

New collective bargaining agreement in the trade sector

In July 2017, the collective bargaining agreement for companies in the trade sector was reformed fundamentally. Thus, there is a great need for action for employers, especially when it comes to the salary classification of employees.

What are the major innovations?

- **New occupational groups:** Prior years of service and the attribution of an employee to an occupational group remain decisive in order to assess the minimum salary. However, there are now eight instead of six occupational groups. These new occupational groups are based on a much more detailed task description than the "old" occupational groups. By this, attribution of employees to a certain occupational group shall become much easier.
- **Years of previous service – new:** In future, a maximum of seven years of previous service will be taken into account for the assessment of the minimum salary. Times of parental leave of up to two years will be considered thereby.
- **Higher minimum salary:** Employees who have completed an apprenticeship as a retail salesman or a commercial administrative apprenticeship are entitled to a minimum salary of EUR 1,600 gross.
- **Stricter rules for all-in salaries:** In future, there will be stricter rules concerning the assessment whether an all-in salary covers all overtime hours.

What needs to be done?

- **Transfer:** Companies in the trade sector are required to classify all employees in accordance with the new occupational groups. This may lead to higher minimum salaries for individual employees.
- **Form:** If there is a works council, the transfer into the new occupational groups has to be implemented via a works council agreement. If there is no works council, the employees have to be informed about the transfer three months before the planned transfer date. Employees must be provided with an employment letter containing information on the new classification and the new minimum salary.
- **Timing:** The transition can start as from 1 December 2017, but has to be finalized on 1 December 2021 at the latest. The transition has to be implemented for all employees at the same time.



Hot Topics

- Failure to transfer: Failures can lead to wage dumping subject to fines (ranging from EUR 1,000 to 50,000 per affected employee). In addition, employees may raise salary claims.

How can we help?

We have developed a system which provides for an easy and efficient transfer. We thereby focus on CV, job description and previous grading.

Please let us know, if we may help you with the transfer process.

For further information, please contact:



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