changes in tasks as specified in Section 2, Item 4 of the employees' wage agreement shall be implemented as of the beginning of the month following the change in job grade. Upon the transfer to a higher job grade, the salary increase shall be at least equal to the difference between the minimum grade-based pay of the old and new job.

**Changes in tasks and salary increases in salary discussions**

The salary discussion is intended for the evaluation of changes in tasks which are not essential, as well as essential changes in tasks that have not led to a transfer to a higher job grade.

## **Appendix 8**

### **Salary discussions in the insurance sector**

#### **Training related to the implementation of salary discussions**

##### **1. Handbook**

The trade union and the employer association shall draw up a joint handbook on salary discussions in the insurance sector in early 2008, before the beginning of salary discussion training events.

##### **2. Joint informative days of the Union of Insurance Employees in Finland and the Federation of Finnish Financial Services**

The Union of Insurance Employees in Finland and the Federation of Finnish Financial Services shall arrange joint informative days on salary discussions

- These events are targeted at supervisors, other employer representatives and representatives of the Union of Insurance Employees in Finland with their deputies (shop stewards, occupational safety officers and chairpersons)
- The events shall be half-day events
- Contents:
  - Presentation of the agreement and guidelines for salary discussions
  - External experts' presentations on the topic: "How will the employee and supervisor succeed in the salary discussion?"

##### **Informative events organised in the spring of 2008:**

- 1 x Espoo, 2 x Helsinki, 2 x Tampere, 2 x Turku.
- Hämeenlinna, Lahti, Kuopio, Vaasa, Oulu, Rovaniemi, Joensuu
  - The events shall be organised during regular working hours without loss of earnings
  - The employer shall be responsible for possible travel costs
  - The trade union and the employer association shall share the costs of inviting external speakers
  - A minimum of 20 persons per event must attend

##### **3. Training arranged by the Union of Insurance Employees in Finland**

There will be local training days on specified themes as of the spring of 2008 throughout the agreement period. These are intended for shop stewards, deputy shop stewards, occupational safety officers, deputy occupational safety officers, association boards and administration representatives. Part of the themes may be combined with shop stewards' basic and advanced courses, and part shall be arranged as 1–2-day training packages on the following themes:

- Salary discussion technique (agreement texts)
- Salary discussion, Company-specific discussions and bargaining (which matters should/can be negotiated/agreed and how; negotiation skills)
- Shop steward's rights and tasks, and role during salary discussions
- Shop steward's own salary discussion

- Successful salary discussion

Two days of local bargaining training per year will be provided to association board members throughout the agreement period, during which they will receive normal pay.

#### **4. Training arranged by Companies**

The Companies will provide induction and training for employees and supervisors conducting salary discussions regarding:

- Job evaluation (for job grading and company-specific evaluation systems)
- Competence and work performance evaluation
- Pay policy principles
- Salary discussions

This shall be arranged before the salary discussions in a manner agreed by the salary discussion workgroup.

In part, induction shall be arranged jointly for supervisors and employees. The shop stewards' right to participate in supervisor training and the supervisors' right to participate in employee training shall be agreed with the related member association of the Union of Insurance Employees in Finland.

## **INSURANCE SALES AGENTS' WAGE AGREEMENT**

Section 1: Scope of the agreement

Section 2: Fixed salary

Section 3: Commission system

Section 4: Transfers

Section 5: Pay for the training period

Section 6: Verification of the calculation of wages

Section 7: Division of monthly salary

Section 8: Loss assessment

Section 9: Compensation for travel and other expenses

Section 10: Shop steward

Section 11: Settlement of disputes

Section 12: Industrial action

Section 13: Validity of the agreement

## **INSURANCE SALES AGENTS' WAGE AGREEMENT**

### **Section 1: Scope of the agreement**

This agreement shall apply to full-time insurance sales agents who are members of the Union of Insurance Employees in Finland, are employed by a member company of the Federation of Finnish Financial Services and have no full-time subordinates.

### **Section 2: Fixed salary**

1. At least the fixed monthly salary specified in the Appendix shall be paid to insurance sales agents who have been made permanent.
2. With respect to wages payable, the general municipal cost-of-living classification confirmed by the Council of State through its decision of 11 December 2003 shall apply. The application of a separate table for Helsinki can be agreed locally.
3. A trainee's wages shall be at least 90% of the fixed monthly salary specified in the Appendix.
4. The time served by the insurance sales agent in the insurance industry shall be taken into account in its entirety when determining seniority increments. The time served in similar duties in other industries shall be taken into account to a reasonable extent. At the beginning of the employment relationship, the employer shall inform the insurance sales agent in writing of how much of the previous service shall be recognised.
5. Childbirth leave or an unpaid absence of a maximum of three months and based on the collective agreement shall be included when calculating the earning period related to seniority increments.
6. A separate insurance examination increment shall be paid to an insurance sales agent who has passed the examination after 1 January 1993. As of 1 November 2007, the increment shall be EUR 72 per month.

#### *Entry on the record:*

Insurance examinations taken prior to 1 January 1993 shall not entitle to the insurance examination increment. However, this provision shall not change the practice already applied by the Company with respect to examinations taken before the said date.

### **Section 3: Commission system**

1. The Company and the association representing the Company's insurance sales agents shall agree on an insurance-based commission system through local collective agreements. Insurance sales agents' remuneration may also be fully based on a fixed salary. If there is no association representing insurance sales agents, the commissions shall be agreed individually with each agent.

2. The bases for company-specific commission systems do not fall within the scope of this agreement.

#### **Section 4: Transfers**

1. If an insurance sales agent is ordered to substitute for a person holding a more demanding position for over a month and this substitution does not increase his/her total earnings, for example, due to a change in the commission grounds or another such reason, the insurance sales agent shall be paid his/her fixed salary increased by 10 per cent for the period of substitution.

2. If a so-called commission-based insurance sales agent who has worked for the company for over 10 years is transferred, without his/her request or on grounds beyond his/her control, to a position which entitles the sales agent to less pay on the basis of the agreement, his/her fixed salary shall not be reduced.

#### **Section 5: Pay for the training period**

If the employer sends an insurance sales agent for training related to his/her work, the employer shall pay any direct costs and loss of earnings arising from this. The amount of compensation shall equal the daily allowance paid to the insurance sales agent for travel related to sales work, payable for each day of training. Informative or reporting events, such as sales meetings or insurance sales agents' meetings, shall not be regarded as training events.

#### **Section 6: Verification of the calculation of wages**

An insurance sales agent or his/her authorised representative shall have the right to view the data and documents on the basis of which his/her salary and commission have been calculated.

#### **Section 7: Division of monthly salary**

1. If the insurance sales agent is not entitled to his/her pay for the whole pay period, the fixed salary payable to him/her shall be calculated as follows: the fixed salary payable to the insurance sales agent for the pay period is divided by the number of days of the pay period which were or would have been his or her working days.

The daily wages thus obtained are multiplied by the number of days for which the insurance sales agent is entitled to receive pay.

2. A fixed monthly salary divisor can also be applied if so agreed locally.

3. The insurance sales agent's holiday pay and holiday compensation shall be calculated as stipulated in the Annual Holidays Act.

#### **Section 8: Loss assessment**

If an insurance sales agent whose pay is partly commission based participates in a loss assessment on the basis of a separate assignment by the Company,



he/she shall be paid a remuneration to be agreed locally.

### **Section 9: Compensation for travel and other expenses**

Unless otherwise agreed locally, the provisions of the State's Travelling Regulations shall be observed in the reimbursement of travel expenses.

*Entry on the record:*

This provision shall not change the practice already applied by the Company with respect to the reimbursement of travel expenses.

The means and amount of reimbursement payable for expenses arising from the use of one's own telephone and possible other expenses shall be agreed locally.

### **Section 10: Shop steward**

With respect to the shop steward system, the contracting parties have concluded a separate shop steward agreement.

### **Section 11: Settlement of disputes**

Any disputes arising from the application or interpretation of, or in breach of, this agreement shall be resolved as agreed in Section 33 of the collective agreement.

### **Section 12: Industrial action**

1. Any means of industrial action that are directed at this collective agreement, either in full or at any individual provision contained herein, are prohibited.
2. Regardless of what is agreed in Paragraph 1 above, any association representing insurance sales agents or any employer can initiate industrial action if no consensus has been reached on commission matters subject to local bargaining in the collective agreement negotiations referred to in Section 3, after the expiry of the agreement referred to in said Section.
3. Supporting industrial action referred to in Paragraph 2 above through sympathy strikes is forbidden.

### **Section 13: Validity of the agreement**

1. This agreement shall remain valid similarly to the collective agreement for employees of the insurance sector.

Helsinki, 24 September 2010

**FEDERATION OF FINNISH FINANCIAL SERVICES**

Reijo Karhinen

Jorma Kontio

**UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen

Kirsi Kovanen

**Insurance sales agents' pay grades****Appendix 9****Insurance sales agents, 1 October 2010 (EUR)**

C-O-L category:	I	II
0-2 yrs	1,803	1,755
After 2 yrs	1,896	1,841
After 5 yrs	1,991	1,933
After 9 yrs	2,087	2,029
After 12 yrs	2,184	2,119
After 15 yrs	2,283	2,214
After 19 yrs	2,383	2,310

**Insurance sales agents, 1 April 2011 (EUR)**

C-O-L category:	I	II
0-2 yrs	1,825	1,776
After 2 yrs	1,919	1,863
After 5 yrs	2,015	1,956
After 9 yrs	2,112	2,053
After 12 yrs	2,210	2,144
After 15 yrs	2,310	2,241
After 19 yrs	2,412	2,338

C-O-L = Cost-of-living

**Appendix 10****Cost-of-living classification**

General municipal cost-of-living classification confirmed by the Council of State on 11 December 2003

Municipality	Cost-of-living class	Municipality	Cost-of-living class
Enontekiö	I	Oulu	I
Espoo	I	Pelkosenniemi	I
Helsinki	I	Pello	I
Houtskari	I	Posio	I
Hyrnsalmi	I	Ranua	I
Hyvinkää	I	Ristijärvi	I
Hämeenlinna	I	Rural municipality of Rovaniemi	I
Inari	I	Rovaniemi	I
Iniö	I	Salla	I
Joensuu	I	Savukoski	I
Jyväskylä	I	Simo	I
Järvenpää	I	Sodankylä	I
Kauniainen	I	Tampere	I
Kemi	I	Tervola	I
Kemijärvi	I	Tornio	I
Keminmaa	I	Utsjoki	I
Kerava	I	Vaasa	I
Kirkkonummi	I	Vantaa	I
Kittilä	I	Ylitornio	I
Kolari	I		
Korppoo	I		
Kuhmo	I		
Kuivaniemi	I		
Kuopio	I		
Kuusamo	I		
Muonio	I		
Nauvo	I		

All other Finnish municipalities belong to cost-of-living class II, with the exception of the municipalities of the Aland Islands which belong to cost-of-living class I.

## **SAMPLE TRAVEL RULES**

### **1. General issues**

- 1.1. An employee who, under the order of the employer, has to travel to another locality shall be paid compensation for travel expenses, an accommodation allowance and a per diem allowance in accordance with these travel rules.
- 1.2. The journey shall be calculated from the employee's residence or workplace, depending on from where the employee left for the journey and to where he/she returned.
- 1.3. Another locality shall refer to a locality other than that in which the employee's permanent workplace and residence are located.
- 1.4. The employee shall agree on the appropriate means of travel and accommodation with the employer.

### **2. Travel expenses**

- 2.1. The employer shall compensate the employee for all necessary travel expenses, including second-class train, ship, flight and other such tickets, other necessary expenses arising from the actual travel, luggage expenses and, if the employee travels at night, sleeping-berth tickets.
- 2.2. The compensation for the use of one's own car (as of 1 January 2011) shall be:  
EUR 0.46 per kilometre for the first 5,000 kilometres, and  
EUR 0.41 per kilometre for any subsequent kilometres.

If the employee, under the order or consent of the employer, transports other persons in his/her car, the employee shall be paid EUR 0.03 per kilometre for each accompanying person, in addition to the aforementioned compensation.

### **3. Per diem allowance**

- 3.1. The purpose of per diem allowance is to compensate the employee for any personal expenses arising from a business journey. If the employer has arranged free meals for the journey, no per diem allowance shall be paid.
- 3.2. A per diem allowance can be paid when a business journey extends to another locality situated farther than 25 kilometres away, measured according to generally used travel routes, depending on whether the employee leaves his or her residence or workplace or returns to the residence or workplace.
- 3.3. If an employee's business journey has lasted 10–24 hours, he/she

shall be paid a per diem allowance of EUR 34 (full per diem allowance).

If the work referred to herein, including the related travel, lasts 4–10 hours, a partial per diem allowance of EUR 16 shall be paid.

If no full or partial per diem allowance is paid for a business journey and the employee has no opportunity to eat at his or her ordinary place for doing so, a meal allowance of EUR 8,50 shall be paid if the business journey lasts longer than six hours and extends at least 10 kilometres from his or her workplace or residence.

No partial per diem allowance or meal allowance shall be paid to employees regularly participating in internal inspection work, for business journeys made during the employee's working hours.

#### **4. Accommodation allowance**

- 4.1. If an employee has to use hotel accommodation as a result of a journey ordered by the employer and the employer does not arrange free accommodation, accommodation expenses shall be compensated as per invoice.

#### **5. Journeys abroad**

- 5.1. With respect to a journey abroad ordered by the employer, compensation for travel and accommodation expenses as well as a per diem allowance shall be paid as agreed separately between the employer and the employee in line with the principles of this agreement.

#### **6. Advance for travel expenses**

- 6.1. If needed, an employee shall be paid the likely euro-denominated travel and accommodation expenses and per diem allowance in advance.

#### **7. Compensation paid to training course attendants**

- 7.1. If an employer sends an employee to a training event intended to enhance his or her professional skills, the employee shall be paid a per diem allowance for the time used for the journey, in addition to the compensation for travel expenses.
- 7.2. If the employer has not arranged free meals and accommodation for the employee participating in a training event, he or she shall be entitled to a per diem allowance and compensation for travel expenses in line with the principles of this agreement.

#### **8. Coordination**

- 8.1. If the Company has travel rules in force, a local agreement shall be

made on whether the Company shall apply its own travel rules or this sample travel rules.

## **9. Period of validity**

- 9.1. This agreement shall remain valid similarly to the collective agreement for employees of the insurance sector.
- 9.2. Should any amendments be made to the State's Travelling Regulations, the contracting parties shall negotiate corresponding amendments to this agreement.

Helsinki, 24 September 2010

## **FEDERATION OF FINNISH FINANCIAL SERVICES**

Reijo Karhinen

Jorma Kontio

## **UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen

Kirsi Kovanen

## **TRAINING AGREEMENT FOR THE INSURANCE SECTOR**

### **Section 1: Training workgroup**

For the implementation of this agreement, a training workgroup shall be established for which the Federation of Finnish Financial Services and the Union of Insurance Employees in Finland shall appoint three representatives each.

Before the decision is taken to accept a course, the training workgroup shall be provided with a report on the syllabus, target group, time, place and the number of participants as well as any other information requested by the training workgroup. A precondition for the approval of a course is a jointly identified training requirement. The training workgroup is entitled to monitor teaching on courses it has approved.

As a general rule, the unions shall provide information on the courses approved by the training workgroup for the following year no later than two months before the beginning of the first course. The workgroup may also approve courses during the calendar year, in which case information on the course shall be provided no later than four weeks before the beginning of the course.

### **Section 2: Professional advanced training, supplementary training and retraining**

When the employer provides an employee with professional training or sends an employee to training events associated with his/her profession, the costs of the training and the loss of earnings for regular working hours shall be compensated. If the training takes place outside working hours, the time spent shall not be considered working hours but the employee shall be compensated for any direct costs.

### **Section 3: Joint training**

Joint training required by cooperation agreements is usually delivered locally. Participation in the training is agreed upon through the workplace-specific cooperation body or, if no such body exists, between the employer and the shop steward. Participation in the training is compensated in accordance with the training provisions referred to in Section 2.

### **Section 4: Trade union training**

#### **1. Preservation of employment and notification times**

Without interrupting his or her term of employment, an employee shall have the opportunity to participate in a course approved by the training workgroup and lasting no more than one month if the need for training has been jointly identified by the employer and the employee and participation in the course can take place without causing any substantial problems to the enterprise.

Should such training leave be refused, the shop steward shall be notified no later than 10 days before the beginning of the course of why granting the leave



would cause substantial problems.

Notification of the intention to participate in a course must be provided as early as possible. If the course lasts no more than one week, notification must be provided at least three weeks before the beginning of the course. If the course is longer, notification must be provided at least six weeks before the beginning of the course.

Training on occupational safety and health, as provided by the Union of Insurance Employees in Finland, should be directed particularly at occupational safety officers.

## **2. Compensation**

The shop steward, occupational safety officer and members of the occupational safety committee may participate in courses approved by the training workgroup and referred to in the previous Subsection, without salary reductions. However, loss of earnings shall not be compensated for periods longer than one month for shop stewards or two weeks for others. A precondition for the compensation for loss of earnings is that the course in question be related to the participant's cooperation tasks in the enterprise.

The loss of earnings of an insurance sales agent shall be compensated in accordance with Section 5 of the wage agreement for insurance sales agents.

In addition to shop stewards, compensation for loss of earnings shall be paid to chairpersons of registered employee or insurance sales agent associations if they work in an enterprise with at least 100 employees and insurance sales agents and the association has at least 50 members.

## **Section 5: Social benefits**

Participation in a trade union training event referred to in Section 4 shall not cause any decrease in annual holidays, pensions or other comparable benefits.

## **Section 6: Period of validity**

This agreement shall become valid on 1 November 2007 and it may be terminated by observing a notice period of six months.

Helsinki, 24 September 2010

## **FEDERATION OF FINNISH FINANCIAL SERVICES**

Reijo Karhinen

Jorma Kontio

## **UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen

Kirsi Kovanen

## **SHOP STEWARD AGREEMENT FOR THE INSURANCE SECTOR**

### **Section 1: Scope of application**

This agreement shall apply to members of the Federation of Finnish Financial Services and their employees who are members of the Union of Insurance Employees in Finland.

### **Section 2: Shop steward**

1. Employees falling under the scope of this agreement and the collective agreement for employees of the insurance sector or the collective agreement for insurance sales agents shall both have the right to elect locally a shop steward representing the whole group. Such a shop steward representing the whole group is known as a chief shop steward.
2. In addition to the chief shop steward, the aforementioned employees shall have the right to elect locally the required number of other shop stewards.
3. If no consensus can be reached locally regarding the election of a shop steward, the matter can be submitted to the trade union and the employer association for their consideration.
4. A deputy shop steward can be elected for the shop stewards specified in Subsections 1–3 above, to substitute for the shop steward when he/she is prevented from attending, assuming the rights and obligations of a shop steward during this time.
5. A shop steward referred to in this agreement shall be a permanent employee of the Company in question who is familiar with the conditions of the workplace concerned.

### **Section 3: Election of shop steward**

1. The election of a shop steward can be carried out during working hours in the workplace and all organised employees must have the opportunity to participate in the election. However, the arrangement and execution of the election must not disturb work. The times and places of election must be agreed upon with the employer at least 14 days before holding an election. The employer shall provide the employees nominated by the association with the opportunity to hold the election.
2. The employer shall be notified in writing of the elected chief shop steward, shop steward and any deputy, as well as of their resignation or dismissal from the task.

### **Section 4: Protection against unjustified termination**

#### ***Discrimination prohibition***

1. A shop steward may not be pressured, dismissed from work or otherwise

discriminated against due to his/her shop steward duties. Neither may the shop steward be transferred, during or due to his or her shop steward duties, to a position with a lower salary or status or to a position which clearly impedes his or her shop steward duties.

2. If the actual tasks of the person elected as the chief shop steward hinder his or her shop steward duties, the employer must arrange other tasks for him or her, taking account of the circumstances of the enterprise or its part and the shop steward's professional skills. Such an arrangement must not reduce the shop steward's earnings.

### ***Grounds for termination***

3. If the Company's labour force is reduced or laid off for financial or production-related reasons, such measures must not be directed at the chief shop steward unless the operations of the enterprise are completely interrupted. However, this provision can be deviated from if it is jointly determined that the employer is unable to provide the chief shop steward with work that corresponds to the person's professional skills or is otherwise suitable.

4. If the operations of the enterprise or part of the enterprise constituting the shop steward's area of activity are completely interrupted, the shop steward shall be the last employee subject to the aforementioned measures. Deviation from this provision is permitted if it is jointly determined that the shop steward cannot be offered work corresponding to his/her profession or qualifications.

#### *Entry on the record 1:*

Transferring to a shorter working week shall be considered as a lay-off.

#### *Entry on the record 2:*

After the confidential post has commenced, the employer must provide work for a laid-off employee who has been elected for a confidential post as soon as the employee can be assigned work that corresponds to his or her profession or is otherwise suitable.

5. The shop steward enjoys specific protection against dismissal as specified in the Employment Contracts Act. The termination of a shop steward's contract of employment is subject to the consent of the majority of employees, which shall be enquired after by the Union of Insurance Employees in Finland.

6. A shop steward shall be notified in writing of any termination of employment, its grounds and the first day of the notice period at least one month before the beginning of the term of notice as specified in the collective labour agreement.

7. In accordance with Chapter 8, Section 1 of the Employment Contracts Act, the employment contract of a shop steward may not be cancelled due to an illness without observing any period of notice or on the grounds that he/she has violated the regulations of Chapter 3, Section 1 of said Act.

### ***Protection of candidates against unjustified dismissal***

8. The provisions on the protection of employment shall also apply to a chief shop steward candidate of whose nomination the employer has been informed in writing. Such a candidate's protection shall begin no earlier than three months before the commencement of the chief shop steward's term and end, with respect to those who were not elected, after the election organiser has discovered the election results.

### ***Subsequent protection***

9. The provisions on the protection of employment shall also apply to an employee who has acted as the chief shop steward, for six months after the termination of his duties.

### ***Compensation***

10. If a shop steward's contract of employment has been discontinued in violation of this agreement, the employer is obliged to pay compensation to the shop steward equalling at least 10 and at most 30 months' salary. When determining the amount of compensation, the provisions of Chapter 12, Section 2, Subsection 2 of the Employment Contracts Act as well as the employee's position as the shop steward shall be taken into account. If a court of law considers that preconditions for the continuation of employment exist but employment is not continued despite this, this shall be deemed as a factor increasing the compensation.

## **Section 5: Shop steward duties**

1. The main duty of a shop steward is to act as the representative of organised employees bound by the appropriate collective agreement in matters concerning the implementation of the collective agreement and the wage agreement.

2. The shop steward shall represent the abovementioned employees in matters concerning the application of labour legislation and generally in matters related to the relationship between the employer and the employee and to the development of the Company. The shop steward's duties also include efforts to maintain and develop negotiation activities and cooperation between the Company and its staff.

## **Section 6: Information to be provided to a shop steward**

1. In case of any lack of clarity or disagreement about employees' salaries, other matters related to employment or the application of employment legislation or agreements, the shop steward must be provided with all the information affecting the resolution of the issue subject to disagreement.

2. The shop steward concerned shall have the right to the following information on the Company's employees in writing or in another way to be agreed upon:

- The employees' last and first names once a year; those of new employees at least quarterly

- Workplace and organisational department
- The dates when new employees have entered the employer's service, at least quarterly, and details of any dismissals or lay-offs
- Information on fixed-term employees and the agreed duration of the employment
- Information on new employment contracts in which the placement of regular working hours over Saturdays has been agreed
- Once a year, the job grade or comparable to which the employee or the job he/she performs belongs; details of fixed euro-denominated supplements complying with the collective agreement and the wage agreement once a year; those for new employees at least quarterly
- Twice a year, the number of full and part-time employees as well as the number of staff separately invited to work or other temporary staff who have worked during the half-year period
- A clarification of information collected in connection with recruitment and any changes therein

3. Unless otherwise specified, the abovementioned information shall also be provided in connection with any changes therein.

4. The shop steward shall maintain the confidentiality of information received during the course of his/her duties.

5. A duly filled-in membership fee withholding agreement or other clarification of the employee's consent shall be regarded as an authorisation given by the employee for the disclosure of information specified in Subsections 1 and 2 above.

### **Section 7: Shop steward's exemption from work**

1. If the number of employees represented by the shop steward, the employee turnover rate or the number of workplaces require that the shop steward be exempted from his/her ordinary work in order to carry out the shop steward's duties, the shop steward and particularly the chief shop steward shall be given enough working time for performing such duties, and their exemption from work shall be agreed locally.

The trade union and the employer association agree that the need for exemption from work shall be greater in connection with the implementation of the salary discussion model but decrease after the system has become established.

#### *Entry on the record:*

The time used in carrying out the shop steward's duties shall be taken into account in the sales targets set for the shop stewards of insurance sales agents.

2. The employer and the shop steward shall agree when the exemption from work specified in Subsection 1 above shall be granted. In such a case, the operational prerequisites of the Company must be taken into consideration, as well as the need to attend properly to the shop steward's duties.

## **Section 8: Shop steward's storage and office space**

1. A shop steward is entitled to storage space for the documents and office supplies needed in his/her duties.
2. If the shop steward works in customer service or is otherwise unable to attend to his/her shop steward's duties at workplace, he/she shall be assigned a place suitable for this purpose.

## **Section 9: Remuneration and compensation for loss of earnings**

1. The employer shall compensate for any income lost by the shop steward during working hours either engaged in local negotiations with the employer's representative or working on other duties agreed with the employer.
2. The compensation for loss of earnings of the insurance sales agents' chief shop steward or shop steward shall be determined in accordance with the per diem allowance paid to the insurance sales agent for travel related to sales work.
3. If a shop steward carries out duties agreed with the employer outside his/her regular working hours, overtime compensation shall be paid for time spent in such a way, or some other type of additional compensation shall be agreed between the employer and the shop steward.
4. If a shop steward needs to travel and is ordered to travel by the employer in order to carry out duties agreed with the employer, he/she shall receive compensation for travel expenses in accordance with the Company's travel rules, however, in such a manner that his/her actual expenses are covered.
5. The payment of compensation specified in Subsections 3 and 4 above as a regular lump-sum compensation added to the chief shop steward's monthly basic salary may be agreed locally as follows:

Amount of compensation as of 1 March 2009:

EUR 56 if the number of employees is 20 - 49

EUR 132 if the number of employees is 50 - 99

EUR 156 if the number of employees is 100 - 399

EUR 178 if the number of employees is 400 - 1,000

EUR 202 if the number of employees is over 1,000

Amount of monthly compensation payable to a shop steward other than the chief shop steward as of 1 March 2009:

EUR 67 if the number of employees is 20 - 99

EUR 79 if the number of employees equals or exceeds 100

## **Section 10: Chief shop steward's earnings development**

1. The development of the chief shop steward's individual total salary shall be monitored by statistical period in companies with more than 50 employees. The individual total salary includes the chief shop steward's supplement, other

supplements complying with the collective agreement as well as a possible supplement paid on the basis of the earnings development guarantee.

2. By the end of February each year, the chief shop steward shall be provided with information on the earnings development at the operative level of the insurance sector. Here, 'operative level' has the same meaning as in the pay statistics of the Confederation of Finnish Industries EK.

3. If the chief shop steward's earnings development has remained below the industry average during the same statistical period, his/her salary shall be increased as of 1 April of the following year.

4. The increase shall be calculated by multiplying the difference between the earnings development percentage of the operative level of the insurance industry and the earnings development percentage of the chief shop steward by the chief shop steward's individual total salary before the increase referred to in Subsection 3 above.

5. The increase shall be implemented by granting an individual supplement referred to in the collective agreement or by increasing it.

6. The increase shall also be implemented with respect to those chief shop stewards whose term of office has ended at the turn of the year.

### ***Special provisions regarding insurance sales agents' chief shop stewards***

7. With respect to chief shop stewards representing at least 50 insurance sales agents, their earnings development shall be compared to the industry-specific development of insurance sales agents' fixed salaries and, with respect to commissions, to the Company-specific earnings development.

8. This evaluation shall be performed separately for the fixed salary and commissions while observing the same principles as stated above with respect to office employees.

9. Any adjustments arising from the evaluation of fixed salaries shall be permanent and added to the chief shop steward's fixed salary.

10. Any adjustments arising from the evaluation of commissions shall be added to the commission component as a fixed euro-denominated amount for one year as of the date specified in Subsection 3 above. The basis of evaluation shall be the average commission of the statistical period. Any adjustments payable to the chief shop steward shall be calculated on the basis of his/her average commission for the last statistical period. However, the payment of the adjustment shall terminate at the end of the first calendar year following the end of the chief shop steward's term of office.

### **Section 11: Shop steward training**

1. The chief shop steward, deputy chief shop steward and shop steward shall be provided with the opportunity to participate in courses related to shop

steward activities and organised jointly, or approved, by the contracting parties or their co-operation bodies and lasting no longer than one month, if such participation does not cause any substantial problems to the Company's operations. Should such training leave be refused, the shop steward shall be notified in good time and no later than 10 days before the beginning of the course of why granting the leave would cause substantial problems.

2. The chief shop steward, deputy chief shop steward and shop steward shall have the right to participate in the aforementioned shop steward courses without any reduction in their salary.

3. When the chief shop steward, deputy chief shop steward and shop steward participate in training related to, for example, labour protection, rationalisation, personnel administration or business economics, which has been organised jointly, or approved, by the contracting parties or their co-operation bodies, the employer shall compensate them for any loss of earnings as well as expenses arising from such training.

4. Participation in courses specified above must not cause an interruption of the employment relationship or any decrease in annual holidays, pensions or other comparable benefits. If the course lasts no longer than one week, notification of one's intent to participate must be provided at least two weeks before the beginning of the course and, if the course is longer, at least six weeks before the beginning of the course.

5. After the chief shop steward's duties have ended, the employee and the employer must mutually clarify whether professional training is required for the maintenance of the employee's professional skills in order for the person to return to his or her previous or corresponding tasks. The employer shall provide training found necessary on the basis of such an investigation. In determining the contents of the training, attention shall be paid to the extent of the release from work obligations, the duration of the shop steward's term and the changes in working methods which occurred during that time.

## **Section 12: Negotiation procedure**

1. In matters related to the performance of work and the related technical arrangements, an employee must immediately turn to his/her supervisor.

2. Disputes concerning salaries and other terms of employment must be resolved locally between the employer or its representative and a shop steward or the employee.

3. Local negotiations shall be initiated and carried out without undue delay.

4. If a dispute cannot be resolved in local negotiations within the Company, the negotiation procedure prescribed in the collective agreement shall be observed.

5. The shop steward shall be informed of who acts as the employer's representative in local negotiations as well as the representative's scope of activity and authority if it is limited to certain categories of issue in regional or human resource terms.



6. Should any disputes arise from the interpretation or breach of this agreement, the negotiation procedure prescribed in the collective agreement shall be observed.

### **Section 13: Validity of the agreement**

This agreement shall remain valid until 31 December 2014, unless terminated in accordance with the protocol of signature.

Helsinki, 24 September 2010

### **FEDERATION OF FINNISH FINANCIAL SERVICES**

Reijo Karhinen

Jorma Kontio

### **UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen

Kirsi Kovanen

## **PRINCIPLES OF IMPLEMENTATION FOR THE SHOP STEWARD AGREEMENT**

1. The purpose of the shop steward system is to ensure adherence to collective agreements in workplaces, resolve any disputes arising from their interpretation and maintain industrial peace.

For these purposes, the shop steward agreement allows each Company to create a suitable shop steward system which should reflect the Company's organisation and, thus, create a basis for its shop steward activities.

2. For the successful activities of the shop steward, it is important that his/her income level corresponds to that of his/her normal job, even if he/she is unable to attend to it due to shop steward duties.

It is also appropriate to take the level of shop steward duties into consideration in the person's work arrangements.

3. Compared to the person's whole career, the shop steward duties may be relatively short-term and temporary. For this reason, it is appropriate to ensure the shop steward's professional development and provide him/her with the opportunity to participate in training events necessary for maintaining his/her professional skills, within the framework of the company's ordinary training activities.

4. Attending to the shop steward's duties in the workplace requires that the shop steward and the employer's representative observe the operating principles set forth in the relevant agreements. This will ensure that the shop steward can handle his/her duties as smoothly as possible and is able to perform those tasks for which the system has been created.

## **CO-OPERATION AGREEMENT FOR THE INSURANCE SECTOR**

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## **CO-OPERATION AGREEMENT**

Taking account of the co-operation agreement concluded between the Employers' Confederation of Service Industries in Finland and the Finnish Confederation of Salaried Employees STTK, effective as of 1 June 2001, the Federation of Finnish Financial Services and the Union of Insurance Employees in Finland have agreed the following on co-operation between the employer and the employees falling within the scope of the collective agreement:

### **I PURPOSE OF THE AGREEMENT AND GOALS OF CO-OPERATION**

#### **Section 1**

1. The purpose of this agreement is to promote co-operation between the employer and the employees as well as the implementation of equality, labour protection and occupational health care legislation in the insurance sector.

2. Co-operation between the employer and the employees activates the company's intellectual capital resources and increases the employees' opportunities to influence the handling of matters related to their work and workplace.

Co-operation targeted at development activities and other matters mentioned in this agreement enhances the company's decision-making and productivity, improves the meaningfulness and employee development aspects of work, increases the stability of employment relationships and improves staff livelihood. The aim of labour protection and the related co-operation is to develop health and safety at work and working conditions, and improve mental wellbeing.

3. Unless otherwise specified, any references to legislation do not constitute part of this agreement, but this agreement complements the legislation.

4. The provisions of Chapter 2 of this agreement do not apply to companies in which the number of employees who are in an employment relationship is regularly under 20. Neither is Chapter 6, Section 2 applied in said companies as regards co-operation in accordance with the Act on Co-operation within Undertakings.

### **II CO-OPERATION PROCEDURE**

#### **Section 1: Additional staff representative**

1. Also, a so-called additional representative, who is a member of the company's personnel, may act as a staff representative in the co-operation procedure. Such representatives can be elected by staff representatives referred to in the Act on Co-operation within Undertakings, if so agreed with the employer. In the same connection, they must agree in which matters, to what extent and, if needed, for how long the elected representative will operate. Unless otherwise agreed, the term of office is one year.

## **Section 2: Experts**

1. In connection with the co-operation procedure, a co-operation and negotiation body referred to in Section 5 of this agreement has the right to consult as an expert a person working in the operational unit concerned and also obtain information from other experts of the company, if possible.
2. If so agreed with the employer, staff representatives also have the same right when preparing for a meeting of the co-operation or negotiation body.
3. Such experts shall be released from their duties and compensated for the resulting loss of earnings.

## **Section 3: The status of a labour protection representative and a unit-specific labour protection representative in the co-operation procedure**

1. Any matter related to labour protection and falling within the scope of the co-operation procedure must be negotiated with the labour protection representative or a worker nominated to represent a certain work unit or occupation in safety matters (unit-specific labour protection representative).
2. Any matters chiefly concerning issues other than labour protection but involving labour protection aspects shall be handled between the employer's representative and the labour protection representative or a unit-specific labour protection representative or by the labour protection committee.
3. If the person concerned or a staff representative so demands, the negotiations shall take place simultaneously with said person and his/her representative and the labour protection representative or a unit-specific labour protection representative.

## **Section 4: Implementation of the co-operation procedure in certain cases**

1. The co-operation procedure can also be initiated by a staff representative.
2. If the matter shall be resolved at an organisational level other than where the co-operation procedure was performed, the staff representative must be informed of where the decision will be taken. After the co-operation procedure has been completed, it must be ensured that the employer is aware of matters brought up by personnel during it, before taking any decisions.
3. In connection with an essential downsizing or the expansion of a company or part of one, or a business transfer, merger or other comparable organisational change, a change in the co-operation organisation shall also be negotiated, if needed. After the change has been implemented, the co-operation organisations shall be adjusted as soon as possible to meet the new situation.

## **Section 5: Co-operation committee or other co-operation body complying with the Act on Co-operation within Undertakings**

1. No co-operation committees referred to in Chapter 2, Section 9 of the Act on Co-operation within Undertakings shall be established in the insurance sector.
2. The co-operation and negotiation bodies that have or possibly will be agreed in companies will handle matters related to the Act on Co-operation within Undertakings. If the parties so agree, such a body can also function as a combined labour protection and co-operation committee.
3. With respect to, for example, any co-operation bodies to be agreed and matters to be handled by them, the basic principles of the agreement concluded between the central organisations shall be observed.

## **III COMMUNICATIONS**

### **Section 1: Principles of internal communication**

1. The contents of communications shall be determined on the basis of the requirements of the company's operations, the co-operation between the employer and the employees, this agreement and other agreements concluded between the labour market parties.
2. When developing the procedures applied in internal communications, they must be handled with the personnel or its representatives before making any decisions. In addition, access to the information of supervisors working at different organisational levels must be taken into account in communications.
3. The personnel shall be informed of the general principles or guidelines observed by the company in its personnel management as well as the composition of its operational and human resources organisation.
4. The personnel shall inform their supervisors of any matters relevant to the company's operations or the co-operation between the employer and the personnel. The personnel shall also have the right to inform all those persons tasked with the development of internal communications about any matters related to internal communications.
5. The employer shall provide the personnel or their representatives with the following:
  - 5.1. After the company's financial statements have been audited, a report on the company's financial situation based on them. If the number of personnel is regularly over 20, financial statements data referred to in the Act on Co-operation within Undertakings shall be provided in writing, if so requested.

The parties recommend that, in this connection, the general cyclical and financial outlook of the sector also be handled.

- 5.2. At least twice during the financial year, a comprehensive report on the

company's financial situation specifying the development prospects for its production, employment, profitability and cost structure.

5.3. Annually, a personnel plan providing estimates of any changes anticipated in the number, nature and status of personnel.

5.4. Without delay, information on any changes in the aforementioned data.

5.5. If the number of employees regularly equals or exceeds 20, the staff representative shall be given, at request, in writing, the company's financial statement data referred to in Chapter 3, Section 10 of the Act on Co-operation within Undertakings.

5.6. In connection with the provision of financial statements data, clarifications regarding the company's financial situation and personnel plans, it is also appropriate to inform the company's personnel or their representatives about the operational performance, production and development prospects of its various operational units. These can be clarified with the help of various key figures.

5.7. Where unforeseen and particularly weighty reasons, which harm the company's finances or production activities, present a well-justified obstacle to the company's communications, the employer must inform the personnel of the matter without delay as soon as said obstacles to communication have ceased to exist. In the same connection, the employer must provide grounds for such an exceptional procedure.

5.8. Furthermore, the following shall be observed in companies in which the number of employees is regularly under 20:

The employer must inform the personnel, already at the planning stage, of any essential changes in duties, the workplace, working conditions, equipment acquisitions and the use of external labour which will affect the status of the personnel. After the related decision-making, the employer must also inform the personnel about the contents of the decision if it deviates from the plan presented beforehand or if the personnel concerned or its representative so request.

Communications must be provided regardless of whether the matter is deemed to fall mainly within the scope of development activities, labour protection or other fields of communication.

## **Section 2: Communications among the personnel**

1. A registered affiliated association of a trade union which is party to the collective agreement applied in the workplace and its local chapter shall have the right to organise meetings on matters related to the labour market, employment relationships within the company or the Act on Co-operation within Undertakings, insofar as agreed between the central organisations, within the sector or in line with the company's established practice. These shall be organised free of charge in the workplace or in another agreed location.

2. A staff alliance mentioned in Chapter 1 of this Section shall have the right to distribute meeting notices to its members outside working hours, either before the beginning of working hours, during lunch breaks or after working hours. This right also applies to the distribution of written notices related to employment relationships within the company or general labour market matters, in a staff canteen, restrooms or other facilities outside the actual work sites, as agreed with the employer.
3. If the company provides a personnel magazine, a staff alliance mentioned in Chapter 1 shall have the right to use it, free of charge, to publish meeting and other notices and information related to employment relationships within the company, or general labour market matters.
4. In addition to labour market matters, a trade union chapter operating in the workplace may provide general information on a notice board which the employer must supply for the chapter's use. The chapter shall be responsible for the contents and maintenance of the notice board placed at their disposal. Notices must not be attached elsewhere than on the notice board. The information provided must not deal with matters related to the company's competitive position.
5. Any meeting notices and information bulletins must contain the name of the trade union chapter that has launched it.
6. Also, other locally agreed means and tools of communication may be used among the personnel by observing the principles provided in this Section.
7. Funds for social activities referred to in Chapter 5, Section 27 of the Act on Co-operation within Undertakings can also be allocated to the personnel for the acquisition and forwarding of information in matters related to the labour market or employment relationships.

## **IV DEVELOPMENT ACTIVITIES**

### **Section 1: Definition**

1. The purpose of development activities is to enhance decision-making within companies, improve productivity and the meaningfulness of work, increase the stability of employment relationships and improve staff livelihood.
2. The requirements of labour protection must be taken into account in all development activities. In this connection, attention shall be paid on the fact that harmful physical and mental strains are eliminated and that the work is sufficiently varied in terms of health and the meaningfulness of work.

### **Section 2: Development plans**

1. In order to ensure long-term development activities, the company should draw up a development plan in co-operation with the staff representatives.
2. A development plan may apply to all of the company's development activities or may be targeted at certain functions, units or development areas of the company.



3. Depending on the development areas, the development plan should include:

- \* A list of the planned development activities and the implementation of new technology
- \* An estimate of possible personnel implications, including training needs
- \* A clarification of those units that will be affected by each activity
- \* The main goals, schedule and operational methods of the plan.

### **Section 3: Project-specific development workgroup**

1. In the event of a major development project causing essential changes to personnel, a project-specific development workgroup shall be established in which the employer and the personnel shall have their own representatives. Such a workgroup must be established at a sufficiently early stage so that its expertise can be utilised and it can genuinely influence the project. The workgroup shall be provided with all of the necessary information before any matters related to the project are handled.

2. The personnel shall nominate its own representatives from among the employees working in the unit under development. The labour protection representative shall be reserved the right to participate in the handling of labour protection matters in the workgroup.

### **Section 4: Training related to development activities**

1. In connection with the development activities or the implementation of new technology, the employer shall be responsible for arranging any additional training or occupational instruction and guidance necessary for the new or changed job. The need for professional skills and training shall be analysed and identified between the employer and the shop steward.

2. The precondition for co-operation is that the persons responsible for and participating in it have sufficient information and are sufficiently prepared for it.

3. Shop stewards shall receive the appropriate training in development-related matters, taking account of the scope of operations. Other persons participating in the development work on a more permanent basis will receive the appropriate training to a feasible extent, so that they will be able to evaluate various development measures and their consequences. Such other persons may include labour protection representatives and members of possible permanent development workgroups.

### **Section 5: Consultancy activities**

1. If the employer uses an external consultancy firm in its development activities, the employer shall be responsible for adherence to this agreement. The shop steward shall be informed of the use of a consultant before initiating any work studies or taking any development measures. If the matter concerns labour protection, the labour protection representative shall also be informed about it.

## **Section 6: Studies related to development activities**

1. The shop steward and any persons whose work will be affected by said activities shall be informed of studies related to development activities.

## **Section 7: Quality circle activities**

Quality circle activities or other comparable corporate development activities may be initiated if so agreed locally.

## **Section 8: Key figures**

1. The trade union and the employer association recommend that the companies handle operational goals, sales, results and other information and key figures related to the company's efficiency as part of their co-operation activities. This should be performed separately for each unit or business site.

2. Before switching to or changing such a procedure, the matter shall be handled with the employer's representative and the relevant shop steward.

## **Section 9: Recommendation regarding the implementation of information systems**

The trade union and the employer association recommend that co-operation related to the implementation of a new information system be performed as follows:

- \* The participation of users is ensured at the early stages of planning
- \* Substitute arrangements are handled so that they enable the fully fledged participation of all persons involved in the development project during working hours
- \* The necessary training is arranged for persons participating in the development project
- \* At least the following matters shall be taken into account:
  - Designation of operators and their substitutes
  - Location of computer hardware
  - Workstation ergonomics
  - Planning of user training
  - Database formation method
  - Division of responsibility
  - Testing and planning of a possible parallel run
  - User-oriented solutions related to the design of rooms

## **V LABOUR PROTECTION**

### **Section 1: Labour protection committee**

#### **Establishment of a labour protection committee**

1. In the insurance sector, each company shall establish a labour protection committee, provided that the company has at least 20 employees.

2. If the company has 20–49 employees, the employer shall have one representative and the employees two representatives on the committee.
3. If the company has 50–149 employees but no insurance sales agents, the employer shall have two representatives and the employees three representatives on the committee. If the company has insurance sales agents, the employees shall have four representatives.
4. If the company has at least 150 employees, the employer shall have three representatives and the employees six representatives on the committee. If the company has insurance sales agents, the employees shall have seven representatives.
5. The employer shall nominate its representatives for the committee, one of whom must be the labour protection officer.
6. The persons representing employees on the labour protection committee include the labour protection representative as an ex officio member as well as other persons elected from among themselves by the representatives, deputy representatives and unit-specific representatives. If the employees have more representatives on the labour protection committee than the above-mentioned representatives, the employees shall elect the missing representatives in some other appropriate manner.
7. The committee shall elect from among themselves a chairman, a deputy chairman and a secretary. The secretary can also be selected from outside the committee, if so unanimously agreed.

### **Duties of a labour protection committee**

8. The duties of a labour protection committee are stipulated in Section 26 of the Act on Occupational Safety and Health Enforcement, in addition to which the committee has the following tasks:
  - 8.1. To draw up an annual action plan to be observed in its operations, also taking account of the labour protection development plans proposed by the employer, including cost estimates. The meeting related to the action plan shall be arranged during the last quarter of the previous operating year.
  - 8.2. To consider workplace change and reform plans affecting health and safety at work and make proposals and initiatives regarding the systematic management of labour protection activities.
  - 8.3. To consider the workplace's labour protection status and standards, including labour protection hazards, occupational accidents and possible cases of violence against personnel. However, the committee shall not handle technical solutions related to a customer service security system. If needed, statistical data shall be applied in drawing up such clarifications.
  - 8.4. To consider procedures related to occupational instruction and guidance from the viewpoint of health and safety with new employees, and to evaluate the need for occupational instruction and guidance from the viewpoint of health

and safety when implementing new technology or other changes in duties.

8.5. To consider the need for labour protection studies on workplace conditions, and their implementation and follow-up.

8.6. To consider matters related to the possible arrangement of on-the-job exercise and to plan action aimed at preventing the possible adverse effects of continuous routine work such as telephone work.

8.7. To consider information and education related to substance abuse and the general implementation of treatment referral guidance in co-operation with occupational health care personnel.

8.8. To consider the occupational health care action plan, claim for compensation and other matters specified in Section 8, and monitor the company's occupational health care activities and make proposals related to the plan.

8.9. To consider the distribution of labour protection information in the workplace.

8.10. To consider, on an annual basis, the need for co-operation training related to labour protection and, based on this, draw up a proposal for the company's training plan and budget, and implement such training. In this respect, the training shall be realised as part of the agreement procedure referred to in Chapter 5, Section 30 of the Act on Co-operation within Undertakings.

### **Meetings of the labour protection committee**

9. The labour protection committee shall convene as often as required by the tasks stipulated in this agreement and the legislation in force. If the chairman is prevented from performing his duties, the deputy chairman shall summon the committee to a meeting. Furthermore, the committee must convene for a meeting if the labour protection officer or representative or at least a fourth of the committee members so requests, to consider a matter specified by the committee.

10. If possible, the meetings of the labour protection committee shall be held during working hours and in such a manner that as many employees as possible are able to attend the meeting.

11. If possible, any written material to be handled at the meeting shall be delivered to the committee members in connection with the call to a meeting, or otherwise before the meeting. Before the matter is considered at the meeting, the committee members shall be provided with the necessary information about it. The staff representatives shall be provided with the opportunity to prepare among themselves for the matter to be handled, either before or during the meeting, insofar as agreed by the employer's representative and the labour protection representative. This applies to an action plan to be considered by the labour protection committee, and any change and development plans related to workplaces, or if otherwise necessary

when taking the matter and its scope into consideration.

## **Section 2: Labour protection officer**

1. The employer shall nominate a labour protection officer for each workplace unless he or she acts as a labour protection officer him/herself. A joint labour protection officer can be nominated for several workplaces if so required by the appropriate arrangement of labour protection. As the employer's representative, a labour protection officer is responsible for co-operation related to labour protection matters, and for the handling of labour protection matters as stipulated in Section 28 of the Act on Occupational Safety and Health Enforcement.

2. A labour protection officer must be thoroughly familiar with the company's labour protection matters. The person must have sufficient operational requirements for attending to his/her duties. Unless the labour protection officer is authorised to resolve a matter him/herself, it is his/her duty to forward the views of the labour protection committee to a person in the organisation with the necessary decision-making authority.

## **Section 3: Labour protection representative**

1. If the workplace has at least ten employees on regular basis, the employees shall elect a labour protection representative and two deputy representatives. The personnel have the right to elect said representatives, even for a smaller workplace.

2. Workplace shall refer to:

a) A company with at least 10 employees

b) A regional office of the company with at least 10 employees, including the employees in branch offices working under them

c) A special unit of the company, such as an IT centre or printing house with at least 10 employees

3. The representatives shall be elected from among the employees for two calendar years at a time. If a new representative needs to be elected during the term of office, this shall be for the remaining term.

4. All persons in an employment relationship with the company shall be deemed as employees.

5. If no consensus is reached on how the definition of a workplace should be applied, the matter must be submitted to the signatory organisations for decision.

6. A labour protection representative represents employees in matters regarding health and safety at work. The representative's duties are specified in Section 31 of the Act on Occupational Health and Safety Enforcement, in addition to which he/she shall participate, if necessary, in the preparation of matters to be handled by the labour protection committee.

7. If the labour protection representative is prevented from attending to his/her duties, he/she will be substituted by the first deputy or, if he/she is prevented from doing so, the second deputy. However, the use of a deputy shall not be considered expedient if the labour protection representative is prevented from attending for only a relatively short period of time. The labour protection officer must be informed of any obstacles affecting the labour protection representative as well as their duration. If the labour protection officer is not available, this shall be reported to the supervisor of the person notifying of the absence. Such a notice shall be given by the labour protection representative unless he/she is prevented from doing so. If a deputy attends to the duties of the labour protection representative, he/she shall have the same rights and responsibilities as the latter.

### **Work premises**

8. The employer shall provide the labour protection representative with a place in which he/she is able to keep the documents and office supplies needed for his or her duties. The labour protection representative shall have the right to use the telephone for matters related to labour protection. If the size and nature of the workplace and the number of duties of the representative so require, the employer shall provide him/her with an appropriate office and office supplies.

9. The employer shall provide the labour protection representative with the legislation, decrees and other labour protection guidelines, rules and regulations necessary for attending to his/her duties. Furthermore, these documents must be acquired for the use of other labour protection bodies if necessary, as jointly agreed in the labour protection committee.

### **Compensation**

10. The labour protection representative shall be paid regular monthly compensation which is added to his/her salary. The compensation shall be as follows:

Number of personnel represented by labour protection representative  
Compensation as of 1 March 2009:

20–49	EUR 30
50–99	EUR 67
100–399	EUR 79
400–1000	EUR 90
Over 1,000	EUR 101

## **Section 4: Labour protection representative's protection against unjustified termination of employment**

### **Discrimination prohibition**

1. A labour protection representative may not be dismissed from work on account of said position.
2. A labour protection representative may not be transferred, during or due to his or her representative duties, to a position with a lower salary or status than the one he/she held upon his/her election. The labour protection representative's possibility to develop and advance in his/her profession may not be impaired due to his/her duties as such a representative.
3. If the actual tasks of the person elected as the labour protection representative hinder his or her representative duties, the employer must arrange other tasks for him or her, taking account of the person's professional skills and the circumstances of the company or part of it. Such an arrangement may not reduce the representative's earnings.

The earnings of a labour protection representative who has been fully exempted from his or her ordinary tasks may not be reduced due to his/her representative position.

### **Protection of the individual**

4. The stipulations of Section 37 of the Act on Occupational Health and Safety Enforcement and Chapter 7, Section 10 of the Employment Contracts Act regarding the labour protection representative's protection against unjustified dismissal shall apply. Said stipulations shall be observed as part of this agreement.
5. The employment contract of a labour protection representative may not be cancelled contrary to the cancellation grounds set forth in Chapter 8 of the Employment Contracts Act. Said stipulations shall be observed as part of this agreement.

### **Financial and production-related grounds for termination**

6. If a company's labour force is reduced or laid off for financial or production-related reasons, such measures must not be directed at the labour protection representative unless the operations of the company or part of the company constituting the labour protection representative's area of activity are completely interrupted. However, this stipulation can be deviated from if it is jointly determined that the employer is unable to provide the labour protection representative with work that corresponds to the person's professional skills or is otherwise suitable, or to train the person for some other work in the manner referred to in Chapter 7, Section 4 of the Employment Contracts Act.

### **Compensation for damage**

7. If a labour protection representative's employment contract has been discontinued in violation of this agreement, the employer is obliged to pay

compensation in accordance with the Employment Contracts Act, instead of compensatory fines.

### **Section 5: Unit-specific labour protection representative**

1. The number, operating areas and operational requirements of workers nominated to represent a certain work unit or occupation in safety matters (unit-specific labour protection representative) shall be agreed locally.
2. A unit-specific labour protection representative is elected by the personnel of the operating area from among themselves for a term of office lasting two years at a time.
3. A unit-specific labour protection representative is tasked with:
  - 3.1. Participating in inspections related to labour protection
  - 3.2. Participating in studies related to a risk of accident or the nature of a realised accident or its possible implications for labour protection planning and implementation
  - 3.3. Monitoring adherence to labour protection regulations and issuing reprimands for any breach of them
  - 3.4. Reporting any discovered defects primarily to the relevant supervisor and, where justified by the nature of the matter, to the labour protection representative, and reminding employees about adherence to labour protection regulations and any hazard-related risks discovered
  - 3.5. Providing the labour protection representative with information on initiatives on the development of labour protection matters in his/her operating area, and being in touch with the area's labour protection representative.
4. A unit-specific labour protection representative must not be transferred to a position with a salary lower than that which he/she received upon his/her election to a unit-specific labour protection representative. The employer is not entitled to terminate the employment contract of a unit-specific labour protection representative on grounds related to his/her representative's duties.

### **Section 6: Labour protection when using personnel employed by another company**

1. If personnel employed by another employer work in the same workplace, they have the right to turn to the workplace's labour protection representative or officer with respect to problems arising from workplace conditions. In such a workplace, the labour protection representatives must co-operate in order to resolve labour protection problems arising from workplace conditions.
2. The labour protection officer representing the largest employer shall be responsible for arranging co-operation in the workplace. Co-operation between labour protection officers is also necessary in situations where several companies operate in the same undivided facilities.



## **Section 7: Labour protection co-operation in lone working**

Local labour protection parties must take account of the problems involved in lone working and propose possible ways to solve these problems.

## **Section 8: Occupational health care**

### **Occupational health care action plan**

1. Systematic implementation of occupational health care in workplaces and compensation of the related expenses from the funds of the Social Insurance Institution of Finland requires that an action plan be drawn up on an annual basis, covering, for example, the following matters:

- The manner in which occupational health care is organised
- Number and type of health care and occupational health care professionals
- Statutory forms of activity
- Possible medical treatment activities
- Voluntary preventive activities
- Participation of health care professionals as experts in labour protection work
- Occupational health care facilities
- Education related to occupational health care

2. The occupational health care action plan shall be handled by the labour protection committee or, if this does not exist, alongside the labour protection representative.

### **Occupational health care compensation claim**

3. The labour protection committee or, if this does not exist, the labour protection representative shall have the opportunity to give a statement regarding a compensation claim for occupational health care costs. Enough time should be reserved for providing such statement so that the labour protection committee and the labour protection representative have enough time to familiarise themselves with the claim and its enclosures.

### **Workplace surveys**

4. Occupational health care professionals shall be utilised when preparing a workplace investigation referred to in Section 12 of the Occupational Health Care Act. Such workplace investigations shall be drawn up in co-operation between the employer representative, the occupational health care personnel and the labour protection representative. The proposals for action based on these investigations shall be handled by the labour protection committee.

## **Section 9: Workplace health promotion**

1. The upgrading of workplace health promotion (WHP) activities in workplaces requires co-operation between occupational health care, the labour protection organisation, line management and the human resources administration. The

occupational health care action plan presents the principles of workplace health promotion, which in turn guarantees the timely initiation and efficient realisation of WHP activities. In this connection, the labour protection committee is tasked with:

- \* Participating in the planning, implementation and follow-up of workplace health promotion activities in co-operation with occupational health care personnel, line management and the HR administration
- \* Promoting the creation of a positive atmosphere for such activities
- \* Monitoring the coping at work of the company's employees
- \* If necessary, drawing up guidelines in order to refer persons in need of WHP activities to specialist care

The labour protection officer and the labour protection representative are tasked with:

- \* Participating in the planning of WHP activities in connection with the drawing up of the occupational health care action plan as well as an individual action plan
- \* Participating in the implementation and follow-up of plans.

## **VI OTHER PROVISIONS**

### **Section 1: Training**

1. Staff representatives shall have the right to receive training required by duties specified in this agreement insofar as separately agreed in the training agreement for the insurance sector. This provision does not limit the right to training as specified in Chapter IV, Section 4 regarding development activities.

### **Section 2: Staff representatives' exemption from work and compensation**

1. Shop stewards' exemption from work has been agreed in the shop steward agreement. Work arrangements shall be made in such a manner that staff representatives are able to participate in co-operation referred to in this agreement.

2. The labour protection representative shall be granted enough time for attending to their duties specified in this agreement. This also applies to other staff representatives participating in labour protection co-operation.

3. The employer shall grant a staff representative referred to in the Act on Co-operation within Undertakings and elected in accordance with Chapter II, Section 1 of this agreement, a sufficient exemption from work as specified in said Act for participating in the co-operation procedure as well as the related preparations between the staff representatives directly related to this. When evaluating the time required for such preparations, attention shall be paid, for example, to the number of employees that the matter under negotiation

concerns, the nature and extent of the matter to be handled, the amount of background data, the importance of the matter to personnel, the number of persons that will participate in the handling of the matter and the location of their workplaces.

4. Unless otherwise required with respect to the need for exemption from work in individual cases, the amount of exemption granted for preparations between the staff representatives shall be as follows:

One hour, if the number of personnel is under 200  
Two hours, if the number of personnel is 200–500  
Three hours, if the number of personnel is over 500

5. Compensation for loss or earnings payable to a staff representative mentioned in the previous chapter for the time during which they were exempted from work shall be determined in accordance with the basis agreed for shop stewards. If no agreement has been made regarding compensation payable for a co-operation procedure taking place outside working hours or other duties agreed with the employer and complying with the Act on Co-operation within Undertakings, a staff representative shall be paid compensation for the time used for such duties corresponding to his/her pay for regular working hours, as specified in Section 56 of said Act.

6. A separate compensation shall be paid to a secretary elected for a co-operation and negotiation body or a labour protection committee, for acting as the secretary of the meeting, regardless of whether the meeting is held within or outside working hours. This compensation shall equal the meeting allowance payable to a member other than the chairman for a meeting lasting less than one hour, as specified in the Council of State recommendation on meeting allowances.

7. The employer shall compensate members of the labour protection organisation for expenses arising from travel between the company's different units for co-operation purposes, and pay per diem allowances, in accordance with the company's travel rules or, if these do not exist, as agreed for each union. This shall also apply to other staff representatives participating in the co-operation procedure in line with this agreement, if such travel has been agreed with the employer.

When a staff representative is granted an exemption from work, the related work arrangements shall be handled so that the representative shall have the right to a co-operation procedure agreed or based on the Act on Co-operation within Undertakings, or other co-operation referred to in this agreement. When granting a staff representative an exemption from work, the employer must arrange a substitute for the person for the duration of the exemption, if necessary.

9. The trade union and the employer association recommend that if a labour protection representative has been fully exempted from work, his/her earnings development shall be monitored in accordance with the procedure specified in Section 10 of the shop steward agreement.

### **Section 3: Confidentiality**

1. Before disclosing a business or trade secret referred to in Chapter 9, Section 57 of the Act on Co-operation within Undertakings, the employer shall inform the personnel concerned or the staff representative of the grounds for such confidentiality. When informing about the confidentiality obligation, the employer must specify which data the obligation covers and for how long the information must be kept confidential. Only those persons or staff representatives whom the matter concerns are allowed to handle confidential information, unless otherwise agreed between the employer and the persons entitled to access to such information.
2. In addition, information concerning a private person's financial situation, health or other personal matters must be kept confidential unless said person has granted permission to disclose such information.
3. Section 43 of the Act on Occupational Safety and Health Enforcement contains provisions on the confidentiality of data related to labour protection and occupational health care.

### **Section 4: Settlement of disputes**

1. Should any disputes arise from the interpretation or breach of this agreement, the negotiation procedure prescribed in the collective agreement shall be observed.

### **Section 5: Entry into force of the agreement**

1. This agreement shall remain valid until 31 December 2014, unless terminated according to the protocol of signature.

Helsinki, 24 September 2010

#### **FEDERATION OF FINNISH FINANCIAL SERVICES**

Reijo Karhinen

Jorma Kontio

#### **UNION OF INSURANCE EMPLOYEES IN FINLAND**

Sirpa Komonen

Kirsi Kovanen



## **TELEWORK GUIDELINES**

Joint guidelines issued by the Federation of Finnish Financial Services and the Union of Insurance Employees in Finland

These guidelines have been expanded to fulfil the principles of the agreement signed on 23 May 2005 regarding the implementation in Finland of the Framework Agreement on Telework signed by the European labour market organisations on 16 July 2002.

### **Basic starting points**

Telework refers to *performing full or part time work, using information technology, elsewhere than in the actual place of work, or outside the employer's premises.*

The plans regarding telework shall be negotiated with the employee concerned or the employees' representative in accordance with the Act on Co-operation within Undertakings, the collective agreement and the practices applied by the workplace. Upon the implementation of telework, the parties should also discuss how the employee's work contribution shall be determined and monitored. The conclusion of a telework agreement constitutes proof of the completion of negotiations complying with the Act on Co-operation within Undertakings.

### **Agreeing on telework**

Telework shall be based on voluntariness. A written telework agreement shall be drawn up, stating the conditions and duration of teleworking in detail. Furthermore, the agreement shall specify on what grounds and how the employer and the employee may discontinue teleworking and the employee have the right to return or switch to traditional working. The agreement should specify an advance notice period after which the employee can return to traditional working. The agreement may be valid for a fixed term or until further notice. A notification on the termination of teleworking shall not be deemed a termination of the employment contract.

The telework agreement shall define how the employee and the employer shall agree on work beforehand and whether the employee is obliged to be available at specified times. When an employee transfers to teleworking, clear targets and timetables should be set for the work. According to the Framework Agreement on Telework signed by the European labour market organisations, the workload and performance standards of the teleworker are equivalent to those of comparable employees working at the employer's premises.

The employer shall inform the employee, among other things, of:

- who acts as the employee's contact person within the organisation in matters related to the employment relationship and work tasks, and who is the employee's immediate supervisor
- guidelines regarding reporting arrangements

- organisational changes and any other matters included in the Company's communication obligation

## **Determining the terms of employment**

The collective agreement and wage agreement of the insurance sector shall be observed in teleworking where applicable. As a general rule, all labour legislation applies to teleworking, including that related to protection against unjustified termination, occupational health care, workers' compensation insurance, annual holiday, occupational safety and unemployment and pension cover.

Benefits linked to the duration of the employment relationship will accrue during telework in accordance with the collective agreement and the law in force.

## **Working hours**

Basically, the Working Hours Act is not applied to working at home. However, it may become applicable in those cases in which the employer can actually determine the employee's use of working time (including the time of starting and finishing work and the obligation to be available to the employer).

## **Annual holiday**

Entitlement to annual holiday shall accrue during telework in accordance with the collective agreement and the Annual Holidays Act.

## **Leaves and absences**

With respect to sick leaves, medical examinations and temporary absences, the collective agreement and the practices applied by the Company shall be observed where applicable. Any absences must be taken into account when evaluating the amount and result of work.

## **Fringe benefits and expense allowances**

The starting point is that fringe benefits will remain in effect during telework. The employer and the employee should agree on, for example, telephone, workroom and meal allowances in the telework agreement.

Tax practices related to telework arrangements, such as workroom, data communications, commuting expenses between home and work as well as possible compensation for the use of own equipment should be verified beforehand.

## **Remuneration**

A normal monthly salary shall be paid to the employee. The employer and the employee may also agree on piece rate pay if this enables the employee to achieve at least the minimum wages defined in the collective agreement. If necessary, the contracting parties shall agree on overtime work as well as

allowances based on the collective agreement.

### **Privacy protection**

Telework shall not restrict the employee's right to privacy provided for by law. The implementation of any monitoring systems shall be subject to the co-operation procedure as stipulated in the Act on the Protection of Privacy in Working Life and the Act on Co-operation within Undertakings.

### **Travel**

Telework may require that the employer and the employee agree on work-related travel and the related compensation in more detail than usual, particularly if the employee works in the employer's premises only exceptionally. For example, the employee's actual place of work should be defined in the telework agreement.

With respect to commuting, the starting point is that:

- ordinary travel to and from work shall not be compensated, and
- with respect to actual business journeys, the collective agreement and the practices of the Company shall be applied to the teleworker

### **Occupational safety and health**

The employer is obliged to direct and monitor teleworking and familiarise the employee with correct and safe ways of working.

Stipulations related to occupational safety and health are generally applicable to work which, on the basis of an agreement, is performed at home or in comparable circumstances. However, certain provisions of the Occupational Safety and Health Act are applicable to domestic circumstances only to a limited extent.

### **Workspace and equipment**

As a general rule, the employer shall provide the work equipment, but the employer and the employee may also agree that the teleworker uses his/her own computer and other own equipment.

The employee shall take good care of the equipment provided and notify the employer, for instance, of any faults or defects discovered in it.

Unless otherwise agreed with respect to the division of expenses due to special reasons, the employer shall be responsible for the purchase, installation and maintenance of, for example, equipment, software and line connections.

Unless otherwise agreed, the employer shall normally bear any direct costs arising from regular teleworking, such as data communication costs.

The employer and the employee should agree on the insurance protection of



telework equipment and specify the party responsible for taking out insurance in the telework agreement. The employer shall be responsible for taking out insurance for equipment owned by the employer. The scope of insurance cover should also be clarified before switching to telework.

As a general rule, the protection of software and data intended for professional purposes shall be at the same level for teleworkers as for those working in the employer's premises. Furthermore, protection of remote access may also require special arrangements. If the teleworker is also allowed to use the telework computer for private purposes, the employer and the teleworker should agree on the rules of non-work related use and evaluate the possible risks it may cause to data protection. The regulations on data security are basically the same for teleworkers and those working on the employer's premises.

Furthermore, the telework agreement should contain provisions on confidentiality and data protection, collecting and sending mail and costs arising from a workroom.

The telework agreement may contain provisions on the right of the employer's representative to inspect the teleworker's workspace.

### **Training**

A teleworker shall have the same access to training as those working on the employer's premises, including with respect to the technical equipment. Participation in training must be taken into account when setting the teleworker's targets and timetables.

Upon the implementation of telework arrangements, attention should also be paid to the preparedness of supervisors to direct telework.

## **SAMPLE TELEWORK AGREEMENT**

**Company**  
**Employee**

### **Permanent workplace**

#### **Validity of the agreement**

Telework will commence on...

This agreement shall remain valid until further notice/for a fixed term, until...

Either party may terminate this agreement by observing a notice period of ...

The agreement may also be terminated at a jointly agreed date.

A notification on the termination of teleworking shall not be deemed a termination of the employment contract.

After the expiry of the agreement, the employee shall have the right to return to his/her previous or corresponding job in his/her permanent workplace.

This agreement has been drawn up in two identical copies, one for each party.

#### **Tasks to be performed as telework**

Tasks and their assignment

The employee's contact person in matters related to the employment relationship and the work tasks is...

The employee's immediate supervisor is...

#### **Telework place**

Address, telephone number and other contact details

The employee shall work in the telework location on../The employee's telework days are..

Working in the employer's premises...

The employee shall be obliged to come to the employer's premises if the employee's duties so require.

#### **Employee's work-related obligations during telework**

Reporting and other forms of contact

The purchase, installation and maintenance of work equipment shall be the responsibility of...

The computer provided by the employer may/may not be used for private purposes/limitations of use

Safekeeping and disposal of documents

#### **Confidentiality obligation and data protection**

For example:

In addition to the ordinary work-related confidentiality obligation, the employee must ensure the protection of data related to documents kept in the telework place under the employee's responsibility.

#### **Working hours**

The regular working hours during telework shall be in line with the collective agreement but the teleworker will decide him/herself how these hours are spread.

**Obligation to be available at certain times**

For example:

The employee undertakes to be available by phone on teleworking days from... until...

**Remuneration**

For example:

The employee shall be paid his/her normal monthly salary during telework.

The parties have agreed on piece rate pay as specified in the appendix...

Meal benefit

For example: A monetary compensation corresponding to the taxable value of the meal benefit shall be paid for the telework days in connection with the monthly salary.

**Compensation for expenses**

Expenses to be compensated

For example: The employer shall bear any direct costs arising from teleworking, such as data communication costs.

Telephone expenses

For example: The employer shall compensate the employee for costs arising from the use of the employee's own telephone for business matters, on the basis of a phone record kept by the employee.

Commuting

For example: Ordinary commuting between the telework place and the permanent workplace in the employer's premises shall not entitle the employee to compensation for travel expenses. Other business journeys shall be compensated in accordance with the Company's travel rules. The employer's actual workplace is...

**Leaves and absences**

Agreement and notification procedure

For example: The following agreement and notification procedure has been agreed with respect to absences from work (annual holiday, sickness etc.)...

**Collective agreement to be observed**

In addition to this agreement, the collective agreement and the wage agreement for the insurance sector shall be observed during telework, where applicable.

**Date and signatures**

[Place], [day] [month] 20xx

Company

Employee

**WORKING GROUPS****Appendix 12**

1. Technical clarification of the agreement's provisions, linguistic form and consistency. Investigating the possibility to use an outside service provider.

2. Future and productivity working group

Assignment: development prospects of the insurance industry on domestic and international level. The working group identifies and evaluates productivity factors and the procedures to measure them. The working group may consult professionals. The working group also includes representatives of the Companies.

Term of office: 31 December 2012.

3. Pay system working group

Assignment: In addition to what has been agreed in the salary discussion record, the working group is tasked with monitoring and developing the functionality of salary discussions, organising joint training, and monitoring earnings development.

Term of office: for the time being.

4. Equality working group

Assignment: the working group is tasked with supporting employers in matters related to the promotion of equality. The working group shall draw up an equality report of the insurance sector on the basis of the statistics of 2010, decide on matters promoting equality and analyse the effects of the salary discussion model on the wages and earnings development of men and women when examined, for example, by task and age group. Furthermore, the working group shall monitor and, if necessary, provide guidelines to local parties in matters related to equality plans and issue recommendations for action in order to reduce unjustified wage differences between men and women. The working group shall also examine the introduction of gender-neutral terminology in the insurance industry and in the collective agreement, continue gender impact assessment during the agreement period and draw up a joint report including possible recommendations for action.

The working group also includes representatives of the Companies.

Term of office: 30 September 2011.

5. Statistics working group

Assignment: the working group investigates the needs and possibilities to improve statistics of the insurance sector.