

COLLECTIVE AGREEMENTS ONLY WORK WITH A TRADE UNION

Protected by the constitution: The right to associate and autonomy of collective bargaining

Collective bargaining autonomy means that only unions and employers (employers' associations) may conclude (collective) bargaining agreements without interference from the state or other bodies. This is an important difference for example to works councils, which are not allowed to conclude agreements on collective bargaining. Freedom of association of employees in trade unions is protected by law.

Employees who have joined together in the union are the basis for being able to negotiate collective agreements. They elect their representatives to the bargaining committee to negotiate with individual companies (company agreements) or employers' associations (sectoral agreements).

Collective agreements that have been concluded then apply automatically and are binding for union members. Here a reference in the employment contract is not necessary. Workforces are assertive, the more unionised and active they are.

Joining IG Metall is the first step to enforcing a collective agreement with engineering service providers.

www.igmetall.de/tarif/besser-mit-tarif

Conversion of working time / pay according to collective agreement:

- ▶ Average monthly working time: 4.35 weeks/month
- ▶ Weekly working time ratio $35 / 40 = 14.3\%$
- ▶ Hourly wage comparison: with a monthly salary of 5000 €, a 40-hour week corresponds to an hourly rate of $5000 \text{ €} / (40 \cdot 4.35) = 28.73 \text{ €}/\text{hour}$, for a 35-hour week: $32.84 \text{ €}/\text{hour}$.

Studies show that employees in companies with collective agreements earn up to 21% more than in companies without a collective agreement: www.lohnspiegel.de

Fairly and equitably paid employees are more motivated and committed. Individual pay poker puts a strain on the time resources of both staff and management, leading to frustration and dissatisfaction. Collective agreements ensure a productive performance climate and motivated workforces.

Join IG Metall online: www.igmetall.de/beitreten

Please do not hesitate to contact us for help, we're here for you!

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COLLECTIVE AGREEMENTS...

... are the better alternative to pay poker

Individual pay rises are always preceded by a long and exhausting negotiation process – for both employees and managers. Managers usually do not have neither the budget nor the authority to approve pay rises. At the same time, many employees find it difficult to negotiate justified claims for themselves. Even when they are highly performing for the company and have experience in complex price negotiations with customers.

Collective tariff agreements are the tried and trusted alternative, used broadly across the industry.

Regularly negotiated and collectively agreed pay rises protect employees' purchasing power from price increases. Employees also get a fair share of their companies' increases in productivity and profit. For a company tariff, elected members from the companies and IG Metall experts negotiate the agreements with the employer.



COLLECTIVE AGREEMENTS...

... reward qualification and performance

Collective agreements define minimum standards and thus ensure uniform entitlements for all employees. At the same time, they leave room for individual adjustments and even promote them based on uniform standards for annual performance appraisals. Remuneration is determined according to the level of qualifications and competencies required for a particular job.

In addition to the basic pay, many collective agreements also include a performance-related pay. This helps to remunerate individual performance according to transparent criteria. Career development and career paths follow previously negotiated rules. When allowances, bonuses and many other remuneration components are based on a collective tariff agreement, they ensure reliable procedures for all. Individual challenges can thus be solved transparently, reliably and with legal certainty.

COLLECTIVE AGREEMENTS ...

... create security and opportunities

Many customers of development service providers are bound by collective agreements. In most cases, the collective agreements of the metal and electrical industry apply.

These provide uniform standards, for example for:

- ▶ weekly working hours,
- ▶ overtime pay,
- ▶ framework conditions for qualification,
- ▶ on-call duty, mobile working & work from home,
- ▶ protection for older employees and pension benefits,
- ▶ securing employment and future success.

Together, employees can achieve so much more – also employees of development service providers. Not every employee needs to stand up for themselves alone. Solidarity of the complete workforce or even an entire sector is key.

Without collective agreement, employers are entirely free to decide for example about pay and working time. As illustrated below, legal protection mechanisms are not very developed:

| | With tariff | By law |
|---|--|-------------------|
| Working hours per week | 35 - 40 h | Ø 48 h/6 months |
| Working week | Monday - Friday | Monday - Saturday |
| Holiday | 30 days (6 weeks) | 24 days (4 weeks) |
| Holiday pay | Up to 69% | Does not exist |
| Christmas bonus | Up to 55% | Does not exist |
| Pay increase | is regularly negotiated, usually once a year | Does not exist |
| Early retirement part-time scheme | regulated | Not subsidised |
| Part-time further education scheme | regulated | Does not exist |
| Overtime premiums | 25% - 50% | Do not exist |

Collective agreements are negotiated freely between unions and employers. Solidarity is our strength and has been our trademark for more than 125 years.