



Key provisions of the collective agreement in the retail sector

1 February 2020–31 January 2022



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Working conditions in the retail sector

Employees' working and pay conditions are constituted on the basis of labour laws, the collective agreement and the personal employment contract. PAM has negotiated better working conditions for employees in the retail sector than what would be provided by labour laws alone.

What is PAM?

Service Union United PAM represents the interests of employees in private service sectors, e.g. in retail and wholesale, the hospitality sector, the facility services sector, the private security sector and the hairdressing sector.

The union negotiates collective agreements for private service sectors and defends the interests of its members. PAM has concluded over 40 collective agreements in different sectors with the employers' associations. PAM members have the right to appoint a shop steward from among themselves to help in employment issues and in negotiations the employer.

Membership

Join PAM if you work in a sector that we represent. In addition to other benefits, PAM membership gives you earnings-related unemployment security. The membership fee is 1.5% of gross pay. The union's Council decides the amount of the membership fee each year. The membership fee is tax-deductible.

Students studying for a career in a sector represented by PAM can join as student members. Student members only pay membership fees on any earnings from employment.

When your job starts – join PAM

Becoming a member is easy – go to www.pam.fi/join and fill in the form. You can also call PAM's membership helpline on 030 100 600.

Most employers deduct membership fees directly from pay once a membership fee collection agreement has been signed. This is definitely the most convenient way to pay membership fees. But if your employer does not deduct membership fees, you can pay them yourself every month. The union will send you payment instructions.

What is a collective agreement?

Service Union United PAM has concluded a Retail collective agreement with the Finnish Commerce Federation. The collective agreement specifies the minimum terms and conditions of employment, including details of pay, working hours, sick leave, granting annual holidays, holiday pay and holiday bonus. Wages and salaries in the collective agreement negotiated by PAM are the minimum level that must not be undercut. It is worth bearing in mind that you cannot conclude a personal employment contract on terms and conditions weaker than those agreed in the collective agreement. The agreement is universally applicable, meaning that all employers in the sector are required to apply at least these minimum terms and conditions to their employees.

This guide summarises the main provisions of the Retail collective Agreement. More detailed provisions are given in the actual collective agreement. If you are a PAM member, you can order the collective agreement free of charge at pam.fi/tilaukset. The collective agreement is also available in electronic format at pam.fi. If you need additional or more detailed information about terms and conditions

of employment, please contact the shop steward at your workplace. You can also call PAM's employment advisory service on 030 100 620.

What is an employment contract?

An employment contract is concluded by an employer and an employee. The terms and conditions of the contract must comply at least with the provisions of the collective agreement. It is also possible to agree terms and conditions of pay and employment that are more favourable to the employee. An employment contract should always be in writing. You can get retail employment contract forms from the union office or on PAM's website www.pam.fi.

Key elements of the collective agreement

Fixed-term employment contract

- can only be made for a legitimate reason or at the employee's initiative
- in the absence of a legitimate reason, the contract is to be considered valid for an indefinite period (=permanent)
- neither party can terminate.

Trial period

- can be agreed in the employment contract
- maximum of 6 months
- absences due to illness or family leave can extend the trial period subject to certain conditions
- in a fixed-term employment contract shorter than 12 months, the trial period with extensions cannot exceed half the duration of the employment relationship
- the employment relationship can be terminated without a period of notice.

Working hours

Working hours are a maximum of 37.5 hours a week and 9 hours a day. Individual workplaces can agree working hours differently. See the actual collective agreement.

Review of working hours

The actual working hours of a part-time employee must be reviewed at least every six months. Individual workplaces can agree a longer review period of a maximum of one year.

Adjustment period

- length 2–26 weeks (individual workplaces can also agree 27–52 weeks)
- during an adjustment period working hours are adjusted to the weekly working hours in the employment contract
- working hours may not exceed 9 hours a day or 48 hours a week (individual workplaces can agree differently)
- is drawn up in advance.

Minimum length of shift

At least 4 hours, unless for the employee's own needs or for a justified reason.

Night work

Night work may be agreed with the employee. There are various limitations on night working.

Days off

In addition to the statutory weekly leave, under the collective agreement an employee gets one day off per working week.

Annual leave system

Check the actual collective agreement for more detailed information.

Earning annual leave only starts after employment has lasted 6 months.

Annual leave is accrued by calendar year according to:

- actual hours worked
- other hours defined as working hours within the meaning of Chapter 2, Section 3 of the Working Hours Act
- training assigned by the employer to the extent that the employer pays loss of earnings from regular working hours
- job release time for shop stewards and occupational safety and health representatives.

Earning annual leave up to 31.12.2020

For every accrued period of 220 hours, an employee earns annual leave according to the table below:

AMOUNT OF HOURS ACCRUED	AMOUNT OF ANNUAL LEAVE DAYS	AMOUNT OF ANNUAL HOURS OFF
220	1	7.5
440	2	15
660	3	22.5
880	4	30
1100	5	37.5
1320	6	45
1540	7	52.5

Earning annual leave from 1.1.2021

An employee earns annual leave according to the table below:

AMOUNT OF HOURS ACCRUED	AMOUNT OF ANNUAL LEAVE DAYS	AMOUNT OF ANNUAL HOURS OFF
200	1	7.5
400	2	15
600	3	22.5
800	4	30
1000	5	37.5
1150	6	45
1300	7	52.5
1430	8	60
1560	9	67.5

Granting annual leave

- is primarily granted during year earned, but no later than the end of April in the year following the year earned
- employee to be consulted when granting
- may not be placed within annual holiday or other days off
- where possible to be granted in connection with other leave. Can, however, also be granted as individual days, for example on a midweek public holiday
- continuous annual leave of three days or longer to be agreed with the employee
- is entered in the work schedule
- a shift cannot be planned to start or end on a calendar day in which annual leave is placed
- absences do not change annual leave according to the work schedule
- is granted as working days of 7.5 hours, unless agreed otherwise
- is equivalent to working time for the purposes of earning annual holiday.

Pay during annual leave

Employees are paid wages for annual leave together with fixed bonuses but without hourly working conditions bonuses or working hours bonuses.

- Employees on monthly pay or pro rata monthly pay receive their normal wages regardless of the length or annual leave taken.
- Hourly paid employees receive wages for 7.5 hours per day of annual leave.
- Employees paid on a commission basis are paid average daily commission per day of annual leave.

Payment of annual leave as monetary compensation

Written agreement may be made with employees whose employment relationship has lasted 6 months that instead of granting annual leave it is paid as monetary compensation.

When an employment relationship ends, untaken annual leave is paid as monetary compensation.

Check the actual collective agreement for more details.

Midweek public holiday system

A company or part of it may adopt a midweek public holiday system instead of an annual leave system. The chosen system cannot be changed during the year. Check the collective agreement for more detailed provisions.

Weekend leave

- at least 17 Fri-Sat, Sat-Sun or Sun-Mon combinations of leave per calendar year
- at least 9 periods of weekend leave are granted as Sat-Sun combinations of leave (unless the employee only works at weekends)
- individual workplaces can agree differently.

Meal break

If regular working hours are over 7 hours, meal break of at least one hour.

By local agreement:

- can be reduced by a maximum of 30 minutes
- can be removed altogether, then meals can be taken during working hours.

Coffee break

Length of working day:

under 4 hours	no coffee break
4 – under 6 hours	1 coffee break
at least 6 hours	2 coffee breaks

If having two coffee breaks makes it difficult to arrange work, 1 longer coffee break is granted.

In this case an employee who works continually at a checkout gets 1 additional break, during which they can do other work.

If an employee falls ill

DURATION OF EMPLOYMENT AT TIME OF FALLING ILL	LENGTH OF PAID PERIOD
under one month	50% of pay for waiting period under Health Insurance Act
at least one month	waiting period under Health Insurance Act
at least 3 months – under 3 years	4 weeks
3 years - under 5 years	5 weeks
5 years - under 10 years	6 weeks
at least 10 years	8 weeks

The waiting period under the Health Insurance Act is the day of falling ill and the following 9 weekdays.

Illness of a child under 10

Right to pay for working days of 1–3 calendar days if

- absence is essential to organise care for the child or to care for the child and
- the absence and if possible its duration have been notified without delay and
- a medical certificate for the illness or other report approved by the employer has been submitted.

Wages are paid to persons other than single parents if

- the other guardian,
- the guardian's spouse or
- the child's guardian not living in the same household

is unable, due to the working hours of their paid employment, paid employment or service required by the activation requirements of unemployment security, distance (place of residence), performance of military or non-military service or refresher training, to organise care or care for the child themselves. On request, clarification of the impediment is to be provided.

If necessary, efforts will be made to grant the employee unpaid absence longer than 3 calendar days.

Workwear

Employers provide workwear for permanent sales assistants, store display assistants and warehouse and service station employees. The employer maintains the workwear unless agreed otherwise with the employee against payment.

Pay

Factors affecting pay in the retail collective agreement include work duties, training, years of service, bonuses and the locality where the work is done.

Taking account of training and work experience

The collective agreement contains provisions on how training and work experience affect calculation of length of service.

Bonuses

There are various bonuses for different occupational groups, such as work-specific bonuses, language bonus, stocktaking bonus, responsibility bonus, working conditions bonus, refrigerated warehouse bonus etc. (see actual collective agreement). Working hours bonuses are listed starting on page 31 of the pocket collective agreement.

Sunday work

Wages are paid double for work done on a Sunday or religious festival, Independence Day or May Day.

School pupil's wage

- at least 70% of the wages in year 1 in the lowest pay scale of each occupation
- can be paid to students at comprehensive school, upper secondary school or a vocational school
- can be paid for a maximum total of 2 months
- after 2 months at least trainee's wages.

Trainee's wages

- at least 85% of the wages in year 1 in the lowest pay scale of each occupation
- can be paid for a maximum of one year, after this the wages of year 1 of the wage scale below are paid.

Wages for maternity or adoption leave

- for 3 months the difference between wages and maternity pay under the Health Insurance Act or
- 3 months' pay, in which case the employer claims maternity pay under the Health Insurance Act for themselves
- employment relationship has lasted at least 9 months before the start of the leave and
- the employee returns to work from the family leave.

Wages for paternity leave

- for the first 6 days of paternity leave the difference between wages and paternity pay under the Health Insurance Act or
- wages for the equivalent period, in which case the employer claims paternity pay under the Health Insurance Act for themselves
- otherwise conditions as for maternity leave.

Earning holiday

Holiday is earned for full holiday credit months if by the end of the holiday credit year (1.4.-31.3.) the employment relationship has lasted:

less than one year	2 weekdays
at least one year	2.5 weekdays

Full holiday credit month (calendar month):

- a) worked at least 14 days
- b) worked at least 35 hours.

Holiday is earned based on the 35 hour rule if according to employment contract working less than 14 days a month.

Wages for holiday period

Monthly-paid employee

$$\frac{\text{monthly wages} \times \text{number of holiday days}}{25}$$

A % share of bonuses paid is added to holiday pay and compensation. If by 31.3. employment has lasted less than one year 10%, over one year 12.5%.

Holiday pay or compensation for employees working less than 37.5 hours

(both hourly-paid employees and employees on pro rata monthly pay)

If by the end of the holiday credit year (1.4.–31.3.) employment has lasted less than one year:

- 10% of wages paid and notional wages for period of time worked and certain absences.

If by the end of the holiday credit year (1.4.–31.3.) employment has lasted over one year:

- 12.5% of wages paid and notional wages for period of time worked and certain absences.

Holiday bonus

Holiday bonus is 50% of holiday pay equivalent to holiday earned under the Annual Holidays Act.

Periods of notice

1. Employment terminated by employer

EMPLOYMENT HAS CONTINUED FOR	PERIOD OF NOTICE
maximum one year	14 days
over one year – maximum 4 years	1 month
maximum 8 years	2 months
maximum 12 years	4 months
over 12 years	6 months

2. Employment terminated by employee

EMPLOYMENT HAS CONTINUED FOR	PERIOD OF NOTICE
maximum 5 years	14 days
over 5 years	1 month

For office workers and wholesale sales assistants, a period of notice of 1 month may be agreed instead of 14 days.

Pay groups

COLLECTIVE AGREEMENT TITLE	PAY GROUP
Sales assistant I	B1
Sales assistant II	C1
Warehouse worker	B2
Office worker A	A
Office worker B	B1
Office worker C	C1
Office worker D	C2
Office worker E	D
Cleaner	A
Service and transport station worker I	A
Service and transport station worker II	B1
Service engineer I	B2
Service engineer II	C1
Service engineer III	C2
Wholesale sales assistant	D
Store display assistant I	B1
Store display assistant II	C1

Messenger, bottle and customer trolley handling tasks and other ancillary tasks come under pay group A.

Pay scales

Pay rises 1.4.2020

Pay scales and personal wages of workers and clerical employees will be increased by 2.0% on 1.4.2020. Working hours bonuses will not be increased.

Retail workers monthly and hourly wages from 1.4.2020

HELSINKI, ESPOO, KAUNIAINEN, VANTAA				
Pay group	Year 1	Year 3	Year 5	Year 8
A	1783 (11.14)	1847 (11.54)	1946 (12.16)	2039 (12.74)
B1	1873 (11.71)	1935 (12.09)	2042 (12.76)	2133 (13.33)
B2	1890 (11.81)	1961 (12.26)	2071 (12.94)	2163 (13.52)
C1	2003 (12.52)	2074 (12.96)	2203 (13.77)	2303 (14.39)
C2	2019 (12.62)	2092 (13.08)	2232 (13.95)	2339 (14.62)
D	2125 (13.28)	2205 (13.78)	2353 (14.71)	2532 (15.83)

REST OF FINLAND

Pay group	Year 1	Year 3	Year 5	Year 8
A	1712 (10.70)	1772 (11.08)	1862 (11.64)	1948 (12.18)
B1	1797 (11.23)	1858 (11.61)	1958 (12.24)	2037 (12.73)
B2	1816 (11.35)	1885 (11.78)	1981 (12.38)	2066 (12.91)
C1	1920 (12.00)	1988 (12.43)	2103 (13.14)	2194 (13.71)
C2	1933 (12.08)	2001 (12.51)	2126 (13.29)	2224 (13.90)
D	2036 (12.73)	2132 (13.33)	2242 (14.01)	2400 (15.00)

Palkankorotukset 1.4.2021

Pay scales and personal wages of workers and clerical employees will be increased by 1.3% on 1.4.2021. Working hours bonuses will not be increased.

Retail workers monthly and hourly wages from 1.4.2021

HELSINKI, ESPOO, KAUNIAINEN, VANTAA				
Pay group	Year 1	Year 3	Year 5	Year 8
A	1806 (11.29)	1871 (11.69)	1971 (12.32)	2066 (12.91)
B1	1897 (11.86)	1960 (12.25)	2069 (12.93)	2161 (13.51)
B2	1915 (11.97)	1986 (12.41)	2098 (13.11)	2191 (13.69)
C1	2029 (12.68)	2101 (13.13)	2232 (13.95)	2333 (14.58)
C2	2045 (12.78)	2119 (13.24)	2261 (14.13)	2369 (14.81)
D	2153 (13.46)	2234 (13.96)	2384 (14.90)	2565 (16.03)

REST OF FINLAND

Pay group	Year 1	Year 3	Year 5	Year 8
A	1734 (10.84)	1795 (11.22)	1886 (11.79)	1973 (12.33)
B1	1820 (11.38)	1882 (11.76)	1983 (12.39)	2063 (12.89)
B2	1840 (11.50)	1910 (11.94)	2007 (12.54)	2093 (13.08)
C1	1945 (12.16)	2014 (12.59)	2130 (13.31)	2223 (13.89)
C2	1958 (12.24)	2027 (12.67)	2154 (13.46)	2253 (14.08)
D	2062 (12.89)	2160 (13.50)	2271 (14.19)	2431 (15.19)

Working hours bonuses

Check times of day and other bonuses paid in the collective agreement

Sales assistants	evening bonus	night bonus	Saturday bonus	evening bonus on Sundays Nov – Dec
Helsinki*	4.10	6.16	5.35	8.20
Rest of Finland	3.92	5.89	5.17	7.84

Warehouse workers	evening bonus (Sundays**)	night bonus (Sundays**)	Saturday bonus
Helsinki*	3.66 (7.32)	4.31 (8.62)	5.35
Rest of Finland	3.66 (7.32)	4.31 (8.62)	5.17

Kiosk sales assistants	evening bonus	night bonus
Helsinki*	0.94	3.45

* Helsinki, Espoo, Kauniainen, Vantaa

** Sundays, religious festivals, May Day and Independence Day

Service and transport station workers

Service and transport station with

grocery store with less than 2000 items or no grocery store

grocery store with at least 2000 items and sales area of maximum 400 m²

grocery store over 400 m²

work in grocery store: bonuses as for sales assistants

evening bonus (Sundays**)

1.04 (2.08)

1.82 (3.64)

work other than in grocery store: 1.04 (2.08)

night bonus

3.45

3.65

work other than in grocery store: 3.44



**Palvelualojen
ammattiliitto**
Servicefacket

Membership services

030 100 600

**Employment advice
for members**

030 100 620

Unemployment Fund

020 690 211

www.pam.fi/join

www.pam.fi