

WORKERS

Agreement
for
staffing agencies

Period of validity: 1 November 2010 – 30 April 2012

between

the Swedish Staffing Agencies

and

The Swedish Building Maintenance Workers' Union
GS – The Swedish Union of Forestry, Wood and Graphical Workers
The Commercial Employees' Union
The Hotel and Restaurant Workers' Union
The Swedish Food Workers' Union
IF Metall
SEKO – The Swedish Union for Service and Communications Employees
The Swedish Building Workers' Union
The Swedish Electricians' Union
The Swedish Municipal Workers' Union
The Swedish Musicians' Union
The Swedish Painters' Union
The Swedish Paper Workers' Union
The Swedish Transport Workers' Union

Parties' intent

Declaration of intent between LO unions and the Swedish Staffing Agencies

The staffing agreement is an agreement area on the Swedish labour market and it is subject to similar regulations as other industries.

The staffing industry is undergoing development. Many outside factors influence conditions in the industry. Therefore the parties are in agreement about their joint responsibility for developing the rules that affect the industry and create a sound environment for its employees.

Customers' needs for flexible staffing solutions are growing. The parties are therefore in agreement that the staffing industry fulfils an important role in meeting these needs both in the short term and in the long term.

The parties have a responsibility to ensure sound conditions and a strong competitive position for the companies as well as to maintain good conditions for employees in the form of job security and development.

The parties agree that the industry will develop best when competitive conditions are equal and clear rules exist that support good order.

The parties are in agreement about the importance of functioning co-operation in companies at a local level. The parties consider it to be positive for both companies and employees to have a high level of organisation membership.

The parties agree that this agreement will both contribute to competition on equal terms between companies in the industry as well as ensuring equal conditions for outplaced workers and established employees at customer companies.

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Section 1

Scope and entry into effect

§ 1 Scope of the Agreement – entry into effect

Collective agreement between the Swedish Staffing Agencies and all unions within the Swedish Trade Union Confederation (LO), applying to companies that conduct business within these unions' areas of activity.

Item 1 Scope etc.

This agreement applies to companies that provide staffing (outplacement) services (staffing agencies) and that are members of the Swedish Staffing Agencies and their employees when they perform work for which any of the employee's unions has the right negotiate.

Except for the conditions stated in section 5 §§ 10-17 and section 6 §§ 18-22 of this agreement, the following shall apply:

During outplaced time, the national agreement regulating wages and general conditions of employment that apply at any time to the particular work at the customer, shall apply to the employee.

§§ 10 - 22 inclusive shall always apply regardless of whether the employee is outplaced or not. During the outplacement the customer's national agreement regulating wages and general conditions of employment shall apply. However, wages shall be calculated according to the rules in § 5.

Note:

This agreement does not apply when the work is performed on a sub-contract basis.

Item 2 Entry into effect

This agreement applies to employees at companies that have acceded to it.

Staffing companies that are members of the Swedish Staffing Agencies shall accede to this agreement from the first day of the month after a written request has been submitted by any of the parties to the agreement (accession).

A request may be submitted by the Swedish Staffing Agencies to the LO union that is entitled to negotiate in the area in which the company is engaged in business, or by the LO union in whose area the staffing agency is active, to the Swedish Staffing Agencies.

After accession, the staffing agency is bound by the collective agreement in relation to all the unions covered by this agreement. After accession, one of the unions shall be appointed as the union with administrative responsibility in relation to the Swedish Staffing Agencies and the staffing agency in question. Such representation etc. is regulated by Appendix 1 to this agreement.

Concurrently with accession, any existing collective agreements made direct between the company and the unions shall be cancelled.

§ 2 Supervision of work – right of association

Item 1 Management and allocation of work

Subject to the observance of laws and regulations and the provisions of this agreement, the employer is entitled to manage and allocate the work, to freely hire and terminate employees, and to hire employees irrespective of whether they are union members or not.

Item 2 Right of association

The right of association shall be not be infringed by any party.

Note:

The employer may without infringing the right of association request that a foreman shall not belong to the same union as the workers.

Item 1 Neutrality

The employee is not allowed to perform work for a customer who is the object of strike action by a union.

Section 2

Employment and work responsibility

§ 3 Employment

Item 1 Types of employment

Instead of §§ 5 and 6 in the Swedish Employment Protection Act “LAS”, the following shall apply:

Employment is until further notice except where otherwise agreed as below:

The employer and the employee may agree on employment for a fixed term. Such an employment agreement shall be written and the term may not exceed 6 months; however, it may have a term of 12 months subject to the approval of the local union.

New fixed-term employment, according to the above, may be agreed after 12 months from the expiry of the latest fixed-term employment, or earlier subject to local agreement.

An agreement on fixed-term employment may be reached with a person who is a student or retired by contract or with old age pension. Students shall have verified in writing that they are students.

Upon specific request by an employee, fixed-term employment may be agreed in order to offer the possibility of recurrent short periods of employment. This applies to employees with another principal employment who wish to have temporary extra work.

Note:

If the union considers this rule to be abused, it is entitled to request local or central negotiations, respectively, regarding the matter. If the dispute is not resolved, in the future, an agreement with the local union organisation will be needed for the company to which the dispute relates.

Fixed-term employment may be terminated prematurely with a mutual notice period of 14 days.

In addition, a statutory agreement may be reached for substitute positions, trainee positions, vacation work and by reason of service on the basis of the National Total Defence Service Act.

Item 2 Working hours

Employment at a staffing agency is full time.

Part-time employment may be provided subject to a local agreement with the administratively responsible union.

The weekly working hours shall be stated in the certificate of employment. The scheduling of the working hours shall be stipulated for the employee.

Item 3 Certificate of employment

The employer shall, no later than at the beginning of the employment, provide the employee with a certificate of employment pursuant to § 6 c LAS and a copy shall be sent to the closest branch of the union concerned.

Item 4 Recurrent short periods of employment

Companies with many fixed-term employees may, instead of specifically reporting each employment to the local trade union, reach an agreement according to the following. Such an agreement shall be reached unless specific reasons require otherwise.

1. The duration of recurrent short periods of employment shall be determined at the time the agreement on terms of employment is reached with the employee. This period shall not exceed six months.
2. The company shall promptly report the employment conditions agreed with the employee to the relevant trade union.
3. The company shall report the extent of the fixed-term employments to the trade union at the end of the agreement period.

Item 5 Availability

In connection with hiring, the issue of availability shall be resolved in writing and regulated in the certificate of employment. This shall be effected on the

basis of the special conditions of each office. Availability means that the employee shall be contactable.

The availability shall be determined so as not to restrict the employee's freedom of movement more than is necessary and shall amount to nine consecutive hours per day at the most, and be allocated over a period of five days per week. Efforts shall be made to use technical aids.

Before each new outplacement, the employer shall inform the employee about the employment, the work and work environment conditions that apply at the customer.

Item 6 Area of service and obligation to work

At the time of hiring, the geographical area of service shall be stipulated in writing in the certificate of employment. In each individual case account shall be taken of normal travel and commuting distances, calculated on the basis of normal means of transportation in the region.

The area of service shall be defined as a geographical area by a listing of municipalities, postal and telephone area codes on a map or the like. The geographical area of service shall not be so large that the journey from the staffing agency's office to the workplace is longer than 75 kilometres.

Following negotiations the union may terminate the company's right to stipulate the area of service for those employees covered by the negotiations. Before the negotiations, what is regarded in each individual case as normal travel and commuting distances, calculated on the basis of normal means of transportation in the region, shall be taken into account. If no agreement can be reached, the primary municipality, or in the metropolitan areas of Stockholm, Gothenburg and Malmö together with adjacent municipalities, shall be the area of service for the employees concerned.

Item 7 Operating unit

The office where the employee is employed shall be the operating unit according to §§ 22, 25 and 25a LAS.

Section 3

Wages and compensation

§ 4 Individual wages and minimum wage

Item 1 Individual wages

For adult employees, individual monthly/hourly wages shall be negotiated in accordance with the prevailing practice at the staffing agency. The individual monthly wages/hourly wages shall be confirmed in the certificate of employment.

Item 2 Minimum wage

The individual wage may in the case of full-time employees not be lower than the minimum wage stated below.

$$\text{Wage per hour} = \frac{\text{Monthly wage}}{174}$$

In the case of other working hours than 40 hours per week on average per calendar year the number shall be adjusted to this hourly number

1 August 2010	Monthly wages	Hourly wages
Qualified skilled worker	SEK 19,293	SEK 110.88
Skilled worker	SEK 18,983	SEK 109.09
Others	SEK 18,113	SEK 104.09
Newly hired, 6 months	SEK 17,153	SEK 98.58
Under age:		SEK 69.90

1 August 2011	Monthly wages	Hourly wages
Qualified skilled worker	SEK 19,675	SEK 113.07
Skilled worker	SEK 19,365	SEK 111.29
Others	SEK 18,495	SEK 106.29
Newly hired, 6 months	SEK 17,535	SEK 100.77

Under age:

SEK 72.11

§ 5 Wages and compensation during outplaced time

Item 1 Wages and general employment conditions

During the period of outplacement, the applicable national agreement on wages and general conditions of employment for the employee and for the work performed for the customer, shall apply

For wages and excess working hours the rules in § 5 Items 1 - 6 apply as do the rules in § 10 - 22 in this agreement for certain employment conditions.

The above means that §§ 10 - 22 shall always apply regardless of whether the employee has been assigned a job or not. During the period of assignment, the customer's national agreement regarding wages and general employment conditions shall apply. The wages shall be calculated in accordance with the rules in §5.

Item 2 Main rule; Wages during outplaced time

Hourly wages/monthly wages are paid corresponding to the average earnings situation (T+P) for comparable groups at the customer. P stands for performance pay, piecework pay, wage incentive, bonus and commission. The individual's hourly wages/monthly wages shall not fall short of the amount in § 4 Item 1.

Variable wage components (P) calculated in arrears and with a calculation period not exceeding three months shall be based on the latest known measurement period, unless the local parties agree otherwise.

If this should give a misleading result, the local parties may agree on a different measurement period.

Note:

Guidelines for determining T+P for comparable groups.

The determination of what is a comparable group shall be based on work organisational or clear occupational criteria at the customer company with the object of ensuring that the staffing agency pays "neutral wages" In the

determination of a reference object a delimited workplace/business area should constitute a unit.

If within a unit there are different occupational groups with clear differences in tasks, authority and wages, a relevant occupational group within the unit shall constitute the comparable group.

Item 3 Alternative rule; Agreement on earnings position

A customer company may call for negotiations in relation to the local union organisation at the customer's company with the aim of reaching an agreement on the earnings position for outsourced personnel with the aim that the staffing agency shall pay "neutral wages" in accordance with the main rule.

Such an agreement shall include rules on what time and to which work the agreement applies.

An agreement between the customer company and the local union organisation at the customer company on the earnings position for outsourced personnel shall be confirmed by the local union organisation's branch.

The staffing company and the association with responsibility for administrative aspects confirm this agreement in a local agreement. When this has been done, the agreed earnings position satisfies the rules in §5 Item 2. The local agreement must be reviewed when a new national agreement is reached and/or wage reviews have been carried out at the customer company.

If conditions alter significantly or if the conditions have ceased to apply the agreement may be cancelled at one month's notice.

Note:

The possibility of reaching an agreement according to the above does not mean that a customer company has a responsibility to negotiate with a trade union organisation at the customer company or with the employer association with administrative responsibility.

Item 4 Special rule; Compensation during short-term outplacement

In the case of outplacements not exceeding 10 working days and comprising not more than 20 persons, the employee's latest average earnings (T+P) during the latest known three-month period shall be paid, subject, however, to a minimum of the individual wage, together with supplements and compensation in accordance with the relevant national agreement.

The above shall not apply if similar tasks have been performed at the customer (workplace) during the immediately preceding 12-month period.

Item 5 Compensation for excess working hours

If the employee, on two or more different outplacements, works for more than 40 hours per holiday-free working week, compensation of SEK 50 per hour actually worked shall be paid for each such hour. The amount is SEK 52 as of 1 August 2010. If overtime compensation has been paid on a customer placement, this shall be deducted for the week to which the excess working hours relate.

Item 6 Compensation for local deviation from working hours agreement

If a local agreement to deviate from the working hours agreement has been reached with the customer and this has resulted in compensation (time or money) the equivalent shall be paid to the employees in accordance with this agreement. However, this does not apply if the compensation is included in the average earnings level (T+P).

§ 6 Wages during non-outplaced time and guaranteed wage

Item 1 Compensation during non-outplaced time

During the time that the employee has not been placed but is working or is participating in required training, the individual monthly wage/hourly wage shall be paid.

Item 2 Guaranteed wage

During the time when the employee is not outplaced, working at the staffing agency or participating in training, a guaranteed wage per calendar month of 90 % of average earnings (T+P) during the latest 3-month period shall be paid.

Accordingly, the guaranteed wage may amount to no more than 90 % of the average earnings (T+P) calculated for a whole calendar month, and shall amount at a minimum to 90 % of the individual wage.

Item 3 Right to decline placement with retained employment benefits.

If there are exceptional reasons, such as extremely long travelling times, which are not caused by the employee him/herself, through lack of means of transport, serious medical problems such as allergies or the employee having been harassed at an earlier customer, the employee may decline an offered placement with retained employment benefits. An assessment must be made in each individual case. In case of medical problems the employer may request that the problem be verified by a medical certificate.

Item 4 Supplement for work during inconvenient working hours

A supplement shall be paid for work during inconvenient working hours as follows:

1 August 2010		SEK/hour
Monday - Friday	6 pm - 11 pm	SEK 20.62
Monday - Friday	11 pm – 7 am	SEK 41.30

Saturday, Midsummer's Eve Christmas Eve and New Year's Eve and Sundays and public holidays	midnight-midnight	SEK 82.59
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1 August 2011

Monday - Friday	6 pm - 11 pm	SEK 21.02
Monday - Friday	11 pm – 7 am	SEK 42.10
Saturday, Midsummer's Eve Christmas Eve and New Year's Eve and Sundays and public holidays	midnight-midnight	SEK 84.18

Item 5 Overtime and overtime compensation

The term overtime means all time when the employee is not outplaced but is working or undergoing required training in excess of the applicable full-time working hours.

For each overtime hour during normal Mondays – Fridays between 6 am and 8 pm, the employer shall pay:

$$\frac{\text{Hourly wage} \times 174}{94}$$

For each overtime hour during other hours the following shall be paid:

$$\frac{\text{Hourly wage} \times 174}{72}$$

For employees with hourly wages, the overtime compensation shall be calculated as follows:

$$\frac{\text{Monthly wage}}{94}$$

and

$$\frac{\text{Monthly wage}}{94}$$

The above compensation includes holiday pay.

Only full half hours shall be included in the calculation.

Subject to agreement, overtime work may also be compensated for by leave in lieu, with each overtime hour between 6 am – 8 pm being compensated for by 1.5 hours and each overtime hour during other hours by two hours.

Section 4

Working hours

§ 7 Scope of agreement

The regulations stipulated in the collective agreement replace the Swedish Working Hours Act (SFS 1982:673) in its entirety.

The parties have agreed that the regulations stipulated in the collective agreement are within the scope of the Council's directive 2003/88/EC, which aims to provide security and health in the scheduling of working hours.

§ 8 Working hours

Item 1 Working hours during outplaced time

During all hours when the employee is outplaced, the working hours at the workplace in question shall apply. Working hours shall be scheduled according to what is applicable for corresponding occupational groups at the customer.

In cases where the customer's business, either statutorily or by collective agreement is entirely or partly excluded from the night work prohibition, the corresponding work performed by the outplaced employees shall also be excluded.

Item 2 Working hours during non-outplaced time

Ordinary working hours for a full-time employee amount to 40 hours per ordinary working week on average per 4-week period. Upon local agreement longer periods may apply.

During periods when the employee is not outplaced, the ordinary working and training hours shall be scheduled between 7.00 am and 5.00 pm, unless otherwise agreed between the employer and the local union.

§ 9 Working hours rules

The following rules shall apply when the employee is working in the staffing company, between outplacements and when working at a customer company without a collective agreement.

Item 1 Daily rest

Each employee shall have at least 11 hours of continuous rest per 24-hour period (daily rest).

Item 2 Weekly rest

Each employee shall have at least 36 hours of continuous leave during each seven-day period (weekly rest).

The weekly rest shall be scheduled as close as possible to a weekend.

Item 3 Total working hours

The total working hours during each period of seven days may not exceed 48 hours on average during a calculation period of 12 months. The total working hours shall include ordinary working time, overtime and on-call time.

When calculating the total working time, periods of annual paid vacation and sick leave shall be included in the calculation of maximum working hours.

Item 4 Breaks and meal breaks

Breaks shall be scheduled so the employee does not work for more than six hours consecutively. The term break means an interruption in the daily working hours, when the employee is not required to remain at the workplace. The employer shall state in advance the duration and scheduling of the breaks as precisely as the circumstances permit

Breaks may be exchanged for meal breaks at the workplace. Such a meal break is included in working hours.

Item 5 Pauses

The employer shall arrange the work in a manner enabling an employee to take necessary pauses in addition to breaks. If the working conditions so require, special pauses may instead be scheduled. The pauses are included in working hours.

Item 6 Night rest

All employees shall have time off for night rest. The time between 12 midnight and 5 am shall be included in the time off.

Deviations from the first paragraph may be made, if the work, in view of its nature, the needs of the general public or other special circumstances, must be performed between 12 midnight and 5 am.

Deviations may be made on the basis of an agreement with the administratively responsible local union.

Item 7 Ordinary working hours for night workers

Ordinary working hours for night-workers may not exceed eight hours on average per 24-hour period during each period of 12 months.

Note:

- 1. If the weekly rest is scheduled within the calculation period, the weekly rest shall not be included when calculating the average. Periods of annual paid vacation and sick leave shall be neutral when calculating the average working time.*
- 2. It is the intention of the parties that the length of the calculation period shall not be applied in such a manner that it leads to an extension of the working hours, where extremely long work periods without sufficient intervening rest periods are scheduled during a long time.*

Item 8 Night work that involves special risks

Night-workers whose work involves special risks or great mental effort may not work for more than eight hours within a 24-hour period, when working at night.

Item 9 Overtime

By overtime is meant working hours in excess of ordinary daily working hours and on-call time. If different ordinary daily working hours or on-call time apply because of a collective agreement, the term overtime instead means such

working time as exceeds ordinary working hours and on-call time in accordance with the agreement or subject to consent.

In the calculation of overtime, leave in lieu and other leave scheduled during the employee's ordinary working hours or on-call time shall be equated with worked ordinary working hours and on-call time, respectively.

Item 10 Maximum overtime

When there is a special reason for increased working hours, extra overtime may be taken out of up to 48 hours during a period of four weeks or up to 50 hours during a calendar month, but not exceeding 200 hours during a calendar year (general overtime)

Item 11 Overtime records, etc.

The employer shall keep a record of on-call time, overtime and extra time for part-time employees. Employees have a right to see the records, either themselves or through a representative. The unions have the same right.

Item 12 Notes on scheduling

The employer shall without delay notify the employees of any change of the scheduling of ordinary working time and on-call time.

In the event of any change in the working hours from daytime to on-call time or vice versa notice shall be given at least five days in advance.

Particular attention shall be paid to significantly altered scheduling of working hours that involve major inconvenience for the employee with regard to child care or similar.

Item 13 Exceptions

The employer and the local union may reach an agreement to deviate from the rules in Items. 1, 2, 3, 4 and 7 on the condition that the employees are provided with corresponding rest periods according to the rules below on scheduling of rest periods.

Temporary deviations may be made, if caused by specific circumstances that the employer has not been able to foresee, for example unplanned change of shift or overtime work, provided that the employee is allowed a corresponding rest period.

If a corresponding rest period cannot be provided within seven calendar days, the employer and the administratively responsible local union branch shall reach an agreement on other suitable protection.

If the employer schedules the corresponding rest period during ordinary working hours, wages shall be paid corresponding to average T + P for this time, which otherwise would have been ordinary working hours.

If the employer for objective reasons is unable to provide the corresponding rest period according to the first – third paragraphs, in connection with the working period, which interrupted the rest period, the corresponding rest period shall be scheduled within seven calendar days.

Note:

- 1. Other suitable protection does not include financial compensation.*
- 2. In the event of the introduction of a new Working Hours Act or a significant amendment of the current act the parties shall enter into negotiations on possible changes of §§ 7-9.*

Section 5

Joint rules

§ 10 Sections in agreement

§§ 10 - 22 shall always apply, regardless of whether the employee is outplaced or not. During the outplacement, the customer's national agreement on wages and general employment conditions shall apply. However, the wages shall be calculated in accordance with the rules in § 5. For employees receiving monthly wages the rules on deduction of pay due to absence, sick pay and parental pay apply in accordance with § 14.

§ 11 Public holiday wages

Item 1 The right to holiday wages

Public holiday wages shall be paid in the case of employment until further notice and in the case of fixed-term employment with a duration or an intended duration of more than three months. In order for the employee to be entitled to holiday wages, the employment must continue after the holiday.

Public holiday wages shall not be paid to employees paid by the week or by a longer unit of time.

If a public holiday occurs during a vacation, holiday wages shall be paid on the terms set forth above. During other leave, holiday wages shall be paid on the condition that the leave does not exceed four weeks.

Employees who, during leave exceeding four weeks, are offered work in connection with a public holiday, are not entitled to holiday wages.

Holiday wages shall not be paid if the employee has been absent without a valid reason, during all or part of the workday immediately before or after the public holiday. Moreover, holiday wages shall not be paid in case of absence without a valid reason during the public holiday in respect of employees with ordinary working hours during the holiday. In the event of vacation and other leave the above-mentioned days shall be staggered to a corresponding extent.

Item 2 Public holiday wage days

Holiday wages shall be paid for the following days: New Year's Day, Epiphany, Good Friday, Easter Monday, 1 May, Ascension Day, National Day, Midsummer Eve, Christmas Eve, Christmas Day, Boxing Day and New Year's Eve.

This shall apply provided that the day occurs on another day than a Saturday or a Sunday.

Holiday wages are not paid for days for which the employee has received or been entitled to receive compensation from the social insurance office.

If in connection with study leave, the employee receives state or municipal study grants for days on which he/she would be entitled to holiday wages, the corresponding amount thereof shall be deducted from the holiday wages.

Item 3 Amount of the public holiday wage

Holiday wages shall consist of the employee's individual wage multiplied by the number of ordinary working hours per week, divided by 5.0.

Holiday wages per day shall, following a transition from full-time to part-time work or vice versa, be calculated in the following manner. The employee's individual wage multiplied by 5.0 divided by the number of ordinary average working hours per week that applied for the employee during the time immediately preceding the public holiday concerned.

Item 4 Payment of holiday wages

Holiday wages shall be paid on the payday for the wage period during which the first working day after the holiday occurs.

§ 12 Sick pay and parental pay

Item 1 Right to sick pay

Sick pay shall be paid in accordance with the Swedish Sick Pay Act for wages the employee has lost because of sick leave.

In the case of absence on account of sickness, accident or occupational injury, the employee shall immediately notify the employer. The employee is not entitled to sick pay for the time before the notification has been submitted.

The employee shall, as soon as possible, inform the employer when he/she expects to be able to return to work. Such notice shall be given no later than the

day before the return. The same shall apply when the employee is incapacitated owing to accident or occupational injury.

The employee shall provide the employer with written verification of having been sick, information as to the extent to which the employee's working capacity was reduced because of the illness and the days during which the employee would have worked.

In case of absence for more than seven days, the employee is statutorily required to present a medical certificate.

If the employer so requests, the employee shall verify the sickness with a medical certificate from an earlier day. The cost of such a certificate shall be defrayed by the employer. If the employer has requested the certificate from a specific doctor, he is not required to reimburse the cost of a certificate from another doctor.

Item 2 Parental pay

An employee who is on a leave of absence because of pregnancy or in connection with childbirth has the right to parental pay from the employer

- if the employee has been employed by the employer for at least one consecutive year, and
- the employee's employment continues for at least three months after the leave of absence.

Parental pay shall be paid

- for one month if the employee has been employed for one but not two consecutive years, and
- for two months if the employee has been employed for two consecutive years or more.

If the absence turns out to be shorter than one or two months, respectively, the parental pay shall not be paid for a longer period than the leave period.

One half of the parental pay shall be paid out when the leave of absence commences and the remaining half after the employee has continued his or her employment for three months after the leave of absence.

Parental pay shall not be provided if the employee is excluded from parental benefits under the National Insurance Act. If this benefit has been reduced, the parental pay shall be reduced to a corresponding extent.

§ 13 Calculation of sick pay and parental pay for employees paid by the hour

Item 1 Calculation of sick pay

Sick pay shall be paid for the time when the employee would have worked during ordinary working hours if he had not been sick.

The first day of sickness absence in each sick pay period is a qualifying day without the right to sick pay.

From the second day of sickness absence up to and including the 14th calendar day, the sick pay for each day eligible for sick pay shall be 80 % of the employee's average hourly earnings. For employees with only hourly wages the sick pay shall be 80 % of these hourly wages.

In addition, from the second day of sickness absence up to and including the 14th calendar day of the sick pay period, sick pay shall be paid in the amount of 80 % of other wage components and remuneration that constitute compensation for ordinary working hours.

Item 2 Calculation of parental pay

Parental pay is 10 % of the average wages per month during ordinary working hours during the three-month period immediately preceding the leave.

§ 14 Wage deduction in case of absence, sickness and parental pay for employees paid by the month

Item 1 Calculation of wage deduction during absence

When the employee is absent for at least one day because of leave, a deduction from wages shall, if the employee receives a monthly wage, be made according to the following:

- During a period of no more than 5 (6)* working days, a deduction shall be made for each working day of 1/21 (1/25)* of the monthly wage.
- during a period exceeding 5 (6)* work days, a deduction shall be made of the daily wage for each day of leave. This also applies to the employee's non-working weekdays and Sundays and holidays.

$$\text{Daily wage} = \frac{\text{The fixed monthly wage in cash} \times 12}{365}$$

- In the case of absence for part of a day the deduction shall be

$$\frac{\text{Monthly wage per hour}}{174}$$

The number within parentheses shall be used when a six-day week applies.

Item 2 Calculation of pay deduction in event of sickness

For each hour an employee is absent due to sickness, an hourly sick deduction shall be made from the monthly wage as set forth below. By monthly wage is meant the fixed monthly wage in cash including fixed supplements.

For the first day of sickness absence in the sick pay period, a deduction shall be made of

$$100 \% \times \frac{\text{Monthly wage} \times 12}{52 \times \text{weekly working hours}}$$

and from the second day of sickness absence up to and including the 14th calendar day in the sick pay period, a deduction shall for each day eligible for sick pay be made by

$$20 \% \times \frac{\text{Monthly wage} \times 12}{52 \times \text{weekly working hours}}$$

In addition, from the second day of sickness absence up to and including the 14th calendar day of the sick pay period, the amount of sick pay to be paid shall be 80 % of other wage components and remuneration that constitute compensation for ordinary working hours.

Sickness exceeding 14 calendar days. Deductions from the 15th calendar day

A deduction shall be made for each calendar day of absence of:

$$\frac{\text{Monthly wage} \times 12}{365}$$

If absence subject to deductions per calendar day lasts a whole calendar month, a deduction shall instead be made of the entire monthly wage.

Item 3 Parental pay

Parental pay per month amounts to 10 % of the monthly wage. For parts of the monthly wage that exceed 7.5 x the applicable base amount/12, parental pay is 90 %.

§ 15 Travel compensation and per diem allowances

Item 1 Compensation

For business trips, travel compensation and per diem allowances shall be paid at the normal amounts recommended by the Swedish Tax Agency from time to time.

Item 2 Calculation of travel time

By travel time entitling to compensation is meant the time during a business trip that is used for actual travel to the destination. Travel time occurring within the employee's ordinary daily working hours is regarded as working time.

Therefore, only business travel outside the employee's ordinary working hours shall be included in the calculation of travel time.

Only full half hours shall be included in the calculation of the travel time. If the employer has paid for sleeping accommodation on a train or a ship during the trip or part thereof, the time between 10 pm – 8 am shall not be included.

Normal time spent when the employee him- or herself is driving a car or other vehicle during the business trip shall also be considered travel time, regardless of whether or not the vehicle belongs to the employer.

The business trip shall be considered to have been commenced and concluded in accordance with the rules that apply for the calculation of per diem allowances or the equivalent at each company.

Item 3 Amount of travel time compensation

The amount of travel time compensation paid per hour shall correspond to the monthly wage divided by 240 except when the trip has been made during the time from 6 pm on a Friday and 6 am on a Monday or from 6 pm on a day before a non-working holiday eve or holiday until 6 am the day after holiday, in which case the compensation shall be the monthly wage divided by 190. Hourly wages are $1/174^{\text{th}}$ of the employee's fixed monthly wage in cash including any piecework compensation.

The compensations above include vacation pay.

Compensation for travel time shall be paid for not more than 6 hours per calendar day.

§ 16 Payment of wages

Wages shall be paid at least once per calendar month in arrears unless otherwise agreed locally.

§ 17 Brief leave with pay

The term brief leave with pay means a short period of leave for one day at the most, with retained wages. In the event of a close relative's funeral, the leave may also include necessary travel days.

Brief leave with pay may be granted in the following cases:

- own wedding
- own 50th birthday
- first time visit to doctor or dentist in case of acute sickness or accident
- visit to hospital with a letter of referral from company doctor or another doctor nominated by the employer. If the doctor to whom the employee has been referred prescribes another visit, leave is granted up to three such return visits.
- death of a close relative
- close relative's funeral, interment and urn lowering

- sudden severe sickness of co-habiting close relative of the employee.

By close relative is meant husband/wife, registered partner, co-habitees under circumstances similar to marriage, children, grandchildren, siblings, parents, parents-in-law and grandparents.

§ 18 Vacation

Vacation is granted according to law. Vacation wages and vacation compensation shall be paid in the amount of 13.3 % of the vacation wage basis.

Section 6

Other rights and obligations

§ 19 Work environment responsibility

The staffing agency shall take steps to ensure the customer takes, and provides information about, the safety measures required for working within the customer's area and observes in particular Ch. 3 §§ 6, 7 and § 12 and Ch. 6 § 10 of the Swedish Work Environment Act and 4 § of the Swedish Work Environment Ordinance.

The staffing agency is responsible for any necessary rehabilitation measures among its employees.

§ 20 Labour market insurance and miscellaneous

Item 1 Labour market insurance

The employer is obliged to take out and maintain AMF insurances

1. SAF-LO Collective Pension
2. Occupational Group Life Insurance (TGL)
3. Career Readjustment Insurance (AGB)
4. Collective Group Sickness Insurance (AGS)
5. Security Insurance for Work-Related Injuries (TFA)

according to the agreements in effect at any time between the Confederation of Swedish Enterprise and LO/PTK.

These obligations apply also during times when the employer does not have any employees.

Item 2 Miscellaneous

The Development Agreement between the Swedish Employers Confederation and LO/PTK of 15 April 1982 shall apply in this agreement area. The Career Adjustment Support Insurance of the Confederation of Swedish Enterprise - LO of 24 February 2004 shall apply in this agreement area.

§ 21 Continuing Education

An agreement on continuing education for the employees of the Swedish Staffing Agencies has been reached according to Appendix 3.

§ 22 Employment at the customer

After observing the notice period for termination, the employee is entitled at any time to take employment with the customer.

The negotiating procedure in section 7, the agreement on the position of the parties (appendix 1) and the staffing agencies conciliation board (appendix 2) may be altered during the term of the agreement

Section 7

Negotiating procedure

§ 23 Negotiating procedure

Regarding the position of the parties, see appendix 1.

Item 1 Time limitation for negotiations

If a party wishes to claim damages or other performance according to law, collective agreement or individual agreement, the party shall call for negotiations within four months from when the party became aware of the circumstances upon which the request is based. However, negotiations must be requested no later than two years after this circumstance has arisen.

If a party does not call for negotiations within a prescribed time, the party loses the right to negotiate.

Item 2 Local negotiations

Negotiations shall in the first instance take place between the local parties. (The employer and the union branch at the employer's).

Negotiations shall commence as soon as possible and no later than within two weeks from the day when they were called for, except when the parties have agreed otherwise.

Item 3 Central negotiations

After the conclusion of local negotiations, a party that wishes to pursue the matter further shall refer the issue to central negotiations.

The request for central negotiations shall be made in writing to the opposite party's organisation within two months from the day when the local negotiations were concluded. In the event of failure to do so, the party loses its right to negotiations.

Central negotiations shall begin as soon as possible and no later than within two weeks from the day when they were called for, except when the parties have agreed otherwise.

Item 4 Legal settlement

If a legal dispute concerning law, collective agreement or an individual agreement has been the object of central negotiations without being resolved, a party may submit the dispute for legal settlement within three months from the day when the central negotiations were concluded. In the event of failure to do so, the party loses its right to have the case considered.

The parties have reached an agreement that disputes shall be referred to the Staffing Agencies Conciliation Board before proceedings are initiated in court, Appendix 2.

In case of disputes in accordance with § 5 or when the resolution of the dispute is deemed to be dependent on testimony by a representative of the customer company, the dispute shall be resolved by arbitration under the terms of the Swedish Arbitration Act except when the parties have agreed otherwise.

Note:

If an issue in dispute is based on the Employment Protection Act, the statute barring rules in the Act shall apply instead of the time limits in this negotiating procedure. Furthermore, this negotiating procedure does not affect the rules regarding time limitations or the obligation of the employer to call for negotiation pursuant to §§ 34, 35 and 37 of the Swedish Employment (Co-Determination in the Workplace Act).

§ 24 Term of agreement

This agreement shall remain in effect from 1 May 2010 until 30 April 2012. Thereafter it shall remain in effect with a mutual 7-day notice period for termination.

Note:

The right to termination of the parties is joint unless otherwise agreed.

Stockholm on 18 May 2010

For

The Staffing Agencies

Gunnar Järsjö

Catherine Simons

Per Gradén

For

The Employees' Unions

Håkan Löfgren

Appendix 1

Agreement on position of the parties

Item 1

The employee shall be represented by the employee union of which he or she is a member (member union). The employee may instead be represented by another employee union, subject to the provision of a power of attorney by the member union.

Item 2

An employee of a staffing agency is represented by the administratively responsible union and its local union organisation:

- in negotiations pursuant to §11 of the Swedish Employment (Co-Determination in the Workplace) Act [“MBL”], and if agreement is not reached in these negotiations, to §14 MBL
- in fulfilment of the information obligations pursuant to §§ 19-22 MBL.
- in negotiations pursuant to §§ 38 and 39 MBL regarding sub-contracting or outsourcing of temporary staff by the staffing agency.
- by the administratively responsible union appointing a union fiduciary representative according to the Trade Union Representatives (Status at the Workplace) Act.
- by the administratively responsible union appointing a safety representative and members of a safety committee pursuant to the Swedish Work Environment Act
- by the administratively responsible union deciding on the introduction of board representation for the employees and appointing members.

Item 3

Upon a request for accession, the LO unions shall appoint one of the unions to be the administratively responsible union. The administratively responsible union shall be appointed on the basis of the company’s main area of business.

The administratively responsible union is the union that represents all contracting parties on issues according to Item 2. In negotiations, the administratively responsible union may issue a power of attorney to another union to represent it in the negotiation of these issues.

The employees' unions may instead appoint another union as administratively responsible union. If another union than the acceding union is appointed it shall notify in writing the Swedish Staffing Agencies and the relevant staffing agency thereof. The newly appointed union shall be administratively responsible from the first day of the month after notice has reached the Swedish Staffing Agencies and until further notice.

The staffing agency in question shall provide the requisite information to the unions about the staff agency's main area of business within the LO unions' agreement areas and the number of employees in the various business areas, in order to support the decision of the employee parties regarding the administratively responsible union.

Item 4

In the event of a dispute with a party covered by this collective agreement concerning more than one contracting union, the amount of damages awarded may not be higher than would have been imposed if the agreement had been reached with one union. If a dispute has been finally settled, no legal proceedings may be commenced that relate to the same matter.

Note

It is noted that the employee unions have reached an agreement amongst themselves on consultation etc.

Appendix 2

Staffing Agencies Conciliation Board

The contracting parties to the collective agreement have agreed to resolve by mutual understanding any disputes that may arise. It is incumbent on all parties to promote the development of the Staffing Agreement into a well functioning agreement in order to create profitable companies with good working conditions and effective security of employment for the employees.

The parties have noted that the Staffing Agreement constitutes a new and untested approach. Disputes regarding the application of the agreement shall therefore primarily be resolved between the parties and not submitted to a court of law for resolution. Only when the Staffing Agencies Conciliation Board is unable to agree on a suitable solution to a dispute or when a party refuses to follow the Board's decision, may proceedings be initiated in court for final resolution. Proceedings may not be initiated in court before the Staffing Agencies Conciliation Board has had opportunity to settle the issue.

Item 1

The mandate of the Staffing Agencies Conciliation Board is

- to provide directions on how a judicial dispute concerning the Staffing Agreement shall finally be settled,
- to promote the development of the Staffing Agreement
- to follow the application of the Staffing Agreement and provide advice and directives to the contracting parties in order to avoid future disputes
- to provide advice and directives on disputes relating to representatives in accordance with appendix 1.

A party is not entitled to take a dispute to court if the Board has provided a directive as to how a dispute shall be resolved and the parties have fulfilled their duties according to those directives.

If the dispute only relates to the interpretation of other parties' collective agreements, the Board may not consider the matter unless the parties to such collective agreements agree to refer the dispute to the Board. In such a case, the parties to the collective agreements concerned shall participate in the Board's decision.

Item 2

The Board shall meet ten times a year according to a fixed schedule.

Matters shall be brought to the attention of the Board by means of a written request, addressed to the Staffing Agencies Conciliation Board, being duly received by the Swedish Staffing Agencies.

A matter referred to the Board at least one week before a meeting shall be brought up at that meeting. Matters received later will be brought up at the following meeting.

Item 3

A matter that has not been settled at the meeting shall be finalised on the day of the meeting unless the Board decides otherwise.

Item 4

The Staffing Agencies Conciliation Board shall consist of six members. The Swedish Staffing Agencies shall appoint three members and the LO unions jointly three members. A party may appoint a deputy to a member. A deputy member may participate only when the ordinary member is absent.

The Board is entitled to co-opt an expert when necessary.

Each of the organisations represented on the Board shall appoint one person to handle the Board's day-to-day business and to prepare business.

The Board shall issue a statement on matters on which the Board has reached agreement.

A member who has participated in local or central negotiations on an issue before the Board, should be replaced by another representative of the organisation when this issue is being considered.

Item 5

The Conciliation Board shall determine its own working procedures.

Item 6

The Board is in quorum when four members are present.
A valid decision requires the members to be in agreement.

Item 7

Each party shall bear its own costs for the Board's activities. 50% of any joint costs shall be allotted to the Swedish Staffing Agencies and 50 % to LO. Each party shall defray its own representatives' costs.

Appendix 3

Continuing education

Background

The ever-intensifying international competitive situation facing customer companies requires a focused drive to develop the skills of the employees. Rapid development of production calls for new skills on the part of employees in the industrial sector. The growing focus on customers and the market requires greater flexibility. A transition from rule-oriented management to goal-oriented management and quality assurance requires changes in the manner in which work is organised.

A continuous process of change in these respects depends on the development needs of the company as well as of the employees being recognised. In this connection, managers have an important responsibility to translate the needs of the company into action for each working group and its members.

Needs

All employees should, through various measures, be given opportunities to develop the skills needed for new or changing tasks.

It should also be kept in mind that individual employees have their own ideas about their own and the company's development needs, e.g., on how to develop knowledge and abilities that can in the long term benefit both the individual and the company.

Development at work is the outcome of combinations of measures in such areas as work content, work organisation, technical support and skills.

Responsibility

It is the company's responsibility to implement development measures with respect to personnel, organisation and technology. At the same time, it is incumbent on the individual employee to take initiatives and to feel dedication and responsibility for his or her continuing education.

Dialogue

An important base for the development of the employees and the company's aggregate skills is a dialogue between manager and subordinate. It is in this

dialogue that awareness of the company's development programme and the implementation thereof may be disseminated. The dialogue may also serve as a compass for the individual employee's commitment, thinking and plans. The dialogue is created through, for example, day-to-day planning and development discussions. Furthermore it is important for work teams to discuss and plan for change.

Experience shows that well-functioning dialogue requires input from the company, such as training of managers and co-workers in communication, goal-setting, follow-up of results etc. The dialogue shall be conducted in a positive spirit and aim at sound development by the employees and the company.

Co-operation

It is the parties' opinion that implementation of dialogue and continuing education in companies and support for individual employees' initiatives for their own development, should be adapted to the situation of each individual company and be based on the company's business idea and long-term visions

The forms of dialogue with the employees, as well as the planning, implementation and follow-up of various development measures, should be discussed and agreed between the local parties.

Wage formation

The continuing education of individual employees should be an important aspect of wage formation at the company.

Order of contract:

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