

FEDERATION OF PROFESSIONAL AND MANAGERIAL STAFF (YTN)

The employer and upper white-collar employee (hereinafter “the Employee”) indicated below have agreed on the following terms of employment. In addition, the parties agree to observe the provisions of a possible collective agreement.

EMPLOYER

EMPLOYEE

Name	Name
Address	Address
Business ID	Personal ID

1. EMPLOYMENT RELATIONSHIP

The start date of the employment is _____

The employment relationship is valid indefinitely.

The employment relationship is of a fixed term and valid until _____

The employment relationship is valid until the assignment indicated below has been completed.

The grounds for the fixed-term employment are

2. WORKPLACE AND JOB TITLE

Place of work

Job title

Tasks

3. PERIOD OF NOTICE

The employer and Employee’s periods of notice are regulated by the Employment Contracts Act.

The employer and Employee’s periods of notice are determined according to the collective agreement

The separately agreed periods of notice are

_____ months when the notice is given by the employer.

_____ months when the notice is given by the Employee.

4. WAGES

Salary in money at the start of the employment

_____ € / month

or

_____ € / hour

Fringe benefits in addition to salary in money

- Phone
- Company car, free Company car, limited benefit
- Meal benefit
- Company flat
- _____

Wages are adjusted annually, accounting for the industry's general wage development, the difficulty of the job or tasks and the Employee's performance in his/her work.

The bank account payment is paid _____

The payday is the _____ of _____.

Bonus

Assessed on the basis of

Date of payment

If the employment relationship ends, the bonus is paid on the basis of the employment relationship's duration in relation to the bonus period (pro rata temporis).

5. WORKING HOURS

Regular working hours

- 7,5 h/day and 37,5 h/week (Mon-Fri)
- 8 h/day and 40 h/week (Mon-Fri)
- Flexible working hours
- Part-time work entails at least _____ h/week and working days _____

Remuneration paid for any time exceeding the specified working hours:

- To be paid in money or as free time according to the Working Hours Act.
- To be paid as a separate compensation in the amount of € _____ per month. The amount of realised additional work and overtime is reviewed every six (6) months and the amount of the separate remuneration is specified accordingly.

6. ANNUAL HOLIDAY

The length of the annual holiday is determined according to the Annual Holidays Act.

In addition to holiday accrual pursuant to the Annual Holidays Act, the Employee is granted an extra paid holiday of _____ days to be taken during the first year/first two years of the employment relationship.

The holiday bonus to be paid in connection with the holiday pay is equal to 50 per cent of the holiday pay, fringe benefits included. The holiday bonus is also paid in terms of the holiday compensation.

7. SICK PAY

Sick pay is paid:

- According to the Employment Contracts Act (1+9 days)
- In accordance with the collective agreement
- For three months
- On the basis of the employment relationship's duration so that when the employment relationship has continued without interruptions
 - for less than 1 year, for 4 weeks.
 - for 1 year, but less than 5 years, for 5 weeks.
 - for 5 years or longer, for 3 months.
- In accordance with some other practice as follows:

8. TRAINING

The employer provides the Employee with the orientation, supplementary, further and re-training necessary with regard to the Employee's work.
The parties have furthermore agreed as follows:

9. TRAVEL EXPENSES AND TRAVEL TIME

The compensation for travel expenses is determined:

- According to the maximum amounts exempt from taxes pursuant to the decision of the Tax Administration.
- According to the collective agreement.
- As follows _____

Work-related travel outside regular working hours is subject to

- A fixed compensation of € _____ per month
- Simple hourly wages according to the "hour-for-hour" principle or as a corresponding amount of free time.
- A compensation according to the following:

10. INTELLECTUAL PROPERTY RIGHTS

COPYRIGHT

The copyright to the Employee's copyright-protected works born as a result of his/her work for the employer remains with the Employee. The employer has a right of use to the aforementioned work within the extent required by its normal activities for as long as this contract is valid.

The transfer of the copyright following the termination of this agreement is subject to a separate agreement.

INVENTIONS

The employer's rights to an invention made the Employee is determined in accordance with what is provided in legislation on inventions made by an Employee.

11. COLLECTIVE AGREEMENT

- Contract of employment applies the collective agreement between the Federation of Professional and Managerial Staff (YTN) and _____ (employers' organization) in the _____ sector.
- Contract of employment applies the contract or collective agreement between (employees' organization) and _____ (employers' organization) in the _____ sector.

12. OTHER TERMS OF EMPLOYMENT

- For a period of maternity leave, the Employee receives a full salary for three (3) months.
- For a period of paternity leave, the Employee receives a full salary for _____ days.
- Regarding any period of temporary child-care leave, the Employee is entitled to full pay for a maximum of four (4) days.
- Wages for a period of reservist training are paid so that the Employee receives, together with the reservist pay paid by the state, full fringe benefits.
- The employer will take out travel insurance for the Employee.
- The employer will take out liability insurance for the Employee.
- The employer will take out individual supplementary pension insurance for the Employee. The annual premium is € _____. When the employment relationship ends, the Employee receives a paid-up free policy on his/her pension.
- _____

Two (2) identical copies of this contract have been prepared, one (1) for each contracting party.

Place and date

Employer's signature

Employee's signature

HOW TO FILL IN THE EMPLOYMENT CONTRACT FORM

One should pay special attention to the following when filling in the employment contract form:

1. Employment relationship

The section for “The start date of the employment” should indicate the date on which the parties have agreed the work performance to begin. When the terms of the employment are amended, or in situations that involve a transfer of business, for example, the start date of the employment relationship should indicate the original start date of the employment.

An employment contract can always be agreed to be valid indefinitely. A fixed-term employment contract requires a justified reason for the contract’s fixed-term nature. The basis for the fixed-term nature of the contract should be mentioned in the employment contract. The duration of a fixed-term employment contract can be tied to calendar time or the completion of a particular task, for example.

Agreeing on trial period is voluntary. The application of a trial period requires an agreement on the terms of the trial period in the employment contract. A trial period can last for a maximum of four (4) months. If the beginning of the employment relationship includes a consecutive period of training that is more than four (4) months long, the trial period may last for a maximum of six (6) months. The trial period occurs at the beginning of the employment relationship and the employment relationship may be terminated without a period of notice while during the trial period.

In a fixed-term employment relationship less than eight (8) months long, the trial period may not last for more than half of the employment relationship’s length.

2. Workplace and job title

The workplace agreed on typically specifies a city/town or a particular office.

The employment contract indicates the employee’s job title and the tasks the employee performs in his/her work. The broader the agreement concerning the tasks in the employment contract is, the greater the employer’s right to indicate other tasks for the employee based on its right to supervise work.

3. Period of notice

According to the Employment Contracts Act, the parties are free to agree on the length of a period of notice, but its length may nevertheless not exceed six (6) months. The parties may agree on the employee’s period of notice

being shorter than that of the employer. The employer’s period of notice, however, cannot be agreed to be shorter than the employee’s period of notice.

Unless otherwise agreed with regard to the period of notice, the period of notice to be followed by the employer is determined according to the Employment Contracts Act as follows:

Duration of employment	Period of notice
no more than 1 year	14 days
more than 1, but no more than 4 years	1 month
more than 4, but no more than 8 years	2 months
more than 8, but no more than 12 years	4 months
more than 12 years	6 months

Unless otherwise agreed, the employee must, pursuant to the Employment Contracts Act, comply with a 14-day period of notice if the employment relationship has lasted for a maximum of five (5) years, and a month’s period of notice if the employment relationship has lasted for more than five (5) years.

4. Wages

It is advisable to agree on fringe benefits in addition to salary in money. At this time, the parties should also agree on whether the fringe benefits are paid in addition to the salary in money or whether their taxable value is deducted from the salary in money.

It is worthwhile agreeing on a payment by results in as much detail as possible and to agree on grounds for the determination of the payment by results that the employee is able to influence through his/her activities and that are clearly measurable.

It is furthermore advisable to agree on the period for which the payment by results is paid, should the employment relationship end in the middle of such a period.

5. Working hours

The employee’s regular working hours per day and week are agreed on when making the employment contract.

When agreeing on flexible hours, one must take into account the limitations provided in section 13 of the Working Hours Act.

Overtime is remunerated in accordance with the remuneration for overtime specified in the Working Hours Act. When so agreed, overtime may also be compensated for correspondingly as “raised” free time. Unless otherwise agreed, overtime will be remunerated in cash. The performance of overtime requires a request by the employer and the employee’s consent.

According to the Working Hours Act, the employment contract of an employee in a managerial position may include an agreement that the raised salary paid for overtime and Sunday work is paid as a separate monthly remuneration denominated in euros. An upper white-collar employee whose position is purely that of a specialist cannot agree on a monthly remuneration unless the collective agreement allows for it, as is the case in the technology industry, for example.

6. Annual holiday

Employees accrue annual holidays in accordance with the Annual Holidays Act. If the employment relationship has, by the end of the holiday credit year, i.e. 31 March, lasted for less than one (1) year, the employee has accrued two (2) days of annual holiday per each month at work. If the employment relationship has, by 31 March, lasted more than one (1) year, the employee has accrued two and a half (2.5) days of annual holiday per each month at work.

Given that the employee has not had the chance to accrue a full 30-day holiday right at the beginning of an employment relationship, it is advisable to agree on extra paid holidays in the employment contract.

The holiday bonus is not a term of the employment relationship based on the Annual Holidays Act, but collective agreements contain fairly extensive agreements on holiday bonuses. A holiday bonus to be paid in connection with the holiday pay can also be agreed on in the employment contract.

7. Sick pay

According to the Employment Contracts Act, an employee has the right, for an inability to work caused by an illness or an accident, to receive sick pay at most until the end of the 9th working day following the day on which the inability to work began. In employment relationships that have lasted less than one (1) month, the employee is entitled to receive 50 per cent of his/her wages.

Collective agreements typically agree on a longer period of sick pay than what is mentioned above.

8. Training

The employer is obligated to arrange and pay for all orientation and supplementary training the employee needs for his/her work. The parties may exceptionally agree on a division of training expenses if the training in question is not necessary in terms of the work or not based on the employer’s needs.

9. Travel expenses and travel time

The maximum amounts of compensation and the attendant requirements for them are confirmed by a decision of the Tax Administration. The decision does not obligate an employer to compensate the expenses arising to an employee from work-related travel. Collective agreements contain fairly extensive agreements on the compensation of an employee’s travel expenses. If there is no applicable collective agreement, the compensation for travel expenses must be agreed on in the employment contract.

According to the Working Hours Act, travel does not constitute working hours if it is not a work performance at the same time. The law does not obligate the employer to pay compensation for the time spent travelling. This is why one must agree on compensation for travel time in one’s employment contract.

10. Intellectual property rights

Copyright

Copyright is determined in accordance with the Copyright Act.

Employee inventions

The employer’s right to the employee’s inventions is determined according to what legislation provides in terms of inventions made by an employee. It is not advisable to make agreements that depart from the law with regard to inventions.

11. Collective agreement

The collective agreement applicable to the employment relationship must always be mentioned in the employment contract.

The application of a collective agreement may be based on the employer’s membership in an employer’s federation (normal applicability) or on the employer operating in an industry complying with a generally applicable employment contract. The applicability of a collective agreement can also be agreed on in the employment contract.

12. Other employment terms

By virtue of the Employment Contracts Act, the employee is entitled to have free time for the family leave periods provided in the Health Insurance Act, but there are no legal obligations for the payment of wages during family leave. Collective agreements typically agree on an employee's right to receive wages for periods of maternity and paternity leave and for a temporary child-care leave meant for organising care for a child under 10 years of age. If there is no applicable collective agreement, it is advisable to agree on the paid nature of various family leave periods in the employment contract.

The terms of any supplementary pension should be agreed on with the employer and the pension insurance company. It is also important to agree on the right to what is referred to as a paid-up free policy and to make an agreement on irrevocability, to prevent the employer from discontinuing the policy and withdrawing the accrued funds.