

Collective Framework Agreement on Agency Work

Between

**Interessenverband Deutscher Zeitarbeitsunternehmen (iGZ e.V.)
(German Association of Temporary Work Agencies)**

PortAL 10, Albersloher Weg 10, 48155 Münster

and the

**undersigned member unions of the Confederation of German Trade Unions
(DGB)**

Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE)
[Mining, chemical industry, energy],
Königsworther Platz 6, 30167 Hannover

Gewerkschaft Nahrung - Genuss - Gaststätten (NGG) [Food and catering],
Haubachstraße 76, 22765 Hamburg

Industriegewerkschaft Metall (IG Metall) [Metalworkers],
Wilhelm-Leuschner-Str. 79, 60329 Frankfurt am Main

Gewerkschaft Erziehung und Wissenschaft (GEW) [Education and science],
Reifenberger Straße 21, 60489 Frankfurt am Main

Vereinte Dienstleistungsgewerkschaft (ver.di) [Services],
Paul-Thiede-Ufer 10, 10785 Berlin

Industriegewerkschaft Bauen – Agrar – Umwelt (IG BAU)
[Construction, agriculture and environment],
Olof-Palme-Straße 19, 60439 Frankfurt am Main

Eisenbahn- und Verkehrsgewerkschaft (EVG) [Railway and transport],
Weilburger Straße 24, 60439 Frankfurt am Main

Gewerkschaft der Polizei (GdP) [Police],
Stromstraße 4, 10555 Berlin

the following **Collective Framework Agreement** on Agency Work is hereby concluded:

Collective Framework Agreement on Agency Work

Section 1

Scope

This Collective Agreement shall apply

- geographically to the territory of the Federal Republic of Germany,
- technically to all ordinary members of Interessenverband Deutscher Zeitarbeitsunternehmen (iGZ e.V.),
- personally to all employees who are assigned to client businesses within the scope of temporary-employment agency work and are members of one of the unions which are Parties to this Agreement.

This Collective Agreement shall not apply to temporary work agencies or -parts thereof which form an affiliated group within the meaning of Section 18 of the German Stock Corporation Act (*Aktiengesetz*) with the client business if

- a) to a considerable extent, the temporary work agency takes over employees who were employed by the client business previously, and
- b) the employees concerned are assigned to their original position or a comparable position at the client business, and
- c) as a result, any existing collective pay agreements effective at the client business are circumvented to the disadvantage of the employees concerned.

The masculine word "Arbeitnehmer" (employee) in the German version of this Agreement shall include female and male employees. It is used for convenience only; so is the masculine pronoun "he" referring to an employee in the English version of this Agreement.

Collective Framework Agreement on Agency Work

Section 2

Commencement and End of the Employment

2.1. Contract of Employment and Age Limit

The employer shall conclude a written contract of employment with the employee. If the employee does not appear at the workplace on the first working day and does not immediately inform the employer of his inability to work on the first working day, the employment shall be deemed not to have come into existence.

The employment shall end at the end of the calendar month in which the employee may first claim the full regular old-age pension according to the provisions of the statutory pension insurance, or would be able to claim such pension if he were insured by the statutory pension insurance.

2.2. Probationary Period and Periods of Notice

The first six months of the employment shall be considered as probationary period.

In the first four weeks of the probationary period, the employment may be terminated with 2 working days' notice. From the fifth week till the end of the second month, the notice period shall be 1 week; from the third month till the sixth month of the employment, it shall be 2 weeks.

From the seventh month of the employment onwards, the statutory notice periods shall apply. Said statutory notice periods shall apply to both parties.

The probationary period and the notice periods shall apply to temporary employments likewise.

Section 3

Working Time

3.1. Working Time

3.1.1. The individual regular monthly working time shall be 151,67 hours for full-time employees. This corresponds to an average weekly working time of 35 hours.

A part-time employment shall exist if the employee's contractually agreed working time is shorter than the working time of a full-time employee under the Collective Agreements. Part-time employees shall, in connection with their contracts of employ-

Collective Framework Agreement on Agency Work

ment, have the same rights and obligations under the Collective Agreements as full-time employees unless otherwise stipulated in the Collective Agreements.

3.1.2. The individual regular monthly working time per month shall depend on the number of working days.

In months with

- 20 working days, the monthly working time shall be 140 hours
- 21 working days, the monthly working time shall be 147 hours
- 22 working days, the monthly working time shall be 154 hours
- 23 working days, the monthly working time shall be 161 hours.

In the case of part-time employments, the regular working time per month shall be calculated on a pro-rata basis.

3.1.3. The monthly working time shall be adjusted to that of the hirer. The beginning and end of the daily working hours, including the breaks, and the distribution of the working time to the individual days of the week shall depend on the regulations applicable at the hirer's business and on the requirements of the hirer.

3.1.4. If continuous shift work including Saturdays and Sundays or a comparable other shift model of the hirer is used, the working time / extra payment model of the hirer shall only apply to the employee if he runs through a full cycle. If he does not run through a full cycle, the average monthly working time shall be used for calculating the hours worked for the period concerned.

3.1.5. On Christmas Eve and New Year's Eve, the working time shall end on 2 p.m. To any work after said time, the extra payment regulations for public holidays shall apply. Independently of the provisions of Section 3.2.3., both days may be paid for as days off via the working time account or the leave account.

3.2. Working Time Account

3.2.1. For each employee, a working time account shall be kept. Those hours for which payment is made in addition to the regular working time per month shall be entered into said account. Likewise, debit hours may be entered into said account.

3.2.2. Hours may only be entered into the working time account as long as the maximum limits of 150 credit hours or 21 debit hours are not exceeded. In the case of part-time employments, the upper limit for credit hours on the working time accounts shall be adjusted to the working time agreed in each contract of employment.

3.2.3. As a rule, the hours which have accrued to the working time account shall be compensated by time off (*cf. Note 8*). In this context, the employer and the employee

Collective Framework Agreement on Agency Work

may freely dispose of a time credit equivalent to two working days in each calendar month. Any disposition by the employer may not lead to a time debit of the employee.

The granting of time off shall be requested from the employer by the employee no later than 2 working days prior to its commencement and may only be refused for urgent operational reasons. In such case, the employer shall follow the request for time off within 4 weeks. Any release from work claimed by the employee in order to reduce the credit hours on the working time account shall not be interrupted by a different assignment. If any invalidity occurs during any compensatory time off which is claimed, the times concerned shall be entered into the working time account again.

Furthermore, compensatory time off shall be determined according to the employee's request by agreement with the employer, with the interest of the company being taken into account. The compensatory time off shall be requested by the employee and shall require the employer's consent.

3.2.4. When the employer leaves the company, any time credit will be paid out, and any time debit will be set against the employee's claims for payment or shall be repaid. The employee shall also be granted the option to settle any time debit in the form of work.

3.2.5. After a termination has been declared, the employer may release the employee from work, with the payment of the employee's wages being continued and any leave entitlements and credit hours on the working time account being taken into account. In case of a termination for operational reasons, a release from work for reducing the credit hours on the working time account shall only be possible with the employee's consent.

3.2.6. The allowances and payments shall be paid out together with the payment for the month in which they accrue and shall not be entered into the working time account. The payment for the hours on the working time accounts shall always be made only in the amount of the entry level under the Collective Agreements, without taking into account any industry-specific extra payments or any other allowances or extra payments.

3.2.7. On the employee's request, a payment shall be made for hours on the working time account which exceed 105 credit hours. For part-time employees, the number of credit hours shall be determined on a pro-rata basis according to the working time agreed in the contract of employment.

Section 4

Extra Payments

Collective Framework Agreement on Agency Work

4.1. Overtime

4.1.1. Overtime shall be the working time exceeding the regular monthly working time.

4.1.2. Extra payments for overtime shall be made for times exceeding

- 160 hours worked in months with 20 working days
- 168 hours worked in months with 21 working days
- 176 hours worked in months with 22 working days
- 23 hours worked in months with 184 working days.

The extra payment for overtime shall be 25 per cent.

Said rules shall apply to part-time employees likewise.

4.2. Night Work

Extra payments for night work shall be made for work in the time from 11 p.m. to 6 a.m., provided that more than 2 hours are worked during such night time. The extra payment for night work shall be 25 per cent.

For regular night work (permanent night shift), an extra payment of 20 per cent shall be made.

For work which, according to its nature, must typically be performed at night (e.g. guarding), no extra payments will be made.

4.3. Sunday Work

The extra payment for Sunday work shall be 50 per cent insofar as the work on Sundays is not within the regular working time (*cf. Note 7*).

4.4. Holiday Work

The extra payment for holiday work shall be 100 per cent insofar as the work on public holidays is not within the regular working time (*cf. Note 7*).

The statutory regulations on public holidays for the location concerned shall apply.

4.5. Other Stipulations on Extra Payments

Collective Framework Agreement on Agency Work

4.5.1. If more than one extra payment applies to the same working time, only the higher extra payment will be made.

4.5.2. The calculation of the extra payment on a percentage basis relates to the payment according to the current pay group and level under Section 2 of the Collective Pay Agreement. Said extra payment calculation does not relate to the assignment-related allowance nor to any allowances in addition to those under the Collective Agreements.

Collective Framework Agreement on Agency Work

4.5.3. In deviation from Sections 4.1. to 4.4. the following extra payments are hereby agreed for work in the medical sector:

- Night work 15 per cent
- Sunday work 25 per cent
- Holiday work 35 per cent
- Saturday work in the time
from 1 to 11 p.m. 7.5 Per cent.

4.5.4. In deviation from Sections 4.1. to 4.4. for work in the catering trade, the extra payments for night, Sunday and holiday work shall be governed by the relevant extra payment regulations of the hirer's business.

Section 5

Release from Work

5.1. Unless otherwise stipulated in this Agreement, the principle that payments will be made only for work performed shall apply.

5.2. In direct connection with the events listed below, the employee shall be granted a paid release from work without that time counting as leave:

- a. in case of the employee's own marriage or registration of a civil partnership 1 day
- b. in the case of his wife giving birth 1 day
- c. in case of the death of the spouse or partner in a civil partnership who lives in a common household with the employee 2 days
- d. in case of the death of a parent or child 1 day
- e. in case of a move on the employer's request 1 day
- f. in case of the fulfilment of legal obligations resulting from public honorary positions, for the duration of the necessary absence from work. If claims for compensation exists, the claim for the pay shall cease to exist in the amount of such claims.

Collective Framework Agreement on Agency Work

The regulations contained in Items b), c) and d) shall apply, mutatis mutandis, to employees living in cohabitation.

The claims for release under Items a) to d) shall exist after 6 months of employment at the company.

Paid release shall be granted upon prior written request and shall be proved by the employee by means of documents. The proof shall be provided within no more than two weeks after the event.

With the above payments, all events under Art. 616 of the German Civil Code (BGB) shall be compensated for.

Section 6

Leave

6.1. Granting of Leave

The granting of leave shall be governed by the provisions of the Federal Leave Act. The dates of a leave may only be fixed by agreement with the employer in each case.

6.2. Leave Entitlement

6.2.1. The employee's leave entitlement shall increase with the length of the period of his employment at the company.

Depending on the period of uninterrupted employment, the employee shall be granted (*cf. Note 5;6*)

- an annual leave of 24 working days in the first year,
- an annual leave of 25 working days in the second year,
- an annual leave of 26 working days in the third year,
- an annual leave of 28 working days in the fourth year,
- an annual leave of 30 working days from the fifth year.

If the employee leaves the company during the first six months of the employment, the employee's leave entitlement shall be governed by the Federal Leave Act.

6.2.2. For part-time employees, the annual leave shall be calculated on a pro-rata basis.

Collective Framework Agreement on Agency Work

6.2.3. If the employee leaves the company in the course of a calendar year or joins the company in the course of a calendar year, he shall, for each full month of employment, be granted a twelfth of the annual leave to which he is entitled.

6.2.4. The leave entitlement shall expire after the end of the calendar year unless the leave has been claimed unsuccessfully before or could not be taken for operational reasons or due to illness. In the above cases, the remaining leave entitlement shall be transferred to the following year. If said remaining leave entitlement is not claimed by the employee by 31 March of the following year, the claim shall expire on said date.

If leave cannot be taken due to a long period of invalidity, not even by 31 March of the following year, the entitlement shall expire.

Section 6a

Pay during a Leave and Continued Payment of Wages in the Case of Illness

For the calculation of the continued payment of wages in the case of illness and of the pay during a leave, the average pay for work and the average working time in the last three months for which a payment was made (reference period) before the commencement of the invalidity or leave shall be used as a basis for the amount of the continued payment for each day for which a payment shall be made under the provisions of the law or the Collective Agreements. The following shall apply to the calculation:

a) The average pay for work during the reference period shall be calculated on the basis of the individual regular working time. The pay for work shall include the components of the pay under Section 2 of the iGZ Collective Pay Agreement as well as any other allowances and extra payments (excluding extra payments for overtime) under the provisions of the Federal Leave Act.

b) In addition, the average allowances and extra payments (excluding extra payments for overtime) accrued in the reference period on the basis of the actual working time exceeding the individual regular working time shall be taken into account.

c) To the hours to be taken into account for the working time account, the average working time in the reference period calculated according to Item b) shall apply (cf. Section 3.2.1.).

Collective Framework Agreement on Agency Work

If, during the reference period, reductions of the pay have occurred due to short-time work, days of illness for which no claim for the continued payment of wages exists due to the six-week period, absence from work through no fault of the employee, or periods in which the employment is suspended, such reductions shall not be taken into account for the calculation.

Any existing company agreements which are more favourable for the employee shall remain unaffected.

The calculation examples contained in the Note shall form integral parts of this Collective Agreement.¹

¹Note on Section 6a:

The Parties to the Collective Agreement agree on the following calculation examples:

Example 1 (based on the individual regular monthly working time):

In the last three months for which a payment was made (65 days) before the invalidity, the employee earned an hourly pay of 10.22 euro (pay group 3 until 31/12/2013). On 30 days of 7 working hours, he worked with an industry-specific extra payment of 1.53 € (industry-specific extra payment of the metal and electrical industry under the Collective Agreements) applying. He then returned to a previous assignment in the chemical industry, during which he worked on 35 days of 8 hours with an industry-specific extra payment of 1.02 € (industry-specific extra payment of the chemical industry under the Collective Agreements) applying.

This results in the following calculation of the pay during a leave and the continued payment of wages in the case of illness:

a) $151.67 \times 3 \times 10.22 \text{ €} = 4650.20 \text{ €}$ (basic pay under the Collective Agreements, excluding extra payments, on the basis of the individual regular monthly working time in the reference period)

b) $30 \text{ days} \times 7 \text{ hours} \times 1.53 \text{ €} = 321.30 \text{ €}$ (allowances / extra payments based on the actual working time)

+ $35 \text{ days} \times 8 \text{ hours} \times 1.02 \text{ €} = 285.60 \text{ €}$
= 606.90 €

c) $4650.20 \text{ €} + 606.90 \text{ €} = 5257.10 \text{ €}$

d) $5257.10 \text{ €} / 65 \text{ days} = 80.88 \text{ €} / \text{day}$

For each day of leave/illness, 80.88 € will be paid.

e) $30 \text{ days} \times 7 \text{ hours} + 35 \text{ days} \times 8 \text{ hours} = 7.54 \text{ hours}$
65 days

For each day of leave/illness, 7.54 hours will be taken into account for the timekeeping.

Example 2 (based on the individual regular monthly working time):

The Employee earned an hourly pay of 10.22 euro (pay group 3 until 31/12/2013) and an allowance exceeding the standard pay which amounts to 1.78 euro so that he earned a total pay per hour amounting to 12 euro. In the last three months for which a payment was made (65 days) before the invalidity, we worked for 7.5 hours per day on average.

This results in the following calculation of the pay during a leave and the continued payment of wages in the case of illness:

a) $65 \text{ days} \times 7 \text{ hours} \times 10.22 \text{ euro} = 4650.10 \text{ euro}$ (basic pay under the Collective Agreements, excluding extra payments, on the basis of the individual regular monthly working time in the reference period)

Collective Framework Agreement on Agency Work

The continued payment of wages during measures for medical prevention or rehabilitation shall be governed by the provisions of the Act on the Continued Payment of Wages.

Section 7

Bridging Days, Company Holidays

7.1. In order to give employees more consecutive days off in connection with public holidays and weekends (so-called bridging days), days on which no work is carried out before or following public holidays may be determined.

7.2. Company holidays may be ordered for an uninterrupted period, which shall be no more than 14 calendar days. The necessary time may be deducted from the working time account or from the days of the annual leave. Only for this purpose, up to 50 debit hours may be accumulated on the working time account.

With regard to the time of the company holidays, the employees' wishes shall be taken into account if possible..

b) $65 \text{ days} \times 7.5 \text{ hours} \times 1.78 \text{ euro} = 867.75 \text{ euro}$ (allowances / extra payments based on the actual working time)

c) $4650.10 \text{ euro} + 867.75 \text{ euro}$ (addition of the results from a) and b)) = 5517.85 euro

d) $5517.85 \text{ euro} / 65 \text{ days} = 84.89 \text{ euro/day}$

For each day of leave/illness, 84.89 euro will be paid.

For each day of leave/illness, 7,5 hours will be taken into account for the timekeeping.

Collective Framework Agreement on Agency Work

Section 8

Special Annual Payments

After the sixth month of uninterrupted employment (*cf. Notes 5;6*), the Employee shall be entitled to special annual payments taking the form of holiday and Christmas bonuses. The holiday bonus shall be paid together with the pay for the month of June of each year; the Christmas bonus shall be paid together with the pay for the month of November of each year.

The holiday and Christmas bonuses shall increase with the length of the period of the employment at the company, calculated for the due dates of 30 June and 30 November.

Depending on the period of uninterrupted employment, the holiday and Christmas bonuses shall each amount to (*cf. Notes 5;6*)

- 150 euro (gross) after the sixth month,
- 200 euro (gross) in the third and the fourth year,
- 300 euro (gross) from the fifth year.

A prerequisite for the entitlement to the special payments shall be the existence of an ongoing employment at the time of payment.

Part-time employees shall receive the special payments on a pro-rata basis according to their agreed regular monthly working time.

Employees who leave the employer's company by 31 March of the following year shall be obliged to repay the Christmas bonus. This shall not apply in case of a termination by the employer for operational reasons.

Section 9

Arbitration Board for Collective Agreement Matters

9.1. In the case of disputes between the employer and the employee concerning the performance or application of this Collective Agreement, the parties to the Collective Agreement shall be consulted. The disputed matter shall be communicated in writing. If even with the help of the parties to the Collective Agreement, the dispute cannot be settled within 6 weeks from the time of the communication, recourse may be taken to legal action.

9.2. In case of disputes between the employer and the employee concerning the construal of provisions of this Collective Agreement, the above stipulations shall

Collective Framework Agreement on Agency Work

apply mutatis mutandis. If the parties to the Collective Agreement agree that the dispute is of fundamental significance, or if an agreement on it cannot be reached, the arbitration board shall decide about the dispute, with recourse to the labour courts being excluded. In all other cases, recourse may be taken to legal action.

The arbitration board shall be composed equally of two assessors per party, or three at most. The employer's assessor shall be nominated by iGZ and the employee's assessors by the DGB member unions, each on a case-by-case basis.

9.3. The arbitration board shall convene within one month from the determination under Section 9.2, Sentence 2.

If a majority decision is not taken by the arbitration board, an impartial chairman shall be consulted.

After the chairman has been nominated, the arbitration board shall convene within one month at the latest.

The decisions of the arbitration board on the construal of this Collective Agreement shall be binding in legal disputes between the parties bound by collective agreement.

Section 10

Term of Limitation

Any claims arising from the employment shall be forfeited if they are not asserted against the other Party in writing within a term of limitation of three months after their due date.

If the other party rejects the claims in writing, the claims shall be enforced at court within a further term of limitation of three months after the receipt of the written rejection.

Any claims which are not asserted within the above periods shall be excluded.

Section 11

Due Date of Claims for Payment

Collective Framework Agreement on Agency Work

The employees shall receive a monthly pay based on the individual regular monthly working time or the regular working time per month, which shall become due no later than the 15th bank working day of the month following the month for which it is paid. On the Employee's request, an advance payment of up to 80% of the net pay to be expected shall be paid, upon prior announcement in good time in advance, at the end of the month for which the payment is made. Any advance payments which have already been made shall be taken into account. If the employment commences after the 20th day of the month for which the payment is made, no claim for an advance payment shall exist; the same shall apply to the month in which the employee leaves the company. Said provision on advance payments shall apply from 01/07/2014.

Section 12

Strike Clause

To the extent of a strike call by a DGB member union that is Party to this Collective Framework Agreement on Agency Work, employees will not be assigned to businesses, or parts of businesses, in which strikes are taking place in a proper manner. This shall also apply to employees who were already assigned to such a business before the commencement of the industrial action. The parties in the industrial action may make deviating agreements in individual cases (e.g. agreements on emergency service). The provisions of Art. 11.5 of the German Temporary Employment Act (AÜG) shall remain unaffected.

Collective Framework Agreement on Agency Work

Section 13

Effective Date and Termination

This Agreement shall enter into effect on 1 January 2004 for all members of the Parties who are bound by collective agreement.

The changes according to the negotiation result achieved on 17/09/2013 shall enter into effect on 1 November 2013 for all members of the Parties who are bound by collective agreement.

This Agreement may be terminated with six months' notice as of the end of each month, but as of 31 December 2016 at the earliest.

Section 14

Severability

Should individual provisions of this Agreement be or become ineffective, regardless of the cause, the validity of the other provisions of this Agreement shall remain unaffected. The ineffective provision shall be replaced by the adequate provision which comes closest to what the Parties intended in view of the purpose of this Agreement.

Notes

1. This Collective Agreement shall not be binding upon passive members of iGZ.
2. The terms "*Beschäftigungsverhältnis*" and "*Arbeitsverhältnis*" in the German version of this Agreement shall be construed to have the same meaning (which is "employment (relationship)").
3. By mutual agreement, additions may be made at any time.
4. The work's council's right of co-determination shall not be restricted by the provisions of Section 3.2.3, Section 6 and Section 7.
5. Transitional arrangement due to the new introduction of this Collective Agreement: The period of the uninterrupted employment shall be calculated from 01/01/2002.
6. For the calculation of the period of the uninterrupted employment, times during which the employment is suspended shall be disregarded. Exceptions shall be occupational diseases and accidents at work for periods of up to 12 months after the end of the sick pay period. Even if the employment is suspended, the annual special

Collective Framework Agreement on Agency Work

payments under Section 8 shall be made on a pro-rata basis for the times in which the employee received a pay which was subject to social security contributions. Sentence 2 shall apply mutatis mutandis.

7. The extra payments for work on Sundays and public holidays shall, insofar as they are within the regular working time, be governed by the extra payment regulations of the hirer's business; see also Section 3.1.4.

8. On the Employee's request and with the Employer's consent, an individual regulation on a payment for credit hours up to a maximum of 20 hours per month may be agreed.

Berlin, 17 September 2013

For

Interessenverband Deutscher Zeitarbeitsunternehmen (iGZ e.V.)

PortAL 10, Albersloher Weg 10, 48155 Münster

Member unions of DGB

Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE)
Königsworther Platz 6, 30167 Hannover

Gewerkschaft Nahrung - Genuss - Gaststätten (NGG)
Haubachstraße 76, 22765 Hamburg

Industriegewerkschaft Metall (IG Metall)

Collective Framework Agreement on Agency Work

Wilhelm-Leuschner-Straße 79, 60329 Frankfurt am Main

**Gewerkschaft Erziehung und Wissenschaft (GEW)
Reifenberger Straße 21, 60489 Frankfurt am Main**

**Vereinte Dienstleistungsgewerkschaft (ver.di)
Paula-Thiede-Ufer 10, 10179 Berlin**

**Industriegewerkschaft Bauen – Agrar – Umwelt (IG Bau)
Olof-Palme-Straße 19, 60439 Frankfurt am Main**

**Eisenbahn- und Verkehrsgewerkschaft (EVG)
Weilburger Straße 24, 60439 Frankfurt am Main**

**Gewerkschaft der Polizei (GdP)
Stromstraße 4, 10555 Berlin**