

System for annual leave in the commercial sector

Section 1 Accrual of annual leave

The employee shall accrue annual leave based on the number of working hours actually worked during the calendar year. Any time that is counted as working time under Section 4, Chapter 2 of the Working Hours Act, training designated by the employer, job release granted to a shop steward or health and safety delegate shall also be counted as completed working hours

Accrual of annual leave in an employment relationship beginning on or after 1 January 2017 shall commence after the employment has continued for 6 months. Actual completed working hours that accrue annual leave shall be calculated thereafter.

The employee shall accrue annual leave according to the following table for every 220 working hours completed:

Number of completed working hours	Days of annual leave	Hours of annual leave
220	1	7.5
440	2	15
660	3	22.5
880	4	30
1,100	5	37.5
1,320	6	45
1,540	6.5	48.75

Example 1:

The employee's employment began before 1 January 2017. The number of working hours completed by the employee for consideration towards annual leave will be calculated as of 1 January 2017.

Example 2:

The employee's employment began on 14 February 2017. The six-month period will be completed on 13 August 2017. The number of working hours completed by the employee for consideration towards annual leave will be calculated as of 14 August 2017.

Example 3:

The employment of an employee has continued from 30 January to 28 April 2017. A new employment contract is agreed with the employee from 1 May 2017. The accrual of annual

This is a draft version of the annual time off system which will replace the reduction in working time for weekday public holidays system. The finalized version will be included in the collective agreement.

leave commences after the employment has continued for a total of six months. In this case, the principles set out in Section 5, Chapter 1 of the Employment Contracts Act concerning the determination of employment benefits in successive employment periods separated by brief interruptions shall be applied. The number of working hours completed by the employee for consideration towards annual leave will be calculated as of 30 July 2017.

Section 2 Granting annual leave

Annual leave shall be primarily granted during the same year in which it was earned or at latest by the end of April of the following year.

An agreement can be made to grant the annual leave later, by the end of the calendar year following the year in which it was earned. This may be agreed in writing on the employee's initiative.

Annual leave may not coincide with other time off.

Annual leave shall be granted in connection with other time off when possible. Annual leave may nevertheless also be granted as single days, for example on a weekday public holiday.

The employee shall be provided with an opportunity to be heard when granting annual leave. Uninterrupted periods of annual leave lasting for three days or longer shall be agreed with the employee.

Annual leave shall be entered into the schedule of work shifts. No work shift may be scheduled to begin or end on a calendar day that coincides with annual leave.

Annual leave shall be granted as whole days off, with a single day of annual leave corresponding to 7.5 hours.

When an employee has earned 6.5 days of annual leave, the portion of time off exceeding 6 days shall be granted as a whole day off. The said portion of annual leave shall correspond to 3 hours and 45 minutes.

Absences shall not alter annual leave planned in the schedule of work shifts. The period of annual leave accumulates annual holiday time.

Section 3 The effect of annual leave on working time and special agreement on the value of annual leave

One day of annual leave shall reduce the number of working days by 1 and the number of working hours by 7.5 in the week or averaging period concerned. The portion of time off exceeding six days shall reduce the number of working days by 1 and the number of working hours by 3 hours and 45 minutes.

Example 4:

A 37.5-hour working week at an enterprise with no system for averaging working time

The employee works a total of 30 hours between Monday and Thursday, and takes annual leave on Friday. One day of annual leave reduces the number of working days by 1 and working time by 7.5 hours in the week concerned. There are 4 working days and no more than 30 hours in the week concerned.

This is a draft version of the annual time off system which will replace the reduction in working time for weekday public holidays system. The finalized version will be included in the collective agreement.

If performance of additional work is agreed for the week in question, then an increased pay rate will apply to any working time exceeding 30 hours.

Example 5:

A working week of less than 37.5 hours at an enterprise with no system for averaging working time

The employee's weekly working time under the employment contract is 22.5 hours. The employee works a total of 15 hours on Monday and Tuesday, and takes annual leave corresponding to 7.5 hours on Wednesday.

The employee may do 15 hours of additional work at the basic pay rate, up to a total of 30 hours in the week concerned. An increased pay rate will apply to any working time exceeding 30 hours.

Example 6:

An employee's annual leave has been entered in the schedule of work shifts for Friday. This is a portion of time off exceeding six days that will be arranged as a whole day off and will reduce the number of working days by 1 and working time by 3 hours and 45 minutes in the week concerned. The employee works a total of 33 hours and 45 minutes as scheduled between Monday and Thursday.

If performance of additional work is agreed for the week in question, then an increased pay rate will apply to any working time exceeding 33 hours and 45 minutes.

Example 7:

At an enterprise using a system for averaging working time

A day of annual leave arranged during an averaging period will reduce the employee's number of working days by 1 and maximum working time by 7.5 hours in the averaging period.

The workplace applies a system for averaging working time with a 12-week averaging period over which the maximum total working time is $12 \times 37.5 = 450$ hours. Two days of annual leave corresponding to a total of 15 hours are arranged during the period. The maximum working time for the period is therefore 435 hours. An increased pay rate will apply to any working time exceeding this.

The value of an individual day of annual leave may be agreed on the employee's initiative.

Example 8:

A day of annual leave corresponds to 7.5 hours. It is agreed on the employee's initiative to convert a 6-hour shift entered in the schedule of work shifts into annual leave. It is agreed

This is a draft version of the annual time off system which will replace the reduction in working time for weekday public holidays system. The finalized version will be included in the collective agreement.

that a day of annual leave will correspond to the duration of the work shift, whereupon a period of 1.5 hours of time off remains for the employee with respect to each whole day of annual leave. The employer and the employee will agree on the granting of the remaining time off, for example:

- by shortening one or more working days,
- by paying monetary compensation for the time off in accordance with section 5 hereof, or
- by depositing the time off in a working time bank

Example 9:

The duration of a scheduled work shift is 9 hours. An agreement is concluded on the employee's initiative to convert the work shift into annual leave corresponding to the duration of the shift. The employee will take 9 hours of annual leave.

Example 10:

The employer and the employee may agree on a different way of arranging the employee's portion of 3 hours and 45 minutes exceeding the 6 days of annual leave, for example:

- by shortening one or more working days,
- by paying monetary compensation for it in accordance with section 5 hereof, or
- by depositing the time off in a working time bank

The employer and the employee may agree a different value for annual time off under section 23 of the collective agreement when the employee's working time is arranged in regular work shifts of less than 7.5 hours that are always of the same duration. The value of annual time off must be agreed to correspond to the duration of the regular work shift.

Example 11:

The employee is on partial child care leave, working standard 6-hour shifts on 5 days of the week. The employer and the employee may agree on a value for annual leave that corresponds to the standard shift. The employer may enter days of annual leave at the agreed value in the schedule of work shifts without separate agreement.

In this case a period of 1.5 hours of time off will remain for the employee with respect to each whole day of annual leave. The employer and the employee will agree on granting of the remaining time off, for example:

- by shortening one or more working days,

- by paying monetary compensation for the time off in accordance with section 5 hereof, or
- by depositing the time off in a working time bank

Section 4 Pay for the annual leave

The employee shall receive pay and fixed bonuses for the period of annual leave, excluding any hourly bonuses for working conditions working time.

An employee whose wage is based on commission shall receive the average daily commission for a period of annual leave.

Section 5 Payment of monetary compensation for annual leave

Continuous payment of monetary compensation for annual leave may be agreed with the employee in compliance with section 23 of the collective agreement when the employee falls within the scope of annual leave under section 1 hereof. Monetary compensation corresponding to the value of annual leave shall then be paid to an employee who has earned annual leave from the next wage payment day onwards without further agreement.

Payment of monetary compensation for an individual day of annual leave or part thereof may be agreed on the employee's initiative. The monetary compensation shall be paid on the employee's next salary payment day.

Example 12:

An employee has accumulated four days of annual leave and seeks monetary compensation for one day of annual leave. Payment of monetary compensation for the remaining annual time off must be agreed separately.

Monetary compensation shall be determined by calculating the employee's personal hourly wage and multiplying this by the value of the annual leave. The calculation will include the employee's fixed bonuses, excluding any bonuses for hourly working conditions or working time.

The basic hourly wage of an employee paid by the month shall be obtained by dividing the monthly wage for full-time work by 160.

If annual leave cannot be granted in accordance with section 2 hereof by the end of April following the year when it was earned, then monetary compensation for the annual leave shall be paid on the employee's next salary payment day.

Example 13:

An employee has been on extended sick leave that has prevented granting of annual leave before the end of April. The employer then pays for the outstanding annual leave on the next salary payment day following the end of April.

If there is a written agreement concluded on the employee's initiative, on granting of annual leave by the end of the calendar year that follows the year in which it was earned, and this proves to be impossible in practice, then monetary compensation shall be paid no later than by the employee's next salary payment day following the end of the calendar year.

Monetary compensation shall be paid for any annual leave that has not been taken before the employment ends.

If there is an agreement concluded on the employee's initiative on taking annual leave before the employee has earned it, and the employment ends for reasons attributable to the employee, then the employer shall be entitled to reclaim the wages paid for the period of annual leave.