

Agreement no. 272.  
Expiry date 31 May 2020

**2018 – 2020**

**A G R E E M E N T**

**between**

**THE CONFEDERATION OF NORWEGIAN ENTERPRISE  
(NHO)  
and affiliated National Associations**

**and**

**the Norwegian Society of Engineers and Technologists (NITO)**

**NHO**

**NITO**

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## **Part I: The Basic Agreement NITO – NHO**

### **Part II: Provisions of the agreement**

## **1. Chapter – Scope and areas of application**

### **1-1 Scope**

According to requirements set out by either NITO or NHO, this Agreement applies to NITO members who are employed in non-managerial positions in enterprises affiliated to the NHO.

The parties are agreed that the educational requirements set out in Appendix 7 are minimum requirements.

The company's top management are excluded from the Agreement.

The same applies to members of NITO who represent the enterprise during processes related to the setting of general pay and work-related terms and conditions.

If the local parties are agreed that a member shall be excluded from the Agreement, the matter shall be put before NITO and NHO.

In enterprises where the Agreement comes into force, and where a local enterprise-specific NITO group has been established, the union representatives from the group undertake to provide the enterprise with written notification of any changes to the group's composition.

On request, NITO representatives shall each quarter be provided with a list of new employees at the enterprise who fall within the scope of the Agreement.

#### Note to subsection 3:

This new wording entails no change regarding who shall be excluded from the Agreement, cf. the post categories exemplified in the agreement for the period 2016 to 2018. The parties are also agreed that top management positions must be assessed in the context of the company (registered with a business enterprise number) to which the collective agreement applies.

### **1-2 Establishment of a local enterprise-specific NITO group**

A local enterprise-specific NITO group can be established in enterprises where NITO has three or more members that fall within the scope of this Agreement.

### **1-3 Setting up an agreement**

The requirement to set up an agreement is submitted to the organisation in question (NHO or NITO). If the requirement is presented by NITO, notification shall be provided as to whether a local enterprise-specific NITO group has been established, who has been selected as leader of the group, as well as a list of names of those members of NITO which the organisation wishes to be included within the scope of the agreement.

If the enterprise has any objections to the Agreement applying to named individuals incorporated in the requirement, said objections must be submitted within one month of receipt of the requirement.

If a claim is made pursuant to Section 1-1 and the terms and conditions for establishment of collective agreements are met, the Agreement will come into force from the date on which the claim was made. The parties may agree to adopt to an alternative date. Objections to the establishment of a collective agreement must be submitted within two months of receipt of the claim.

If the requirement for an agreement includes one (1) member of NITO in enterprises where an agreement has not previously come into force, each of the parties can request a meeting to discuss the situation.

Instead of a setting-up process, the parties may agree that relevant provisions in the Agreement can be applied to named individuals.

### **1-4 Discontinuation of the Agreement**

The Agreement will be discontinued automatically in enterprises where, on the date of expiry of the Agreement, NITO no longer has members, or in situations where the enterprise withdraws its affiliation to the NHO. The organisations undertake to keep each other informed of circumstances that, with reference to the foregoing, may be relevant to discontinuation.

During periods in which NITO has no members within the enterprise, NITO and the NHO may agree to discontinue the agreement during said periods.

## **2. Chapter - Working hours' provisions**

### **2-1 Maximum duration of working hours**

Effective ordinary working hours must not exceed an average of 37.5 hours per week.

Reference is made to Appendix 5 – “Reduction in working hours from 1 January 1987”.

### **2-2 Working hours – shift work**

For shifts/shift rotas, average maximum working hours shall adhere to the provisions set out in Appendix 5, "Reduction in working hours from 1 January 1987".

### **2-3 Working hours on Christmas Eve and New Year's Eve**

Working hours on Christmas Eve and New Year's Eve shall be the same as those stipulated for other comparable groups employed at the enterprise. This provision does not come into force if operational imperatives make it necessary for named employees to work during the period in question. This provision does not apply to shift work.

### **2-4 Compensation for overtime for employees entitled to overtime payments (cf. Chap. 10 of the Norwegian Working Environment Act (*aml*))**

Overtime work is understood to mean work which employees are instructed to carry out outside their stipulated ordinary working hours.

The hourly rate for overtime work is the hourly rate + an overtime supplement specified as a percentage of the hourly rate.

An employee is entitled to a minimum payment for two hours overtime if he or she is recalled to work at the end of the working day.

The hourly rate for an individual employee can be calculated by dividing the employee's monthly salary by the number of hours that result from multiplying the stipulated average weekly working hours by 4 1/3, or the employee's four-week salary by the number of hours that result from multiplying the stipulated average weekly working hours by 4.

### **2-5 Overtime payments as an agreed fixed supplement to ordinary pay**

Remuneration for overtime cannot be included in fixed ordinary pay.

However, an individual NITO member may reach agreement with the enterprise that an overtime payment will be made as a fixed monthly, quarterly or annual supplement to his or her ordinary salary. Such agreements should be in writing.

If the actual worked overtime, calculated over the year, exceeds the fixed payment amount, the employee is entitled to an additional supplement for the excess time.

The provisions set out above do not apply to employees who fall outside the scope of Chapter 10 of the Norwegian Working Environment Act (*arbeidsmiljøloven*), cf. Section 10-12.

If an employee does not come under the scope of Chapter 10 of the Act (with reference to Section 10-12, subsections 1 or 2), a written explanation must be provided on request. On the employment of newly-qualified employees, the explanation shall be provided automatically. Union representatives can request that the enterprise provides an explanation of how the provisions of Section 10-12 of the Act are applied in relation to NITO members.

### **2-6 The following overtime supplements apply:**

50% for all overtime hours that are not compensated by a 100% supplement.

100% for overtime worked on Sundays and Public Holidays and on days immediately preceding Sundays and Public Holidays, after the end of ordinary working hours.

In situations where overtime is worked on Saturdays off in accordance with stipulated working hours categories, 100% payments apply following the end of ordinary working hours on Saturdays for the non-managerial employee groups to which the provision applies.

In situations where a 5-day week with Saturdays off is introduced for named non-managerial groups, 100% payments apply from 12.00.

For overtime work carried out on weekdays after 21.00.

For overtime work carried out on weekdays before 08.00, provided that this work was begun before 06.00.

The provision regarding a 100% overtime supplement for work after 21.00 does not apply to employees working shifts.

If other groups of employees at the enterprise are paid overtime supplements at higher rates, or if higher rates are paid starting at an earlier time, the same rates shall apply to NITO members.

## **2-7 Time in lieu and overtime**

On agreement between an individual employee and the management of the enterprise, instructed overtime can be compensated by time in lieu. Time in lieu is taken on an hour-by-hour basis. An overtime supplement shall be paid, but this does not apply when time in lieu is accrued voluntarily.

### **2-7 A Working hours account system**

Companies that operate with flexible working hours arrangements should have a system for limiting an employee's credit and debit hours. The parties are agreed that they have a joint responsibility to contribute to and facilitate a system that ensures that hours in credit within the predefined limits can be taken in lieu.

## **2-8 Meals allowances when working overtime**

Any meals allowances paid in connection with overtime work shall be paid in accordance with the rules that apply at the enterprise in question.

## **2-9 Standby duty outside the workplace – organisation and compensation**

The employer shall consult with union representatives in situations where the enterprise is planning to introduce or restructure standby arrangements.

If an employee is instructed to carry out standby duties outside ordinary working hours, an agreement shall be reached with the enterprise regarding compensation for said duties.

## **2-10 Shift work – organisation and remuneration**

The employer shall consult with union representatives in situations where the enterprise is planning to introduce or restructure shift work arrangements.

In situations where an employee participates in shift work for which no compensation is provided, a special agreement shall be reached relating to compensation for said shift work.

The amount of compensation shall be determined by taking similar remuneration rates for other employee groups at the enterprise into account.

## **2-11 Business travel**

### **1. Mandatory travel outside working hours**

In the event of mandatory travel that falls outside ordinary working hours, levels of compensation, if any, will be determined by negotiation at local level.

Minutes of said negotiations shall be recorded and signed in the form of a protocol.

In enterprises with a local NITO group, this protocol may constitute a special agreement.

The parties centrally wish to emphasise the importance of carrying out such negotiations. Any breach of this commitment to negotiate may be brought before the organisations in accordance with Section 2-3 of the Basic Agreement.

### **2. Compensation for business travel expenses**

For travel on behalf of the enterprise, employees will be reimbursed for travel and subsistence expenses in accordance with the scales currently prevailing at the enterprise in question.

In situations where the enterprise has no such scales in place, travel and subsistence expenses will be reimbursed on the production of receipts or in accordance with a special agreement.

An employee cannot be directed to cover business travel expenses in advance.

## **2-12 Mobile phones, laptops, tablets, etc.**

NITO and the NHO are agreed that provision by the enterprise to employees of devices such as mobile phones, laptops, tablets, etc. may exert an influence on the relationship between working hours and free time. The parties are thus encouraged to discuss the conditions under which such devices are used. Such discussions may include the following topics:

- The employer's expectations
- Remuneration for mandatory work carried out outside normal working hours

### **3. Chapter – Salary assessment and regulation**

#### **3-1 General considerations – local negotiations**

Once a year, an assessment of individual employee salaries will take place in the light of factors such as the financial status of the enterprise, productivity trends, the enterprise's competitiveness, etc. Adjustments resulting from these assessments must be brought into effect on a pre-determined date.

Salary levels for engineers/technicians employed by the enterprise shall be adjusted in response to corporate- and sector-related and local circumstances, and will take general salary levels for engineers and technicians into account.

NITO's salary statistics are one of several relevant considerations that will be taken into account during local negotiations.

Parties at local level shall, in advance or as a precursor to negotiations, seek to reach a joint understanding of how the criteria set out in clauses 1 and 2 should be interpreted.

#### **3-2 Individual factors**

Salaries for individual NITO members will be determined either as annual or monthly salaries.

The enterprise shall determine each individual member's salary on the basis of an impartial assessment of skills and expertise, competence, results achievement, and the levels of responsibility and scope linked to the position in question. Such assessments shall be gender neutral. Other criteria may be stipulated by the enterprise following discussion with union representatives.

In connection with local salary negotiations, the enterprise shall also carry out a salary assessment of employees who are absent due to parental leave or long-term sickness.

The enterprise's assessment shall take into account that younger employees normally exhibit a rapid rate of skills development.

An individual salary award may only be made after dialogue, such as a personal interview, between the employee and his or her supervisor. The supervisor shall give the employee feedback regarding the assessment, which is based on stipulated evaluation criteria. Feedback shall include the reasoning behind the assessment and any consequences in terms of pay. The employee must be given the opportunity to comment on the assessment.

When assessing the salaries of individual employees, consideration must be given equally to trends in universal salary levels for engineers/technicians that must be anticipated for the year in question, and to skills development advances made by the employee in question.

Union representation is a qualification criteria that is included in this assessment.

Every effort shall be made to ensure that salary differentials between NITO members at an enterprise are as fair as possible, taking the aforementioned stipulated guidelines for individual salary awards into account.

To the extent that the enterprise in any given year finds it necessary to correct any imbalances that may have arisen, it shall carry out a salary supplement adjustment on a date other than that described in the above. Union representatives may also take up such issues with the enterprise.

### **3-3 Enterprises with a local enterprise-specific NITO group**

#### **1. Management of general salary issues**

Before the enterprise fixes its annual salary scales, real negotiations shall be held between the enterprise and the representatives of the local NITO group, cf. clause 3-1.

Minutes of said negotiations shall be recorded and signed in the form of a protocol.

Both the NHO and NITO recommend that these negotiations take place before 15 September.

On request, union representatives shall be provided with a list of the group's members and their current salaries.

Union representatives shall, if requested, be provided with the information necessary for them to check the result of negotiations.

#### **2. Disagreement on salary awards for members of local NITO groups**

If the local NITO group fails to agree with the average salary award, the matter can be brought before NITO which will then decide whether the salary situation for the local group should be taken up with the NHO.

The enterprise shall implement the awards in all cases.

#### **3. Management of salary disputes**

If NITO asks the NHO for a negotiation meeting regarding salary levels for a local NITO group, essential information, including protocols, shall accompany the request. Reference is made to Appendix 1.

The management of disputes shall normally be completed by 15 November, and no later than 15 December. Matters involving disputes must be sent to the NHO no later than 15 October.

In special cases, the parties centrally may agree that deadlines can be changed, or that a given dispute can be considered after the stated deadline.

### **3-4 Enterprises without a local enterprise-specific NITO group**

#### **1. Management of general salary issues**

Each member or a representative of NITO's members at the enterprise is entitled to present the views of the members prior to management implementing the annual salary assessment and regulation process.

#### **2. Consideration of individual issues**

NITO has the opportunity to make written submissions to enterprises that are bound by this Agreement regarding issues regulated by said agreement, a member's individual employment terms and conditions, and his or her placement in a statistics category. A copy of NITO's submission shall be sent to the NHO and the LO.

### **3-5 Other provisions**

#### **1. Leave to appeal in the event of unreasonable treatment of individual members**

If an individual member of NITO believes that he or she has been the subject of unreasonable treatment that provides grounds for a re-assessment of his or her salary or other terms, a union representative, on behalf of the employee in question, is entitled to take the matter up once the employee has sought to resolve the situation by direct application to his or her immediate supervisor.

If an individual employee receives no, or only a small, salary increase, the enterprise shall, in consultation with a union representative, seek to reach agreement with the employee, if necessary together with the union representative, concerning possible measures with the aim of improving the salary award for the employee.

#### **2. Change in position**

In the event of a change in position, or a permanent and significant change in job description for a given position (including changes to working hours), a salary assessment shall be carried out for the NITO member in question on the basis of the changes made.

The change in position must be discussed with the employee to ensure that he or she is notified of any changes in employment terms and conditions before taking up the position.

The new salary arrangement shall come into force on the date that the change of position becomes effective.

#### **3. Temporary appointment to higher grade posts – employment terms and conditions and compensation**

If an employee takes on a temporary appointment (for more than three weeks) in a position requiring higher qualifications and with greater responsibility, the enterprise shall pay the employee in accordance with the requirements of the position/work in question. This does not apply to holiday stand-ins.

As a rule, the payment amount shall be stipulated before the temporary appointment commences. If this is not possible, it shall be implemented as soon as possible afterwards. Other changes in employment terms and conditions shall, as far as is possible, be agreed with the employee in question before he or she takes up the post.

## **4. Chapter – Miscellaneous provisions**

### **4-1 Local special agreements**

This Agreement constitutes a frame agreement. It is the intention of the parties that the Agreement be supplemented by the use of local special agreements. Following a request from one of the parties at local level, a discussion will be held as to whether and to what extent such agreements should be used.

### **4-2 Statistics**

The NHO has no objections to enterprises opting to contribute data to NITO's salary statistics.

### **4-3 Administrative provisions**

Before the enterprise decides on changes to provisions or established practices that affect NITO members, such matters shall be discussed with union representatives.

## **5. Chapter – Social benefits**

### **5-1 Sickness benefits**

During periods of sickness authorised by a doctor's note, an employee is entitled to full salary with a deduction for National Insurance Sickness Benefit for at least three months during the course of the last 12 months.

If the enterprise so requests, employees must agree to be examined by a doctor designated by the enterprise. This examination will be carried out at the enterprise's expense.

In situations where a pension or similar state benefit arrangement has been implemented, any entitlements to salary will cease, pursuant to the regulations set out in the above, from the date on which the pension or benefit arrangement came into force.

### **5-2 Benefits to descendants**

In situations where an employee who has been employed by the same enterprise for at least three years dies, the enterprise shall pay the spouse, dependant children and other persons who, pursuant to the provisions of the Norwegian Tax Act (*skatteloven*), are regarded as dependant on the deceased, an amount equivalent to two months' full salary. The same applies to the cohabitant of the deceased. The term 'cohabitant' is understood to mean a

person who has shared the same home address as the employee for at least two years, and has been registered in the National Register as resident at the same address as the employee during the same period.

Benefits that accrue to the descendants

- from a private occupational pension scheme, group life insurance and other similar state benefit arrangements for which the premiums have been paid in part or in their entirety by the enterprise, and
- pursuant to the Norwegian National Insurance Act (*lov om folketrygd*) of 28 February 1997, but not the death benefit sum pursuant to Chapter 7 of the Act.

will be deducted from the amount.

### **5-3 Military service benefit**

Employees who have accrued at least six months prior and consecutive employment at an enterprise, will receive for up to one month's mandatory military service following basic national service, or service in the Home Guard, Civil Defence Forces or Police Reserve, a supplement to the amount they receive from the military authorities that brings them up to full salary.

### **5-4 Holidays and holiday pay**

Holidays and holiday pay are organised in compliance with the provisions of the Norwegian Holidays Act (*ferieloven*) and the guidelines set out in Appendix 6 of the Agreement.

For employees aged 60 and older the following applies:

Employees' wishes regarding when they wish to take their extra holiday entitlement must be accommodated as far as possible.

However, the organisations agree that employees aged 60 and older are not entitled to demand that the extra holiday entitlement be taken at times that would create significant staffing difficulties for the enterprise. In situations where this is the case, the enterprise is entitled to request that the employee select an alternative time for his or her holiday.

### **5-5 Short periods of compassionate leave**

The provisions set out regarding short periods of compassionate leave for employees at a given enterprise are incorporated as part of NITO members' employment terms and conditions at the enterprise in question.

### **5-6 Compassionate leave**

In accordance with Section 12-3 of the Working Environment Act (*arbeidsmiljøloven*), the company covers ordinary pay for employees during periods of compassionate leave.

### **5-7 Association for Joint Information and Development Activities (*Forening for felles Opplysnings- og utviklingsaktiviteter*)**

The NHO and NITO have agreed to establish an association with the aim of implementing or supporting initiatives that promote education and the dissemination of information in Norwegian workplaces, mainly linked to issues of importance to employees and their relationships with their employers.

The agreement is regarded as part of this Agreement, and the text can be viewed in its entirety in Appendix 3.

### **5-8 Severance payments**

Prevailing established severance payment arrangements practised in Norway for employees who are dismissed or have reached the age of 50 apply to those NITO members who fall under the provisions of this Agreement.

The general provisions can be found in Appendix 4.

### **5-9 Early negotiated pension (AFP)**

The prevailing AFP arrangement practised in Norway applies to employees that fall under the provisions of this Agreement. The general provisions can be found in Appendix 2.

### **5-10 Discussions regarding pensions, etc.**

The financial consequences for employees will be on the agenda during discussions regarding pension and insurance arrangements.

In situations in which members of NITO are requested to select a change from a defined benefit pension scheme to a defined contribution scheme, employers must ensure that data are prepared that highlight the financial consequences. Realistic assumptions must be used in connection with salary adjustments for NITO members that may influence their future pension benefits.

### **5-11 Electronic communication**

In situations in which an employer directs that electronic communication devices, such as mobile phones, the internet and similar, be used after working hours, the necessary expenses will be reimbursed by agreement.

### **5-12 Documentation of practical skills and experience**

Members of NITO are entitled to a meeting with their supervisor to discuss their further educational needs and how these needs can be met. This discussion may form part of the annual appraisal interview.

Enterprises are important arenas for learning. Enterprises are encouraged to have a system in place for the documentation of individual employees' relevant, practical skills, experience and courses.

## **6. Life phase policy**

Local parties within individual enterprises should discuss the issue of a life phase policy. The aim of implementing such a policy will be to facilitate meeting the needs of the enterprise and its individual employees.

A life phase policy can contribute towards:

- maintaining and developing employee skills levels
- making the enterprise more competitive
- directing focus on, and consolidating, the value of the individual employee
- reducing sickness absence
- recognising the value inherent in all age categories represented within the company, while at the same time acknowledging diverse needs
- promoting an inclusive workplace

The life phase policy will be part of the company's personnel policy.

## **7. Chapter – Effectuation and duration**

This Agreement comes into force on 1 June 2018 and shall be valid up to and including 31 May 2020 and for a further 1 – one – year at a time, unless terminated by one of the parties on the provision of 2 – two – months' written notice.

Oslo, *January 2019*

Rolf Andreas Negård

**THE CONFEDERATION OF NORWEGIAN ENTERPRISE (NHO)**

Tom Helmer Christoffersen

**The Norwegian Society of Engineers and Technologists (NITO)**

## **APPENDICES to the Agreement**

This Agreement is accompanied by the following appendices:

- Appendix 1 Guidelines for organisational meetings
- Appendix 2 Agreement related to the new early negotiated pension scheme (AFP)
- Appendix 3 The “OU” Agreement concerning the Association for Joint Information and Development Activities between the NHO and NITO
- Appendix 4 Severance pay agreement
- Appendix 5 Reduction in working hours provisions, as of 1 January 1987
- Appendix 6 Holidays, etc.
- Appendix 7 Educational requirements, clause 1-4 to clause 1-7 in the 2012-2014 agreement

## APPENDIX 1 Guidelines for organisational meetings

Appendix to the agreement of  
2016-2018

### 1. Aim

On the basis of the provisions set out in Chapter 3 of this Agreement, the aim of the organisational meeting will be to find a resolution to the local salary dispute.

The time and place of the meeting must accommodate this aim.

It may often be appropriate to hold such meetings outside the enterprise's premises.

### 2. Participants

#### Local representatives:

- The enterprise's management
- representatives from the enterprise's NITO group

#### Central parties:

- One or more negotiators from the NHO/LO
- One or more negotiators from NITO

### 3. Conducting the meeting

- a) The local protocol forms the basis for the meeting.
- b) The demands and offers presented by the respective parties, and any adjustments/changes to these.
- c) The local parties each give an account of the process leading up to the conclusions set out in their offers/demands.  
These accounts shall include the following:
  - a description of the background material and other information presented.
  - whether real negotiations have been conducted and whether the parties have demonstrated a willingness to reach a result.
  - a review of those factors that shall receive emphasis in relation to Chapter 3 of the 3.
- d) To ensure that the parties share a joint understanding of the facts.
- e) The parties centrally wish to emphasise the importance of information exchange between the parties at local level throughout the year, in accordance with Chapter IX of the Basic Agreement.

#### 4. Resolution of the dispute

Unless NITO and the LO agree otherwise, the meeting will start with a review of the topics listed under item 3, with all participants present as listed under item 2.

If NITO and the LO agree that negotiations are being conducted in contravention of the requirements set out in Chapter 3 of the Agreement, they can request the parties to resume the negotiations at local level. If this is not possible, the parties at local level shall discuss the matter on the basis of recommendations and advice provided by the organisations.

On the basis of the aim set out for the meeting, and information provided by the parties at local level, NITO and the LO shall assist with proposals for a resolution of the local salary dispute.

Advice may be provided in connection with possible improvements to the processes on which the salary negotiations are based. If necessary, advice may also be given regarding the rules set out in the Agreement concerning individual salary awards.

The parties at local level shall report on how the provisions of the Agreement have been taken into consideration.

A summing-up and termination of the meeting, as well as the preparation of a protocol, shall be carried out with all participants present.

If new local negotiations or a dispute resolution meeting fail to achieve agreement regarding interpretation of Chapter 3 of the Agreement, each of the parties, within a period of two weeks, may bring the matter before the NHO and NITO. Consideration of the matter shall be completed no later than at the close of the calendar year.

## I Introduction

The early retirement pension scheme (AFP) was established in connection with the 1988 wage settlement. The aim was to provide employees of enterprises bound by the collective wage agreements an opportunity of early retirement (under certain conditions) before reaching the national insurance retirement age.

The Norwegian Parliament's decision regarding a new national insurance pension system from 2010 (postponed to 2011) presupposed that other parts of the pension system would be adapted to the new national insurance system.

On this basis, the parties (LO and NITO) to the 2008 collective agreement, agreed that the existing AFP scheme should be replaced by a new scheme adapted to the rules governing the new national insurance retirement system.

The parties have accepted the Government's view that the AFP scheme should continue in the form of a neutral, lifelong addition to the national insurance retirement pension. Initially the pension can be taken out from the age of 62 according to the retiree's wishes. The monthly payments will be reduced if the pension is taken out early and will increase the later it is taken out. The new AFP scheme can be combined with earned income without the AFP pension being reduced. Under this arrangement, the AFP scheme, combined with the new national insurance retirement system, will contribute towards achieving the principal aims of the pension reform.

The State will make periodic contributions to the AFP scheme for employees/retirees corresponding to one-half of the employer's contributions, excluding outlay for the compensation allowance that is fully financed by the State.

## II Statutes

This agreement does not regulate all details of the conditions, rights and duties connected with the AFP scheme. These are determined by means of a set of statutes, adopted by the Joint Scheme for Collective Agreement Pensions (AFP) and approved by the Norwegian Ministry of Labour pursuant to the Act of 2010 relating to the AFP contribution scheme (*AFP-tilskottsloven*).

These statutes contain detailed rules for both the pre-existing and the new AFP scheme. Involved enterprises must keep themselves updated in relation to their obligations at all times.

The statutes also contain certain specific rules that may entail that an individual employee is not entitled to participate in the AFP scheme.

The prevailing statutes can be found at [www.nyafp.no](http://www.nyafp.no)

### **III The original AFP scheme**

The original AFP pension is paid to employees who have filed an application for such a pension before 31 December 2010 and who met the conditions as they applied on the date of implementation. The last implementation date for the original AFP pension is 1 December 2010. The original AFP will run until the month in which the retiree turns 67.

Those who have started to take out the original AFP pension (wholly or in part), may not later apply for a new AFP pension.

### **IV The new AFP scheme**

The new AFP pension will be paid to employees born in 1944 or later who have been granted an AFP pension from an implementation date of 1 January 2011 or later. The system is established as a joint scheme in the private sector.

Before reaching the age of 70, a new AFP pension must be taken out with the national insurance retirement pension.

### **V. Conditions for entitlement to the new AFP pension (key points, see also the statutes)**

In order to be entitled to the new AFP pension, an employee must, at the time of taking out the pension and for the last three consecutive previous years, have been a genuine employee of an enterprise that belongs to the scheme.

In addition, the employee must, on the implementation date, have a pension-earning income which, calculated as annual income, exceeds the current basic national insurance amount (G) for the preceding income year.

Furthermore, an employee born in 1955 or later must, for at least 7 of the last 9 years before turning 62 (the seniority period), have belonged to the scheme while in employment with one or more enterprises that were members of the Joint Scheme during the same seniority period. For employees born in the period 1944 to 1951, the seniority requirement is 3 of the last 5 years. For employees born in the period 1952 to 1954, both of these figures shall be increased by one year for each year they were born after 1951. The employment during the seniority period must have been the employee's main source of income, and must have provided the employee with an income that is higher than the employee's other sources.

We refer also to the statutes ([www.nyafp.no](http://www.nyafp.no)) concerning special rules relating to part-time employment, sick leave, lay-offs, leave of absence, employer bankruptcy, other income, other

pensions paid from other places of employment, redundancy pay, ownership interests in the enterprise, ownership interests in other enterprises, etc.

Employees who have a lower retirement age/age limit than 62, cannot belong to the scheme.

## **VI. Level of pensions in the new AFP scheme**

An AFP pension is calculated as 0.314% of annual pension-earning income paid up to and including the calendar year in which the employee turns 61 years of age and up to an upper limit of 7.1 G. Pension-earning income is determined in the same way as when calculating pension income in the national insurance retirement scheme.

An AFP pension will be paid out as a lifelong addition to the retirement pension.

It is so designed that it increases when taken out later, but will not increase further if taken out after the age of 70. In calculating an AFP pension, the same life expectancy adjustments will be made as for national insurance retirement pensions.

Earned income may be combined with an AFP pension and national insurance pension without either of them being reduced.

An AFP pension will be regulated in the same way as an income-related pension in the new national insurance retirement scheme, both during earning and payment.

## **VII. The new AFP scheme will be financed as follows:**

The costs of the AFP scheme will be financed by the enterprises, or parts of the enterprises, that are or were members of the Joint Scheme. In addition, the State will make a contribution linked to the pension qualifications of individual retirees.

The State will contribute to the financing of the AFP scheme. The rules as set out on the Act no. 110 of 23 December 1988 will apply until 31 December 2010, while the rules of the AFP Contributions Act (*AFP- tilskottsloven*) will apply from 1 January 2011.

A compensatory supplement to new the AFP will be paid entirely by the State.

The enterprises will pay a premium to the Joint Scheme to cover that part of the costs not covered by the State's contribution. Additional rules governing payment of premiums are set out in the statutes of the Joint Scheme for early-retirement pensions (AFP), and in resolutions adopted by the Board of the Joint Scheme.

In the period from 2011 up to and including 2015, some people will still be receiving the original AFP pension. During that period, enterprises that belonged to the original AFP scheme will have to pay a premium to that scheme, as well as a contribution for their employees who have taken out an original AFP pension. The premium and contributions will be determined by the Board of the Joint Scheme.

As part of the new AFP scheme, the enterprises must pay a premium for their employees and others who have received pay and other remuneration reported under code 111-A in the Tax Directorate's tax code summary. The premium rates will be determined by the Board of the Joint Scheme. The premium shall be a percentage of the total payments made by the enterprise according to tax reports returned by the enterprise under code 111-A. The enterprise shall pay a premium only for that part of the payment to individual employees in the preceding income year for amounts between 1 and 7.1 times value of G.

Premiums shall be paid for the years up to and including the year in which the member of the scheme turns 61 years of age. Premiums shall be paid on a quarterly basis.

### **VIII.**

In addition to those enterprises that are members of the NHO and for which the wage agreement is binding, this present agreement applies also to enterprises that are not members of the NHO, but which have collective salary agreements with the federation.

## **APPENDIX 3      The “OU” Agreement**

### **Agreement concerning the Association for Joint Information and Development Activities between the NHO and NITO**

Appendix to the agreement of  
2018-2020

#### **Section 1 – Objectives**

The purpose of the Association is to implement or support measures promoting information and training in Norwegian workplaces. The Association is an idealistic and non-commercial organisation.

#### **Section 2 – Measures employed**

Measures linked to information and education, including courses and schooling, shall be aimed at the following:

1. The development of the state-of-the-art training of employee representatives with a particular emphasis on rationalisation, safety-related work, productivity, economics and issues related to collaboration.
2. The training of managers and employees in the same areas as set out in item 1.
3. The preparation, facilitation and development of training initiatives.
4. The promotion of healthy and correct rationalisation with the aim of increasing productivity.
5. The promotion of good working relations within individual enterprises.

#### **Section 3 – Funding**

The Association's funds will be raised by means of an employer premium of NOK 414 paid on 1 April and 1 October each year (NOK 828 annually) for each member of NITO employed on 1 March and 1 September that falls under the terms of the Agreement with NITO. Changes in premiums come into force on 1 January 2013.

The employee deduction will remain at NOK 84.50 every six months (NOK 169 annually).

#### **Section 4 - Collection of premiums**

The employer shall pay the premium mentioned in Section 3 to the Association's board as a lump sum. Those enterprises that are bound by the Agreement with NITO will be sent a payment demand by the Association's board.

## **Section 5 – Administration**

The Association is governed by a Board consisting of four members. The parties nominate two board members each – from administration and/or a company that is party to the Agreement.

The nomination process adheres to the terms of the Basic Agreement. A candidate may be re-nominated.

Members who leave their positions/offices or who retire will also give up their seats on the Board on the date they leave their position/office. The person in question shall nominate a new member.

The position of Board Chair will be occupied alternately at two year intervals by representatives of the NHO and NITO respectively.

## **Section 6 - Allocation and distribution of funds**

Each year, the Association's Board shall stipulate the amount to be set aside in advance to fund joint objectives and administrative expenses. The Association's remaining assets are to be allocated (50 per cent each) by a special committee appointed by each of the two main organisations. Specific statutes will be drawn up to govern the activities of this committee.

NHO and NITO shall keep each other mutually informed of the special committee's plans for fund allocations and any measures that have been implemented. In accordance with additional rules, all enterprises that pay into the Association must be permitted to participate in measures that are financed by the Association's assets.

## **Section 7 - Accounts and the annual report**

The Association's accounting year follows the calendar year. At the end of each accounting year, annual accounts are prepared and must be reviewed by a state-authorized auditor appointed by the Association's Board. The accounts and the annual report must be submitted to the NHO and NITO.

## **Section 8 – Winding-up**

If the Association is wound up, any remaining assets fall to the NHO and NITO such that each organisation receives the amount that it was entitled to allocate in accordance with Section 6 of the agreement. These assets must be used in accordance with Section 2 of the agreement.

## APPENDIX 4 Severance Pay Agreement

Appendix to the agreement of 2018 - 2020

Applies from 1 January 2011, with linguistic adjustments made in 2014 and amendments in 2016<sup>1</sup>

*As part of the 2018 coordinated settlement, the LO and NHO agreed to use the Severance Pay Fund (Sluttvederlagsfondet) to finance a so-called “Sliterordning” – a scheme that provides additional benefits to employees who have to take early retirement. On establishment of the “Sliterordning”, the Severance Pay Fund will be discontinued. For more information, we refer to Appendix 4 of the conciliation protocol that can be downloaded [here](#).*

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### 1.0 GENERAL REMARKS

#### 1.1 Conclusion of the agreement

The Agreement on Severance Pay was originally concluded between the Norwegian Confederation of Trade Unions (LO) and the Norwegian Employers’ Organisation (N.A.F) – now the Confederation of Norwegian Enterprise (NHO) – hereinafter referred to as the Parties. Reference is made to the decision of 14 June 1966 made by the State Wage Arbitration Council, as subsequently amended.

The agreement entered into force on 1 October 1966 and is incorporated as part of all collective wage agreements entered into between organisations that are members of the LO and NHO.

Each of the Parties may terminate the agreement on the provision of two months’ notice, to become effective 1 April in connection with revision of the collective wage agreement. If the agreement is not terminated, it will continue to apply until the end of the next Collective Agreement period.

#### 1.2 Object and personnel concerned

The aim of this agreement is to provide financial compensation for employees who, after reaching the age of 50, and up to and including the age of 66, are dismissed for reasons that are not attributable to them, or when employment ceases as a result of disability or chronic sickness.

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<sup>1</sup> Section 5-15 of the Norwegian Tax Act (*skatteloven*) was amended on 18 December 2015, with effect from 1 January 2016. Pursuant to Section 5-15, subsection 1 (a), of the former Tax Act, a severance payment made on the basis of the Severance Pay Agreement between the LO and NHO was not classified as income. This meant that persons who met the conditions for a severance payment by 31 December 2015 at the latest received a tax-free payment. Persons who meet the conditions for severance payments after 1 January 2016 do not receive such payments tax free. The classification of a severance payment as taxable income may also mean that said payments impact on entitlements to other social security benefits, such as disability and unemployment benefits. As of April 2016, this issue is yet to be finally resolved.

### **1.3 Legal status**

The Severance Pay Scheme is an independent legal entity keeping its own accounts. Assets belonging to the Severance Pay Scheme shall be kept separate from those belonging to the Parties and may not be held liable for the respective Parties' obligations. This shall not prevent the Severance Pay Scheme from collecting and distributing monies from the Education and Development Fund on behalf of the LO and NHO and other employee and employer organisations, provided that said monies are kept separate from assets belonging to the Severance Pay Scheme.

The Severance Pay Scheme may sue and be sued via its Board. The agreed legal venue in all cases is Oslo. This provision is accepted on joining the Severance Pay Scheme or on claiming an AFP pension.

## **2.0 COLLECTIVE TERMS AND CONDITIONS**

### **2.1 The enterprises incorporated in the Scheme**

The Scheme incorporates the following enterprises:

- a) NHO member enterprises bound by a contractual wage agreement that have a collective wage agreement with an LO union.
- b) Enterprises that are not members of the NHO that have a collective wage agreement with an LO union.
- c) NHO member enterprises bound by a contractual wage agreement that do not have a collective wage agreement with an LO union, when employer and employees have agreed that the enterprise shall join the Scheme. Such membership is subject to approval by the Board of the Severance Pay Scheme.
- d) Enterprises bound by a contractual wage agreement that belong to a different collective wage sector from those cited in (a - c) above, provided that the Parties agree that the sector in question may be included. In the event of breach of any conditions that may be imposed for joining pursuant to the first paragraph, consent may be withdrawn if the Board so recommends.
- e) Enterprises that under an earlier agreement were allowed to join the Scheme on a voluntary basis.

Enterprises that are party to a collective wage agreement that includes the LO/NHO appendix on the Severance Pay Scheme, are automatically members of that scheme.

When an enterprise belongs to the Severance Pay Scheme, the premium payment obligation applies to all employees.

### **2.2 Joining/withdrawing from the Severance Pay Scheme**

An enterprise becomes a member of the Scheme from the time the collective agreement that includes the LO/NHO appendix on the Severance Pay Scheme, comes into force. The relevant collective wage organisation is responsible for registration and for checking that the

conditions for membership are met. Enterprises that become members must remain so for as long as the conditions for membership pursuant to the collective wage agreement exist. In the event of termination of the collective wage agreement during the agreement period, the obligation to pay premiums to the Severance Pay Scheme will continue to apply until the end of the collective wage agreement period. However, this will not apply to enterprises that are voluntary members of the Scheme (see 2.1 (e) above). These may withdraw from the Scheme with immediate effect. Premiums will be payable up to the date of withdrawal.

If the conditions for membership are no longer met, the relevant collective wage organisation shall notify the Scheme without delay. Voluntary members may withdraw from the Scheme whenever they wish.

In cases where the enterprise belongs to an employer organisation, this will be regarded as a relevant collective wage organisation. Registration shall be undertaken by the appropriate employee organisation.

### **3.0 INDIVIDUAL CONDITIONS**

#### **3.1 Required period of membership**

An employee must have been a member of the Scheme for the last three months before the provision of notice of termination. If employment ceases owing to disability or chronic sickness, the employee must have become a member of the Scheme before the severance date, cf. Section 3. 5.

#### **3.2 Age and seniority requirements**

To be entitled to severance pay, the employee must have turned 50 years of age before the severance date, but not yet have reached the age of 67, and not be entitled to the early retirement pension (AFP). In addition, the employee must:

- a) have been employed by the same enterprise for at least 10 consecutive years, or
- b) have been employed by the enterprise for a total of 20 years, of which the last 3 are consecutive, or
- c) have been a member of the Severance Pay Scheme for at least 15 consecutive years immediately before the severance date, or
- d) have worked in a trade that comes under the agreement for the construction trades, the collective agreement for building trades and electric fitters for a total of 20 years – the last 5 of which without interruption. On the date of application, the employee must be employed by an enterprise that is incorporated in the Severance Pay Scheme. The seniority required under this item must be certified by the employer(s) and/or NAV (the Norwegian Labour and Welfare Administration), if necessary supplemented by information from the trade union/professional association. If severance is not due to disability or chronic sickness, it is a further condition that the employee has received unemployment benefits for at least three months without having been offered suitable employment.

If seniority has been acquired in two or more enterprises in the same group, such seniority will not count unless the enterprises in question belonged to the Severance Pay Scheme during that period.

An employee who is not working for the enterprise because he or she has been laid off or is receiving interim payments pending a final decision, will be considered as having retained his or her connection with the enterprise for up to one year, beginning on the last ordinary working day.

### **3.3 Dismissal, sickness, etc.**

Employees who are dismissed from their jobs, wholly or in part owing to production or workforce reductions, winding-up or bankruptcy, are entitled to severance pay.

An agreement on severance due to a reduction in the workforce, ranks as equivalent to termination of employment. To the extent that pay after termination of employment or a severance settlement is granted, severance pay will nevertheless not be awarded if the employee has found a new job before he or she is granted unemployment benefits. Employees who are released without a specified severance date are not entitled to severance pay.

Employees who are granted a disability pension are entitled to severance pay.

Severance pay may be granted to employees who are receiving interim payments, provided that the Severance Pay Scheme accepts that the person is suffering from a chronic sickness and that it is improbable that the applicant will return to his or her earlier occupation in the foreseeable future. In order to rule on this, the Severance Pay Scheme may request that documentation be produced, including satisfactory medical certificates and documents linked to proceedings relating to the application for and granting of interim payments, and showing that the applicant is incapable of continuing in his or her occupation or other suitable work in the enterprise (see 3.4 below).

### **3.4 Other suitable work, etc.**

Severance pay will not be granted if an employee loses his or her job (ref. 3.3 above), or is offered other suitable work in the enterprise or in the group to which the enterprise belongs, or with new owners, or in another enterprise continuing the business.

On making a ruling on the question of whether an employee shall be deemed to have been offered other suitable work, importance shall be attached to the fact that the object of the Severance Pay Scheme is to provide remuneration for employees who lose their jobs. Employees who in reality continue in their old job will not normally be entitled to severance pay.

The same applies when all or part of the enterprise is taken over by the employee him/herself, so that he or she is in reality continuing to carry on his or her previous work.

In the event of temporary operational shutdown in connection with a change of ownership etc., the employee shall nonetheless be granted severance pay if more than three months have passed before he or she is re-employed. This applies regardless of the length of the period of notice.

In the event of a merger or transfer of a business that comes under Chapter 16 of the Norwegian Working Environment Act (*arbeidsmiljøloven*), the acquiring enterprise (new employer) will become a member of the Joint Scheme and be obliged to pay premiums. However, this will not apply if the new employer exercises the right to opt out, as sanctioned by Section 16-2, subsection 2, of the Act.

### **3.5 Determining the severance date**

The severance date will normally be the date on which the period of notice expires.

When employment is terminated owing to disability or chronic sickness, the severance date shall be specified as six months after the last physical working day prior to full retirement from working life, and six months after the last day occupying an ordinary position prior to partial retirement from working life.

### **3.6 Conditions for entitlement to a new severance payment**

After severance pay has once been granted, a period of at least 10 years must elapse before it can be granted again. The severance date and not the payment date will apply for determining whether this condition is met.

### **3.7 Death and severance pay**

Only an employee can claim severance pay. Severance pay will be paid to next of kin only if the severance pay claim was filed before the death of the employee (ref. section 7.3).

### **3.8 Early retirement (company-based) pensions and the AFP pension**

An early retirement pension, agreed between the enterprise and the employee, must constitute a factor in a real workforce reduction before severance pay can be granted.

Employees who take out an AFP pension are not entitled to severance pay.

In cases where the original AFP pension is paid out pending a disability pension, the employee will as a general rule not subsequently be entitled to severance pay. If the AFP supplement has not been paid out for more than six months, the right to severance pay can be re-instated by repaying the AFP supplement already paid out.

## **4.0 AMOUNT OF SEVERANCE PAY**

### **4.1 Rates of severance pay**

The following rates apply in cases of full-time employment (normally 37.5 hours a week) and a severance date on or after 1 July 2011:

|                      |                      |
|----------------------|----------------------|
| 50 years: NOK 20,000 | 59 years: NOK 70,000 |
| 51 years: NOK 20,000 | 60 years: NOK 75,000 |
| 52 years: NOK 25,000 | 61 years: NOK 80,000 |
| 53 years: NOK 30,000 | 62 years: NOK 80,000 |
| 54 years: NOK 40,000 | 63 years: NOK 65,000 |
| 55 years: NOK 50,000 | 64 years: NOK 50,000 |
| 56 years: NOK 55,000 | 65 years: NOK 35,000 |
| 57 years: NOK 60,000 | 66 years: NOK 20,000 |

58 years: NOK 65,000

#### **4.2 Retirement age lower than 67 years**

The above scale is also used for the payment of severance pay to employees with a retirement age lower than 67. Thus, NOK 20,000 is paid for the last year before retirement age is attained, NOK 35,000 for the penultimate year, and so on, beginning at age 50.

Seamen who can retire on a seaman's pension from the age of 60, are regarded as having a retirement age of 62, unless they are engaged in a position for which the retirement age is higher.

### **5.0 REDUCTION OF AMOUNT OF SEVERANCE PAY**

#### **5.1 Part-time workers**

Severance pay shall be reduced for employees who work fewer hours than those required for an ordinary full-time position. The reduction shall be proportional.

#### **5.2 Retaining part of a position**

If dismissal relates only to part of a position (involving a compulsory reduction in both working hours and pay), the severance pay shall be reduced accordingly. The proportional job loss will form the basis of the calculation.

Severance pay shall be reduced for employees who are compelled to reduce their occupational activity owing to disability or chronic sickness, but who continue to work and who are also in receipt of a reduced disability pension. The calculation shall be based on the proportional job loss.

#### **5.3 Severance date less than one year before ordinary retirement age**

If the severance date is less than one year before the date on which the employee attains ordinary retirement age for the position, severance pay plus national insurance benefits such as rehabilitation benefits, disability pension, pension for bereavement, early retirement pension or unemployment benefits, shall not exceed the pay the employee would have received (gross earnings after deduction of direct taxes and dues) if he or she had remained at work until reaching the age of 67. An employee who is receiving sick pay until he or she reaches retirement age is not entitled to severance pay.

Corresponding limitations also apply when the retirement age is lower than 67. The provision in the preceding paragraph will then enter into force in the year preceding that in which the person can draw ordinary retirement pension.

### **6.0 ADMINISTRATIVE PROCEDURES**

#### **6.1 Filing an application**

On behalf of the employee, the enterprise or a trustee shall forward an application for severance pay, on the prescribed form, to the Severance Pay Scheme.

Both employer and employee have a duty to furnish the information necessary to evaluate the application.

All matters that must be assumed to be of relevance to the decision, must be documented.

If, after the application is filed, changes occur that may have a bearing on the decision, both employer and employee have a duty to notify the Severance Pay Scheme.

### **6.2 Time limitations**

A claim for severance pay must be filed within three years of the severance date, or the entitlement to claim will lapse. In situations where the applicant is disabled, the claim must be filed within three years after the decision to award a disability pension was taken.

If a claim for severance pay was not filed because the employer or employee was not cognisant of the possibility of claiming severance pay, the time limitation will come into force at the earliest one year after the date on which the claimant acquired or should have acquired the relevant knowledge. The time limitation pursuant to this paragraph may not be extended for more than a total of two years.

### **6.3 Appeals**

Decisions concerning severance pay may be appealed to the Board of the Severance Pay Scheme or a special appellate body appointed by the Board. Cases that have been reviewed may be reviewed again if fresh information comes to light.

Appeals must have been received by the Severance Pay Scheme or have been posted within 6 weeks after notice of the decision was sent to the employee's last reported address. Claims that are filed too late may be rejected. In exceptional cases the Scheme's administration may request that the Board considers a claim even if the deadline has expired.

### **6.4 Confidentiality**

Everyone who performs work or services for the Severance Pay Scheme is under obligation to prevent others from gaining access to or knowledge of whatever he or she may, in connection with such work or service, have become privy to regarding the personal affairs of others. The term "Personal affairs" is understood to include a person's date and place of birth, personal ID number, citizenship, marital status, occupation, home address and workplace.

The duty to maintain confidentiality also applies to technical devices and procedures, as well as information concerning operational or business matters, especially in situations where secrecy is desirable for reasons of competition.

In addition, a contractual duty of confidentiality applies to employees of the Severance Pay Scheme and the contractor in accordance with the relevant declaration of confidentiality. The duty of confidentiality pursuant to the preceding sentence does not apply to information that is generally known, or in cases where an obligation to disclose information is imposed by or pursuant to law.

## **7.0 PAYMENT**

### **7.1 Payment to the applicant**

If the conditions for entitlement to severance pay have been met, payment from the Severance Pay Scheme shall be made as soon as possible following the severance date.

Claims for severance pay may not be assigned to parties other than the applicant.

In cases where the severance pay is to be paid by the enterprise itself (ref. Section 7.2), but the enterprise fails to effect payment as intended, the employee is entitled to receive payment directly from the Severance Pay Scheme. In such cases the Scheme subrogates to the employee's claim on the enterprise.

### **7.2 Payment from the enterprise**

If the enterprise has received a claim, but has nevertheless not paid its premiums for a period of two years or more, it will be required to make the severance payment itself if an employee meets the conditions for entitlement pursuant to this agreement. Moreover, in such cases, the amount of severance pay shall be determined according to the provisions of this agreement.

The enterprise may also be instructed to pay severance pay to an employee who is entitled pursuant to this agreement, if said enterprise has failed to enter the employee in the employee register.

### **7.3 Payment to next of kin after the death of an applicant**

If the applicant dies before the severance payment is made, the payment may be made to the applicant's spouse or cohabitant (provided that the pair have been living together for a minimum of 12 of the last 18 months) or to his/her dependent children under the age of 21. If the deceased leaves both dependent children and a spouse or cohabitant, the child/children shall have priority entitlements to the severance pay. Payment to other relatives or heirs is not an option.

### **7.4 Repayment of severance pay erroneously paid out**

Repayment of severance pay will be demanded if severance pay is erroneously paid out to a person as a consequence of the provision of incomplete information, or if circumstances have changed since the application was filed.

## **8.0 PAYMENT OF PREMIUMS, ETC.**

### **8.1 Premiums**

The enterprise shall pay premiums for each of its employees. The premium rate payable varies according to working hours. On the recommendation of the Board, the amounts may be adjusted by the LO secretariat and NHO's executive committee.

The number of employees for whom premiums have to be calculated, shall be determined according to information reported by the enterprise to the Register of Employers and Employees.

The basis for determining the sum payable is the number of employees reported to the Register of Employers and Employees. The quarterly premium is determined on the basis of the number of persons employed at the end of the preceding quarter.

### **8.2 Payment of premiums**

Premiums shall be paid each quarter to the Severance Pay Scheme.

### **8.3 Responsibility for the payment of premiums**

The employer is responsible for the punctual and correct payment of premiums regardless of whether or not said premiums have been claimed.

### **8.4 Consequences of failure to pay premiums, etc.**

If an enterprise fails to pay the premiums due, a demand will be sent for debt recovery following a single reminder.

The duty to pay overdue premiums will be upheld without reduction, even if severance pay has been paid out by the employer pursuant to Section 7.2.

## **9.0 MANAGEMENT AND ADMINISTRATION, ETC.**

### **9.1 The Board of the Severance Pay Scheme**

The Board of the Severance Pay Scheme is the ultimate authority for the Scheme. The Board consists of four members with four personal deputies.

The LO and NHO each elect two of the members of the Board. The persons elected by the LO and NHO as members of the Board of the Joint Scheme for Collective Agreement Pensions, shall also be deemed to have been elected as members of the Board of the Severance Pay Scheme, except in situations where a party chooses to elect these members separately. The office of Board Chair shall be held by the parties in rotation, for periods of two years at a time.

The Board may resolve that a fee shall be paid to Board members and deputy members, and to the special appellate body (see Section 9.2 below). In such cases, the Board shall determine the amount of the fee. The Board may delegate the decision on the amount of this fee to a committee of no more than three persons elected by the parties to the Severance Pay Scheme.

### **9.2 Duties of the Board**

Management of the Severance Pay Scheme pertains to the Board. The Board shall ensure that activities are properly organised.

The Board shall establish plans and budgets for activities linked to the Scheme.

The Board shall keep itself informed of developments in the Scheme's financial status and shall ensure that its activities and accounts are subject to adequate controls. The Board shall exercise supervision to ensure that management of the Scheme's assets takes place in accordance with the Articles of Association and Board resolutions.

The Board determines how the Articles of Association are to be interpreted and may adopt resolutions on matters of principle.

The Board shall process and decide upon appeals. The Board may appoint a special appellate body to handle appeals.

The Board shall prepare and propose amendments to the Articles of Association, based on the Severance Pay Agreement in force at the time in question.

Furthermore, the Board shall exercise its authority by means of statutes or articles or other means that naturally pertain to the Board.

### **9.3 Board meetings**

Board meetings shall be held when so decided by the Chair, or when requested by a member of the Board. At least four meetings shall be held each year, at appropriate intervals.

Meetings shall be chaired by the Board Chair. In the absence of the Board Chair, meetings shall be chaired by the Deputy Chair or in his or her absence, by another person elected by the Board. In the event of equal votes being cast in matters to be determined by simple majority, the Chair of the meeting has a casting vote.

For a Board meeting to form a quorum, at least one representative from each party must be present.

Minutes shall be kept of Board meetings and signed by those members or deputy members who are present.

Board resolutions shall be adopted by simple majority unless otherwise stated in the Articles of Association.

### **9.4 Daily management activities**

The Severance Pay Scheme shall have a CEO (Chief Executive Officer) to manage everyday business. The CEO shall be appointed by the Board. The Board may adopt a job description for the CEO.

### **9.5 Representation**

The Board represents the Severance Pay Scheme in external matters.

The CEO represents the Severance Pay Scheme in external matters relating to issues that are part of daily management activities.

The Board may authorise members of the Board, the CEO or named employees to represent the Severance Pay Scheme in external matters, grant powers of procuration, or other powers. Such rights may be revoked at any time.

If a Board member, the CEO or a procurist oversteps his or her powers, the transaction will not be binding for the Severance Pay Scheme in cases where the Scheme can show that the counterparty understood, or should have understood, that the person in question was exceeding his or her powers and that it would be dishonest to uphold the transaction.

## **9.6 Competence**

No Board member or deputy member shall participate in proceedings or decisions on a matter that is of such particular importance for him/her or a person to whom he/she is closely connected, that he or she must be deemed to have a conspicuous personal or financial interest in the matter. This applies equally to the CEO or other persons performing work for the Severance Pay Scheme.

Nor shall a Board member or deputy member concern him/herself in a matter relating to a loan or other credit facility for him/herself, or security for his/her own liabilities.

## **9.7 Confidentiality**

The duty to maintain confidentiality (ref. Section 6.4 above) also applies to members of the Board.

Resolutions adopted by the Board do not come under the non-disclosure obligation, unless otherwise stated in the first paragraph or stipulated by the Board.

Board members and deputy members have a duty to exercise discretion and confidentiality concerning information and views that come to light in connection with the Board's work, unless otherwise stipulated by the Board. Nevertheless, the duty of confidentiality referred to in the first sentence will not apply when it is necessary to discuss a matter internally within the organisation to which the member belongs, unless otherwise stated in the first paragraph.

The rules of this section apply correspondingly to members of the special appellate body, unless otherwise stipulated by the Board of the Severance Pay Scheme.

## **9.8 The Severance Pay Scheme**

The Board may decide that administrative tasks linked to the Severance Pay Scheme's administration shall be undertaken by the Severance Pay Scheme's administration. In such situations, the administration shall serve as secretariat for the Severance Pay Scheme and handle the administration of said Scheme. The CEO of the Severance Pay Scheme shall also be CEO of the Severance Pay Scheme's administration.

Among other things, the administration shall undertake the following on behalf of the Severance Pay Scheme:

- a) prepare matters to be considered by the Board and other agencies linked to the Severance Pay Scheme,
- b) collect premiums and contributions from the enterprises,
- c) consider and decide on severance pay applications and, in that connection, communicate with the enterprises, the employees and NAV,
- d) represent the Severance Pay Scheme in judicial and extra-judicial disputes with employees, enterprises, organisations and others,
- e) ensure that rights and duties under this agreement are observed in accordance with the intentions of the central organisations.

The Board may delegate powers, pursuant to Section 9.5, to Board members or employees of the Severance Pay Scheme's administration.

The provisions of Section 6.4 regarding confidentiality apply correspondingly to the Severance Pay Scheme's administration.

The Severance Pay Scheme shall bear all costs incurred by the administration that concern the Scheme.

### **9.9 Auditor**

The Board shall appoint a government-authorised auditor for the Severance Pay Scheme. The auditor shall have access to all information that is necessary to perform his or her work.

## **10.0 PLACEMENT OF MONIES BELONGING TO THE SEVERANCE PAY SCHEME**

### **10.1 Asset management**

The Board shall decide how the Severance Pay Scheme's assets are to be placed, and stipulate guidelines for asset management. Within the stipulated guidelines, the Board may delegate authority to decide on placements to the administration.

The Board may decide that the Scheme shall entrust asset management to an enterprise that is licensed to conduct active management, or appoint an investment committee to decide how assets are to be placed or otherwise assist with asset management.

Assets shall be managed in a proper manner.

## APPENDIX 5    Reduction in working hours from 1 January 1987

Appendix to the agreement of 2018-2020

- A.    From 1 January 1987, working hours shall be reduced as follows:
1.    To 37.5 hours a week: Daytime working hours.
  2.    To 36.5 hours a week:  
Ordinary two-shift work when shifts are not worked on either Saturday evenings or during the 24-hour period on public holidays.
  3.    To 35.5 hours a week:
    - a.    Work that is performed "mainly" at night.
    - b.    Work on continuous shifts round the clock and work on "comparable" rotas.
    - c.    Two-shift and "comparable" work on rotas "regularly" worked on Sundays and/or public holidays.
    - d.    Systems of working hours that result in individual employees having to work at least every third Sunday and/or on movable public holidays.
  4.    To 33.6 hours a week:
    - a.    Work on wholly continuous shifts and "comparable" rotas.
    - b.    Work below ground in mines.
    - c.    Work on tunnelling and the excavation of caverns in underground rock.
  5.    For those working extended working hours due to standby or passive duties pursuant to Section 46, subsections 5 and 6 (Section 10-4 (2) and (3)), of the Norwegian Working Environment Act (*arbeidsmiljøloven*), such extensions shall be based on the number of hours set out in the Agreement.
- B.    Compensation for reduction of working hours
- a.    Weekly, monthly and annual pay shall remain unchanged. If in addition an employee receives a production or other bonus or similar, which is calculated on the basis of the time worked, the alterable part shall be adjusted according to item (d) below.
  - b.    Hourly pay (minimum pay rates, normal pay rates, individual pay rates and compensation for loss of piecework) shall be increased by 6.67% for employees whose working hours are reduced from 40 to 37.5 hours; by 6.85 % for those whose working hours are reduced from 39 to 36.5 hours; by 7.04 % for those whose working hours are reduced from 38 to 35.5 hours, and by 7.14% for those whose working hours are reduced from 36 to 33.6 hours.
  - c.    Other rates of pay specified in kroner and øre per hour shall be increased in a manner corresponding to item (b) when it is clear that, if

the rates were not adjusted, the employee's weekly earnings would fall when shorter working hours are introduced.

- d. Piecework rates, fixed piecework rates and price lists, production bonus schemes, bonus systems and other pay systems with variable earnings, shall be adjusted so that hourly earnings are increased by the percentage applicable pursuant to item (b) above.

Until agreement is reached concerning adjustment of rates for piecework etc., the supplements shall be paid per hour worked. The parties may also agree that the supplements shall be kept separate from piecework rates etc., and be paid per hour worked.

- e. Standard piecework rates (basis for calculating piecework pay) shall be determined such that piecework earnings rise by the percentage set out in the provisions in item (b) above. Until agreement is reached regarding the determination of standard piecework rates (basis for calculating piecework pay), the old standard rates shall apply for piecework and the supplements paid per hour worked.

When an enterprise, within the scope of an agreement by which the Basic Agreement provides standard piecework rates, has to apply higher figures than the standard piecework rates set out in the Basic Agreement, these figures shall be adjusted only to the extent necessary to bring them up to the standard piecework rates set out in the new agreement.

- f. Subject to agreement between the parties within the scope of individual agreements, it may be agreed that compensation pursuant to items (a - e) above shall be paid in the form of a supplement (in øre) instead of as a percentage.
- g. In situations where reductions in working hours from 40, 39, 38 or 36 hours respectively are made from a lower previous number of working hours, proportionately less compensation will be granted.

### C. General remarks concerning implementation

1. In connection with implementation of the reduction of working hours according to item A above, it is of crucial importance that each enterprise exercises a high level of flexibility with regard to when work is performed, that it maintains appropriate working hours and achieves efficient and effective utilisation of these hours.
2. Before shorter working hours are implemented, negotiations regarding practical considerations shall be conducted at the individual enterprises.
3. All collective agreements shall contain a provision to the effect that working hours are to be observed and utilised effectively. It is the duty of the shop stewards to work to this end. Breaks, washing times etc. shall be reviewed with

the aim of making working hours as effective as possible. If, in the opinion of one of the parties, there is no longer any reason to continue the arrangements, the matter shall be handled in the normal manner in connection with collective agreements.

- 4 Pursuant to Section 46, no. 10 (Section 10-12 (4)), of the Working Environment Act, the parties to a collective agreement are, subject to certain conditions, allowed to reach agreement on a different arrangement of working hours than that described as "standard" pursuant to the Act. If in particular enterprises or industrial sectors there is a special need to maintain current working hours, the parties to the collective agreement may enter into an agreement on this point in accordance with the provisions of §10 of the Working Environment Act.
5. In connection with shorter working hours it may be desirable, for the purposes of the economic utilisation of production equipment, to adopt different ordinary working hours for different groups of employees, within the framework of the Act. Within the working hours' arrangement it may be desirable to have employees take their breaks at different times. It is a condition that any rules governing this are inserted in the individual collective agreements.
6. If the working hours' arrangement results in some work-free weekdays, employees who work on days when they should have had the day off, shall be paid a 50 % overtime supplement. In cases where, under the collective agreement, a 100% overtime supplement is payable for overtime work on Sundays and public holidays, and on the eves of such days, a 100% supplement shall be paid for work performed after 12.00 on Saturdays and after 16.00 on the other weekdays.
7. When there is good reason, the enterprise may be allowed to change days off. In cases where agreement on this does not exist for the industrial sector or enterprise in question, the following shall apply:

Instead of the stipulated day off, a corresponding day off may be granted in the course of the subsequent four weeks.

Notice of change of the day off shall be given no later than the end of working hours two days prior to the day off. At the same time, the enterprise shall inform the employee of the new day that may be taken off.

If the conditions for changing days off are in place, a supplement will not be paid for work performed during ordinary working hours before 12.00 on Saturdays and before 16.00 on the other weekdays.
8. In enterprises where the provisions of Section 46, subsection 9 (Section 10-4 (4)), of the Working Environment Act concerning standby at home apply, shorter weekly working hours alone shall not confer a right to greater compensation in the form of days off than was the practice under the system with an average of 40 working hours per week.

9. When an enterprise wishes to continue, introduce, or expand shift work within the framework of the Working Environment Act, and the collective agreement does not already provide authorisation for this, negotiations concerning shift work rules shall be commenced between the parties during the agreement period.

D. Daytime work.

The organisations centrally recommend that working hours be divided among five days a week unless there is good reason for a different arrangement, and that the shorter working hours be effected by reducing daily working hours by 30 minutes.

Other systems may be introduced, such as:

1. shortening daily working hours by 25 minutes, in cases of a 6-day working week,
2. practising weekly working hours longer than 37.5 hours during some periods, and correspondingly shorter than 37.5 hours during other periods,
3. retaining the present weekly working hours or reducing working hours by less than 2.5 hours a week, and allowing corresponding days off spread throughout the year, or consecutive days off at certain times of the year.

In cases where no rules are contained in the relevant collective agreement, the following shall apply:

If the enterprise and its employees, with assistance from the organisations, as appropriate, fail to agree, daily working hours shall be reduced by 30 minutes on five of the weekdays, or by 25 minutes each day in cases of a 6-day working week.

The enterprise shall discuss with the shop stewards whether working hours shall be reduced at the beginning or end of the day, or both. When choosing between these alternatives, importance should be attached to employees' wishes and the fact that working hours practices at the enterprise should as far as possible be the same for all groups. If, after consultation with the organisations, as appropriate, agreement is not reached, the manner of implementing reduced working hours shall be determined by the enterprise within the framework of the collective agreement.

The aforementioned provisions are not intended to prevent individual industrial sectors from making agreements on how reduced working hours shall be implemented. Nor may they be invoked during union-based negotiations in situations where collective agreements contain precise rules regarding allocation of working hours.

E. Transition to a new shift arrangement.

The parties are agreed that when changing to a new shift arrangement as a result of reduced working hours, the new arrangement will be implemented without making up for time off or working hours pursuant to the earlier shift plan.

F. Maintenance of production, productivity and effective working hours.

It is prerequisite that the parties at individual enterprises make every effort to increase productivity. Wherever possible, reduced working hours should not result in the need for a larger work force.

In connection with reduced working hours, the central organisations have agreed to effect a number of measures with the aim of improving the productivity of the enterprises. Reference is made to the organisations' study of working hours, dated 6 January 1986.

In the Basic Agreement, the NHO and LO have formulated provisions that are intended to facilitate the best possible conditions for cooperation between the enterprise, shop stewards and employees. The central organisations wish to stress how important it is that the parties adhere to these provisions in practice.

In connection with reduced working hours, and with the aim of reducing financial concerns, the central organisations wish to point out that cooperation must take place at individual enterprises on measures to increase efficiency, reduce production costs and improve competitiveness.

The central organisations wish to refer to cooperation that has taken place in connection with previous reductions in working hours. Such cooperation has brought about positive results and has been of great importance in ensuring competitiveness and creating secure jobs.

In the case of the new reduction in working hours, the central organisations once again urge the parties to discuss how working hours shall be utilised. The parties should consider whether working hours are employed effectively in all respects, and implement measures necessary to achieve this. Moreover, the parties shall make effort to consider the introduction of technological innovations that can improve production and help enhance the working environment. New efficiency-enhancing measures must comply with the requirements of a good working environment. Job satisfaction and safety are two key factors when considering the issue of effective utilisation of working hours.

G. Considerations regarding Section 46 (Section 10-4) of the Norwegian Working Environment Act

1. Section 46, subsection 3 (Section 10-4):

- a. The term "work on continuous shifts round the clock" is understood to mean work that is conducted 24 hours a day, but which ceases on Sundays and public holidays.

During normal weeks, work can be performed between 22.00 on Sundays to 18.00 on Saturdays, i.e., an operational period of 140 hours.

- b. The term "comparable rotas" is understood to mean a system of working hours that results in the same, or almost the same, inconvenience for employees as continuous shifts round the clock, as will normally be the case when an employee works for more than five hours a night, even if the number of hours worked by an individual employee during the night may be somewhat less than if operations continued round the clock.
- c. In this provision, the expression "Sundays and public holidays" is understood to mean "Sundays and/or public holidays". This means that for work on two shifts and comparable work on rotas that is normally practised on movable holidays, but not necessarily on Sundays, ordinary working hours shall be no more than 35.5 hours a week.

For work to be regarded as work on Sundays and/or public holidays, the employee concerned must either have worked at least four hours into the 24-hour period that pursuant to the law shall be a day of rest, i.e. all four hours between 18.00 and 22.00, or after 22.00. In the case of the latter, without any requirement regarding a minimum length of time.

- d. Movable public holidays shall be counted as Sundays for the purpose of interpreting the expression "every third Sunday". This means that an employee who does not work on Sundays as often as every third Sunday, may nevertheless have a 35.5-hour week if he or she also works on movable public holidays to the extent that this will amount to at least every third Sunday and public holiday.
- e. The term "work that is performed mainly at night" is understood to mean that employees will come under this provision if three-quarters of their working hours, but not less than 6 hours under the prevailing working hours arrangement, occur during the night (During the period from 21.00 to 06.00).

2. Section 46, subsection 4 (Section 10-4):

- a. The term "wholly continuous shifts" is understood to mean work that continues for 24 hours a day without normal cessation on Sundays and public holidays.

The extent to which work on rotas can be said to be comparable with wholly continuous shifts, depends on whether the ordinary working hours for individual employees, according to the adopted work plan, are allocated at different times during the 24 hours, so that working hours

for the employee in question include, as a general rule, at least 539 hours of night work per year, and at least 231 hours of Sunday work per year.

In this connection, the term “night work” refers to work carried out between 22.00 and 06.00 (night shift period). “Sunday” refers to the hours between 22.00 on Saturday to 22.00 on Sunday (weekend shift period).

If the working hours arrangement applies for a period shorter than one year, the number of hours required for night work and Sunday work must be adjusted accordingly.

Work for a period of less than four weeks is not counted as rota work for the purposes of this provision.

#### H. Transitional arrangements.

The existing shift, rota and other working hours arrangements may be continued during a transitional period until 1 July 1987.

Moreover, the parties to the collective agreement may agree on a further postponement of the reduced working hours provisions for a given industrial sector or enterprise, but not for longer than until 1 October 1987.

During the weeks for which a transitional arrangement applies, the number of hours by which hours worked on average per week under the shift, rota or other system exceeds the new working hours' provisions, shall be counted as overtime. Until 1 July 1987, 50% overtime shall be paid for the hours whereby working hours according to the average worked per week under the shift, rota or other system, exceeds the new working hours' provisions.

If the individual parties to the collective agreement have agreed to extend the transitional period beyond 1 July 1987 until 1 October 1987, the pay supplement during this period shall be 75%.

Compensation for reduced working hours shall be paid in addition to payments for the excess number of hours.

## **APPENDIX 6      Holidays, etc.**

Appendix to the agreement of 2018-2020

### **Introduction**

One of the parties' principal tasks is to improve the competitiveness of the enterprises. When introducing more leisure time, it is thus a key prerequisite that the enterprises be allowed the opportunity to compensate for resultant competitive disadvantages by means of greater flexibility. Employees for their part will have different needs for differentiated working hours systems, depending on their different phases in life, work and home situations, etc. Greater flexibility, combined with a fifth holiday week, should contribute towards less sickness absence and greater productivity.

#### **A. Flexibility**

The following provisions shall be inserted in all agreements:

- a) "An individual company's working hours and remuneration scheme operating outside the provisions of this agreement may be introduced in the form of a trial arrangement, provided that the parties have agreed on this at local level. Such systems must be submitted to the union and the national association for approval."
- b) "Average working hours may be calculated in accordance with the rules set out in Section 47 (Section 10-5) of the Working Environment Act. The parties to the collective wage agreement may contribute towards the establishment of such agreements."
- c) "Individual needs for differentiated working hours' arrangements, leisure time, etc., may exist. Such arrangements may be agreed upon with the individual employee or shop steward, for example in the form of calculated average working hours or a working hours account system. Agreements made with the shop stewards will take precedence over individual agreements."

#### **B. Collective Agreement Holiday Rules**

1. The extended holiday of 5 working days (ref. Section 15 of the Norwegian Holidays Act) is advanced by introducing the remaining part as a collectively agreed arrangement included as an appendix to all collective agreements.

Extra holiday of 6 working days for employees over 60 years of age is retained (ref. Section 5, subsections 1 and 2 of the Holidays Act).

Employees may claim 5 working days off during each calendar year (ref. Section 5, subsection 4, of the Holidays Act). If this agreement-stipulated holiday is divided up, an employee may claim only as many days off as he/she would normally work in the course of a week.

If the authorities decide to implement the remaining part of the fifth holiday week, these days shall be deducted from the collectively agreed arrangement.

2. The remaining part of the fifth holiday week shall be phased in by taking two days in 2001 and the others in 2002.

Holiday pay shall be calculated pursuant to the provisions of Section 10 of the Holidays Act.

When the fifth holiday week is implemented, the ordinary percentage for holiday pay shall be 12% of the basis for holiday pay (ref. Section 10, subsections 2 and 3 of the Holidays Act).

The increase is implemented by altering the percentage for the holiday-earning years as follows:

2000 will be set at 11.1%  
2001 will be set at 12.0%

If the authorities decide to increase the number of holiday days stipulated in the Holidays Act, it is the parties' intention that the above figures shall apply as holiday pay for the corresponding periods.

3. The employer determines the time at which the collectively agreed holiday shall be taken after discussing this with the shop steward or the individual employee. This shall be done at the same time as determining the individual employee's ordinary holiday.

The employee is entitled to be notified of the time of the collectively agreed portion of the holiday as early as possible, and not later than two months before the holiday is to be taken, unless special circumstances prevent this.

4. The employee is entitled to time off for holiday pursuant to this provision, regardless of whether he/she has earned holiday pay.

If the enterprise shuts down wholly or in part in connection with holidays, all employees affected by the shutdown may be required to take holiday for that same length of time regardless of their earned holiday pay.

5. An employee is entitled to claim that the total collectively agreed portion of the holiday be taken within the holiday year (ref. Section 7, subsection 2, of the Holidays Act), so that he/she has one full week's holiday. The central organisations urge the parties to determine the collectively agreed holiday so that productivity demands are met as effectively as possible, for example in connection with Ascension Day, Easter, Christmas and New Year holidays.
6. By written agreement between the enterprise and the individual employee, all or part of the collectively agreed part of the holiday may be transferred to the succeeding holiday year.
7. For shift workers, the collectively agreed holiday shall be adjusted at local level so that, after full implementation, it constitutes 4 worked shifts.

**Notes:**

1. In collective agreements where holiday as stipulated in Section 15 of the Holidays Act has already been introduced, the number of days shall not be increased following the introduction of the collectively agreed holiday. The initiation and practical implementation of the collectively agreed holiday for relevant areas shall be subject to further agreement between the parties.
2. For the offshore agreements (Nos. 129, 125 and 123), the holiday results in a reduction of 7.5 hours per holiday day. The parties agree that the holiday shall be taken as part of the off-duty period during the holiday year.

## **Appendix 7: Educational requirements, clause 1-4 to clause 1-7 in the 2012-2014 agreement**

Appendix to the agreement 2018 - 2020

### **1-4 The term “Engineer”**

In this Agreement the term “Engineer” refers to employees who have a qualification following two to three-years’ attendance at a Norwegian technical college (Engineering College/University College), or a qualification following two years’ attendance at a Norwegian technical college before 1961 (or at colleges of equivalent standard).

If an employee has obtained equivalent qualifications, his or her application for membership shall in the first instance be considered by NITO. If, in a specific case, an enterprise decides nevertheless not to accept the person in question as an engineer, the matter will be decided by the organisations. Guidelines may be drawn up jointly by the organisations if this is deemed to be practical.

### **1-5 The term “Technician”**

In this Agreement the term “Technician” refers to an employee who has a qualification following two years’ attendance at a Norwegian technical college as defined in Government White Paper no. 62 (1965/66), and who is employed in a post that requires a technical qualification.

### **1-6 Combined qualifications in engineering and economics**

Following changes to education systems, the Agreement also recognises, as a minimum requirement, combined educational qualifications in engineering and economics at the same level, cf. clauses 1-4 and 1-5 above.

### **1-7 Assessment of qualifications**

If a person with an equivalent qualification, cf. clause 1-4 (first paragraph), applies for membership in NITO, the issue can be taken up with the enterprise as to whether the Agreement applies to the person in question, assuming that he or she can demonstrate that he or she has obtained equivalent theoretical knowledge.