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Signing collective bargaining agreements

with Sveriges Ingenjörer



Why have a collective bargaining agreement?

In Sweden, the terms on the labour market are regulated in part through minimum level legislation, but above all through collective bargaining agreements entered into by the parties of the labour market. The collective bargaining agreements complement and customize the legislation to both sector and company specific conditions and provide both employers and employees with a common set of rules and terms for the employment. Collective bargaining agreements are the foundation of the so-called Swedish model, which is based on the idea that the best decisions and results are achieved through collaboration between employers and employees.

What is a collective bargaining agreement?

A collective bargaining agreement is a written agreement between an employers' organization, or an individual employer, and an employee organization regarding the terms of employment applicable to the employees at a workplace or regarding the general conditions between the employer and the employees at the workplace.

Through a collective bargaining agreement, employers and employees are provided with complete and sector-adapted terms of employment containing a number of different rules, such as forms of employment, working hours, salary, vacation and other types of leave from work, sickness, notice periods, redeployment, occupational pension, and insurances.

Benefits of having a collective bargaining agreement for employers

- Terms of employment that are standardized on the labour market
- Competitively neutral and cohesive terms of employment for the company's white-collar employees, i.e. companies with collective bargaining agreements compete on the same terms.
- Support from the Job Security Foundation (TRR) for both managers and employees in the event of a redundancy or a termination of employment due to sickness
- A simplified dialogue with the employees through the unions that are parties to the collective bargaining agreement being their members' voices in matters of collaboration and through negotiations.
- An obligation of peace, meaning that no one, during the validity period of the collective bargaining agreement, should be able to use strikes as a mean to obtain better benefits than what are regulated through the collective bargaining agreement
- Collective bargaining agreements provides a "certificate of quality" that makes recruiting skilled personnel easier and is something that is often demanded by suppliers in connection with public procurements and other business arrangements.

Benefits of having a collective bargaining agreement for employees

- Terms of employment that complements the minimum requirements of the labour law legislation, such as additional sick and parental leave pay, overtime and travel time compensation, extended notice periods, and the right to regular salary revisions
- The Job Security Foundation's (TRR) business that provides the employees with additional security in the event of a termination due to redundancy or sickness.
- Occupational pension (ITP), Group Life Insurance (TGL), and Work Injury insurance (TFA)
- The employees are giving an opportunity to have insight and union influence at the workplace by forming a local union association/appointing a contact person
- The terms in the collective bargaining agreements provide a minimum level but are not a ceiling, meaning that it is possible to discuss with the employer to further improve the terms.

Negotiations

The forms of negotiations in the workplace are regulated by the Co-Determination Act. When a collective bargaining agreement is entered into by the employer, the employees then have the right, according to the Representatives Act, to form a local union association or to appoint a contact person. These then become the employer's counterparty in the local negotiations, meaning the employer knows who has been elected to represent the employees, and therefore have an interlocutor that can give voice to the employees' opinions and questions. Examples of situations where the employer must negotiate are organizational changes, transfers to different positions and redundancies. If the workplace lacks a local union association/contact person, Sveriges Ingenjörer becomes the negotiating party.

How does the company enter into a collective bargaining agreement?

A company can enter into a collective bargaining agreement with Sveriges Ingenjörer in two ways:

1. Through membership of an employers' organization

The benefits of this option are that the company, in addition to the collective bargaining agreement, is provided with support in negotiations, up-to-date information relevant for the sector, and access to legal expertise through its employers' organization.

For membership in an employers' organization – contact [Svenskt Näringsliv](#), who in turn will forward the company to the suitable employers' organization.

2. Signing a so-called tie-in agreement directly with Sveriges Ingenjörer

A tie-in agreement is a collective bargaining agreement between an employer, who is not a member of an employers' organization, and an employee organization. The signatories are the employer and the employee organization, in other words the collective bargaining agreement is not signed by the central parties (the employers' organization and employee organization).

Through a tie-in agreement, the employer can offer the employees the same standard terms that are applicable on the labour market, and that otherwise are reserved for employees at companies that are a member of an employers' organization. Please note that the company, when entering into a tie-in agreement, cannot receive support in labour law matters from the employers' organization.

To sign a tie-in agreement with Sveriges Ingenjörer - contact Sveriges Ingenjörers förhandlingsavdelning (forhandling@sverigesingenjorer.se), and you will be given additional information and forms towards signing a tie-in agreement with Sveriges Ingenjörer. The company can choose from a large number of different agreements within the private sector, and a tie-in agreement is signed within the area that is best suited for the company's business activities.

What does it cost to have a collective bargaining agreement?

The costs connected with the general terms of employment of the collective bargaining agreement are, for instance, additional sick and parental leave pay, overtime compensation, shortening of work hours if applicable, and premiums towards flexible and part time pension. In addition, there are costs related to premiums for the insurances stemming from collective bargaining agreements, such as occupational pension (ITP), Group Life Insurance (TGL), and Work Injury Insurance (TFA). For a closer look at the different insurance premiums, visit Avtalat.se, Collectum.se, and Alecta.se.

For the membership in an employers' organization, a fee is charged. Signing a tie-in agreement does not entail any fees. However, the fees to the Job Security Foundation (TRR/TRS) are higher for an employer that has a tie-in agreement compared to an employer that has a collective bargaining agreement through a membership in an employers' organization. Due to this, the costs relating to signing a collective bargaining agreement through membership in an employers' organization and through a tie-in agreement are often equivalent.