



## **Framework collective agreement for convergence of working time for the Eastern parts of Germany signed**

The collective bargaining round 2021 in the German metal and electrical industry ended in March 2021 with one open question: The convergence of working time for the Eastern parts of Germany. The negotiations for a collective agreement on convergence of working time had to continue in the Berlin-Brandenburg-Saxony IG Metall region for another three months because of the employers' stiff resistance.

On Friday evening, 25 June 2021, IG Metall Berlin-Brandenburg-Saxony and the employers' associations in Berlin-Brandenburg (VME) and Saxony (VSME) signed a framework collective agreement on convergence in the third round of negotiations in Leipzig. At the end of the collective bargaining round in the metal and electrical industry in 2021, IG Metall and the employers' associations in Berlin-Brandenburg (VME) and Saxony (VSME) had signed a commitment to negotiate the open regional demand for an equalisation allowance under the collective agreement.

After a long and hard struggle, a collective bargaining framework was created so that companies can negotiate phased plans for the 35-hour week with voluntary company agreements.

Volkswagen Sachsen, SAS in Meerane and ZF in Brandenburg an der Havel had already concluded phased plans for the 35-hour week in May.

The collective bargaining parties – IG Metall and the employers' organisations VME and VSME - have to agree to the company solutions in each case and will sit down in January 2023 to evaluate the situation and draw conclusions for the collective bargaining landscape.

The collective agreement creates an opening clause. Although the general framework collective agreement, which regulates working time, remains closed, workers' representatives can negotiate a company agreement with management within the new framework collective agreement for convergence, which clears the way to the 35-hour week from 1 January 2022. This can be done by reducing the working time by one hour initially. However, a complete step-by-step plan from the 38-hour week up to the 35-hour week can also be defined.

The collective agreement also regulates questions of partial cost compensation. It must be limited in time and amount. Selected collectively elements, benefits above the collective agreement, productivity and efficiency measures or benefits above the collective agreement can be taken into account.

The aim at the end of the process is always a genuine convergence: a reduction in working time with full wage compensation.

The collective agreement has been in force since 1 July 2021 and can be terminated with three months' notice to the end of the month, for the first time on 31 January 2024.

After the framework collective agreement for convergence came into force, company agreements on the convergence of working hours were concluded at Porsche and BMW. The future orientation for the coming years was recently negotiated for the approximately 4,300 employees at the Porsche plant in Leipzig. The supervisory board of Porsche AG approved the outcome on 30 September 2021. The long-disputed question of the



35-hour week was successfully resolved for the Porsche plant in Leipzig. In a first step, the weekly working hours for employees will be reduced to 36.5 hours per week from 1 January 2022. In a further step, weekly working hours in Leipzig will then be reduced to a 35-hour week as in the West from 1 January 2025. The reduction in weekly working hours will be made with full wage compensation and without tariff cuts.

The long-disputed issue of the 35-hour week for the 5,500 employees at the BMW plant in Leipzig has also been resolved here. IG Metall, the works council and management have agreed at the beginning of November 2021 on a gradual reduction of weekly working hours until 2026. In three steps from the current 38 hours to 35 hours, as is also the case for the BMW plants in West Germany.

The reduction in weekly working hours will begin for employees on 1 January 2022 with a 37-hour week. The second reduction to 36 hours will take place on 1 January 2024 and on 1 January 2026, the working week will be fully aligned with the 35-hour week that is standard in the West. In return, the workers will bring the new transformation allowance, which IG Metall and the employers' associations introduced in the collective bargaining round of the metal and electrical industry in the first half of 2021. Thus, on 01.01.2026, with full wage compensation, the convergence of working time at BMW in Leipzig will be completed.

With the new framework collective agreement for convergence as a precondition, more agreements will now follow in many more companies. Some are already waiting in the wings to negotiate.

November 18, 2021

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