

Collective Bargaining Campaign 2024: New Agreement for the workers of the metal and electrical industry

In two weeks of warning strikes, employees in the metal and electrical industry have increased the pressure on employers. Nationwide, more than 632,570 employees have demonstrated their willingness to fight since the end of the peace period. The warning strikers supported the IG Metall trade union's demand for more money to improve purchasing power and the economy and protested against the employers' first offer.

On 11 November 2024, after 18 hours of joint negotiations in Hamburg, the two pilot collective bargaining regions of Küste (Costal Region) and Bavaria reached the following agreement. For the first time in the history of IG Metall, two CB regions negotiated a pilot collective agreement together in tandem.

Wages

- 600 € lump sum. Payable by February 2025 at the latest.
- A wage increase of 2.0 per cent effective from 1st of April 2025 for all blue and white collar workers.
- A wage increase of 3.1 per cent effective from 1st of April 2026 for all blue and white collar workers and apprentices.
- In addition, IG Metall implemented a 'social component' by increasing the annual 'tariff-based additional allowance' (T-ZUG B) by 8 percentage points from the current 18.5 per cent of the basic pay in the respective tariff area (reference wage group) to 26.5 per cent from February 2026. This increases the monetary volume by around 0.4 per cent. Employees in lower pay groups will benefit more from the increase of the T-ZUG B because it is linked to the reference wage group.
- Apprentices receive an increase of 140 € per month from 1st of January 2025 and from 1st of April 2026 an increase of 3.1 per cent. This is an over proportional increase of the apprentices' wages.
- The term of the collective agreement ends after 25 months on 31 October 2026.

Differentiation

Companies in difficulty were already able to 'differentiate' T-ZUG B in 2023 and 2024 - i.e. postpone or suspend it altogether if their net return on sales falls below 2.3 per cent.

Differentiation is still possible in 2025 and 2026. However, the T-ZUG B will no longer be differentiated, but rather the transformation allowance (T-Geld) previously paid out in February in the amount of 18.4 per cent of the individual monthly salary.

This means that the T-ZUG B - which will increase from 18.5 per cent to 26.5 per cent of the basic salary in 2026 - will remain as a 'social component' for employees in the lower salary groups.

However, as companies cannot yet sufficiently predict how the economic situation will develop over the course of the year when the T-pay is paid out in February, IG Metall and the employers have postponed the payment of the T-pay to July - in exchange for the T-ZUG B, which was previously paid out in July and will now be paid out in February.

The employers wanted an indefinite differentiation, but this was prevented. This regulation applies for a limited period for the years 2025 and 2026.

T-ZUG: more days off - also for part-time employees

During collective bargaining, IG Metall also achieved an improvement in collectively agreed time off. With the option to opt for the collectively agreed additional allowance (T-ZUG), employees under pressure have the opportunity to convert money into time more frequently.

Since 2018, employees with children, family carers or who work shifts have been able to choose between a collectively agreed additional allowance (T-ZUG A) and up to 8 additional days off per year. The pilot negotiation result of the IG Metall districts of Bavaria and the Coastal Region now provides for a significant improvement.

Children: Up to now, parents of children under the age of 8 have been able to choose days off. In future, this will be possible for children under the age of 12. There are also significantly more days off: previously, parents could only choose two days off per child. In future, two times 8 days plus three times 6 days will be possible - i.e. a total of five years with additional days off.

Carers: Employees who care for relatives can now also choose five years more time off - two times 8 days plus three times 6 days.

Shift work: Employees working rotating shifts can now also choose 8 days off per year after 5 years of service and 3 years of shift work - just like employees already working 3 shifts and night shifts - with no limit.

And something completely new: until now, only full-time employees were able to take the collectively agreed time off - an injustice for part-time employees. But in future, part-time employees will also be able to choose the days off. The deadline for applying for the T-ZUG days off for 2025 has been extended for them until 31 January 2025.

The works council and employer can adapt a number of issues to their company. For example, if there are too many requests for days off that cannot be compensated for in the company, it is possible to agree on a division of the days off in the company, for example four days for all applicants. The employer and works council can also agree that everyone in the company takes days off, thereby safeguarding jobs.

Social partner declarations

The parties to the collective agreement have issued two joint declarations:

- Social partner declaration for the industrial site.
- Social partner declaration on the promotion of democratic competences in the company

In North Rhine-Westphalia the collective bargaining partners also agreed on a commitment to dialogue for the promotion of trainability.

The IGM Executive Board recommends that the other CB regions adopt the pilot agreement. All regions will have negotiated the adoption by 25 November 2024.

Despite the difficult economic conditions, IG Metall has succeeded in achieving a solid result for the workers. Especially the over proportional increase of the apprentices' pay is a great result! The collective agreement secures wages, helps the domestic economy and keeps the industry attractive for current and future skilled workers.

Frankfurt, November 14, 2024

Uwe Fink