

Preliminary Comment

This salary schedule contains an overview of the specific collective agreement conditions for the metal and electrical industry in North Rhine-Westphalia in those companies where the Framework Agreement on Pay (in German "**Entgeltrahmenabkommen**", hereafter referred to as **ERA**) specifically applies.

As from March 1st 2009 the ERA will be binding on every company, prior to that date only in cases where it has been introduced on a voluntary basis by an employer. The ERA may also be introduced into a specific company up to 12 months subsequent to this date, but only in cases where both parties to the agreement consent to such a postponement (cf. the simplified method for a possible postponement in accordance with No. 21 of the Supplementary Amendment to the Introduction of the Framework Agreement on Pay).

After a transfer phase of four years the ERA has thus already become standard at company level in the period of time covered by this salary schedule. The introduction of ERA involves a fundamental change in determining basic wages for all employees. A new evaluation system will be enacted with task-related requirements "skills / initiative and decision-making / cooperation / team-leadership" as the basis for 14 wage groups based on point scores. The point evaluation system for wage groups is printed on page 7.

The framework conditions for performance-based pay and performance bonuses fixed at company level have in part undergone considerable changes too (see also page 5).

Training allowances (see page 6) are not affected by the ERA.

Assistance with the ERA as well as the cd on the ERA in North Rhine-Westphalia (ERA NRW CD) along with detailed information, is available from your regional federation of employees (and also at www.eranrw.de).

Note:

An overview of the material working conditions obtaining before the introduction of the ERA at company level may be downloaded from our homepage.

Overview of the Collective Wage Agreement for 2009 / 2010

The collective wage agreement of 13th November 2008 includes a two stage wage increase.

1. Agreement Period (1st November 2008 - 30th April 2009):

Employees will receive a **fixed sum at a flat rate: 510** euros for fulltime employees and **133** euros for trainees, included in their wages for December, covering the period from November 2008 to January 2009. The payment tables will be raised by 2.1 % as from 1st February 2009, as part of an advance payment calculation adjustment.

2. Agreement Period (1st May 2009 - 30th April 2010):

Employees will receive a further increase of 2.1 % on 1st May based on the wage tables of **June 2008**, a total increase in the table-linked wages of 4.2 % for this period. In addition to this, a one-time amount of 122 euros for fulltime employees and 32 euros for trainees will be included in the wages for September 2009. The introduction of this second stage may be postponed by up to 7 months (until 1st December 2009 at the latest) on the basis of a voluntary internal company agreement, with a commensurate reduction in the above mentioned one-time payment. The agreed one-time payment of **0.4 % of the payment schedule due** for the months of January to April 2010 is not paid out to employees at this time (and therefore does not contribute to wage levels in operation); instead it is made

part of the severance pay package within the framework of the collective agreement on flexible retirement provisions (TV FlexÜ).

ERA -PAYMENT SCHEDULE

ERA basic monthly rates ¹⁾ valid from 1st February 2009*

	Euros	For information only: 110 % ⁴⁾ Euros	For information only: Hourly rates ⁵⁾ Euros
Payment group EG 1	1,868.00	2,054.80	12.27
Payment group EG 2	1,890.50	2,079.55	12.42
Payment group EG 3	1,913.50	2,104.85	12.57
Payment group EG 4	1,942.50	2,136.75	12.76
Payment group EG 5	1,983.00	2,181.30	13.02
Payment group EG 6	2,035.00	2,238.50	13.37
Payment group EG 7	2,098.00	2,307.80	13.78
Payment group EG 8	2,207.00	2,427.70	14.50
Payment group EG 9	2,386.00	2,624.60	15.67
Payment group EG 10	2,622.00	2,884.20	17.22
Payment group EG 11	2,939.50	3,233.45	19.31
Payment group EG 12			
Up to 36 th Month ²⁾	3,029.50	3,332.45	19.90
After 36 th Month ²⁾	3,365.50	3,702.05	22.11
Payment group EG 13			
Up to 18 th Month ²⁾	3,385.00	3,723.50	22.23
After 18 th Month ²⁾	3,584.00	3,942.40	23.54
After 36 th Month ²⁾	3,982.50	4,380.75	26.16
Payment group EG 14			
Up to 12 th Month ^{2) 3)}	3,846.00	4,230.60	25.26
After 12 th Month ²⁾	4,086.50	4,495.15	26.84
After 24 th Month ²⁾	4,327.00	4,759.70	28.42
After 36 th Month ²⁾	4,808.50	5,289.35	31.58

*) Employees will receive a one-time payment of 510 euros for the months of November 2008 to January 2009 inclusive, payable with December's wages (may be postponed till January 2009).

Note: further footnotes to this table can be found on the following page.

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

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

35

ERA basic monthly rates¹⁾ applicable as from 1st May 2009

	Euros	For information only: 110 % ⁴⁾	For information only: Hourly rates ⁵⁾
Payment group EG 1	1,906.50	2,097.15	12.52
Payment group EG 2	1,929.50	2,122.45	12.67
Payment group EG 3	1,952.50	2,147.75	12.82
Payment group EG 4	1,982.50	2,180.75	13.02
Payment group EG 5	2,023.50	2,225.85	13.29
Payment group EG 6	2,076.50	2,284.15	13.64
Payment group EG 7	2,141.50	2,355.65	14.07
Payment group EG 8	2,252.50	2,477.75	14.79
Payment group EG 9	2,435.00	2,678.50	15.99
Payment group EG 10	2,676.00	2,943.60	17.58
Payment group EG 11	3,000.00	3,300.00	19.70
Payment group EG 12			
Up to 36 th Month ²⁾	3,091.50	3,400.65	20.31
After 36 th Month ²⁾	3,435.00	3,778.50	22.56
Payment group EG 13			
Up to 18 th Month ²⁾	3,455.00	3,800.50	22.69
After 18 th Month ²⁾	3,658.00	4,023.80	24.03
After 36 th Month ²⁾	4,064.50	4,470.95	26.70
Payment group EG 14			
Up to 12 th Month ^{2) 3)}	3,925.00	4,317.50	25.78
After 12 th Month ²⁾	4,170.50	4,587.55	27.39
After 24 th Month ²⁾	4,416.00	4,857.60	29.00
nach dem 36 th Month ²⁾	4,907.50	5,398.25	32.23

*) There is in addition to this a one-time payment of 122 euros covering May to December 2009, payable in September 2009. Regarding the option of postponing the introduction of stage two of the collective agreement, please see the note on page 1 of this document.

¹⁾ Owing to the legal rules of the ERA introduction agreement to ensure against "overshooting the mark" and any tendency to "undershoot it", within the framework of cost neutrality for the company on this point, actual remuneration may deviate to a significant degree from the amounts listed in the ERA table.

²⁾ The months indicated in the table refer to the months employed in the wage or salary group.

³⁾ Employees who have already been in the EG 13 wage or salary group for at least 36 months with the same employer are considered to have completed their first 12 months in EG 14.

⁴⁾ The ERA basic monthly wages and salaries are not directly comparable with the current basic monthly wages for manual workers and salaries for clerical workers (moreover, to establish an actual ERA income, due account must be taken of the rules regarding provisions to ensure cost neutrality).

Under the Framework Agreement on Pay, employees receive on average a performance bonus of approx. 10 % or a performance-related payment of at least 10 %. To facilitate a comparison with current agreed pay levels, the table includes the 110 % figures. These 110 % figures are comparable with pay levels to date (assuming an average performance bonus of 16 % for manual and 4 % for clerical workers).

⁵⁾ Monthly wage calculations have been mandatory since April 1992. Hourly wages are no longer itemized in collective bargaining agreements and are permissible only in exceptional circum-

stances. The basic monthly wage can be converted into hourly wages using the following formula:

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

The column shows the figures arrived at by using this formula in order to calculate ERA base salaries.

- Individual Performance bonus** Employees paid a salary based on the time they have worked receive from their fourth month in employment an individual performance bonus 0-20 % in accordance with § 10 ERA. The company average of performance bonuses, which is based on a point system, should lie between 9 and 11 %, failing which, the employer can / should use factors to effect a correction.
- Performance-linked pay** Based on company agreement, performance-based pay can replace salaries based on working time, i.e., piecework, premium wage or a performance-objective system (§§ 7 -9 ERA). Combinations of these forms are possible. Performance-based components should be at least 10 % of the agreed monthly wages and salaries total (§§ 5 and 6 ERA).
- Hardship supplement** The hardship supplement is 6 % of basic hourly wages (EG 7) (§ 11 ERA) per hour of work under hardship conditions.
- Additional allowance for foundry workers** The additional allowance for foundry workers at ERA introduction is 4 % of basic hourly wages for Wage Group 7, to be increased within 10 years toward the hardship supplement of 6 % (§ 6 ERA-ETV).

Training Allowance monthly

	In euros, valid from 1st February 2009 *	In euros, valid from 1st May 2009 **
In First Training Year	750.60	766.04
In Second Training Year	787.98	804.18
In Third Training Year	843.49	860.84
In Fourth Training Year	916.42	935.27

*) Trainees receive 133 euros flat-rate payment covering the months of November 2008 to January 2009 inclusive.

***) In addition to the above there is a one-time payment of 32 euros for May to December 2009, payable in September 2009. See note on page 1 concerning the option to postpone the introduction of the second agreement period.

Trainees pursuing certain specialist jobs in foundry and metalworking will receive an additional **bonus allowance** of 20.45 euros per month.

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

SALARY SCHEDULE 2009 / 2010 (ERA)

Point system for evaluating job functions

Responsibility:		Task No.
Dept./Cost center:	Date	Evaluator:

Task description		Evaluation levels for work-related functions		Point value	
Skills	Manual Skills	1	Duties require skills which can be learned in up to one week.	6	
		2	Duties require skills which can be learned in less than four weeks .	12	
		3	Duties require skills which can be learned in four or more weeks .	18	
		4	Duties require skills which can be learned in three months or more .	25	
		5	Duties require skills which can be learned in six months or more .	32	
		6	Duties require skills which can be learned in one year or more .	40	
	Professional Skills	7	Duties require skills which as a rule are acquired by completing a certified training program of at least two years .	48	
		8	Duties require skills which as a rule are acquired by completing a certified training program of at least three years .	58	
		9	Duties require skills which as a rule are acquired by completing a certified training program and an additional 1-year professional qualification .	69	
		1	Duties require skills which as a rule are acquired by completing a certified training program and an additional 2-year professional qualification .	81	
		1	Duties require skills which as a rule are acquired by completion of a vocational college degree.	94	
	Professional Experience	1	Duties require skills which as a rule require a university degree .	108	
		1	Duties, which in addition to professional knowledge, also require professional experience of at least one to three years .	6	
		2	Duties, which in addition to professional knowledge, also require professional experience of more than three years .	12	
Initiative and decision-making ¹⁾					
	1	Fulfilment of duties is specified in detail .	2		
	2	Fulfilment of duties is partly specified .	10		
	3	Fulfilment of duties is partly specified .	18		
	4	Duties are fulfilled mostly without specifications largely independently .	30		
	5	Duties are fulfilled largely without specifications independently .	40		
Cooperation	1	Fulfilment of duties requires minimal communication and teamwork .	2		
	2	Fulfilment of duties requires regular communication and teamwork .	4		
	3	Fulfilment of duties requires regular communication and teamwork as well as occasional coordination .	10		
	4	Fulfilment of duties requires regular communication and teamwork as well as coordination .	15		
	5	Fulfilment of duties requires a high degree of communication and teamwork as well as coordination .	20		
Team-leadership	1	Fulfilment of duties does not require leadership .	0		
	2	Fulfilment of duties requires giving employees professional instruction, guidance and support .	5		
	3	Fulfilment of duties requires delegating tasks to employees in order to meet objectives as well as giving employees support and motivation .	10		
	4	Fulfilment of duties requires goal-setting and delegating tasks to employees for attaining objectives and also support and motivation of employees .	20		
Total point score					

- ¹⁾ Professional skills and expertise, abilities and competence can also be attained by other means. Professional skills can either be attained by consecutive enrolment or by non-consecutive periods of study / training leading up to a degree or qualification. In the latter case, the duration of study / training is determined by the total amount of time enrolled in all programs.
- ²⁾ "Duties" in the sense of initiative and decision-making are to be understood as instructions and guidelines. Generally speaking, initiative and decision-making are more restricted for those working under instructions than for those working under guidelines. Instructions describe in detail how a task is to be completed. Guidelines describe what should be observed in the completion of a task.

Wage Group	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Point Range	10-15	16-21	22-28	29-35	36-43	44-54	55-68	69-77	78-88	89-101	102-112	113-128	129-142	143-170

OTHER CONDITIONS OF EMPLOYMENT**Working time (§ 3 EMTV)**

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.

In companies with a large number of highly skilled employees (over 50 % of all employees are either paid on scales outside the agreed rates or are in the top two salary brackets, the foreman's categories or – in the ERA – the highest wage or salary groups) a plant agreement may fix a higher quota (up to 50 % of all staff employed under the terms of the collective agreement, not including those paid on scales outside the agreed rates).

To promote innovation or counter the effects of a lack of skilled workers, the parties to the collective agreement should, as a rule, extend the quota for a company to up to 100 % if requested to do so by the company and its employees. It is possible to make extending working times binding by means of a plant agreement by extending the quota in a company.

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 upon on the basis of individual contracts within the framework of existing regulations.

Age-related part-time work is an option for employees who have reached the age of 55. In the first half of the period of part-time work the employee continues almost exactly as before; then in the second half, is released completely from employment ("Blockmodell"). The extra hours thus built up guarantee that the employee will receive 82 % of his/her previous net wage throughout the entire period of age-related part-time work, and the employer will pay higher retirement insurance contributions (95 % of the contribution level reached up to that time are guaranteed). In cases where age-related part-time work has started by the end of 2009, the employer is refunded by the Employment Agency for part of the additional costs incurred if the employer decides to refill the vacant position. The right to age-related part-time work is based on the Collective Agreement on Bridge Employment (Tarifvertrages Beschäftigungsbrücke:TV BB) until the end of 2009; as from 2010 it will be assessed according to the new Collective Agreement of Flexible Transition to Retirement (Tarifvertrag zum flexiblen Übergang in die Rente (TV FlexÜ), which will provide a fundamentally new model for calculating requirement conditions, the employer's top-up contributions and the calculation methods for age-related part-time work.

Duration of Training (§ 3 EMTV)

Agreed duration of training: 35 hours / week

Overtime (§ 5 EMTV)

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 upon at company level. (However, this must not lead to permanent overtime. Permanent overtime should be avoided by taking on new employees.)

There is the option of a voluntary workers' council agreement whereby overtime can be fully or partly compensated by taking time off, in which case the employer's obligation to pay for the overtime work within the next two months is waived (§ 5 TV Besch).

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

a) For the first two daily hours of overtime	25 %	} of agreed wage for skilled workers (time rate) standard rate EG 7 per hour of work
starting on the third daily hour of overtime	50 %	
b) Late work	15 %	
c) Night shift (as long as it is not night work as (d) below)	25 %	
d) Night work (as long as it is additional work)	50 %	
e) Sunday work	70 %	
f) Work on New Year's Day, Easter Sunday, 1 May, Whitsun and Christmas Day	150 %	
g) Work on all other official public holidays	100 %	
h) Late work on 24th December from 5 p.m. To 8 p.m. as well as night work on Christmas Day and on New Year's Eve	150 %	

Continued payment of wages (§ 9 EMTV)

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 / EMTV).

Leave / Holiday entitlement (§ 13 EMTV)

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

Leave / Holiday Allowance (§ 14 EMTV)

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

**Contributions to employee pension capital formation (TV AVWL)
Contributions to employee capital formation (TV VL)**

As of 1 October 2006 the collective agreement on employee capital formation as capital forming benefits (TV VL) has been replaced by the collective agreement on bonus provision for old-age in the form of contributions to employee pension capital formation (TV AVWL) . According to § 5 TV AVWL, under certain conditions (existing VL contract, right to a renewed contract, employee's reaching age 58) instead of providing employees with bonus provisions for old age, the employer can also continue to provide employee capital formation, as long as the employee does not select employee pension capital formation based on TV AVWL.

The agreed contributions are:

for employees (full-time) 26.59 euros for trainees 13.29 euros

The agreed annual retirement payment is as follows

for employees (full-time) 319.08 euros for trainees 159.48 euros.

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

Pay conversion (TV EUW)

Employees have the right to pay up to 2,592 euros per year (Note.: 4 % of 64,800 euros, the income threshold for pension schemes in 2009) into a pension scheme. They choose for at least 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 "Unterstützungskasse" (relief fund) (for details, visit www.metallrente.de)

Special payments (TV 13. ME / ETV 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 1stDecember).

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 agreed conditions of employment in the metal and electrical industry in North Rhine-Westphalia in all cases where the ERA is in operation in accordance with § 2 ERA-ETV.

The collective agreements are not considered generally binding.

All wage tables and this salary schedule can be found (in German and French as well as English) in the download centre of our website: www.metallnrw.de.

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