

THE FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF (YTN)

The employer and upper white-collar employee (hereinafter employee) identified below have agreed on the following terms of employment. In addition, this agreement is subject to the provisions of a possible collective agreement.

EMPLOYER	EMPLOYEE
Name	Name
Address	Address
Business ID	Personal identification number

1. EMPLOYMENT RELATIONSHIP

The employment relationship begins on _____

- The employment relationship is valid until further notice [/indefinitely]
- The employment relationship is of a fixed term and valid until _____
- The employment relationship is of a fixed term and valid until the task specified below has been performed

The grounds for the fixed-term employment are

The employment relationship is subject to a ____-month trial period

2. WORKPLACE AND JOB TITLE

Actual place of work

Job title

Duties

3. PERIOD OF NOTICE

- The employer and employee’s periods of notice comply with the Employment Contracts Act
- The employer and employee’s periods of notice comply with the collective agreement
- The separately agreed periods of notice are
 _____ months when the contract is terminated by the employer
 _____ months when the employee resigns

4. WAGES

The salary in money at the beginning of the employment relationship is _____
Fringe benefits in addition to salary in money

€ _____/month

or

€ _____/hour

- Phone benefit
- Company car benefit, free Company car benefit, usage right
- Meal benefit
- Flat benefit
- _____

The wages are adjusted annually, taking into account the industry's general wage development, the task's degree of difficulty and the employee's _____ performance in the task.

The wages are paid to bank account number _____

The payday(s) is the _____ of the month.

Performance-based pay

Grounds for determination

Time of performance

When the employment relationship ends, the performance-based pay is paid according to the employment relationship's duration (pro rata temporis) in relation to the performance-pay period.

5. WORKING HOURS

Regular working hours

- 7.5 h/day and 37.5 h/week (Mon–Fri)
- 8 h/day and 40 h/week (Mon–Fri)
- Flexible working hours
- Part-time work, at least _____ h/week, and workdays _____

The compensation to be paid for any time exceeding the regular working hours

- will be paid in cash or given as free time in accordance with the Working Hours Act.
- will be paid as a separate compensation amounting to € _____ a month. The amount of realised additional work and overtime is reviewed every six months, and the amount of the separate compensation is adjusted accordingly.

6. ANNUAL HOLIDAY

The length of the annual holiday is determined according to the Annual Holidays Act.

In addition to the holiday accrual pursuant to the Annual Holidays Act, the employee is entitled to _____ days of extra paid holidays to be taken during the first year/first two years of the employment relationship.

A holiday bonus amounting to 50 per cent of the annual holiday pay, fringe benefits included, will be paid in connection with the annual holiday pay.

The holiday bonus will also be paid from the holiday compensation.

7. SICK PAY

Sick pay is paid according to:

- the Employment Contracts Act (1+9 days)
- the collective agreement
- for a period of three (3) months
- the duration of the employment relationship so that, when the employment relationship has continued without interruption for,
 - less than one (1) year, for four (4) weeks
 - one (1) year but less than five (5) years, for five (5) weeks
 - at least five (5) years, for three (3) months
- some other policy as follows:

8. TRAINING

The employer provides the employee with the induction, supplemental, further and re-training necessary with regard to the employee's job.

In addition, the parties have agreed as follows:

9. TRAVEL COSTS AND TRAVEL TIME

Travel cost compensation is determined as follows

- the maximum tax-exempt amounts pursuant to a decision by the Tax Administration.
- the collective agreement.
- to the following _____

Business travel carried out outside of regular working hours is subject to

- a fixed compensation of € _____ per month
- a compensation of simple hourly wages according to "the hour-for-hour" principle or an equivalent amount of free time
- a compensation as follows:

10. INTELLECTUAL PROPERTY RIGHTS

COPYRIGHT

The copyright to works protected by copyright and born as a result of the employee's work will remain with the employee.

The employer shall have a right of exploitation to the aforementioned works within the scope required by its regular operations for the duration of this agreement's validity.

The copyright's assignment subsequent to the end of this agreement will be agreed to separately.

INVENTIONS

The employer's right to an invention made by the employee is determined in accordance with what is provided in the Act on the Right in Employee Inventions.

11. COLLECTIVE AGREEMENT

The employment relationship is subject to the _____ industry's collective agreement

made between the Federation of Professional and Managerial Staff (YTN) and _____.

The employment relationship is subject to the _____ industry's collective agreement

made between _____ and _____.

12. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

A full salary for a period of three months is paid during a maternity leave.

A full salary for a period of _____ days is paid during a paternity leave.

A full salary for a maximum of four (4) days is paid for any temporary child-care leave.

A salary for a period of reservist training is paid so that the employee receives full fringe benefits with the reservist pay paid by the state.

The employer will take out a travel insurance policy for the employee.

The employer will take out a liability insurance policy for the employee.

The employer will take out an individual supplementary pension insurance for the employee. The annual premium is € _____.

Once the employment relationship comes to an end, the employee will receive a paid-up policy of the pension.

This contract was prepared in two (2) copies, one (1) for each party.

Place and date

Employer's signature

Employee's signature

INSTRUCTIONS FOR COMPLETING THE EMPLOYMENT CONTRACT FORM

It is advisable to pay special attention to the following matters when completing the employment contract form:

1. Employment relationship

Fill in the section “the employment relationship begins on” with the date on which you have agreed to start working. If the terms of the employment relationship change, or in situations involving, for instance, a transfer of business, the aforementioned section is filled in with the original date on which employment relationship began.

An employment contract can always be agreed to be valid until further notice, i.e. indefinitely. A fixed-term employment contract requires a justified reason. The grounds for the contract’s fixed-term nature are specified in the employment contract. The duration of a fixed-term contract can be tied to, for example, a calendar period or the completion of a particular task.

Agreeing on a trial period is voluntary. The application of a trial period requires that the relevant term has been agreed upon in the employment contract. The trial period may not last longer than four months. If the employment relationship begins with an uninterrupted, work-related training period more than four months long, the trial period may not last longer than six months. Trial periods are placed at the beginning of an employment relationship. While they last, the employment relationship may be cancelled without a period of notice.

In the case of fixed-term employment of less than eight (8) months, the trial period may not exceed 50% of the duration of the employment.

2. Workplace and job title

The workplace agreed on is typically a particular town/city or a specified office/outlet.

The employment contract specifies the job title (“title”) and the tasks which the employee will perform in his or her work. The looser the specification of the tasks to be performed is in the employment contract, the greater the employer’s right, based on its right to supervise work, to indicate other tasks to the employee.

3. Period of notice

According to the Employment Contracts Act, the parties to an employment contract are free to agree on the length of a period of notice, but it may not be longer than six (6) months. The parties may agree that the employee’s period of notice is shorter than employer’s period of notice. The employer’s period of notice may nevertheless not be shorter than the agreed employee’s period of notice is.

Unless otherwise agreed with regard to the period of notice, the period of notice to be complied with by the employer is determined, according to the Employment

Contracts Act, as follows:

Duration of employment relationship	Period of notice
no more than one (1) year	14 days
more than one (1) year but no more than four (4) years	1 month
more than four (4) years but no more than eight (8) years	2 months
more than eight (8) years but no more than twelve (12) years	4 months
more than twelve (12) years	6 months

Unless otherwise agreed, the employee must comply, according to the Employment Contracts Act, with a 14-day period of notice if the employment relationship has continued for a maximum of five years, and a one-month period of notice if the employment relationship has continued for more than five years.

4. Wages

It is advisable to agree on fringe benefits in addition to salary in money. At the same time, the parties must agree on whether the fringe benefits are received on top of the salary in money or whether their taxable value is to be deducted from the salary in money.

It is advisable to agree on any performance-based pay in as much detail as possible as well as on such determination grounds applicable to the performance-based pay which the employee can influence through his or her own activities and which are clearly measurable.

It is also a good idea to agree on the period for which the performance-based pay is paid, in case the employment relationship ends in the middle of the performance-based pay period.

5. Working hours

The employee’s regular daily and weekly working hours are agreed on when entering into an employment contract.

When agreeing on flexible working hours, the parties must take into account the limitations provided in section 13 of the Working Hours Act.

Overtime is compensated for with the overtime compensation specified in the Working Hours Act. If separately agreed, overtime may also be compensated for with “increased” free time in the equivalent manner. Unless otherwise agreed, overtime will be compensated in cash. The performance of overtime requires the employer’s order and the employee’s consent.

According to the Working Hours Act, the employment

contract of an employee in a leading position may include an agreement on the increased salary to be paid for overtime and Sunday work to be paid as a separate monthly compensation denominated in euros. An upper white-collar employee who works in a purely specialist role may not agree on a monthly compensation, unless the collective agreement allows for it, as is the case in, for example, the technology industry.

6. Annual holiday

The employee accrues annual holidays in accordance with the Annual Holidays Act. If the employment relationship has lasted for less than a year once the holiday accrual year ends on 31 March, the employee accrues two (2) days of annual holiday per a month at work. If the employment relationship has lasted for more than a year by 31 March, the amount of annual holiday accrued per a month at work is 2.5 days.

Given that an employee has not had the chance to accrue a full 30-day holiday right at the beginning of an employment relationship, it is advisable to agree on extra paid holidays in the employment contract.

While a holiday bonus is not a term of an employment relationship based on the Annual Holidays Act, collective agreements contain fairly comprehensive agreements on holiday bonuses. A holiday bonus to be paid in connection with the annual holiday pay may also be agreed to in the employment contract.

7. Sick pay

By virtue of the Employment Contracts Act, an employee is entitled, during an inability to work attributable to illness or an accident, to sick pay for a period that lasts, at maximum, until the end of the ninth working day following the day on which the employee fell ill or had the accident. In employment relationships that have lasted for less than a month, the employee is entitled to receive 50 per cent of his or her salary.

Collective agreements typically agree on the payment of sick pay for period of time longer than what is mentioned above.

8. Training

The employer is obligated to organise and bear the costs of any induction and supplementary training necessary in terms of the employee's work. The parties may exceptionally agree on a division of training costs, provided that the training is not necessary in terms of the work or if it is not based on the employer's needs.

9. Travel costs and travel time

The Tax Administration confirms the maximum amounts of and criteria for the tax-exempt compensation for travel costs with its decision. The decision does not obligate employers to compensate any costs arising to the employ-

ee as a result of business travel. Collective agreements include fairly comprehensive agreements on compensating for employees' travel costs. If there is no applicable collective agreement, the compensation for travel costs must be agreed on in the context of the employment contract.

According to the Working Hours Act, travel does not constitute working hours, unless it is simultaneously a work performance. The law does not obligate an employer to pay compensation for time spent on travel. This is why a compensation for travel time must be agreed on in the context of the employment contract.

10. Intellectual property rights

Copyright

Copyrights are determined according to the Copyright Act.

Employee inventions

The employer's right to an invention made by the employee is determined in accordance with what is provided in the Act on the Right in Employee Inventions. It is not advisable to make agreements that derogate from the law in terms of employee inventions.

11. Collective agreement

The collective agreement applicable to the employment relationship must always be mentioned in the employment contract.

The application of a collective agreement may be based on the employer being organised with an industry employee association (normal binding effect) or on the employer operating in an industry with a what is referred to as generally binding collective agreement. The application of a collective agreement may also be agreed on in an employment contract.

12. Other terms and conditions of employment

By virtue of the Employment Contracts Act, an employee is entitled to take leave for family leave periods pursuant to the Health Insurance Act, but there is no statutory obligation to pay salary for the various family leave periods. Collective agreements typically agree on an employee's right to his or her pay during a maternity or paternity leave, for example, and during a temporary child-care leave meant for arranging care for a child less than 10 years old. If there is no applicable collective agreement, it is advisable to agree on the paid nature of various periods of family leaves.

The terms of an individual supplementary pension should be agreed on together with the employer and an insurance company. It is also important to agree on a right to a paid-up policy and to make what is referred to as an agreement on irrevocability, which will prevent the employer from ending the insurance and withdrawing the accrued funds.