

Wages schedule 2003

This wages schedule contains important facts concerning the collective agreement for the metal and electrical industry in North Rhine-Westphalia

AGREED WAGES AND SALARIES

The collective agreement of 23 May 2002 comprises a two-step increase in wages and salaries.

The first step of the agreed payment increase was from 1 June 2002 until 31 May 2003 and consisted of a linear increase of the payment tables by 3.1% as well as of a first so-called "ERA Strukturkomponente" (structural component for the introduction of a unified payment system) of 0,9%, which, for this period, was paid to employees and apprentices in two one-time payments.

The second step of the agreed payment increase maintains this pay-out system.

As off 1 June 2003 until 31 December 2003 the following tables apply, which prove a linear increase of another 2.6%. Throughout this period an additional increase of 0.5% is added, the so-called second "ERA structural component" (Zweite ERA-Strukturkomponente). It will be paid as a one time payment in September (see page 5 for details).

The first ERA structural component of 0.9% is not paid to the employees anymore, but, during the period of 1 June 2003 until 31 December 2003, will be put in a so-called "operational ERA Adjustment fund" (*Betrieblichen ERA-Anpassungsfonds*)(see page 5 for details) at the end of the current financial year

Important:

In addition to the wage and salary increases indicated in the following tables, account should be taken of the one-off ERA payments (see details below).

All relevant payment tables can be found on the Internet on our website "www.metallnrw.de" to be downloaded.

**Monthly wages
(for manual workers)
Agreed wages and piecework rates in € (basic monthly wage)
valid from 1 June 2003**

Age groups (§ 7 LRA) *)	Wage group								
	2	3	4	5	6	7**)	8	9	10
Up to and including. 19 Years 90%	1374.89	1391.06	1423.40	1488.11	1552.81	1707.37			
20 Years 95%	1451.27	1468.34	1502.48	1570.78	1639.07	1797.23			
over 21 years 100%	1527.65	1545.62	1581.56	1653.45	1725.34	1797.23	1941.01	2120.73	2390.32
Differential in%	85	86	88	92	96	100	108	118	133

*) the age group key in accordance with § 7 LRA applies only to time-rate workers.

**) in the wage category 7, the specified wage rate does not correspond to the age group key because of the application of § 7 paragraph 2 of the LRA of 26.9.1967.

Agreed basic monthly wages for manual workers whose regular individual weekly working time deviates from the agreed weekly working time (35 hours/week) must be calculated using the formula below:

$$\frac{\text{Agreed monthly wage laid down in the relevant table} \times \text{Regular individual working time per week}}{35}$$

HOURLY WAGES
Agreed wages and piecework rates in EUR (basic hourly wage)
valid from 1 June 2003)

Age groups (§ 7 LRA)	groups of tariff wages								
	2	3	4	5	6	7	8	9	10
Up to and including. 19 Years 90%	9.03	9.14	9.35	9.77	10.20	11.21			
20 Years 95%	9.53	9.64	9.87	10.32	10.77	11.80			
over 21 years 100%	10.03	10.15	10.39	10.86	11.33	11.80	12.75	13.93	15.70
Differential in%	85	86	88	92	96	100	108	118	133

Since April 1992, the monthly wage is binding on manual workers according to § 15 II.1 MTV. Hourly wages are applicable only for certain exceptions (§15 II. 3MTV). To convert from the basic monthly wage into the hourly wages, the formula of § 4 (2) LA is as follows:

$$\frac{\text{Basic monthly wages in wage group}}{35 \times 4.35}$$

The foregoing table is based on this formula.

First eight weeks: During the first eight weeks of employment, time-rate workers will receive 91,8 % of the agreed wage for their wage group given in the above tables (§5 LA, §9(3) LRA).

Performance bonus: Under § 9(4) LRA, time-rate workers as well as foremen receive a performance bonus of 16 % on average.

Additional allowance for foremen: The additional allowance for foremen is 5 % of the agreed wage for the respective wage group (§ 4 LRA).

Hardship supplement: The hardship supplement is equal to 6 % of the basic wage (§ 5 LRA).

Additional allowance for foundry workers: The additional allowance for foundry workers is EUR 0,49 (§ 6 LRA).

Performance-linked pay: Instead of time wages, performance-linked pay can be agreed for the company (piecework wage (§ 9 LRA) or time rate plus premium wage (§ 12 LRA)).

SALARIES
Agreed salaries in €, valid from 1 June 2003)

Age	Groups K/T						Foreman ("Meister") ***)
	1	2*)	3*)	4	5	6	
Up to and including. 19	1085.48	1217.45	1357.52				M 1 2290.48
After. 19.	1190.41	1340.76	1485.17				
After 20.	1294.25	1455.97	1616.60				
After 21: 1 st year of employment in the group	1397.56	1575.48	1750.73	2238.57	2831.87	3586.36	M 2 2746.43
2 nd year of employment in the group	1504.63	1693.39	1878.90	2408.39	3047.14	3851.38	M 3 3328.37
3 rd year of employment in the group	1609.56	1808.06	2009.79	2577.68	3257.52	4122.34	M 4 3672.90
After 3 rd year of employment in the group	1710.70	1930.29	2143.92	2744.81 **)	3469.00	4394.39	

*) In groups K/T 2 and K/T 3 salary scales for workers aged up to and including 21 do not apply to employees having completed semi-skilled training or apprenticeship training. Therefore, at the start of their employment they will be paid according to the relevant wage group and, on completion of each year's employment, will move up into the next employment year regardless of their age.

***) The best draughtsmen receive an additional payment equal to 10 % of the final wage in group T 4.

****) Foundry foremen receive an additional 6 %.

The agreed wage for employees whose regular individual weekly working time (35 hours/week) strays from the agreed weekly working time (35 hours/week) is calculated using the formula below:

$$\frac{\text{Agreed wage} \times \text{Regular individual weekly working time}}{35}$$

Performance bonus: Under §§ 5 GRA, 4 TV LB Ang, employees receive a performance bonus of between 0 % and 8 %.

TRAINING ALLOWANCE
in €, valid from 1 June 2003

Monthly training allowances are as follows:

First training year	EUR 651,18
Second training year	EUR 683,62
Third training year	EUR 731,77
Fourth training year	EUR 795,05

Trainees pursuing certain specialisation in foundry and metal working will receive an allowance of EUR 20,45 per month.

Trainees are normally offered at least twelve months' employment after successful completion of their training (§ 3 TV Besch, § 8 TV BB).

"ERA-STRUKTURKOMPONENTEN"

(STRUCTURAL COMPONENTS FOR THE INTRODUCTION OF A UNIFIED PAYMENT SYSTEM)

The parties to the collective agreement have agreed to finalise the "Entgeltrahmenabkommen" (ERA) – the unified payment system for manual workers and employees – by the end of 2003. The ERA is to be introduced at company level between 2005 and 2008.

To prepare for the introduction of the ERA and to compensate for the additional costs resulting from it, the parties agreed on the following for the period covered by this wages schedule:

For the period **from 1 June 2003 until 31 December 2003** employees and trainees will receive part of their agreed wage increase (0,5 %) as the so-called second ERA structural components calculated on the basis of the "agreed income" (regular individual monthly wage for the month of payment excluding overtime payments and any extra pay not governed by the collective agreement) as follows:

$8,24 \times 0,5 \% / 1,026$ (the coefficient of 0,0402 is also applicable)
multiplied by the "agreed income"

This second ERA instalment is a one-off payment to be made with the payment for September 2003. Divergent payments can be agreed upon.

The first ERA instalment (concerning 0,9%) will, throughout the period from 1 June 2003 until 31 December 2003 not be paid to the employees, but made available to the so-called "operational ERA Adjustment fund" (*Betrieblicher ERA-Anpassungsfonds*) in order to install the ERA funds and components, at the end of the current financial year

To be deferred are the following: $0,9\% \times 8,24 \times$ table value of May 2003. Details on this are to be stabilized.

OTHER CONDITIONS OF EMPLOYMENT

Working time (§ 3 MTV)

Agreed working time: 35 hours/week for those in full-time employment.

There is the possibility of individual contracts **extending** the regular individual weekly working time up to 40 hours/week for up to 18 % of the workforce.

Reduction of the regular individual weekly working time to under 35-30 hours/week is possible through collective bargaining in exchange for protection against dismissal for the whole company, company departments or groups of employees without any wage compensation.

Part-time work can be agreed on the basis of individual contracts.

Part-time work on grounds of age (half the present working time) is possible for employees who have reached the age of 55 and have been with the company for 5 years. In the first half of the period of part-time work the employee continues almost exactly as before and then in the second half is released completely from employment ("Blockmodell"). The extra hours built up guarantee that the employee will receive 82 % of his previous net wage throughout the entire period, and the employer will pay higher retirement insurance contributions (95 % of contributions to date are secured). These additional payments by the employer are refunded in part by the job centre if the employers find replacement employees.

Employees aged 57 and 58 have in principle the right – according to TV BB – to an "old age" part-time contract of 2–6 years, depending on their age, whereby the work-free phase has to start at 60 at the latest; employees aged 59 and 60 are entitled in principle to a two-year "old age" part-time contract.

On account of the reductions in pensions, employees are entitled to compensation of up to € 11.043,90 if they opt for "old age" part-time employment.

Duration of training (§ 3 MTV)

Agreed duration of training: 35 hours/week.

Overtime (§ 5 MTV)

It is possible to extend daily working time to 10 hours per day or to add 10 hours to the weekly working time.

Exceptionally, extra overtime can be agreed on an operational basis. (However, this must not lead to permanent overtime, which can be avoided by taking on new employees.)

There is the possibility of a voluntary workers council agreement whereby overtime can be fully or partly compensated by time off and, if the time off is taken within two months, the employer is not required to make any extra payment. (§ 5 TV Besch).

Agreed additional payments/allowances per hour (§ 6 MTV)

a) for the first two daily hours of overtime	25 %	
starting on the third daily hour of overtime	50 %	
b) Late work	15 %	} of agreed wage for skilled workers (time rate) per hour of work
c) Night shift (as long as it is not connected with (d))	25 %	
d) Night work (as long as it is overtime)	50 %	
e) Sunday work	70 %	
f) Work on 1 January, Easter (first day of), Labourday, the first day of Pentecoste and Christmas Day	150 %	
g) Work on all other official public holidays	100 %	
h) Late work on 24 December from 17.00 to 20.00 as well as night work on Christmas Day and on New Year's Eve	150 %	

Continued payment of wages (§ 9 MTV)

As of the beginning of the employment relationship, employees are entitled to continued payment of their wages for a period of six weeks in the event of incapacity to work or attendance at a cure.

The percentage of wages that continues to be paid is 100%, excluding overtime pay or overtime bonuses (§ 16 MTV).

Leave entitlement (§ 13 MTV)

The leave entitlement for employees and trainees is 30 working/training days on the basis of 5 working days/week. Employees who take their full leave entitlement between 1 October and 31 March will be granted one additional day of leave.

Leave allowance (§ 14 MTV)

In addition to regular wages or the regular training allowance (= 100 %), a leave allowance of 50 % will be paid for each day of leave. The calculation is carried out in accordance with § 16 MTV, excluding overtime pay and overtime bonuses.

Contributions to employee capital formation (TV VL)

The agreed contributions are:

for each employee (full-time)	EUR 26,59
for each trainee	EUR 13,29

Entitlement starts at the beginning of the seventh calendar month of uninterrupted employment within the group.

PAY CONVERSION

Employees, in principle, have the right to pay up to EUR 2.448 (in 2003) into an occupational retirement scheme. They choose for one full year the amount and type of their pay that is to be used for this purpose. The employer decides on how this money is to be invested. The parties to the collective agreement have set up an industry-wide retirement agency ("MetallRente") for this purpose that offers the alternatives of "MetallDirektversicherung" (direct insurance), "MetallPensionskasse" (pension bank) and "MetallPensionsfonds" (pension fund) and the "ungeförderte Unterstützungskasse" (unsubsidised relief fund).

Special payments (TV 13.ME)

Employees or trainees who have been working or undergoing training without interruption for six months have the right to receive an agreed special payment on the relevant day (usually 1 December).

The amount of special payments can be determined by a voluntary company agreement according to the sickness ratio.

Should there be no agreement on that amount, the special payments are as follows:

after 6 months of employment	25 %
after 12 months of employment	35 %
after 24 months of employment	45 %
after 36 months of employment	55 %

of the monthly wage excluding overtime pay and overtime bonuses.

Benefits paid by the employer such as financial incentives, shares in profits (bonuses, annual premiums), Christmas allowance, and similar payments are considered special payments and can be counted against agreed pay entitlements.

Note:

The above rules apply to the agreed conditions of employment in the metal and electrical industry in North Rhine-Westphalia.

The collective agreements are not generally binding.

Editor:

© METALL NRW
Association of the metal and electrical industry in North Rhine-Westphalia
P.O. Box 30 10 41
D 40210 Düsseldorf
Germany

please visit our website: www.metallnrw.de