

Working hours information from IG Metall

IG Metall Department for Collective Bargaining - 2004-02-23

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Collective Agreement on Pay and Working Time Flexibility (February 2004)

1. On February 12th, 2004, IG Metall settled a pilot collective agreement on pay increase and additional forms of working time flexibility in Baden-Württemberg (South-West of Germany). In the meantime, the content of that agreement is adopted by almost all other regions with the exception of Saxony (part of eastern Germany).

2. In brief - main features of the new collective agreement:

- Pay increase of 2,2 % in the year 2004 and of 2,7 % in 2005
- Working time: 35 hours remain to be the regular weekly working hours but new forms of working time flexibility are agreed to.
- There is no unpaid increase of working time.

3. Pay increase:

- Pay rise of 2,2 % on March, 1st, 2004, but no increase for January 2004 and February 2004;
- Pay rise of 2,7 % on March,1st, 2005;

The payment is made in two ways: 0.7 % out of the whole increase of 2.2 % (2004) respectively 2.7 % (2005) are paid as a lump sum. The remaining 1.5 % (2004) respectively 2 % (2005) are integrated into and applied to the wage/salary group. That procedure is due to the ongoing adjustment of blue collar and white collar pay systems and their transformation into one single pay system.

The labour cost effect, which is usually calculated on an annual basis, is somewhat different. In 2004, the labour cost effect amounts to 1.8 % - the difference is due to the fact that there is no pay increase for the two months January/February 2004. In

2005, the labour cost effect is 2.6 %.

Working time: new forms of flexibility:

The agreement contains a new regulation on working time flexibility. The contract differs between four cases and stipulates for them:

-(1) In those plants, where the share of “highly skilled workers” (exactly defined in the agreement) exceeds 50 % of the workforce, up to 50 % of the workforce can work 40 hours (permanently). The old contract stipulated only 18 %.

35 hours -----> "time corridor" -----> 40 hours
18 % (old) -----> "time corridor" -----> 50 % (new)

-(2) In case of lack of skilled workers or

-(3) In cases, where innovation processes require a different working time - the working time for certain groups or section of the workforce can be extended till 40 hours.

-(4) In case of difficulties with the recruitment of new employees, the employer are allowed to bridge the time (up to six months) by increasing working hours - but enterprises with a working time account system must first use the flexibility of that time account.

Pay for increased working hours: Every increase of working hours must be paid (at normal wage rate), but there is no overtime premium paid for the above mentioned “time corridor”.

In all of the above mentioned cases, works councils as well as representatives of the IG Metall have a say in the concrete process of decision taking on plant level.

4. Time of validity of the contract

The validity of the new collective agreement lasts till 28th of February 2006 (26

months).

5. Short Assessment:

- The volume of pay increase in the year 2004 is slightly below that, what the distribution rule (productivity + inflation rate = forecast : 2.4 %) defines.
- The volume of pay increase in the year 2005 will be presumably within the distribution rule.
- IG Metall could reject an unconditioned and unpaid increase of working hours as the employers demanded.
- IG Metall could reject the intention of the employer federation to have agreements on plant level and to exclude unions from having a say in this cases.
- Taking into account the weak economic situation, the decisiveness of the employer federation as well as the expectations of the rank and file, one must say: the agreement is acceptable.
- By and large, the IG Metall could gain ground under pretty difficult economic and political circumstances.

IG Metall Department of Collective Bargaining - 2004-06-29

IG Metall - SIEMENS

Special Agreement on job security and working time

for the production plants of mobile-phones in Bochum and Kamp-Lintfort

1. IG Metall and SIEMENS settled an agreement (validity term two years) on job security and working time for the production plants of mobile-phones in Bochum and Kamp-Lintfort. The existence of two plants of mobile-phone production in the western part of Germany (Bochum and Kamp-Lintfort, North-Rhine-Westfalia) was threatened by a SIEMENS-Management plan to dislocate the production to Hungary.

2. The agreement contains concessions of the IG Metall on working time and wages and - on the other hand - the commitment of SIEMENS to undertake specific measures in order to secure production and employment.

In detail:

2.1. Concessions of IG Metall...

- working time increase from 35 to 40 hours weekly (1760 hours on an annual basis) without pay;

- substitution of the current payment of extra pay and fringe benefits (holiday payment; bonus payment) by a system of performance- and profit-related additional pay.

2.2. ...commitment of SIEMENS:

- to guarantee production and current employment level for at least two years (identical with the validity term of the agreement);
- investment in new products: 30 Million € in the business year 2004/2005;
- to build up new activities on the development of new products (so called “third generation” of mobile phone - UMTS) in Bochum and Kamp-Lintfort;
- in-sourcing of currently from external sources provided consulting-services;
- training programmes for the employees.

Additionally: In a separately signed general agreement on “Employment security, competitiveness and innovation within the Siemens Company”, the SIEMENS-management binds himself to the validity of the branch collective agreement and acknowledges them as the basis of the regulation of working conditions.

3. The 35-hours-week is still the predominant working-time standard within SIEMENS-Company. Only 4000 employees out of 160.000 employees of the whole SIEMENS-Company work now - for two years - 40 hours without getting paid for the increase of 5 hours.

4. Short assessment:

- IG Metall had to pay a rather high price for securing employment and production. But the alternative was unemployment for 4000 people in a region with only few job opportunities.

- The commitment of SIEMENS to undertake certain measures to secure employment and production (see above) was a fundamental pre-condition for IG Metall to sign the agreement.

- The agreement is a specific case and does not indicate a general withdrawal from the 35-hour-week. The collective agreement on 35-hours is still valid for the overwhelming number of the workforce of SIEMENS.

- The solution found in that dispute with SIEMENS about mobile-phone production is not a blueprint for other cases in the metal industry.

IG Metall Department of Collective Bargaining - 23. 7. 2004

Information on:

Agreement Daimler-Chrysler AG (signed 23. 7. 2004)

1. After long and tough negotiations which were accompanied by protests and a token strike of 60.000 employees of the Daimler Company, the works council of Daimler-Chrysler, the IG Metall and the management of Daimler Chrysler settled an agreement.
2. Starting point of the dispute was the claim of Daimler Chrysler, to cut back production costs in the plant of Sindelfingen (close to Stuttgart) of 500 Million € - in case of refusal, they threatened the employee to dislocate a specific production line of Mercedes ("C-Class") to the Northern part of Germany (Bremen) and South Africa and to cut at least 6.000 jobs in Sindelfingen,
3. Main results of the settlement of 23. 7. 2004:
 - job security for the whole employees (that are 160.000) of the company in Germany (not only Sindelfingen) till the year 2012 - this are more than seven years;
 - no reduction of collectively agreed standard wages and salaries;
 - but reduction of parts of the additional pay (pay above standard wages);
 - at the same time: certain reduction of management pay (about 10 %) (including middle management) - ;
 - commitment of the management to follow-up investment into new products (part of a long-term job security concept);

- paid increase of working hours for employees working in the fields of Research and Development (R&D) - from 35 hours to 40 hours weekly; (To remind you: This part of the agreement makes use of the possibilities given in our collective agreement which was concluded in February 2004 and which defines certain conditions, under which the increase of working hours is allowed.)

- new agreement for service sector of Daimler-Chrysler (about 6000 people), that are: Factory canteen (cooks, kitchen service, catering); printing-works; company security service. - All those sectors were threatened by outsourcing, which would had meant a drastic fall in income. New agreement contains:

- increase of weekly working hours by steps up to 39 hours (39 hours come into effect on 1. 7. 2007), maintaining there present income level (including pension, performance related annual extra pay etc.);

- reduction of working hours without loss of income for employees beyond the age of 54 years by steps till 34,5 hours (34,5 hours come into effect with reaching the age of 60 years);

4. All that measures undertaken lead to a cost reduction of approximately 500 Million €.

5. Works council and IG Metall underline the importance of securing income (as far as collectively agreed standard wages and salaries are concerned) and of the long-term job-security (including long-term investment plans).

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