



## **New Collective Agreement in the Metal and Electrical Industries**

**and**

## **Agreement for Temporary Agency Workers about Sector Related Supplements**

### **1) New Collective Agreement for the workers of the German Metal and Electrical Industries**

The new agreement was reached in the fifth encounter with the employers association Südwestmetall in Baden-Wuerttemberg in the night from 18<sup>th</sup> to 19<sup>th</sup> of May following 37 hours of negotiations.

In the weeks before the members of IG Metall had underlined their demands with powerful warning strikes in all collective bargaining regions. Around 800,000 workers were involved.

The new agreement for some 800,000 workers of the metal and electrical industries in Baden-Wuerttemberg includes the following elements:

#### **Wages**

- Wage increase of 4.3 per cent from 1<sup>st</sup> of May 2012 for all blue and white collar workers and apprentices.
- April is a so called “Zero-Month” without wage increase. The former agreement expired 31<sup>st</sup> of March 2012.
- The wage agreement is valid till 30<sup>th</sup> of April 2013 (13 months).
- The duty not to engage in industrial action is dropped in 2013.

#### **Improving the situation of younger workers: Guarantee of unlimited employment of apprentices after completion of their apprenticeships**

IG Metall and Südwestmetall agree on the principle of unlimited employment of apprentices after completion of their apprenticeships. Both collective bargaining partners assume that the number of apprenticeship places will increased or at least will remain steady.

Only reasons of personal capability or urgent economic problems could avoid the unlimited employment of apprentices after completion of their apprenticeship.

The approach to unlimited employment is possible via two models.

First model:

The exact requirement of apprenticeship places will be settled by the works council and the management in the human resource planning. If a voluntary company agreement on that issue is signed before the apprenticeship begins, all apprentices who are part of the requirement will receive an unlimited labour contract after completion of their apprenticeship. A surplus of apprentices has no claim on an open ended contract.

Second model:

If no voluntary company agreement is signed before an apprenticeship begins, works council and employer must define the requirement at least six months before the apprenticeship is completed. In that case the apprentices who belong to the required number must receive an unlimited labour contract after completion of their apprenticeship and a limited labour contract about 12 months must be offered to the surplus apprentices, with the option to check the possibilities of a prolongation three months before this limited contract will end.

The new collective agreement is valid for apprentices, who will complete their apprenticeship after the 31<sup>st</sup> of December 2012. The agreement cannot be cancelled before the 31<sup>st</sup> of December 2014.

### **Extended rights of co-determination for Works Councils in the case of the use of temporary agency work**

The employers have abandoned their resistance against a solution for IG Metall's demand on temporary agency work. The new collective agreement describes the framework conditions of the use of temporary agency work for companies with tariff commitment:

- The use of temporary agency work is only permitted, if it does not lower wages and working conditions of the core workers or eliminate the jobs in the company which borrows temporary agency work.
- If works councils detect such a threat, they can withhold their approval to the use of temporary agency work and a labour court must consider the facts.
- Without a temporary limitation or a reason like covering temporary output peaks or the need of skilled workers, who are not available in the company or replacements in case of illness or pregnancy temporary agency work is not allowed.
- The works council must agree on the employment of temporary agency workers.

If a works council wants to regulate the use of temporary agency work the employer must negotiate with the works council.

In a voluntary company agreement issues like:

- purpose,
- area of deployment and
- volume of temporary agency work,
- wages of temporary agency workers,
- maximum duration of the deployment of temporary agency workers and
- take over the agency worker to the core workers.

can be regulated.

If such a voluntary company agreement is signed, an extension about 12 per cent maximum of the quota of workers with 40-hour-contracts (from 18 to 30 per cent) can be implemented. Then in the same scale full time contracts with a reduction of working time to 30 hours must be offered.

If no voluntary agreement is signed, after 18 months the borrowing company must check the possibility for offering a labour contract to the agency worker. After 24 months such a labour contract must be offered.

The works council must be informed about the use and the areas of deployment of temporary agency workers. If a company wants to use an agency worker more than three months, the works council can demand an internal job advertisement.

Only agencies, which have signed collective agreements with DGB tariff community or IG Metall shall be contracted.

The agreement cannot be cancelled before the 31<sup>st</sup> of December 2015.

## **2) Collective agreement about sector supplement for the temporary agency workers working in the metal and electrical industries**

The new agreement was reached in the fourth encounter with the employers' associations of agencies at four o'clock in the morning at the 22<sup>nd</sup> of May following nine hours of negotiations.

Temporary agency workers receive from 01<sup>st</sup> of November 2011 a sector related supplement during their deployment in a company of the metal and electrical industries.

The supplement is related to the wages of collective agreement signed by the DGB tariff community and the employers' associations BZA and iGZ and increases due to the duration of the deployment:

- after 6 weeks 15 per cent,
- after 3 months 20 per cent,
- after 5 months 30 per cent,
- after 7 months 45 per cent,
- after 9 months 50 per cent.

The sector related supplement must be paid also in case of deployment in a company of the metal and electrical industries which is not covered by a collective agreement of the metal and electrical industries.

The collective agreement is valid till 31<sup>st</sup> of December 2017.

22<sup>nd</sup> of May 2012

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