

Collective agreement on work life security, transition and employment protection

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Background

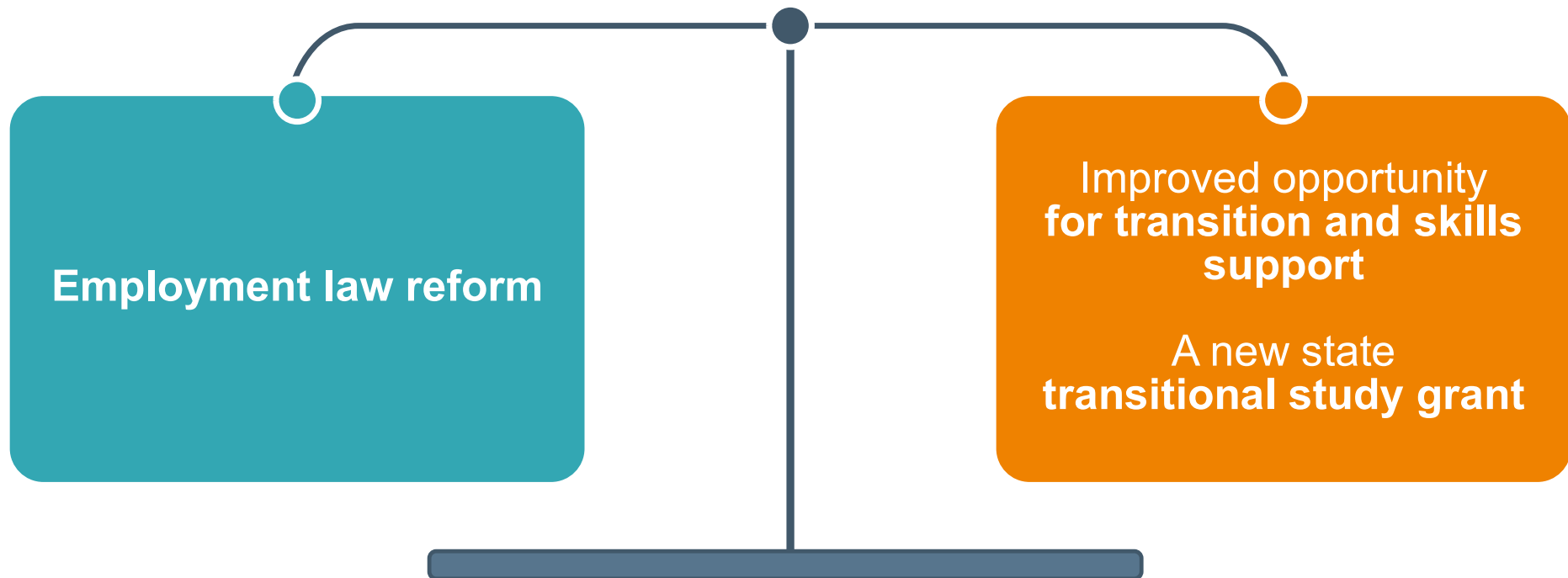
- Government official investigation on reformed employment → negotiations between the parties
- The social partners reached a collective agreement that is complemented with the biggest employment law reform during the last fifty years
- The new agreements and the new legislation entered into force 1 October 2022
- The agreements are seen as an achievement for the Swedish social partners



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A reformed employment law and a new system for transition and skills support





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The employment law reform – major impact for the MET industry

- Exceptions from the order of senior priority in case of redundancy
 - Exempt three blue collars and three white collars per operating unit, or
 - 15 percent of the blue collars and white collars who may terminate their employment
- Agency workers who have worked for the same company for more than two years shall be offered a permanent employment by the user undertaking or an agreed remuneration
- Objective reasons for termination can be defined in collective agreement
- Objective reasons for termination of employment in the event of a dispute:
 - Makes it more predictable in case of termination of employment due to personal reasons
 - As a rule, employment will no longer continue during any dispute over invalidity
 - A supplementary unemployment benefit will be introduced



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The employment law reform – minor impact for the MET industry

- Turn order and a transitional period
- Full-time as a default
- Further limitation of fixed-term contracts



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Basic transition and
skills support

State transitional
study grant

Agreed support in
collective
agreement



New reinforced system for transition and skills



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Reimbursement rates

- State Transitional Study Grant
 - 80 % of income, capped at 1 939 EUR/month
- The Main Agreement provides for additional support:
 - 80 % of income, capped at 2 368 EUR/month
 - 65 % of income, capped at 4 207 EUR/month

+ the possibility to access student loans

The new State Transitional Study Grant

Reinforced position that takes into account labour market needs

- What is meant by "Training that strengthens the student's future position in the labour market, taking into account the needs of the labour market?"
 - Individual assessment will be based on the individual's circumstances and situation.
 - There will be no prohibition of further training in an existing field of work.
 - However, support cannot be used for company-specific training or training for a hobby or of a self-improvement nature.
- The CSN will pay **particularly close attention** to the opinion of the retraining organisation in the assessment.
- In practice, therefore, the application process should start with the transition organisation that is issuing opinions in connection with the guidance service.

Improved opportunities for transition and skills support

Eligibility requirements to receive support

- Eligibility requirements for basic transition and skills support:
 - Support may be granted to those workers who have worked an average of 16 hours per week for at least 12 months, within a 24-month framework.
 - Time will be available for (for example) parental leave and sick leave.
- Eligibility requirements for Main Agreement additional support via TRR and TSL:
 - Higher requirements apply for additional support via TRR and TSL.
 - The requirements vary from one additional support to another.



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The new State Transitional Study Grant **Eligibility requirements**

- **Qualification condition**
 - The individual must have worked an average of 16 hours per week for eight years over a 14-year period.
- **Topicality condition**
 - The same conditions apply as for basic transition services.
- Both conditions can be proven using a standard rule based on income.

The new State Transitional Study Grant

Administration, number of weeks and age limits

- A new State Transitional Study Grant (administered by CSN) will be introduced.
- Transitional study grant can be granted for a maximum of 44 full-time weeks.
- This applies for courses in Sweden:
 - ...that qualify for other student grants from CSN.
 - ...that are financed by transition organisations.
- Support can be sought for training courses:
 - ...that are at least one week in duration (equivalent to full-time study),
 - ...with a minimum study rate of 20 per cent.
- Support will only be granted for training that strengthens the student's future position in the labour market, while taking into account the needs of the labour market.

Shortage of work - **245 employees** at **1 operating unit**
a total of **120 employees** will have their employment terminated

135 blue-collars (- **43** positions)

110 white collars (-**77** positions)

A redundancy of 120 positions is calculated as follows

Blue collars: $15\% \times 43 = 6,45 = 6$ st. (exemptions)

$10\% \times 135 = 13,5 = 14$ (maximum)

White collars:

$15\% \times 77 = 11,55 = 12$ (exemptions)

$10\% \times 110 = 11$ (maximum)