



Collective Bargaining Campaign 2020 in the metal and electrical industries: IG Metall agrees to a short-term crisis package for the metal and electrical industries in North Rhine-Westphalia. The agreement – signed on March 19 - secures employment and subsidies for short-time work allowance and agrees on paid leave for child care in the Corona shut down. It can be terminated on 31st of December 2020. Collective bargaining parties interrupt the current round of wage negotiations due to the pandemic.

The diffusion rate of the corona virus has reached a dimension that now confronts large parts of the economy and society with enormous challenges. Against this background, the current collective bargaining campaign for the workers of the German metal and electrical industries was suspended in order to regulate urgent issues for workers and companies. IG Metall North Rhine-Westphalia and METALL NRW signed a pilot agreement on March 19, 2020. IG Metall's executive board adopted the agreement on March 20 and recommends the agreement to be adopted by all collective bargaining regions.

The priority objectives of the agreed regulations are:

- Safeguarding employment,
- minimizing financial losses for workers in short-time work and
- offer opportunities for better childcare in the period of the shutdown of kindergartens and schools.

The agreement includes:

1) Collective Agreement “Future in Work 2020”

The collective agreement “Future in Work” ensured that there were no layoffs during the 2009/2010 crisis. This agreement adopted at 1st of March 2010 had a term until 30th of June 2012 and ended without after-effects.

Already in the preparation for the collective bargaining campaign 2020 the reactivation of this agreement was debated amongst the members of IG Metall's collective bargaining commissions to provide tested instruments to prevent lay-offs in a possible recession. This agreement is adapted to the current legal changes and reactivated.

The agreement establishes a cascade of instruments to be used before the introduction of short-time work:

- Reduce the accumulated time of the working time accounts.

Works councils and management shall also check:

- The possibility of reduction of prolonged full time (allowed up to 40 h/week)
- The use of flexible working time accounts in the negative range.
- The possibilities of job-transfers.

In order to facilitate the introduction of short-time work, the agreement regulates the following issues:

- The re-established collective agreement “Future in work 2020” can be adopted by a voluntarily company agreement in companies which adopts short-time work. When workers of a company work on short-time, it is not allowed to dismiss them.



- In the first phase of the implementation of the “Future in work short-time work”, which lasts at least six months, Christmas and holiday bonuses will be divided into twelve parts and added to the monthly income. The short-time allowance increases in this way and at the same time the residual costs for the employers decrease.
- After six months a company can adopt the second phase with a company agreement: reduction of working time with a part-compensation of the reduced wages (relative to hours worked). The working week can be reduced from 35 to 28 hours for up to twelve months. The grants in case of reduced working time are as follows:
 - 50 % with a reduction to 31 h/week
 - 75 % with a reduction to 30 h/week
 - 100 % with a reduction to 29 h/week
 - 150 % with a reduction to 28 h/weekof an average wage per hour per week.
- A reduction up to 28 hours is enforceable, but only with an arbitration committee.
- The further reduction to 26 hours is possible only by a voluntarily agreement (not enforceable) at company level.
The compensation is as follows:
 - 175 % with a reduction to 27 h/week
 - 200 % with a reduction to 26 h/weekof an average wage per hour.

If a company has adopted the collective agreement “Future in work”, workers in statutory short-time work (first phase) or reduced working time (second phase) cannot be fired!

The collective agreement “Future in work” - valid from the 19th of March 2020 – can be cancelled for the first time with a notice period of one month to 31st of December 2020.

2) Solidarity Agreement 2020

The “Solidarity Agreement 2020” amplifies the regulations of the collective agreement “Future in Work 2020”:

Reduction of social hardship caused by short-time work

To reduce social hardship, especially in the case of short-time work, a solidarity fund is set up in each company. The amount paid into this fund is calculated from the number of workers in the company multiplied by 350 Euros. The specific payment modalities are regulated by company agreement. Unused resources of the solidarity fund will be distributed in equal shares among workers in the company on December 1st, 2020. But a differentiation option is provided if a company has losses or liquidity shortages at the end of 2020.

Both measures – add the twelve shares of the Christmas and holiday bonuses to the monthly income (CA Future In Work 2020) and the solidarity fund (Solidarity Agreement 2020) help to secure the net wages of workers at approximately 80 percent.



Special leave for childcare

In case of childcare bottlenecks related to the school and day-care centre shut downs in the face of corona pandemic, the option of taking 8 days off instead of the additional wage is extended to parents of children up to the age of 12. In the 2018 collective agreement of the metal and electrical industry the limit of age is 8 years.

In addition, workers will receive up to five extra days off for child care in 2020 without deducting from the holiday entitlement. These days are also fully paid.

Re-enactment of the wage agreement

The wage agreement the metal and electrical industry of North Rhine-Westphalia from 14th of February 2018 cancelled by the collective bargaining commission of IG Metall North Rhine-Westphalia at 20th of February 2020 is re-enacted therefore it remains unchanged beyond 31st of March 2020. This wage agreement can be cancelled with a notice period of one month at the earliest 31st of December 2020.

After the pandemic has ceased IG Metall and Employers Association will continue the collective bargaining talks on the issues raised in the 2020 collective bargaining campaign, in particular on the issue how companies can deal with the challenges of transformation.

All regulations of the "Solidarity Agreement 2020" come into force immediately. The contract can be cancelled with a notice period of one month to 31st of December 2020.

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Uwe Fink
IG Metall
Collective Bargaining Department