

Agreement on employment based on the terms and conditions of a salaried position for employees covered by the collective agreements between TEKNIQ and the Plumbers' Union in Denmark and the Danish Metalworkers' Union

Side 1/2

The company's name:	
CVR no.:	
Address:	
Postcode/city:	
Tel.:	Fax:

Hereby hires the following person with employment based on the terms and conditions of a salaried position

The employee's full name:		
CPR no.:	Tel.:	
Address:		
Postcode/city:		
Municipality:		
Bank: Account number:	Reg. no.:	Job category/position:
Hiring:		
Workplace:		
Working hours/scheduling of working hours:		

Agreement on overtime work

In accordance with clause 8 of the collective agreement:

Yes No

Other:

Agreement on travel work and offsite work

Travel work in accordance with clause 23 of the collective agreement:

Yes No

Offsite work in accordance with clause 24 of the collective agreement:

Yes No

Other:

Agreement regarding standby shifts (if applicable)

In accordance with clause 7 of the collective agreement:

Yes

Other:

TEKNIQ-blanket nr. V 0645

Agreement on employment based on the terms and conditions of a salaried position

Side 2/2

Holidays

In accordance with section 23 of the Danish Holidays Act and other terms.

with pay

Yes

or with holiday allowance

Yes

120-day rule

It can be agreed that the employee can be terminated with 1 month's notice with effect at the end of a month when the employee, within a period of 12 months, has received pay during illness for a total of 120 days. The validity of the termination is conditional upon it being given immediately upon the completion of the 120 sick days, and while the employee is still ill, while the validity is not affected by the return of the employee to work after the termination has taken place.

The 120-day rule applies to this agreement

Yes

No

Pay

The pay is set at:

DKK/month, payable monthly in arrears on the same payday as the company's salaried employees.

Pension

Occupational pension is provided in accordance with the collective agreement.

Illness absence

In the event of absence due to illness or other absences, the employee must immediately notify the company of the absence and the reason for the absence.

Termination

In the event of termination, it must be carried out in accordance with the notice periods stipulated by section 2 of the Danish Salaried Employees Act. Termination during illness is permitted.

Commencement

This agreement takes effect on

date:

year:

The agreement is printed in two copies, of which the employee has received one copy.

Special agreements

Other conditions for the agreement

Annex 1 to the agreement - one page in length.

Signatures

For the company:

Date:

For the employee:

Date:

TEKNIQ-blanket nr. V 0645

Annex to agreement on employment based on the terms and conditions of a salaried position

The organisations recommend that the companies that want to implement employment based on the terms and conditions of a salaried position for employees with more than 9 months' seniority do so in accordance with the following guidelines.

An agreement can be concluded on employment based on the terms and conditions of a salaried position for employees with less than 9 months' seniority if the company and the employee agree on such employment.

The agreement is concluded as an individual agreement with the individual employee and replaces the "normal" hourly wage collective agreement between TEKNIQ and the Plumbers' Union in Denmark and the Danish Metalworkers' Union. The agreement follows some of the provisions of the Danish Salaried Employees Act and selected provisions of the collective agreement. The agreement does not change the status of the employee to a salaried employee. The question of implementing or terminating agreements on employment based on the terms and conditions of a salaried position can be decided on the basis of labour law, but only by an organisation meeting.

Employment based on the terms and conditions of a salaried position must be agreed individually with the employee. Agreements on employment based on the terms and conditions of a salaried position are only valid if they are drawn up in writing.

The organisations jointly draw up a form that must be used for agreements on employment based on the terms and conditions of a salaried position.

The organisations agree that only the provisions of the Danish Salaried Employees Act and the collective agreement that are specified below apply for the agreement on employment based on the terms and conditions of a salaried position.

Cooperation and trade union representative rules

Clauses 26, 27 and 28 of the collective agreement.

Pay

Pay must reflect the individual's qualifications, effort and skills.

Once a year, the individual's pay is assessed and possibly regulated. The time of regulation can be the same as for salaried employees employed at the company. Disputes regarding the level of pay or pay regulation can be decided on the basis of labour law, but only at an organisation meeting.

For employment based on the terms and conditions of a salaried position, the hourly wage is recalculated as monthly pay according to the applicable hours per month, currently 160.33. Pay is paid on the same dates as those applying for the company's salaried employees.

Pension

In addition to the pay, pension is paid in accordance with clause 4(1) of the collective agreement.

Seniority

Seniority at the time of hiring based on the terms and conditions of a salaried position is calculated from the first day of the month in which the agreement enters into force.

Termination

In the event of termination, the length of notice of termination for both parties is calculated according to the provisions of section 2 of the Danish Salaried Employees Act. The organisations agree that the length of notice of termination cannot be shorter than that secured through the collective agreement in the transition to employment based on the terms and conditions of a salaried position.

Termination during illness is permitted. It can be agreed in the individual contract that the employee can be terminated with 1 month's notice with effect at the end of a month when the employee, within a period of 12 months, has received pay during illness for a total of 120 days. The validity of the termination is conditional upon it being given immediately upon the completion of the 120 sick days, and while the employee is still ill, while the validity is not affected by the return of the employee to work after the termination has taken place.

Minimal compensation

Section 3 of the Danish Salaried Employees Act.

Employee's liability to compensate in the event of death

Section 4 of the Danish Salaried Employees Act.

Working hours

The normal weekly actual working hours total 37 hours. If the company and employee want the working hours to be placed outside of the collective agreement's normal daily working hours, this can be agreed.

Overtime

The organisations agree that overtime should be limited as far as possible. Remuneration/time off in lieu for overtime will be agreed between the company and the employee.

Travel and off-site work

Travel and off-site work is organised and paid by agreement between the company and the employee.

Standby shifts

The establishment/remuneration for standby shifts is agreed between the company and the employee.

Continuing education

Follows clauses 18 and 19 of the collective agreement.

Annex to agreement on employment based on the terms and conditions of a salaried position

Piecework

The agreed monthly pay takes effect instead of the collectively agreed hourly wages and piecework provisions.

An employee who is employed based on the terms and conditions of a salaried position can participate in piecework, but cannot be the piecework supervisor when multiple people are involved in the piecework.

All tasks under 60 hours in duration are exempt from the piecework obligation.

By participating in piecework, the monthly pay becomes void for the number of hours the employee works on the piecework, while the other conditions based on the terms and conditions of a salaried position remain in force for employees.

By participating in piecework, the monthly pay is converted into an hourly wage according to the then applicable hours per month, currently 160.33.

Other conditions for participation in piecework are in accordance with the piecework provisions.

Holidays

With employment based on the terms and conditions of a salaried position, holiday with pay or holiday with holiday allowance is taken in accordance with section 23 of the Danish Holidays Act.

Public holidays

Full pay is provided for public holidays and other days on which employees are released from the requirement to work.

Illness

Follows section 5 of the Danish Salaried Employees Act with full pay.

Child's first sick day and hospitalisation

Follows clause 14 of the collective agreement.

Pregnancy, maternity and paternity leave

Follows clause 13 of the collective agreement.

Extra holidays

See clause 25(19) of the collective agreement.

Industrial disputes

Any disputes regarding the interpretation of the individual agreements or of these guidelines will be settled according to the rules of the collective agreement regarding industrial disputes.

If the company wishes to be released from an agreement on employment based on the terms and conditions of a salaried position with an individual employee, or if the individual employee wishes to be released, this can be done with the applicable notice of termination for the employee in question. After the expiry of the aforementioned notice, the employee is solely considered to be covered by this collective agreement.

Existing agreements on employment based on the terms and conditions of a salaried position can, by agreement between the company and the employee, be revised according to these guidelines.

Otherwise, the main agreement applies.

Guide to employment based on the terms and conditions of a salaried position

The collective agreements with the Plumbers' Union in Denmark and the Danish Metalworkers' Union contain an option of entering into agreements on employment based on the terms and conditions of a *salaried position*.

The conclusion of such agreement **must** be in accordance with the guidelines of the collective agreement and using the form prepared jointly by the organisations - *"Agreement on employment based on the terms and conditions of a salaried position"*.

Following this approach also ensures compliance with *"Act on the employer's obligation to inform the employee of the conditions of employment"*.

One intent of employment based on the terms and conditions of a *salaried position* can be a desire to create closer ties between the employee and the company, as the terms of notice are longer for both the company and the employee.

In addition, this form of employment provides an opportunity to change a number of the provisions of the collective agreement, so that the agreed terms better meet the needs of the company and the employee.

It must first be stated that the employee does **not** become a salaried employee with the new form of employment, but is only covered by a

number of the provisions of the Danish Salaried Employees Act. During the completion of the special employment form, you will touch on the areas covered by employment based on the terms and conditions of a *salaried position*.

The principle of the agreements on employment based on the terms and conditions of a salaried position is to combine some of the provisions of the collective agreement with some of the provisions of the Danish Salaried Employees Act, thereby providing new terms of reference. This means that a number of collectively agreed provisions do not apply for the employee with employment based on the terms and conditions of a *salaried position*.

The list of the provisions from the collective agreement and provisions from the Danish Salaried Employees Act that apply for employment based on the terms and conditions of a salaried position is found in clause 26 of the collective agreement, which is reproduced as an annex in the special employment form - *"Agreement on employment based on the terms and conditions of a salaried position"*.

The following pages provide a brief review of the provisions of the Danish Salaried Employees Act and the collective agreement that are relevant in connection with the new form of employment.

Which provisions of the Danish Salaried Employees Act apply?

Section 2 of the Danish Salaried Employees Act - terms of notice:

(Employer - Employee)

Agreed probationary period during the first 3 months of employment
(any probationary period must be agreed in writing)

14 days none

Until 6 months' employment

1 month 1 month

Over 6 months' employment (termination by the employer before the completion of 2 years and 9 months' employment)

3 months 1 month

Over 3 years' employment (termination by the employer before the completion of 5 years and 8 months' employment)

4 months 1 month

Over 6 years' employment (termination by the employer before the completion of 8 years and 7 months' employment)

5 months 1 month

Over 9 years' employment

6 months 1 month

- Seniority at the time of hiring based on the terms and conditions of a salaried position is calculated from the first day of the month in which the agreement enters into force. In other words, "old seniority" does not count.
- The notice of termination must be given so that it takes effect at the end of a month.
- The notice period counts in the calculation of seniority.
- The special provisions of section 2a of the Danish Salaried Employees Act (compensation for termination after lengthy employment) and section 2b (compensation for unfair termination) do not apply.

120-day rule

In connection with the terms of notice, it is possible to agree on the use of the special 120-day rule. This possibility is stated in section 5(2) of the Danish Salaried Employees Act.

When using the 120-day rule, the terms of notice are reduced for the employee to 1 month's notice with effect at the end of a month. The use of the 120-day rule is possible if, during a period of 12 consecutive months, the Employee has earned salary during sick leave totalling 120 days.

It is recommended to use this rule, but there are number of requirements that must be met before the 120-day rule can be used.

- A written agreement must exist with the individual employee.
- The termination must be given in immediate connection with the 120 days and while the employee is still sick.
- If the possibility is not immediately exercised, the company is barred from using the provision during the current illness period. After notification of fitness for work, 120 days must pass from the first new sick leave until the 120-day rule can be used once more.

In connection with the use of the 120-day rule, the following also applies:

- 120 sick days within 12 months do not have to follow the calendar year and does not have to consist of whole months.
- Not only working days can be counted, but also non-working Saturdays, Sundays and public holidays during periods of illness. This will be the case when the employee is sick on both sides of these non-working days.
- The abbreviated notice in connection with 120-day sick leave can be used even if the employee is already terminated with ordinary notice - and also if the first termination is due to illness.

Which provisions of the Danish Salaried Employees Act apply?

Section 3 of the Danish Salaried Employees Act - material breach by the employer

The provision states that the employee is entitled to compensation if

- the employer refuses to accept the employee in its service without justification,
- the employer dismisses the employee without justification,
- the employer terminates the employment due to material breach by the employer.

Section 4 of the Danish Salaried Employees Act - material breach by the employee

The provision states that the employer is entitled to compensation if

- the employee fails to report for service without justification,
- the employee leaves the service,
- the employer terminates the employment due to material breach by the employee.

Employment based on the terms and conditions of a salaried position and the collective agreement

The following options are available for making changes with respect to the provisions of the collective agreement

- **clause 3 Pay**
Pay is agreed individually with the employee and once a year, the individual's pay is assessed and possibly regulated.
- **clause 4 Pension and health insurance**
The provisions of the collective agreement on pension and health insurance apply. This entails that pension is paid in addition to pay. The pension contribution is stated in the collective agreement for journeymen. The contributions are paid into Pension Danmark as for other journeymen.
- **clause 5 Payment of wages**
Pay is paid monthly in arrears and on the same date as that applying for the company's salaried employees.
- **clause 6 Working hours**
An agreement can be concluded on individual scheduling of the daily working hours - on the condition that the working week is 37 hours. This also applies outside of the collective agreement's normal working hours.
- **clause 7 Standby shifts**
An agreement can be concluded on the establishment and remuneration of standby shifts on other terms and at other rates than that stipulated in the collective agreement.
- **clause 8 Overtime and time off in lieu**
The provisions of the collective agreement on overtime and time off in lieu can be replaced by other provisions - including that overtime is wholly or partially included in the pay.
- **clause 9 Staggered working hours**
As a rule, the provisions of the collective agreement on staggered working hours do not apply.
- **clause 10 Terms of notice**
The provisions of the collective agreement are replaced by the provisions of section 2 of the Danish Salaried Employees Act - also see the above section regarding terms of notice.
- **clause 11 and 12 Illness, injury and occupational-related illness**
Full pay is provided in connection with illness, occupational-related illness and injury. This applies from the first day that the employee has employment based on the terms and conditions of a permanent position. See section regarding the 120-day rule and section on pay and piecework

Which provisions of the Danish Salaried Employees Act apply?

- **clause 13** ***Pregnancy, maternity and paternity leave, and adoption***
The standard provisions of the collective agreement apply and full pay is not provided - but rather the pay rates that apply for other employees.
- **clause 14** **Child's first sick day and hospitalisation**
Full pay is not provided for a child's first sick day and hospitalisation, but rather the standard provisions for employees in clause 14 must be followed.
- **clause 15** **Holidays**
Employees with employment based on the terms and conditions of a salaried position take holiday with pay or holiday with holiday allowance.
Employees who take holiday with pay must be paid a holiday supplement of 1% of the pay earned in the previous qualifying year.
The employee has the option of - prior to the start of the qualifying year - choosing to take holiday without pay, in return for payment of a holiday allowance of 12%. In this situation, the above-mentioned holiday supplement of 1% is not paid.
- **clause 16** **Extra holidays**
Employees with employment based on the terms and conditions of a salaried position are entitled to 5 days extra holiday like other employees. The funding of extra holidays is done by savings in a designated savings account. When an extra holiday day is taken, one day's pay is paid from the savings account.
- **clause 17** Public holidays and other non-working days
No savings are made for public holidays and other non-working days under the collective agreement, as full pay is provided for these days. This applies from the first day that the employee has employment based on the terms and conditions of a permanent position.
- **clause 18 and 19** **Continuing education and skills development**
The provisions of the collective agreement on continuing education and skills development apply.
- **clause 23 and 24** **Travel work and offsite work**
An agreement can be concluded on the remuneration on other terms and at other rates than that stipulated in the collective agreement.
- **clause 29** **Local agreements**
The provisions on local agreements do not apply.

Which provisions of the Danish Salaried Employees Act apply?

Pay

Pay is determined based on an overall assessment, which includes factors such as qualifications, effort and skills.

In addition, the following applies

- the hourly wage is converted to a monthly salary by multiplying the hourly wage by 160.33,
- once a year, the pay is assessed and possibly regulated,
- the time of regulation can be the same as for salaried employees employed at the company,
- disputes can be decided on the basis of labour law - but only at an organisation meeting. This means that the case cannot be taken further to industrial arbitration.

Piecework

The agreed monthly pay replaces the collectively agreed hourly pay and piecework provisions and the following applies for piecework:

- employees with employment based on the terms and conditions of a permanent position cannot be the piecework supervisor when multiple people are involved in the piecework,
- all tasks under 60 hours in duration are exempt from the piecework obligation,
- if the employee participates in piecework, the monthly pay becomes void for the number of hours the employee works on the piecework,
- in connection with any piecework, the agreement's other terms based on the terms and conditions of a salaried position continue unchanged,
- in connection with piecework, the monthly pay is converted to an hourly wage by dividing by 160.33,
- the other terms of participation in piecework follow the piecework provisions.

Industrial disputes

- Any disputes are handled according to the collective agreement's "Rules for handling industrial disputes".
- Termination of an employee's employment agreement based on the terms and conditions of a salaried position can be carried out by either party with the party's applicable terms of notice. After the expiry of the notice period, the employee is solely covered by the provisions of the collective agreement.
- Existing agreements on employment based on the terms and conditions of a salaried position can, by agreement between the company and the employee, be revised according to the guidelines agreed between the parties.
- The main agreement is otherwise applicable.

Conclusion of agreements on employment based on the terms and conditions of a salaried position can only occur in areas specifically listed in clause 25 of the collective agreement.

Other terms must respect the provisions of the collective agreement and must not under any circumstances impair these terms.

Questions regarding employment based on the terms and conditions of a salaried position can be directed to the Labour market department.