#### **ENGLISH**

# Sågverksindustrin

Avtal och bilagor till allmänna anställningsvillkor



1 april 2025 – 31 mars 2027









# Agreement and annexes to General Terms and Conditions of Employment for Salaried Employees within the Sawmill Industry

Föreningen Industriarbetsgivarna (the Swedish Association of Industrial Employers)

Ledarna

Sveriges Ingenjörer (the Swedish Association of Graduate Engineers)

Unionen

Period of validity: 1 April 2025 – 31 March 2027

The agreement and appendices have been updated based on the new central agreement as of April 1, 2025. Additionally, the regulations regarding working time reduction have been editorially revised and included in this document.

This is a translation of the Swedish Agreement.

The Swedish Agreement takes precedence.

Grey shading

Newly agreed since the 2025 Agreement.

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# Annex 1 Inconvenient working hours compensation

#### 1 Inconvenient working hours

Compensation is paid for work during inconvenient working hours.

If there are special reasons for doing so, however, the local parties may agree on a different solution concerning compensation for work during inconvenient hours.

#### Notes in the minutes

- a. The parties agree that there should be reasonable grounds for scheduling work during inconvenient working hours. However, if the salaried employees' party in an individual case claims that there are no reasonable grounds for scheduling work during inconvenient working hours, the employer may still schedule inconvenient working hours pending the outcome of the negotiations that may be requested.
- b. Where a flexitime system is applied, no compensation is provided for working time within the outer extremities of the normal daily working time schedule, i.e. within what is termed the "bandwidth".
- c. As far as possible, the employer should notify the salaried employee concerned of the scheduling of work during inconvenient working hours no later than 14 days in advance. This notification should also include information about the estimated duration of the staggered working hours.

#### Remarks

Inconvenient hours compensation was previously referred to as compensation for staggered working hours. This part has been amended in order to adapt the Agreement to the current situation.

#### 2 Inconvenient working hours compensation

For normal working during the times specified below, unless a local agreement has been made otherwise, the hourly rate is as follows:

17.00 to 06.00 Monday–Friday	monthly salary 540	
From 06.00 Saturday to 06.00 the following weekday:	monthly salary 300	
From 17.00 on Twelfth Night and the days before 1 May, Ascension Day and All Saints' Day to 06.00 the following weekday:	monthly salary 300	
From 17.00 on the day before Sweden's National Day of 6 June to 06.00 on Sweden's National Day of 6 June:	monthly salary 300	
From 06.00 to 17.00 on New Year's Eve:	monthly salary 300	
From 06.00 on Sweden's National Day of 6 June, Whitsun Eve, Midsummer Eve and Christmas Eve and from 17.00 on Maundy Thursday and New Year's Eve until 06.00 on the first weekday after each public holiday		
	monthly salary 150	

#### Remarks

For salaried employees normally working less than 40 hours per week, the supplements are adjusted upwards by 5.3 per cent for a 38-hour week and by 11.1 per cent for a 36-hour week.

In the case of other working time that is less than 40 hours per week, the supplements are adjusted upwards by dividing 40 by the relevant weekly working time.

#### 3 Local agreements

An agreement on exceptions from the above compensation rules may be made with a salaried employee in a more qualified position to whom reasonable compensation is paid in some other arrangement.

#### 4 Inconvenient working hours and overtime compensation

Inconvenient working hours compensation and overtime compensation cannot be paid for the same period of time.

# Annex 2 Standby compensation

#### 1 Definition of standby

Standby refers to time when salaried employees are not required to work but are required to be available to present themselves at the workplace within the prescribed time.

#### **Comments**

Standby means that the employees remain in a suitable place outside the workplace, usually at home, ready and able to present themselves at the workplace. Periods when the employee is not working are also not working time. On the other hand, on-call means that the employees are at the workplace during working time and available to present themselves for work when called on to do so.

#### 2 Distribution of standby duty

Standby duty is to be distributed so that it does not unduly burden any individual salaried employee. The standby duty schedule should be drawn up in good time and is to be adapted to local circumstances so that the enterprise's operations can continue without disruption during normal working time as far as possible.

#### 3 Local and individual agreements

The local parties can reach an agreement on another solution if special reasons exist.

An agreement on exceptions from the compensation rules below may be made with a salaried employee in a more qualified position to whom reasonable compensation is paid in some other arrangement.

#### 4 Standby compensation

Standby is compensated per standby hour at the rate of:

monthly salary 1,400

However, the following applies:

Friday-Sunday

From Friday 17.00 to Monday 06.00: monthly salary

700

#### **Public holidays**

From 17.00 on the day before Epiphany, 1 May, Ascension Day and All Saints' Day to 06.00 on the first weekday after the public holiday, and from 17.00 on the day before Sweden's National Day of 6 June to 06.00 on 6 June:

monthly salary
700

From 06.00 on Sweden's National Day of 6 June, Whitsun Eve, Midsummer Eve and Christmas Eve and from 17.00 on Maundy Thursday and New Year's Eve until 06.00 on the first weekday after each public holiday

monthly salary 350

Standby compensation is paid per shift for a minimum of eight hours.

#### 5. Overtime compensation during standby duty

Where a salaried employee on standby is called in to report for work, overtime compensation is paid for the time worked at a minimum of three hours.

#### 6 Travel expenses - standby duty

The necessary expenses to travel to the workplace are reimbursed by the employer.

**7 Weekly rest on standby duty**Rules on weekly rest in conjunction with standby duty can be found in the Working Time Agreement, Section 3 Subsection 3.

#### Wage formation in the company – Unionen

The local parties jointly review the Agreement's intentions with regard to salary policy and its application to the member company's salary policy with a view to agreeing on how the local salary review will be implemented.

#### 1 The importance of wage formation

Wage formation is based on the member company's business concept. It is part of the member company's work on its finances, productivity growth and innovation capacity, and is based on set overall goals, broken down into objectives and individual goals.

Wage formation and pay determination, when used correctly, can become a positive force in the member company's operations, thereby creating the conditions for all individuals to grow and develop. It is therefore intended to stimulate good performance, resulting in increased productivity and improved profitability in the member company. It is to actively stimulate skills development and continuous improvement in various forms and thereby contribute to a generally higher level of skills in the member company. This revenue-generating wage formation process enables positive salary development and employment security.

#### 2 Salary structure in the member company

Wage formation is to contribute to the desired salary structure for the salaried employees' group, where pay is differentiated between individuals based on the "Fundamental principles for pay determination" (see point 3 below). Market forces also play a role in wage formation in the individual member company.

It is also assumed that, based on their own circumstances, the salaried employees' group will be treated equally to other employee collectives within the member company.

#### 3 Fundamental principles for pay determination

Pay determination is to be individual and differentiated with pay differences that are experienced as justified and fair. The same principles of pay determination are to apply to all employees.

Pay is to be determined according to the responsibilities and degree of difficulty of each position and based on how well the salaried employee fulfils set goals.

Pay is to increase with increasing responsibility and degree of difficulty and with the employee's performance and capability.

Management skills, judgement and initiative, financial responsibility, ability to collaborate, and creativity and innovation capacity are to be taken into account when determining pay, as well as efforts to develop the skills of others that are important to the enterprise. Market forces also influence pay determination.

Where a salaried employee has been promoted or has their area of responsibility expanded, it is natural to review their salary in connection with this. The guidelines for skills development are to be applied as part of the pay agreement. It is important that, guided by these principles, pay determination is based on a systematic and justified assessment.

# **4** Interaction between skills development and salary development In applying this agreement, particular attention is to be paid to the following.

Skills development is an increasingly important element in work to strengthen the member company's competitiveness in an increasingly dynamic world of rapid changes and ever-increasing pressure from competition.

Skills needs must be identified and this process is to result in individual skills development plans. Work on skills development is to be continuous. Each manager is responsible for the employees' individual skills development opportunities. The employee's responsibility is to make the most of these opportunities.

A key concept in work on skills development is well-functioning career development talks. Among other things, career development talks should identify skills needs and examine skills requirements in the short and long term, and enable the planning of work and a mutual sharing of information and experience.

Individual career development talks between the manager and salaried employees are a natural and necessary part of local skills development and salary development, and are preparatory to the local salary review negotiations.

Dialogue and empowerment are important if the pay process is to function effectively. Career development talks and performance appraisals are very important in this respect as a forum for dialogue between manager and employee. Dialogue is to deal with both the member company's development plans and the

salaried employee's duties, work situation, work environment, development opportunities, skills requirements and the results achieved in relation to set goals – and this shall be linked to the individual's salary development. Among other things, the aim is to clarify what needs and expectations are to be met for the individual to receive pay increases.

The starting point for the conversation is the Agreement's "Fundamental principles for pay determination", any local criteria for pay determination and the rules on skills development in the Salaried Employees Agreement.

Skills development, which leads to increased skills for the individual, is also to result in better salary growth.

#### 5 Guidelines for local negotiations

The following guidelines are applied according to the individual member company's own circumstances, taking into account among other things the organisation, size and composition of the salaried employees' group. If there is no local employee party, the relevant parts of the corresponding guidelines apply between the member company and individual member.

Where the pay process is carried out by the parties with mutual respect for each other's interests, this will lead to forms of cooperation and negotiation that support an active local pay process in which the parties can contribute their knowledge from the enterprise. This will result in pay determination which can be accepted by both the employer and the individual, and which contributes to the development of both the member company and the individual.

The individual member company knows best about the member company's possibilities with regard to wage formation. After jointly reviewing the Agreement's intentions and any jointly agreed local criteria for pay determination, the local parties shall therefore agree on a timetable and structure for the pay process and how it will be implemented. An important element of the pay process is also that the parties engage in dialogue about the member company's development (profitability, productivity growth, investment plans etc.).

Prior to the negotiations the parties carry out an overall analysis of the pay structure of the member company. Any unjustified pay differences are to be eliminated in connection with the salary review carried out under point 6.2.

It is in the spirit of the Agreement that the local parties should endeavour to reach agreement in the local negotiations. If there are difficulties in reaching agreement, the local parties may contact their respective organisations with a view to clarifying the intentions of the Agreement and principles for wage formation.

After negotiations have been concluded, the manager informs the employee of their new salary and the justification for their salary.

If a salaried employee's pay has developed unfavourably, the parties shall consider what can be changed to enable better salary growth for the salaried employee in the future. The intention is that in the context of this conversation, the parties will agree on appropriate measures – such as skills-enhancing measures – to enable the individual salaried employee's salary to develop more positively in the future.

#### 6 Pay increases

(Applies where Unionen has a local association or a workplace representative that is entitled to negotiate at the workplace – in all other cases see point 7)

Unless otherwise agreed locally, the following shall apply.

#### 6.1 Local pool

The following wage pools are allocated for each Agreement year:

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as of 1 April 2025: 2.2 per cent as of 1 April 2026: 2.5 per cent
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of the fixed cash salaries of the members of Unionen as of 31 March 2025 and 31 March 2026 respectively.

The individual distribution of this wage pool is based on the "Fundamental principles for pay determination" (point 3 above) and "Interaction between skills development and salary development" (point 4 above).

An employee who is on parental leave at the time of the salary review is covered by the salary review. If the employee was on parental leave during the assessment period, their pay is determined based on their probable development in their current position according to the assessment criteria had the employee not been on parental leave.

The salary review is to begin in good time and be implemented without delay.

#### 6.2 Pay review

In connection with each salary review the local parties also carry out a general review of pay levels which, over and above the distribution of the wage pool, results in pay increases aimed at maintaining or achieving the desired pay structure for salaried employees. It is important that the local parties have a clear understanding of what the nature of the pay structure should be in order to support the salary policy objectives of the agreement. The idea is that these objectives are to be met through negotiations.

Deliberations on the salary structure are to take into account the increased experience of salaried employees in their positions, more qualified duties, increased demands in their work, greater authority and responsibility, promotion and improved performance, as well as efforts to develop their own skills and the skills of others that are important to the enterprise. The salary review is also to be carried out in accordance with the "Fundamental principles for pay determination".

#### Remarks

The payroll benchmark for the Agreement period is 2.7 per cent for 2025 and 3.0 per cent for 2026.

#### 6.3 Minimum pay increase

At the end of the salary review the salary increase for a full-time salaried employee covered by the salary review is to be at least SEK 448 per month for 2025 and SEK 511 per month for 2026.

#### 7 Pay increases

(Applies where Unionen does not have a local association or a workplace representative that is entitled to negotiate at the workplace. However, the employer may apply point 6 subsequent to an agreement with Unionen at regional level.)

#### 7.1 Performance appraisal

Performance appraisals are talks conducted annually with each salaried employee based on "Salary structure in the member company", "Fundamental principles for pay determination" and "Interaction between skills development and wage development". Each salaried employee is to know on what basis their salary is determined and what the salaried employee can do to increase their salary.

#### 7.2 Salary review

For the purpose of the salary review:

as of 1 April 2025: 2.9 per cent as of 1 April 2026: 3.0 per cent

of the fixed cash salaries of the members of Unionen as of 31 March 2025 and 31 March 2026 respectively is made available.

Individual allocations from this wage pool are based on "Salary structure in the member company", "Fundamental principles for pay determination" and "Interaction between skills development and salary development" as described in points 2, 3 and 4 of this Agreement.

An employee who is on parental leave at the time of the salary review is covered by the salary review. If the employee was on parental leave during the assessment period, their pay is determined based on their probable development in their current position according to the assessment criteria had the employee not been on parental leave.

Deliberations on the salary structure shall take into account the increased experience of salaried employees in their positions, more qualified duties, increased demands in their work, greater authority and responsibility, promotion and improved performance, as well as efforts to develop their own skills and the skills of others that are important to the enterprise.

The salary review is to begin in good time and be implemented without delay.

Individual discussions with the salaried employees concerned are to take place in conjunction with the employer allocating the wage pool.

#### 7.3 Minimum pay increase

At the end of the salary review the salary increase for a full-time salaried employee covered by the salary review is to be at least SEK 448 per month for 2025 and SEK 511 per month for 2026.

#### 7.4 Talks

If a salaried employee does not feel that they have received an acceptable salary increase, talks are to be held between the salary-setting manager and the employee concerning their qualifications for their duties and the need for skills-enhancing measures or other measures. Talks are also to be held between the

salary-setting manager and the salaried employee if the latter feels that the employer has not complied with the "Fundamental principles for pay determination" in the pay agreement. In the event of disagreement on the application of the pay agreement, the salaried employee concerned may apply to the regional offices of Unionen to demand local negotiations.

#### 8 Minimum salary

After the salary review the monthly salary of a full-time salaried employee covered by the salary review who has reached the age of 18 and has been employed for at least one year continuously shall not be less than SEK 23,114 per month for 2025 and not less than SEK 23,807 per month for 2026.

The monthly salary of full-time salaried employees who have been continuously employed for less than one year shall be at least SEK 21,846 per month for 2025 and SEK 22,502 per month for 2026 respectively after the salary review.

#### 9 Negotiation procedure

#### 9.1 Local and central negotiations

Where agreement on the application of this Agreement is not reached in local negotiations, the relevant local party may demand central negotiations. Before this is done, the negotiations may be adjourned prior to central consultations in order to clarify the intentions of the Agreement.

#### 9.2 Pay board

In cases where the central parties also cannot reach agreement on the application of the pay agreement, the central party has the right to submit the matter to the Unionen–Swedish Association of Industrial Employers Pay Board for a final decision.

The Pay Board consists of two representatives of the Swedish Association of Industrial Employers, two representatives of Unionen and an impartial chair jointly appointed by the parties.

The Pay Board is to decide on the distribution based on what the agreement prescribes regarding pay increases for the agreement period as well as the "Fundamental principles for pay determination". Guidelines for local negotiations are also to be taken into account.

#### Technical instructions for the pay agreement – Unionen

#### 1 Scope of the pay agreement

#### 1.1

The pay agreement covers salaried employees who started their employment with the member company by at the latest the day before the member company's salary review date.

#### 1.2 Certain categories exempt

The pay agreement does not cover a salaried employee who, on the date of the member company's salary review:

- is employed as a temporary substitute or otherwise for a fixed term and whose employment has not been continuous for three months; or
- has probationary employment and either has not been redeployed directly from previous employment in which the salaried employee was covered by the salaried employees' agreement on general terms and conditions of employment or whose employment has not been continuous for three months; or
- holds a position that constitutes an external activity; or
   remains in service at the member company after reaching retirement age (68 years) or was employed after reaching the age of 68 years; or
- has been on leave without pay for at least three months counted from the time of the salary review for reasons other than sickness or parental leave.
   When a salaried employee on leave of absence returns to work, their salary shall be determined according to the same standards as those applied to other salaried employees of the member company under the pay agreement.

It may be agreed that an increase in salary shall be given to a salaried employee who is excluded from the salary agreement due to one of the conditions listed above. In such a case, the provisions in the pay agreement are to function as a guide.

Where a salaried employee who is employed as a substitute or on probation at the member company on the salary review date and under the first paragraph is not covered by the pay agreement then subsequently obtains indefinite term employment at the member company during the agreement period, the provisions in the pay agreement are to guide the determination of that salaried employee's pay.

#### 1.3 Salaried employees who are no longer employed

If a salaried employee has left their employment after the member company's salary review date and did not receive a pay increase under the pay agreement, the member company is to pay, without specific prompting, what the salaried employee could have claimed.

# 1.4. Employment contracts concluded within the six months prior to the member company's salary review date

If the member company and a salaried employee entered into an employment contract within the six months prior to the member company's salary review date and in so doing also agreed on a certain salary, and furthermore agreed that the agreed salary is to apply regardless of the next salary review, the salaried employee shall not be covered by the next salary review.

#### 1.5 Salary review already completed

If, pending a new pay agreement, the local parties have already agreed on pay increases, these shall be deducted from what the salaried employees receive from the application of a subsequent pay agreement, unless explicitly agreed otherwise at a local level.

#### 2 Application rules

The following application rules apply unless locally agreed otherwise.

#### 2.1 The term "member company"

If a member company has its operations located in different localities or the member company has several units in the same locality, each unit shall be deemed a "member company".

However, the member company is deemed to be one member company if:

- a) this has been clear practice in the application of previous wage formation agreements; or
- b) a local agreement has been reached to this effect.

#### 2.2 Retroactive recalculation

The following applies to compensation payments and deductions made.

## 2.2.1 Overtime compensation, travel time compensation, compensation for inconvenient working hours etc.

Overtime compensation, travel time compensation, compensation for inconvenient working hours etc. shall be recalculated retroactively. The recalculation is to be made individually for each salaried employee unless it has been agreed locally that the recalculation is to be based on the average pay increase for the member company's salaried employees.

#### 2.2.2 Salaried employees on long-term sick leave and parental leave

When a salaried employee on long-term sick leave or parental leave receives a retroactive pay increase, compensation is to be paid for the difference between the sickness benefit/parental benefit actually paid and the sickness benefit/parental benefit that would have been paid if the new salary was used as the basis for the calculation. This retroactive compensation is payable from the date of the pay increase. This applies on condition that retroactive compensation cannot be obtained from Försäkringskassan (the Swedish Social Insurance Agency).

#### 2.2.3 Deductions for leave of absence without pay

Deductions for leave of absence without pay are to be recalculated retroactively. The recalculation must be done individually.

#### 2.2.4 Sickness deductions

According to the Sick Pay Act (*lag om sjuklön*), sickness deductions during the employer's period for payment of sick pay are to be recalculated retroactively. Sick pay is also to be recalculated retroactively for lost inconvenient working hours compensation. Deductions/sickness deductions based on benefits from the Försäkringskassan shall not be recalculated retroactively.

#### 2.2.5 Holiday supplement

Paid holiday supplements shall be recalculated retroactively.

#### 2.2.6 Change in working time

If the length of working time in the member company or for certain salaried employees changes, the salaries of the salaried employees concerned are to be changed pro rata. This does not apply to a change that is a result of an agreement on a reduction in working time as part of a central pay agreement.

#### 3 Commissions

The following rules apply to commissions unless locally or individually agreed otherwise.

#### 3.1 Commissions paid per unit produced or sold

If, in addition to a fixed salary, a salaried employee is also paid a commission that is determined in SEK per unit produced or unit sold, this amount shall be reviewed in accordance with the same principles as other pay increases in connection with the salary review.

#### 3.2 Guaranteed commissions

Guaranteed commissions or profit share amounts or similar income guarantees shall be reviewed in accordance with the same principles as other pay increases in connection with the salary review.

#### 3.3 Other commissions

As far as possible and taking into account that it is in the nature of these forms of pay that the annual earnings for the individual salaried employee can vary, long-term earnings growth for salaried employees paid commissions and paid in profit shares should remain consistent with that of other salaried employees.

#### 4 Incentive pay

For salaried employees with incentive pay, the same principles apply to pay increases as for other salaried employees.

#### 5 Specific pension issues

#### 5.1 Pensionable pay increases

If a pay increase is given to a salaried employee as referred to in point 1.3 above who is entitled to a pension, the pay increase shall not be pensionable. However, if the employment ended due to a pension contingency, the pay increase shall be pensionable.

#### 5.2 Notification of pensionable salary

After the salary review the member company is to notify the new salary to Alecta/PRI as pensionable salary.

#### 6 Effective date and duration

This agreement is valid from 1 April 2004 until further notice. The agreement may be terminated in connection with the expiry of the pay agreement.

If neither party terminates this Agreement three months before its expiry at the latest, it shall be automatically prolonged for a new Agreement period.

# Alternative pay agreement – Industriarbetsgivarna (the Swedish Association of Industrial Employers) and Unionen

- Section 1 The parties agree that a central alternative pay agreement will enter into force as of 1 April 2012. An alternative pay agreement means local wage formation, and consequently the wage pool and other pay conditions are regulated locally and not centrally.
- Section 2 The local parties (at the member company) may agree to apply the alternative pay agreement instead of applying the central pay agreement at any given time. A local agreement must be considered long-term and therefore constitute a declaration by the local parties of their intention to stick to the model and not change the system of wage formation to accommodate short-term interests.
- Section 3 The local parties are then to agree on a local pay agreement. Such a local agreement is to specify a fixed annual period and cover the salary process as set out in the attached Manual. If advice is needed on the above, each local party has the right to bring the matter to its respective central party. The central party may request consultation.
- Section 4 Local agreements pursuant to Section 2 and Section 3 above may be terminated with at least three months' notice and shall expire when the current term of the local pay agreement has expired. In the event of a return to the central pay agreement, the local parties are to negotiate an adjustment of the central pay agreement. This procedure shall take account of the fact that an adjustment will entail harmonisation with the central agreement. The parties are to strive for neutrality. In the event of disagreement, the negotiation procedure in force at the time in the central pay agreement shall apply.

#### Manual for local wage formation in the sawmill industry

The agreement (hereinafter "the Model") drawn up by the central parties represents an important change to wage formation taking place at one level – directly in member companies.

The Model allows both member companies and employees to take into account the special circumstances of the member company. Wage formation shall be a good deal for both member companies and individuals. Salaries shall be viewed as generating income and profitability. Wage formation shall give individuals the opportunity to influence their salary.

Local wage formation is so much more than just determining pay. The effects in those member companies applying a long-term approach to local wage formation will be that employees perform better, the member company performs better and can afford to pay competitive wages and salaries. The wage pool shall be self-generating and not a cost to the member company, but on the contrary shall be chalked up on the income side.

For years now, existing pay agreements have highlighted the importance of wage formation and pay determination for member companies and their employees. The Model is an alternative to existing agreements and is based on the local parties appreciating the value of the alternative model as a means for success. The idea is not for the local parties to switch between the alternative model and the existing pay agreement.

For many member companies, employees are a big investment, and thus value for money is important. It is simply a matter of ensuring that everyone works on the right things, based on the member company's business concept, so that the member company is successful and profitable. Setting goals for the member company, the department and the individuals and linking salaries to how employees develop and achieve these goals are important parts of the process.

A structured way of working is needed for local wage formation to work, within the member company's top management, from the top management to managers and unions, from managers to employees. One of the most important criteria for success is that the top senior management clearly shows how important the question of pay is and works actively on engaging all managers in this matter. It is important that employees see that performance and skills development pay off.

#### 1 The platform

#### Joint review of the Model and its intentions

The member company's top management and local association are to jointly review the Model to form an idea of what consequences it has. Joint ownership of the Model and its transparency are key success factors. The Model is to be user-friendly and comprehensible to all who apply it. The member company and local association must go through it section by section and translate the Model into practical action in order to plan the process. A good way of obtaining a clear overview is to depict the different activities graphically and describe them on a timeline. It is important to realise that you do not have to do everything at once, but that you can add to it, make changes etc., as you go. In addition, there is another very important element: namely, to agree on the structure of the salary review process. Is the local association to negotiate at an individual level or negotiate only the size of the wage pool and other related issues? What role are the local

association, the HR Department and the salary-setting managers to have; and what role are the members to have?

#### Pay determination principles and wage formation factors

It is important to agree on the pay determination principles and wage formation factors. The model mentions a number of different principles, such as that pay is to be individual and differentiated and the prohibition on discrimination. In addition, member companies and the local association need to agree on the principles to be applied based on local circumstances. Here the member company has an opportunity to guide matters by stating what the employee needs to do to increase their salary and seeing the salary as not just an expense but also seeing that there is a revenue side to it.

It is very important to communicate this attitude to everyone, along with the pay determination principles to be applied, and especially to salary-setting managers, new employees and other employees. If this information has been effectively communicated, local wage formation will work well.

The level of pay increases may vary between the different salary review dates. In the first instance, the level of pay increases within the member company is governed by productivity growth, innovation capacity, profitability and external factors such as the member company's market situation and competitiveness; as well as by the individual's achievement of goals and their skills development.

The annual pay process can begin with a preparatory meeting between the local parties at which a benchmark is discussed. A possible model for salary negotiations is that the member company/local association establishes the wage pool, which is then distributed at an individual level and which the local association then reviews. Another possible model is that the wage pool is created through individual pay determination.

#### Continuous dialogue

In order for wage formation to be a driving force within the member company, it is obvious that the employer and the local parties need to have a continuous dialogue with each other on the future and development of the member company. Many of the activities that local associations and companies already engage in today, e.g. MBL 19, the budget process etc., should be put into the timeline or annual plan. While agreement may not exist on all issues, overall this leads to a greater understanding of each other's positions.

#### **Evaluation system**

All companies have a system in place for comparisons between different jobs – which jobs are more qualified or less qualified, or traditionally more or less demanding to perform and where there is a higher level of responsibility. A job evaluation is used to make these measurements visible by comparing all the jobs using the same model.

A tool that could be used here is an evaluation system which the local parties develop jointly.

#### Pay structure

The parties often say or believe that they are in agreement on the pay structure. Frequently, this issue has not been discussed because there is a belief that the parties are in agreement. The result is often that, much later in the process, they find that they have different views and then do not understand what went wrong. To get a good picture of the pay structure, each employee's salary can be set out in a graph, with age, job category, and salary as examples of variables. It is then easier to see any imbalances and see whether the pay structure supports the goals that the member company wants to achieve. The pay structure constitutes the basis for areas for analysis, for example:

- Is the pay structure in line with market salaries for the enterprise that the member company is operating?
- Do current salaries in the member company correspond to the pay structure you want to achieve?
- Does the pay structure act as an incentive for employees to take on more responsibilities or to seek to increase their skills?
- How does pay compare between different groups who have equally difficult jobs?
- How does pay relate to the education levels of staff?
- Is there discrimination (women/men, younger/older staff, those on parental leave)?
- Are we achieving our goals with the existing pay structure?

It is important to discuss, for example, whether you need to invest in certain groups for various reasons in order to be able to retain and recruit staff. If the parties agree on this and there are tenable reasons, the prospects of getting support for such an initiative are good.

#### Before a conversation/dialogue

It is important that the parties sit down together to develop the template for performance appraisals and career development talks. There are also a lot of materials available, so it is important to choose those that provide support for your chosen process. In such cases, the local parties may, if necessary, contact the central parties.

The preparation of a manual on how to conduct this kind of conversation/dialogue will facilitate the pay process. The manual is to include how the manager and the employee are to prepare themselves and what questions each of them are to think through before the conversation/dialogue. A form that both can sign can be a useful tool.

It may be useful to arrange joint training sessions for all employees in, for example, how career development talks are to be conducted. Salary-setting managers are a key group here.

Once the parties have agreed on the forms that these conversations/dialogues are to take, it is a good idea to set out the agreed activities on a timeline in graphical form with dates included.

#### 2 Information

Once all the conditions for the year's salary review have been established, these must be communicated to the salary-setting managers and employees. The member company and the local association should send out joint information to all concerned (see also above under the heading "Pay determination principles and wage formation factors").

This information could include:

- What tools/aids are there, for example training needs etc.?
- What is the timetable?
- By what date are career development talks to be completed?
- When are new salaries to be communicated?
- How is pay determined with regard to gender equality and antidiscrimination legislation?

For those on parental leave, there are special provisions in the pay agreement.

#### 3 Performance appraisal

Dialogue and empowerment are fundamental in the Model. Performance appraisals are very important in this respect as a forum for dialogue between manager and employee. Performance appraisals must be completed before pay is determined. At its core, the performance appraisal shall revolve around the results achieved in relation to clearly defined goals and may also include a discussion about a salary proposal or outline the current situation.

#### 4 Salary negotiations

If at the outset the parties decide that the manager and employee will discuss a rough salary during performance appraisals which will subsequently be established by the local association and member company, at this stage a summary is required of the outcomes of the performance appraisals and the salaries proposed by the salary-setting managers.

The member company is to ensure that one manager does not "reward" an achievement in a certain way and another manager "put a premium on" the same achievement in a different way.

The parties should look at the salary proposals from a helicopter perspective and get an overall picture of how pay increases affect the pay structure. If the parties have previously agreed on what the pay structure is and what they want it to be, they should at this stage "verify" that these intentions have been followed. It is important to agree from the outset on who is included in the salary review and that the parties ensure that they have a mandate.

#### 5 Justification of new salary

In order to achieve the intentions of the Model, the salary-setting manager must notify the employee of the new salary and provide a justification of the salary outcome. A clear justification linked to performance is very important.

Attracting and retaining skilled employees is a strategic issue for competitiveness and profitability. Communicating and justifying the new salary is essential to creating understanding for the individual's salary development. Employees shall be able to see the connection between their performance and their new salary.

An individual action plan shall be drawn up in cases of a low salary increase that will provide opportunities for the employee to improve and develop in the future.

#### 6 New salary is paid

The parties have initially agreed when the new salary will be paid. It is important that the process is planned so that payment dates can be kept to.

#### 7 Quality assurance

When all is done and the new salaries have been paid, it is time to gather people's experiences of the process. Quality assurance evaluates the process so that it can be improved and developed before the next round. Preparations and follow-up of the salary review are essential elements and require clear documentation. Training of salary-setting managers and elected representatives is an important part of the process.

#### 8 Career development talks

Continuous dialogue between manager and employee is part of the Model. Career development talks go under a variety of names. The talk should address current duties, work situation, the work environment, development opportunities, skills development and skills requirements in both the short- and long-term.

Pay and skills development are linked together in the Model. Both the salary-setting manager and the employee are to prepare for this conversation. The salary-setting manager is responsible for documenting the conversation with the employee.

When changing the salary-setting manager, procedures must be in place for handing over the documentation.

It may be worth remembering that the procedure of having career development talks and performance appraisals should permeate the entire enterprise. If managers are used to having these conversations themselves, it is easier to hold these conversations with their employees.

#### **Checklist for the Model**

- Do the parties have knowledge about the member company's future and development (MBL19, budget process etc.)?
- The member company and the local association jointly review the Model and preparations for the process.
- Discuss and agree on pay determination principles and wage formation factors that are objective and fact-based.
- Who is covered by the salary review, those on parental leave etc.?
- Has the need for an evaluation system been discussed?
- Has the pay structure been discussed?
- Have the templates for conversations/dialogue been produced?
- Establishment of the timetable.
- Have the salary-setting managers and employees been informed of these conditions for the salary review?
- Have all performance appraisals been conducted?
- How are promotions to be handled?
- Has anyone had an "unfavourable salary outcome"?
- New salary is communicated and justified, and paid.
- Quality assurance is performed by evaluating the process.
- Has the upcoming career development talk been scheduled?

# Wage formation in the company – Sveriges Ingenjörer (the Swedish Association of Graduate Engineers)

The local parties jointly review the Agreement's intentions with regard to salary policy and its application to the member company's salary policy with a view to agreeing on how the local salary review is implemented. If there is no local union party, this review is to take place in deliberations between the member company and the individual member.

#### 1 The importance of wage formation

Wage formation is based on the member company's business concept. It is part of the member company's work on its finances, productivity growth and innovation capacity, and is based on set overall goals, broken down into objectives and individual goals.

Wage formation and pay determination, when used correctly, can become a positive force in the member company's operations, thereby creating the conditions for all individuals to grow and develop. It is therefore intended to stimulate good performance, resulting in increased productivity and improved profitability in the member company. It is to actively stimulate skills development and continuous improvement in various forms and thereby contribute to a generally higher level of skills in the member company.

This revenue-generating wage formation process enables positive salary development and security of employment.

#### 2 Salary structure in the member company

Wage formation is to contribute to the desired salary structure for the graduate engineers' group, where pay is differentiated between individuals based on the "Fundamental principles for pay determination" (see point 3 below).

Market forces also play a role in wage formation in the individual member company.

It is also assumed that the graduate engineers' group will be treated based on the specific conditions that exist for this group with respect to the pay structure.

#### 3 Fundamental principles for pay determination

Pay determination is to be individual and differentiated with pay differences that are experienced as justified and fair. The same pay determination principles shall apply irrespective of age, ethnic origin or gender. The same determination principles shall also apply in recruitment and to experts/specialists as well as line managers, regardless of career path.

Pay is to be determined according to the responsibilities and degree of difficulty of each position and based on how well the salaried employee fulfils set goals. Pay shall increase with increasing responsibility and degree of difficulty and with the employee's performance and capability.

Management skills, judgement and initiative, financial responsibility, ability to collaborate, and creativity and innovation capacity are to be taken into account when determining pay, as well as efforts to develop the skills of others that are important to the enterprise. Market forces also influence pay determination.

Where a salaried employee has been promoted or has their area of responsibility expanded, it is natural to review their salary in connection with this.

The guidelines for skills development are to be applied as part of the salary agreement. It is important that, guided by these principles, pay determination is based on a systematic and justified assessment.

#### 4 Guidelines for local negotiations

#### Comments

The following guidelines are applied according to the individual member company's own circumstances, taking into account among other things the organisation, size and composition of the graduate engineers group.

Where the pay process is carried out by the parties with mutual respect for each other's interests, this will lead to forms of cooperation and negotiation that support an active local pay process to which the parties can contribute their knowledge from the enterprise. This will result in pay determination which can be accepted by both the employer and the individual, and which contributes to the development of both the member company and the individual.

The individual member company knows best about the member company's possibilities with regard to wage formation. After jointly reviewing the Agreement's intentions and any local criteria for pay determination, the local parties shall therefore agree on the structure of the pay process and how it is to be implemented. An important element in the pay process is also that the parties

engage in a dialogue about the member company's development (profitability, productivity growth, investment plans etc.).

The pay process is to begin in good time and be implemented without delay.

It is assumed that the parties will provide each other with relevant factual information prior to and during the salary negotiations.

Prior to the negotiations, the parties carry out an overall analysis of the pay structure of the member company. There shall be no discriminatory or other objectively unjustifiable differences in salaries or other terms of employment between employees. Among other things, this may involve a review of the factors that are to be given weight in pay determination. Any pay differences for people of different genders in similar or equal positions that are unjustified, erroneous or not objective are to be eliminated in the context of the salary review carried out under point 5.2.

The salary review is to be conducted in accordance with the applicable legislation, whereby any errors noted shall be corrected as soon as possible, but at the latest within a three-year period.

It is in the spirit of the Agreement that the local parties are to endeavour to reach agreement in the local negotiations. If there are difficulties in reaching agreement, the local parties may contact their respective organisations with a view to clarifying the intentions of the Agreement and principles for wage formation.

On the employer's initiative, each employee is to be offered a performance appraisal with the salary-setting manager before the salary review. Employees are to be able to see the connection between their achievement of set goals and their new salary based on the "Fundamental principles for pay determination".

After negotiations have been concluded, the manager informs the employee of their new salary and the rationale for the pay determination and their individual pay level. This is in order to facilitate an annual pay survey and the elimination of any subjective pay differences.

#### 5 Pay increases

Unless otherwise agreed locally, the following shall apply.

#### 5.1 Local pool

The following wage pools are allocated for each Agreement year

as of 1 April 2025: 2.4 per cent as of 1 April 2026: 2.5 per cent

of the fixed cash salaries for the graduate engineers group as of 31 March 2025 and 31 March 2026 respectively.

The individual distribution of this wage pool is based on the "Fundamental principles for pay determination" (point 3 above) and "Guidelines on skills development", which is part of the pay agreement.

On the normal salary review date, an employee who is or has been on parental leave shall be granted a salary increase equivalent to that for other employees with similar duties.

#### 5.2 Salary review

In connection with each salary review, in dialogue the local parties also conduct a pay review which, over and above the distribution of the wage pool, results in pay increases aimed at counteracting shrinkage in the range of salaries and instead creating pay differentiation and a range of salaries that supports and encourages the efforts of employees. The pay structure of the member company shall thus be designed to promote the development of the employees' skills, achievement of goals and capacities. It is important that the local parties define what their member company means by pay structure and how it should be designed to support the salary policy objectives of the Agreement. The intention is that these objectives shall be met through negotiations.

Deliberations on the salary structure are to take into account the increased experience of the members of the graduate engineers group in their positions, more qualified duties, increased demands in their work, greater authority and responsibility, promotion and improved performance, as well as efforts to develop their own skills and the skills of others that are important to the enterprise.

The salary review shall be carried out in accordance with the "Fundamental principles for pay determination".

#### 5.3 Low pay increase

If a member of the Swedish Association of Graduate Engineers has had unfavourable salary development over a long period, special talks are to be held on the individual's qualifications for their duties and current capacities, and the need for skills-enhancing measures or other appropriate measures, with the aim of enabling the individual to improve their salary growth in the future.

#### 6 Negotiation procedure

Where agreement on the application of this Agreement is not reached in local negotiations, the relevant local party may demand central negotiations.

### Wage formation in the member company – Sveriges Ingenjörer (Swedish Association of Graduate Engineers)

In cases where the central parties also cannot reach agreement on the application of the pay agreement, the central party has the right to submit the matter to the Swedish Association of Industrial Employers–Swedish Association of Graduate Engineers Pay Board for a final decision.

The Pay Board consists of two representatives of the Swedish Association of Industrial Employers, two representatives of the Swedish Association of Graduate Engineers and an impartial chair jointly appointed by the parties. The Pay Board is to decide on the distribution based on what the agreement prescribes regarding pay increases for the agreement period as well as the "Fundamental principles for pay determination". Guidelines for local negotiations are to also be taken into account.

# Technical instructions for the pay agreement – Sveriges Ingenjörer (the Swedish Association of Graduate Engineers)

# 1 Scope of the pay agreement

The pay agreement covers salaried employees who started their employment with the member company by at the latest the day before the member company's salary review date.

## 1.2 Certain categories exempt

The pay agreement does not cover a salaried employee who, on the date of the member company's salary review:

- is employed as a temporary substitute or otherwise for a fixed term and whose employment has not been continuous for three months; or
- has probationary employment and either has not been redeployed directly from previous employment in which the salaried employee was covered by the salaries employees' agreement on general terms and conditions of employment or whose employment has not been continuous for three months; or
- holds a position that constitutes an external activity; or
- remains in service at the member company after reaching retirement age (68 years) or was employed after reaching the age of 68 years; or
- has been on leave without pay for at least three months counted from the time of the salary review for reasons other than sickness or parental leave.
   When a salaried employee on leave of absence returns to work, their salary shall be determined according to the same standards as those applied to other salaried employees of the member company under the pay agreement.

It may be agreed that an increase in salary shall be given to a salaried employee who is excluded from the salary agreement due to one of the conditions listed above. In such a case, the provisions in the pay agreement are to function as a guide.

# Technical instructions for the pay agreement – Sveriges Ingenjörer (Swedish Association of Graduate Engineers)

Where a salaried employee who is employed as a substitute or on probation at the member company on the salary review date and under the first paragraph is not covered by the pay agreement then subsequently obtains indefinite term employment at the member company during the agreement period, the provisions in the pay agreement shall guide the determination of that salaried employee's pay.

# 1.3 Salaried employees who are no longer employed

If a salaried employee left their employment after the member company's salary review date and did not receive a pay increase under the pay agreement, the member company is to pay, without specific prompting, what the salaried employee could have claimed.

# 1.4. Employment contracts concluded within the six months prior to the member company's salary review date

If the member company and a salaried employee entered into an employment contract within the six months prior to the member company's salary review date and in so doing also agreed on a certain salary, and furthermore agreed that the agreed salary is to apply regardless of the next salary review, the salaried employee shall not be covered by the next salary review.

# 1.5 Salary review already completed

If, pending a new pay agreement, the local parties have already agreed on pay increases, these shall be deducted from what the salaried employees receive from the application of a subsequent pay agreement, unless explicitly agreed otherwise at a local level.

# 2 Application rules

The following application rules apply unless locally agreed otherwise.

# 2.1 The term "member company"

If a member company has operations in different localities or the member company has several units in the same locality, each unit shall be deemed a "member company".

However, the member company is deemed to be one member company if:

- this has been clear practice in the application of previous wage formation agreements, or
- b) a local agreement has been reached to this effect.

#### 2.2 Retroactive recalculation

The following applies to compensation payments and deductions made.

# 2.2.1 Overtime compensation, travel time compensation, compensation for inconvenient working hours etc.

Overtime compensation, travel time compensation, compensation for inconvenient working hours etc. shall be recalculated retroactively. The recalculation is to be made individually for each salaried employee unless it has been agreed locally that the recalculation is to be based on the average pay increase for salaried employees at the member company.

# 2.2.2 Deductions for leave of absence without pay

Deductions for leave of absence without pay are to be recalculated retroactively. The recalculation must be done individually.

#### 2.2.3 Sickness deductions

According to the Sick Pay Act (*lag om sjuklön*), sickness deductions during the employer's period for payment of sick pay are to be recalculated retroactively. Sick pay is also to be recalculated retroactively for lost inconvenient working hours compensation. Deductions/sickness deductions based on benefits from Försäkringskassan shall not be recalculated retroactively.

# 2.2.4 Holiday supplement

Paid holiday supplements shall be recalculated retroactively.

# 2.2.5 Change in working time

If the length of working time within the member company or for certain salaried employees changes, the salaries of the salaried employees concerned are to be changed pro rata. This does not apply to a change that is a result of an agreement on a reduction in working time as part of a central pay agreement.

#### 3 Commissions

The following rules apply to commissions unless locally or individually agreed otherwise.

# 3.1 Commissions paid per unit produced or sold

If, in addition to a fixed salary, a salaried employee is also paid a commission in SEK per unit produced or unit sold, this amount shall be reviewed in accordance with the same principles as other pay increases in connection with the salary review.

#### 3.2 Guaranteed commissions

Guaranteed commissions or profit share amounts or similar income guarantees shall be examined in accordance with the same principles as other pay increases in connection with the salary review.

#### 3.3 Other commissions

As far as possible and taking into account that it is in the nature of these forms of pay that the annual earnings for the individual salaried employee can vary, the long-term earnings growth for salaried employees paid commissions and paid in profit shares should remain consistent with that of other salaried employees.

## 4 Incentive pay

For salaried employees with incentive pay, the same principles apply to pay increases as for other salaried employees.

# 5 Specific pension issues

#### 5.1 Pensionable salary increases

If a pay increase is given to a salaried employee as referred to in point 1.3 above who is entitled to a pension, the pay increase shall not be pensionable. However, if the employment ended due to a pension contingency, the pay increase shall be pensionable.

# 5.2 Notification of pensionable salary

After the salary review the member company is to notify the new salary to Alecta/PRI as pensionable salary.

#### 6 Effective date and duration

This agreement is effective from 1 April 2004 until further notice. The agreement may be terminated in connection with the expiry of the pay agreement.

If neither party terminates this Agreement three months before its expiry, it shall be automatically prolonged for a new Agreement period.

# Agreement on local wage formation – Ledarna

The Swedish Association of Industrial Employers and Ledarna have agreed that the following Agreement shall apply to member companies in the sawmill industry and members of Ledarna within the parties' common sphere of activities.

# Section 1 Common points of departure

With this Agreement, the Swedish Association of Industrial Employers and Ledarna aim to contribute to increased productivity, profitability and competitiveness in their member companies, thus creating better prospects for positive salary development. This assumes well-developed and effective leadership within all functions of the member company.

Managers are the employer's representatives and have a special responsibility for achieving set goals and ensuring that results are followed up. This requires the continuous development and empowerment of the individual. In order to successfully communicate the member company's business concepts, key success factors and goals, managers must receive support and training and have reasonable conditions for being able to manage this Agreement.

The Agreement provides the framework for the local wage formation process, where the point of departure is a dialogue between the manager and the employee. The key words in this dialogue are:

- individual goals and priorities
- skills development
- results and performance
- pay and rewards

The employer informs all concerned about the Agreement and its practical management.

If there are local representatives of Ledarna, the local process description is to be formulated jointly. The parties share a joint responsibility for quality assurance of the process. The parties' common support materials provide guidance in this work.

With regard to the principles for wage formation and their application in practice, the central parties can provide advice and support.

## **Section 2 Fundamental principles**

- 1. The application of the Agreement is adapted to local conditions and assumes engagement, trust and responsibility.
- 2. The member company's salary policy and well-known pay criteria are the basis for pay determination. Managers are to be valued on the basis of their ability to generate results through their leadership.
- 3. Pay is to be determined individually and differentiated on the basis of the enterprise's requirements, the nature and content of the individual's duties and their skills, capability and achieved work results.
- 4. The quality and development of the dialogue is based on taking joint responsibility.

# **Section 3 The local process**

The member company is responsible for initiating the pay process. For the process to function effectively, a description of how the process is to be applied needs to be drawn up in order to provide quality assurance. This process description should be in writing.

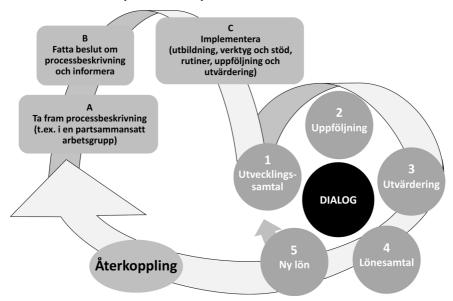
The member company defines which individuals are responsible for the pay process. In connection with this, their authority and duties are clarified.

It is particularly important that the way in which the dialogue is to be conducted and followed up as well as the timing of the salary review are apparent. It is a good idea to set salary review dates for different individuals at individual times in a specific order, e.g. by month of employment.

If there are local representatives for Ledarna, the parties are to jointly produce a description of how the Agreement is to be applied within their own member company, based on the intentions of the Agreement. They must also agree on how the employer's proposals for individual salaries are to be presented to the local representatives.

If there are no local representatives, the salary-setting manager and individual member of Ledarna are to agree on the dates and process for the career development talk, follow-up, salary dialogue and salary review date in accordance with the points of departure for and principles of the Agreement.

## Subsection 1 The parts of the process – an overview



# (Texts in image:

- A. Produce process description (e.g. in working group appointed by a party)
- B. Decide on process description and communicate
- C. Implement (training, tools and support, procedures, follow-up and evaluation)
- 1. Career development talk
- 2. Follow-up
- 3. Evaluation
- 4. Performance appraisal
- 5. New salary

Dialogue (Dialog)

Feedback (Återkoppling))

# Section 4 Manager dialogue

Dialogue between the manager and the individual concerned about goals, priorities, expectations and career development needs is of great importance. The focus is on establishing a process in which the individual's results, performance, skills and salary growth are linked. This dialogue is based on the individual's mission and circumstances, where skills planning is a given element.

The dialogue between managers and their immediate superiors will work best if both parties have prepared themselves for the dialogue.

The dialogue should include the following elements: career development talk, follow-up, evaluation, performance appraisal and justification of the new salary.

# Section 5 Pay determination principles

Pay is to be determined individually and differentiated according to the member company's salary policy and well-known pay criteria.

In individual pay determination, the following are important assessment criteria for the role of manager: the ability to manage and cooperate with others; judgement; technical, financial and personal responsibility; the ability to develop employees; initiative, creativity and innovation capacity; and an ability to see the big picture.

Pay is to be reviewed at least once per 12-month period. Employees on parental leave are included in the annual pay process.

The immediate manager is to have a decisive influence on pay determination. A new salary must always be presented and justified in a planned conversation.

When an employee is promoted or changes position, their salary is reviewed.

# Section 6 Special talks in the event of no pay increase

For members of Ledarna who are offered little or no pay increase, special talks are to be held. At these talks, the member's qualifications for their tasks and current capabilities, and the need for skills-enhancing measures or other appropriate measures, are discussed. The results are documented.

# **Section 7 Negotiation procedure**

# 7:1 Common points of departure

It is in the spirit of the Agreement that matters concerning individual pay determination and salary growth are primarily resolved in the dialogue between a member of Ledarna and their manager. In the event that the issues cannot be resolved, the member should contact Ledarna, at which point the provisions in this negotiation procedure apply.

Local parties are to endeavour to reach local agreement on the format of the pay process and how the Agreement is to be applied. If the parties do not agree, they may demand negotiations in accordance with the provisions in this negotiation procedure.

#### Remarks

In the event that an employer does not initiate discussions on the format of the pay process at all, or otherwise disregards the application of this Agreement, the negotiation procedure in the agreement on general terms and conditions for the relevant employer association within the Swedish Association of Industrial Employers shall apply.

# 7:2 Local negotiations

Local negotiations regarding the pay process and how the Agreement is to be applied are to be demanded no later than three weeks after either party declares that the party is of the opinion that there is disagreement on an issue. Before local negotiations are concluded, the central parties should be consulted on the application of the Agreement. The focus shall be on avoiding the need to resort to central negotiations.

#### 7:3 Negotiations in the event of disagreement on individual pay

In the event of disagreement with the employer's proposal for an individual salary, local negotiations must be called for no later than seven days after the employer has submitted its proposal. Negotiations must begin no later than three weeks after being called for. Before local negotiations are concluded, the central parties may be consulted on the application of the Agreement.

# 7:4 Central negotiations

Central negotiations are to be called for by central parties at the latest three weeks from the date on which the local negotiations were declared at an end.

# 7:5 Referral to the Pay Issues Board

If the parties do not agree in central negotiations, the case may be referred to the Pay Issues Board for an opinion. This must be done at the latest three weeks after the central negotiations have been concluded. The Board is to issue an opinion on the dispute arising under this Agreement within two months.

The Pay Issues Board consists of four members, two of which are appointed by the affected employer association and two of which are appointed by Ledarna. The affected employer association and Ledarna also each appoint their own secretary. If the Board is in agreement, it may act as an arbitration panel with an impartial chair appointed by the Board.

#### 7:6 Limitation period

If a party fails to observe the time limits set out above, the party loses the right to pursue the matter further and the employer then has the right to determine salaries.

#### Section 8 No strike or lockout clause

This Agreement has a no strike or lockout clause for both local and central parties in the matters governed by the Agreement.

If it has not been possible to reach agreement on the individual salaries in central negotiations, Ledarna or the Swedish Association of Industrial Employers may decide on the suspension of the no strike or lockout clause within the member company in question or the part thereof covered by the negotiations. Notice of this is to be submitted immediately to the other party.

To be valid, notice of industrial action must have been issued by the board of the union or by the board of the Swedish Association of Industrial Employers.

In all other cases, the industrial action rules in the applicable legislation and agreements apply.

#### Section 9 Effective date and duration etc.

This Agreement enters into force on 1 April 2016 and will remain in force until further notice, subject to three months' notice of termination by either party. The parties are agreed that this Agreement is to be registered with the National Mediation Office.

The Agreement shall be effective for the same term as the existing agreement on general terms and conditions and therefore no separate termination is required.

# **Guidelines on skills development**

# Points of departure

In recent years, people's working lives have been subject to changes the pace of which is ever increasing. This has also put more pressure on employees to develop and adapt to new circumstances.

The ability to adapt and develop can be summed up by the concept of "skills development". The unions agree that there is a significant consensus between the parties on the need for skills development and its importance, as evidenced *inter alia* by the Industry Agreement (*Industriavtalet*) – the industrial cooperation and negotiation agreement from 2011 – and the principles of pay determination in the pay agreements.

# The importance of skills development

In order to face the increasingly fierce competition, a determined effort is required to develop skills within the member company. The know-how and commitment of employees are crucial to the company's competitiveness.

With increasingly "lean" and flow-oriented organisations, it is not enough just to give certain key people the opportunity to develop their skills. All employees must be given the opportunity to develop the skills that are needed in new, changed or future duties through a variety of initiatives. This also makes it much easier to find a replacement when someone is sick, for example.

# The importance of dialogue

An important foundation for the development of the collective skills of the member company and its employees is internal dialogue. Such a dialogue is fundamental to being able to break down member companies' development plans and future skills needs into joint and/or individual development plans, which should be drawn up in the context of the regular career development talks, which in this context constitute an important instrument alongside, for example, workplace meetings. In these talks current duties, work results and goals are discussed, as well as the member company's future development needs, along with individual wishes and initiatives. It is in the interests of both the member company and the employee to agree on and regularly follow up individual development plans.

# Skills development – the responsibility of both member company and employee

It is primarily the responsibility of member companies to develop their staff, organisation and technology. Among other things, the member company also needs to make known the specific knowledge and skills needed to develop different areas within the member company. As far as staff members are concerned, it is important to invest in relevant skills development and to demonstrate opportunities for development; these initiatives may vary in nature. Important elements include learning at work and job rotation. Other important training initiatives may include instructor-led training in the member company, such as computer-assisted training or courses. The time required may vary depending on the employee's circumstances and the member company's needs.

All employees are then ultimately responsible for their own development. A passive approach may lead to the individual employee no longer being able to meet the qualifications required to continue working in an enterprise that is undergoing major changes. Since people's attitudes to change and development vary, it is important for all employees to have the opportunity to get real insight into their situation, their circumstances and the opportunities for skills development that exist for them, and then be able to make their own choices. However, it is the responsibility of the member company and its top management to ensure that the individual is offered relevant skills development opportunities.

In connection with a return to work after parental leave, the employer is to provide opportunity for the skills development that may be needed in view of the length of the leave.

# Skills development – salary development

Successful skills development assumes that pay determination stimulates development in a natural way. It is through pay determination in particular that employees will sense that the employer is responding to their efforts. Skills development is therefore an important factor in member companies' wage formation processes. The aim is that skills development shall pay off for the employee and add value to the member company.

In light of this, it is important for member companies to apply principles for pay determination and terms and conditions of employment that encourage employees to strive to continuously develop their skills.

## Local cooperation

The parties are both of the view that the forms of dialogue and the member company's skills development and support for individual employees' initiatives to develop their skills by providing time, money and other resources must be adapted to the size and situation of each individual member company.

At the request of either party, consultations may be held with a view to reaching agreement on the forms of dialogue with the employees, the planning and implementation of various development efforts, and how to work together on training and other issues related to skills development.

The local parties have a joint responsibility to analyse the skills needs of the member company and its employees. This analysis may form the basis for personal and/or general development plans in the short and long term.

The local parties may request the participation of the unions for advice on the basis of these guidelines.

# Occupational health and safety agreement

# **Section 1 Common points of departure**

The parties agree to promote the development of a good working environment for the benefit of both the member companies and their employees. This work is to be carried out in cooperation between the local parties.

The work environment is important for the member companies' operations and aims to provide safe and healthy working conditions for the protection of life and health. A good work environment that also takes account of the psychological and social conditions at the workplace shall also lead to reduced absenteeism and increased productivity, quality and profitability.

The Work Environment Act (arbetsmiljölagen) and associated provisions and general recommendations are important fundamental elements in these efforts. The parties agree that systematic work environment management shall form the basis for preventive health and safety measures at the workplace. The fact that the nature of the work environment shall be safe from both a mental and a physical point of view shall guide these efforts. This means, for example, identifying, recognising and preventing work-related stress.

The parties attach great importance to activities being organised in such a way that the work provides opportunities for variation. Employees shall also be given the opportunity to influence their own work situations.

# **Section 2 Local cooperation**

Work environment matters are handled routinely by managers responsible for this area.

Cooperation between the local parties is fundamental to the success and effectiveness of occupational health and safety efforts. Local agreements should be reached on how to work together on this. How systematic work environment management is to be carried out, training in occupational health and safety, and rehabilitation are all matters that can be regulated in local agreements. Local agreements are adapted to the conditions and operations of each member company.

Cooperation and local agreements do not limit the employer's liability under the Work Environment Act.

# **Section 3 Training**

The Work Environment Act (arbetsmiljölagen) requires that employers and employees take joint responsibility for occupational health and safety representatives receiving the training that they require. Similarly, employers are responsible for ensuring that managers or other employees who have duties that have an impact on the work environment receive the necessary training within their respective areas of work.

Required training means basic and in-service training. For basic training, the training materials developed by or materials agreed on by the parties are to be used. Occupational health and safety representatives should receive their basic training no later than six months after they have been selected.

The content, duration and compensation for in-service training and related matters are dealt with within the framework of local cooperation.

The parties agree that this Agreement shall not prejudice the rights set out in the Trade Union Representatives (Status at the Workplace) Act (*förtroendemannalagen*).

To avoid the risk of injury, it is important for all employees to have a good knowledge and understanding of work environment risks and safety rules in relation to their duties. This is particularly important when inducting new employees and when introducing new tasks. The form and scope of this work is determined locally.

# **Section 4 Negotiation procedure**

In the event of any dispute over the interpretation or application of this Agreement or a local agreement, the negotiation procedure is to apply.

# Section 5 Effective date and duration

This Agreement shall be effective from 1 June 2004 until further notice, subject to three months' notice of termination by either party.

# Occupational health services agreement

# Agreement on guidelines for occupational healthcare services

#### Introduction

The main mission of the member companies is to operate profitably. The safety and wellbeing of employees in their work is an important aspect of the goals of reducing absenteeism and improving productivity, quality and profitability. Work environment efforts and the organisation of work are therefore a natural and essential part of the member companies' operations.

Work environment management being organised as part of the member companies' normal activities is also emphasised in the Work Environment Act, where the employer's responsibility for the work environment is now emphasised more than before. It is therefore natural for the employer, as the principal responsible, to utilise occupational health services as an important resource in fulfilling its obligations. Having active and knowledgeable employees and engaged union representatives who are skilled in occupational health and safety matters provides valuable support for the employer in work environment management at the local level.

The parties agree that an occupational health service is a necessary and self-evident resource for the member companies and their employees in designing appropriate and safe work environments. The occupational health service is also a very important resource in the development of rehabilitation programmes which, under the legislation, are assumed to be carried out in cooperation between the employer, the employee and Försäkringskassan.

The goal is for the occupational health service to be involved in preventive health care, some medical services and rehabilitation activities based on a comprehensive perspective, taking into account medical, technical and psychosocial aspects.

#### Structure of these activities

The parties note that what is required of an occupational health service may vary from one member company to another in the industry. These differences may be due to factors such as technology, organisation and geographical conditions.

The capacity of member companies to provide an occupational health service may also vary. Thus in some cases it is possible to have integrated occupational health services within the framework of joint corporate solutions at the member company's locality. However, for the vast majority of the industry's member companies, the most common solution is likely to be an affiliation with existing or newly established occupational health service centres. Other solutions involving

various types of joint arrangements with other companies in the region may also be appropriate in many cases. In some cases, purchasing consultant services may be a solution with respect to occupational health services.

In the context of the required comprehensive approach to occupational health services, the following examples of what occupational health services are to provide can serve as guidance:

- Assist in producing the basis for the necessary decisions to promote a safe and healthy work environment and adaptation required, as well as rehabilitation measures within the member company.
- Monitor any circumstances that may impact the health of employees and work adaptation.
- Provide advice and contribute to the creation of appropriate, healthy and safe
  working conditions, in particular in connection with major changes within the
  member company. It is therefore important that occupational health services
  can participate and are given opportunity to participate at an early stage.

## Local cooperation

Work environment efforts – and as part of this, the occupational health service – must be carried out jointly by the employer and the employees and their union. The design and approach of the occupational health service within individual member companies is specified through guidelines established after due consultation between the local partners.

The parties assume that the local guidelines will normally take the form of local agreements which, where applicable, are subject to three months' notice of termination by either party, or subject to a period of notice agreed by the local parties.

# Sågverksavtalets arbetsmiljöråd (SAR) (the Sawmill Industry Agreement's work environment board)

The parties agree that SAR may be utilised as an advisory body on industry-wide policy issues and other issues of common interest that may arise from this Agreement.

# **Negotiation procedure**

In the event of any dispute over the interpretation or application of this Agreement or a local agreement, the negotiation procedure is to apply.

#### Effective date and duration

This Agreement shall be effective from 1 June 2004 until further notice, subject to three months' notice of termination by either party.

# Agreement on provision for partial pension

The parties agree on a pension provision of 0.7 per cent in the agreement sector (0.5 per cent from the 2013 agreement negotiations and a further 0.2 per cent from the 2016 agreement negotiations). The purpose of this special provision is to enable the salaried employee to take a partial pension from the age of 60.

This provision is to be a supplement to ITPK for those covered by ITP 2 and for others a supplement to ITP 1.

Provision of 0.7 per cent shall be made as of 1 April 2016.

Provision of an additional 0.2 per cent shall be made as of 1 April 2017, i.e. making a total of 0.9 per cent, and a further 0.3 per cent as of 1 April 2019, i.e. making a total of 1.2 per cent.

An additional provision of 0.4 per cent is to be made as of 1 November 2020, i.e. making a total of 1.6 per cent.

An additional provision of 0.2 per cent is to be made as of 1 April 2023 and an additional provision of 0.2 per cent as of 1 April 2024, i.e. making a total of 2 per cent as of this date.

# Right to part-time employment

The parties agree that salaried employees have the right to reduce their working time from the age of 60 to enable a partial pension (see Section 3 Subsection 3 of the Agreement on General Terms and Conditions of Employment). However, a prerequisite is that this can be done within reason with regard to the requirements and needs of the enterprise. A salaried employee wishing to exercise this right shall apply no later than six months before part-time employment is to enter into force, after which consultation shall take place between the salaried employee and the employer. The point of departure is that the working time thereafter shall be 80 per cent of full-time. Another reduction in working time can be agreed. Special consideration shall be given to the conditions at smaller member companies. If the employer intends to deny the salaried employee's request, the employer is to inform the salaried employee and their trade union organisation. In connection with this, the reasons why the employer intends to deny the application must be stated. Negotiations may be requested in accordance with the negotiation procedure in force.

For salaried employees who exercise their right to take a partial pension and who are covered by ITP 2, the employer is to notify Collectum of the employee's previous full-time salary so that the retirement pension from the age of 65 will not be affected by the employee's partial retirement.

# Agreement on working time accounts – Sveriges Ingenjörer (the Swedish Association of Graduate Engineers)

#### **Agreement 1 April 1998 – 31 March 2001**

Local parties were given the opportunity to agree on a reduction in working time and in conjunction with this also to agree on a deduction from the wage pool in the agreement year in which the reduction in working time was introduced.

#### Agreement 1 April 2001 - 31 March 2004

If no local agreement on reduced lifetime working time (annual working time and pension premium) was established by 1 December 2001, individual working time accounts were established for all employed CF members (now Sveriges Ingenjörer – Swedish Association of Graduate Engineers) and/or other Saco members represented by CF as of 1 April 2001.

The same applied in 2004. If no local agreement on reduced lifetime working time (annual working time and pension premium) was established by 31 December 2004, individual working time accounts were established for all employed CF members (now Sveriges Ingenjörer – Swedish Association of Graduate Engineers) and/or other Saco members represented by CF as of 1 June 2006.

Unless a local agreement was reached as described above, the total allocation was 2 per cent as of 31 May 2007 with the following rules.

# **Subsection 1 Allocation**

An allocation of 2.5\* per cent, calculated per allocation year (1 April -31 March), is made to each working time account. The allocation is based on the pay received during the allocation year in question.

\*With effect from 1 April 2025 an additional 0.5 per cent, equivalent to 1 day, is allocated to the system of working time accounts, resulting in the above level. Since the reduction in working time is accrued the year before it is taken, this additional allocation could be withdrawn starting in 2026. Note, however, that if withdrawn in 2026, the additional allocation shall be proportioned due to accrual over only over nine months, unless the calendar year is not used for accrual. In these cases, when cash compensation is withdrawn the allocation is calculated at 2.0 per cent on accruals in the period 1 January – 31 March, and at 2.5 per cent on accruals in the period 1 April – 31 December.

#### The pay basis includes:

- Regular monthly salary including variable pay components (the regular monthly salary includes the salary increase that may have resulted from an agreement that the employee is not entitled to overtime compensation)
- Inconvenient working hours supplement
- Other special supplements and compensation related to work during normal working time
- Sick pay
- Compensation for other paid time off that is paid by the employer
- Compensation paid out during the year according to this subsection

#### The following are not included in the pay basis:

- Overtime compensation (the working time account is there to cover the loss of pay if regular working time is reduced)
- Standby compensation and other special supplements and compensation related to overtime work
- Holiday pay and compensation in lieu of annual leave (when calculating the allocation, a deduction of 4.6 per cent of the monthly salary per day of paid annual leave is made from the total annual pay)

#### Comments

As described above, the principle for the allocation to the working time accounts is based on the salary and compensation relating to work during regular working time and to the compensation paid by the employer during what is referred to as paid leave.

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

#### Subsection 2 Withdrawals from the allocated amount

Allocations to working time accounts can be withdrawn in the form of time off, pension premiums or cash compensation. The employee has the right to choose each year from these three options. The various options cannot be combined in a single year except by special agreement.

Employees whose employment ends during the allocation year receive cash compensation for this period, unless an allocation to pension premiums has been otherwise agreed.

# **Subsection 3 Obligation to provide information**

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

After the employee has received information on the amount allocated during the year, the employee is to inform the employer in writing no later than 15 May of how he/she wants to use the allocated amount.

In the event that the calendar year is applied as the allocation year, the employer must provide information to the employees before the end of January. After the employee has received information on the amount allocated during the year, the employee is to inform the employer in writing in February of how he/she wants to use the allocated amount.

#### Subsection 4 Calculation of time off

If the accrued balance is to be used as payment during time off, the amount of time off is to be calculated as follows in the case of full accrual:

Year	Value	40 hours/wk	38 hours/wk	36 hours/wk
2025	2.0%	36 hours	34 hours	32 hours
2026	2.5%	43 hours*	40.5 hours*	38 hours*
2027	2.5%	45 hours	42.5 hours	40 hours

The times stated in the table refer to the average working time for full-time employment at the time when the withdrawal takes place. The time off is adjusted pro rata for those who work a different number of hours.

# Subsection 5 Scheduling of time off

When a worker requests time off, this is to be scheduled by agreement between the employer and employee. The main rule is that both the needs of the business and the wishes of the employee are to be taken into account.

<sup>\*</sup>In the event that calendar yearly accrual is applied at the company, for withdrawals in 2026 the extra allocation of 0.5 per cent that was added to the system as of 1 April 2025 shall be proportioned due to accrual over only nine months (1 April—31 December). If the company applies an accrual year of 1 April—31 March, the number of hours specified for 2027 shall apply.

It is not consistent with the intent of the agreement for the employer, on repeated occasions, to inform an employee that his/her request for time off cannot be met and that the employee will therefore be unable to use the time off earned during the year.

# Subsection 6 Pay during time off

The allocated amount is to be used as payment during the time taken off and at the same time an unpaid leave of absence deduction is made for this time. As a variable pay component, the amount constitutes a basis for calculating holiday pay and compensation in lieu of annual leave. The amount is included in the current fixed salary which the employer is required to declare as pensionable salary in accordance with Division 1 or Division 2 of the ITP plan.

#### Note

The content of the rule means that the compensation during the time off may end up higher or lower than the salary that would have been paid if work had been carried out during the corresponding period. This depends on whether the salary (including various supplements) was higher or lower during the accrual period than when the leave is taken.

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

For employees who wish to use the allocated funds as pension premiums, the following applies:

- The employee is to notify the employer in writing of his/her request that the year's funds allocated in the working time account be used to pay pension premiums.
- The employer makes a list of names, personal identity numbers and the size of the allocated amount for each of the employees who has requested allocation to pension premiums.
- The employer reports pension allocation to Collectum as lifetime working-time premium (LP premium) in the month of June unless otherwise agreed between the employer and Collectum.

#### Note

Provisions concerning the content of the pension rules can be found in the annex "Provisions on retirement pension" below.

# **Subsection 8 Cash payment**

Employees who have informed the employer of their desire to receive payment in cash are to receive the allocated amount no later than in the month of June, unless otherwise agreed.

The amount is not used as a basis for inconvenient working hours compensation or other percentage-related supplements. On the other hand, as a variable component it constitutes a basis for calculating holiday pay and compensation in lieu of annual leave. The amount is included in the current fixed salary which the employer is required to declare as pensionable salary in accordance with Division 1 or Division 2 of the ITP plan.

# Annex to agreement on lifetime working time (working time accounts)

# - Provisions on retirement pension

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

Retirement pension is accrued by the employee being credited with the premiums allocated by the employer in accordance with the agreement on lifetime working time.

## Section 2 Retirement age and level of pension benefits

According to the agreement between SAF and PTK concerning ITP, the employee reaches retirement age at the beginning of the calendar month in which the employee turns 65.

Pension benefits under this agreement between the Swedish Association of Industrial Employers (at that time), Swedish Forest Industries and the Swedish Association of Graduate Engineers (at that time CF) are calculated as a five-year pension, but may be paid out over a shorter or longer period if the employee so desires. The pension may also be calculated as a lifelong pension if the employee so wishes.

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

# **Section 3 Repayment protection**

The employee may opt for retirement pension repayment protection. The same rules apply to repayment protection as according to ITPK. The current content is set out below.

The repayment protection is, in the case of

- \* traditional insurance: the value reported to the insured in accordance with Finansinspektionen's regulations. This is a guaranteed benefit including allocated surplus;
- \* unit-linked plans: 100 per cent of the value of the fund units at the time of death.
- 1. During the period in which own pension is being accrued the repayment protection remains in effect for 5 years.

2. After retirement the repayment protection has the same repayment period as the own pension, when the own pension is paid out temporarily. In cases where the own pension is withdrawn on a lifelong basis, the own pension company's maximum payment period for repayment protection applies.

The repayment protection is paid to beneficiaries from and including the month following the death. It must be possible for beneficiaries to defer the payment of pension or waive their right as a beneficiary.

When the insured employee reaches retirement age, the repayment protection remains in place unless opted out of. If the insured has opted out of the repayment protection, it cannot then be reintroduced.

The insured can also opt for repayment protection before the own pension begins to be paid out. The rules on health checks below then apply.

When an insured wishes to change their option from own pension without repayment protection to own pension with repayment protection, a health check shall normally be carried out.

If the insured passes the health check, the entire balance of the own pension that the insured has, including with previous insurers for own pension, is counted as if repayment protection is included in it. If the insured does not pass the health check, the repayment protection relates only to the own pension balance accrued in the future.

A health check is not required if a change of option is made in connection with a family event or within 12 months of the family event. Note that when the insured changes employer, no health check takes place.

A family event means when an insured party gets married, becomes a registered partner, becomes a cohabiting partner or has a child.

The health check must be carried out by the administrator in accordance with the rules it applies to family cover.

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

#### **Section 4 Value statement**

The selected insurance company issues value statements to the employee containing information on the value of the pension assets each year in accordance with Finansinspektionen's rules.

#### **Section 5 Beneficiaries**

Beneficiaries of the repayment protection, according to the insurance terms, are in the first instance a spouse, registered partner or cohabiting partner, and secondarily the children of the insured who are entitled to inheritance. The insured may notify the selected insurance company of other appointed beneficiaries.

The circle of persons who may be beneficiaries is regulated in the Municipal Tax Act. If a person is appointed who is not accepted by the legislation, the beneficiary instruction is invalid. In such cases, what is set out in the terms of insurance shall apply.

# Agreement on reduction in working time – Unionen

# Reduction in working time 1998 to 2024 – possibility of local agreement on allocation

## Agreement 1 April 1998 - 31 March 2001

Local parties were given the opportunity to agree on a reduction in working time and in conjunction with this also to agree on a deduction from the wage pool in the agreement year in which the reduction in working time was introduced.

## Agreement 1 April 2001 - 31 March 2004

In the central agreement for the agreement period 2001–2004, local parties were given the opportunity to agree on a reduction in working time corresponding to 9 hours from and including 2001, an additional 9 hours from and including 2002 and an additional 9 hours from and including 2003.

The time off, which applied to full-time employees with a 40-hour week, amounted to 12, 24 and 36 minutes respectively per completed work week, whereby absence paid by the employer is equated with time worked. In the case of other absences, the time off was adjusted proportionately. For employees with shorter working time than 40 hours per week, the compensatory leave is recalculated in proportion to the rate of employment.

The leave could be withdrawn as whole days or parts thereof, by agreement between the employee and the employer.

If there was no local agreement on the reduction in working time, the monthly salary was generally increased by 0.5 per cent, as of 1 February 2001, as of 1 February 2002 and as of 1 March 2003.

During the next agreement period – 2004–2007 – local parties were given the opportunity to allocate an additional 9 hours to a reduction in working time from 2006 onwards.

# Reduction in working time from and including 2025 – two alternative models

#### A. Workplaces with individual working time accounts

In the event that the employer, as of 1 April 2025, applies individual working time accounts at the workplace for members of the Swedish Association of Graduate Engineers in accordance with a central agreement, the following shall apply.

Individual working time accounts are established for the members of Unionen in accordance with the regulated model for the adoption of individual working time accounts resulting from an earlier central agreement entered into in the agreement sector for the Pulp and Paper industry. For detailed regulations see the Agreement on working time accounts for the Swedish Association of Graduate Engineers above, including the annex "Provisions on retirement pension".

Where local adjustments have been made in relation to the central agreement as described above, the employer may make corresponding adjustments when setting up individual working time accounts for the members of Unionen.

Allocation to working time accounts, however, takes place as follows.

On 1 April 2025, 0.5 per cent of the wage pool is allocated to each working time account. The allocation to the working time account is accrued during the previous calendar year (the "accrual year") and assumes that the salaried employee has been employed full-time throughout the accrual year. Salaried employees who have not worked full-time or who have not been employed for the entire accrual year are entitled to an allocation to the working time account in proportion to time worked. Absence paid by the employer is equated with time worked.

#### Note

On the introduction of individual working time accounts on 1 April 2025, the accrual year runs from 1 April 2025 to 31 December 2025.

If there is a local reduction in working time at the workplace, the employer may choose to transfer the value of such reduction in working time to the established working time accounts.

#### Note

To the extent that such transfer takes place, the transferred allocation is still locally agreed and only the allocation of 0.5 per cent is determined by central agreement.

## B. Workplaces without individual working time accounts

In the event that the employer, as of 1 April 2025, does not apply individual working time accounts at the workplace for members of the Swedish Association of Graduate Engineers, the following shall apply unless local parties agree otherwise.

On 1 April 2025, 0.5 per cent of the wage pool is allocated for reduction of working time. The reduction in working time is accrued during the previous calendar year (the "accrual year") and assumes that the salaried employee has been employed full-time throughout the accrual year. Salaried employees who have not worked full-time or who have not been employed for the entire accrual year are entitled to time off in proportion to time worked. Absence paid by the employer is equated with time worked.

#### Note

On the introduction of the reduction in working time, the accrual year runs from 1 April 2025 to 31 December 2025.

The parties agree that 0.5 per cent of the wage pool corresponds to an 8-hour reduction in working time.

On 1 January 2026 and then continuously every year, the salaried employee receives 1 day off. The time off must be withdrawn during the current calendar year and cannot be saved for the following year.

If there is already another local reduction in working time at the workplace, the reduction in working time specified above can be added to this.

The time off is scheduled by the employer for all or parts of the operations at the workplace. The time off can also be withdrawn by agreement between the employer and the salaried employee.

Time off that has not been taken during the current calendar year will be compensated at the end of the year with a cash payment.

The number of hours of time off accrued is compensated by monthly salary

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# Agreement on reduction in working time – Ledarna

# Reduction in working time 1998 to 2024 – possibility of local agreement on allocation

There have been opportunities for local parties, alternatively for the employer and the individual member of Ledarna, to agree on an allocation to various kinds of reduction in working time.

# Reduction in working time from and including 2025 – two alternative models

#### A. Workplaces with individual working time accounts

In the event that the employer, as of 1 April 2025, applies individual working time accounts at the workplace for members of the Swedish Association of Graduate Engineers in accordance with a central agreement, the following shall apply.

Individual working time accounts are established for the members of Ledarna in accordance with the regulated model for the adoption of individual working time accounts resulting from an earlier central agreement entered into in the agreement sector for the Pulp and Paper industry. For detailed regulations see the Agreement on working time accounts for the Swedish Association of Graduate Engineers above, including the annex "Provisions on retirement pension".

Where local adjustments have been made in relation to the central agreement as described above, the employer may make corresponding adjustments when setting up individual working time accounts for the members of Ledarna.

Allocation to working time accounts, however, takes place as follows.

On 1 April 2025, a value of 0.5 per cent is allocated to each individual working time account. The allocation to the working time account is accrued during the previous calendar year (the "accrual year") and assumes that the salaried employee has been employed full-time throughout the accrual year. Salaried employees who have not worked full-time or who have not been employed for the entire accrual year are entitled to an allocation to the working time account in proportion to time worked. Absence paid by the employer is equated with time worked.

#### Note

On the introduction of individual working time accounts on 1 April 2025, the accrual year runs from 1 April 2025 to 31 December 2025.

If there is a local reduction in working time at the workplace, the employer may choose to transfer the value of such reduction in working time to the established working time accounts.

#### Note

To the extent that such transfer takes place, the transferred allocation is still locally agreed and only the allocation of 0.5 per cent is determined by central agreement.

#### B. Workplaces without individual working time accounts

In the event that the employer, as of 1 April 2025, does not apply individual working time accounts at the workplace for members of the Swedish Association of Graduate Engineers, the following shall apply unless local parties agree otherwise.

On 1 April 2025, a value of 0.5 per cent is allocated for reduction of working time. The reduction in working time is accrued during the previous calendar year (the "accrual year") and assumes that the salaried employee has been employed full-time throughout the accrual year. Salaried employees who have not worked full-time or who have not been employed for the entire accrual year are entitled to time off in proportion to time worked. Absence paid by the employer is equated with time worked.

#### Note

On the introduction of the reduction in working time, the accrual year runs from 1 April 2025 to 31 December 2025.

The parties agree that 0.5 per cent corresponds to an 8-hour reduction in working time.

On 1 January 2026 and then continuously every year, the salaried employee receives 1 day off. The time off must be withdrawn during the current calendar year and cannot be saved for the following year.

If there is already another local reduction in working time at the workplace, the reduction in working time specified above can be added to this.

The time off is scheduled by the employer for all or parts of the operations at the workplace. The time off can also be withdrawn by agreement between the employer and the salaried employee.

Time off that has not been taken during the current calendar year will be compensated at the end of the year with a cash payment.

The number of hours of time off accrued is compensated by monthly salary

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