EMPLOYMENT CONTRACTS PRIVATE SECTOR

AKAVIA

CONTENT

FOR THOSE COVERED BY THE SWEDISH EMPLOYMENT PROTECTION ACT

What should you take into consideration before negotiating and signing a contract?

Even though the Swedish Employment Protection Act (Lagen om anställningsskydd, LAS) gives you a certain level of employment protection, you should find out whether your employer is bound by a collective agreement. Collective agreements contain several terms and conditions of employment that are not covered by labour law. Examples include rules on working hours, overtime pay, annual leave, parental pay, sick pay and occupational pension.

It is extremely important that all terms and conditions of employment that apply to the employment are negotiated and specified. If a collective agreement exists or is applied, the employment contract must as a matter of formality state that a collective agreement exists or is applied. If no collective agreement exists or is applied, it is important to set out such terms and conditions in a written employment contract. Although verbal agreements are valid, the party claiming that the parties have agreed certain terms and conditions must be able to prove this.

If your job involves working in a senior management position or as a senior specialist, for example, in the group management, and it is unclear whether you are covered by LAS or not, Akavia recommends that you look at the CEO template contract and comments drawn up by Akavia. You can find this at akavia.se.

Below is a sample employment contract including comments for those of you who are not in a management position and are therefore covered by LAS employment protection.

You will receive advice on how to structure your contract and what pitfalls to avoid. The example is not comprehensive. The idea is that you should be able to add and remove employment terms based on your personal needs and based on what is negotiable. You should not commence employment until you have agreed the terms of employment and the written employment contract has been signed. If you do this, you will be in a significantly worse negotiating position. Changes to the terms of employment during the employment should also be included in the employment contract.

This sample employment contract is designed to be used for employment in the private sector in Sweden, at Swedish legal entities, i.e. Swedish companies,

economic associations and non-profit organisations. If the employment concerns a foreign assignment or employment with a foreign employer, other rules apply. This may also be the case if the employment concerns a foreign company operating in Sweden.

This employment contract is not intended for those planning to take up employment as CEO or other employment involving a management position. These positions are covered by a different template contract and associated comments under the heading "Employment contract for CEO and others in managerial positions". You can find this at akavia.se.

Contact Akavia's member advisory service for further advice and assistance:
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IMPORTANT STARTING POINTS

HOW IS THE EMPLOYMENT AFFECTED BY WHETHER A COLLECTIVE AGREEMENT EXISTS OR NOT?

If the employer is not bound by a collective agreement, Akavia recommends that all terms and conditions of employment be set out in the employment contract. Terms and conditions relating to, for example, working hours, overtime pay, annual leave, sick pay, parental leave or occupational pension are only specified to a limited extent – or not at all – by legislation.

Employers are in principle bound by a collective agreement if they are a member of a contracting party employers' organisation or have concluded their own so-called substitute agreement with an employee organisation. Such an agreement can be signed if the employer does not wish to become a member of an employers' organisation and it means that the employer becomes bound by the collective agreement through the substitute agreement. Even if the employer is not bound by a collective agreement, the employer may undertake to apply a collective agreement, for example by the parties stating this in the employment contract. Sometimes the employer applies a collective agreement to all salaried employees – even to those who are not members of an organisation bound by a collective agreement. As a rule, this occurs if the employee's work involves tasks that are covered by an existing collective agreement.

If a collective agreement does not exist or is not applied to the employment relationship or if it is unclear what should apply, it is important that all terms and conditions of employment are set out in the employment contract.

Please contact Akavia's advisory service for any questions relating to collective agreements.

WHAT FORMS OF EMPLOYMENT ARE THERE?

The main rule is that an employment is for an indefinite period (permanent employment), but the parties may agree that an employment should be for a limited period of time under certain conditions. Permanent employment may be terminated subject to the employee's notice period.

If an employer wishes to terminate such employment, objective reasons are required. In simple terms, this means that an employer is not allowed to dismiss someone for arbitrary reasons. Previously, objective grounds were required, which provided slightly stronger protection for the employee. Future case law will provide guidance

on objective reasons. Termination can take place in two situations, due to either a shortage of work or personal reasons.

In the case of fixed-term employment where the parties have agreed on a notice period, the same as above applies in principle. The limited time period – and the type of fixed-term employment in question – must be stated in the employment contract. A fixed-term employment contract cannot be terminated unless otherwise agreed. For example, the employment can be terminated when the agreement specifies a period of notice or that the employment is valid until further notice but not longer than up to and including a specific date. Objective reasons are required when the employer wishes to terminate such employment contracts prematurely. Certain deviations may exist in collective agreements.

Under certain aggravating circumstances, for example when the employee has grossly breached his/her duties to the employer in a way that amounts to grounds for dismissal, a fixed-term employment may be terminated. However, this is extremely rare in practice.

According to LAS, a fixed-term employment contract may be concluded in the following cases:

- For special fixed-term employment
- For temporary substitute employment
- For seasonal work

CALCULATION RULES THAT APPLY WHEN SPECIAL FIXED-TERM EMPLOYMENT IS TRANSFORMED INTO PERMANENT EMPLOYMENT

Special fixed-term employment is transformed into permanent employment when an employee has been employed by the employer in special fixed-term employment for a total of more than 12 months

- during a five-year period, or
- during a period in which the employee has been employed by the employer on a fixed-term basis in the form of special fixed-term employment, temporary substitute employment or seasonal work and the employments have followed one another. One employment has followed another if it commenced within six months of the end date of the previous employment.

Temporary substitute employment is converted into permanent employment when an employee has been employed by the employer in a temporary substitute position for a total of more than two years during a five-year period.

These rules do not apply to persons over the age of 69.

PROBATIONARY EMPLOYMENT

Probationary employment is a special form of employment. As the name suggests, it has been created to allow employers to try out employees during a specific trial period. The probationary period may not exceed six months, unless otherwise permitted by collective agreement. Probationary employment may be terminated prematurely or notice given to end the employment before it is converted into permanent employment, without the employer having to state a reason for this. However, a probationary employment contract or termination of probationary employment must not be discriminatory or contrary to good labour market practice.

If your employer wishes to terminate the probationary employment, they are required by law to observe a two-week notice period, unless you have agreed a longer notice period for the employer in the employment contract. The applicable collective agreement may contain other provisions. Unless the employer has stated otherwise before the probationary employment ends, the probationary employment will be transferred to permanent employment.

If your employment includes a probationary period and you wish to terminate the employment prematurely or do not want it to become a permanent employment, Akavia's advice is that you should inform your employer in writing that you wish to leave.

Even if a notice period is stated in your employment contract, it does not apply if you as an employee wish to terminate your probationary employment. According to the law, the probationary employment ends on the same day you notify your employer. However, certain collective agreements contain terms and conditions regarding notice periods for probationary employment. Therefore, always check with Akavia’s member advisory service to find out what applies to your situation.

Probationary employment should be used on a limited basis. The collective agreements governing probationary employment contain various restrictions, such as requirements that the employee’s qualifications for the position must be untested.

Note that deviating rules on different forms of employment may be agreed between the employee organisation and the employer organisation through collective agreements. In this case, they are permitted. The rules are not very simple. Contact Akavia if you have any questions about employment protection and forms of employment.

NB: With regard to older employment contracts – entered into before 1 October 2022 – different transitional rules apply in LAS. Transitional rules are complicated. Contact Akavia for advice in these situations.

EXAMPLE: EMPLOYMENT CONTRACT
PRIVATE SECTOR – FOR THOSE COVERED BY LAS

Below is an example of what an employment contract may look like. The example covers a situation where the employer is not formally bound by a collective agreement, but after negotiations with you agrees to apply the following terms and conditions. Many of the terms and conditions below are included in most collective agreements. The example and comments should be read in the light of the above.

§1 PARTIES AND FORM OF EMPLOYMENT

The company [name, corporate identity number and address] employs [name and personal identity number] from [date of commencement of employment] until further notice.

COMMENT

Always check the identity of the legal entity and that the person signing the contract is indeed an authorised signatory. The employer's name, address and corporate identity number must be stated in the employment contract. The corporate identity number is important. It identifies the legal entity in the same way as the personal identity number identifies a natural person. Your name and personal identity number must therefore also be stated. A legal entity can change its name as often as it likes, but never its corporate identity number. The corporate identity number is crucial in order to know who the employer is, that is, in order to know the party you have signed the agreement with.

Contact the Swedish Companies Registration Office (Bolagsverket) for up-to-date information. Before you accept the employment, it may be wise to carry out a credit check of the company, to ensure that the company's financial status does not come as a surprise to you. This is especially true if you are considering to take up an employment in a smaller company.

The employment is by its wording an indefinite employment, also known as permanent employment, because this is the main rule and what is generally relevant for Akavia's member categories. However, in some cases the employer may only offer probationary employment for trial purposes.

§2 PERMANENT LOCATION AND WORKPLACE

[NN] is located at the head office in [city], which is [NN]'s place of work.

COMMENT

The permanent location and place of work should be specified in the employment contract to clarify where the employee's workplace is, i.e. where the employee is expected to perform work. The workplace forms the basis for any travel allowances. Specifying the place of work is also important for the application of rules of priority in the event of any cutbacks in production.

§3 WORK TASKS

[NN] is employed as [name of position] and will perform [description of tasks and responsibilities].

COMMENT

The employment contract should state the job title, responsibilities, authority and duties. This clarifies what is expected of the employee and what the employment involves. The information also sets out the employee's obligation to work.

§4 MONTHLY SALARY, ETC.

On commencement of employment, [NN] will receive a monthly salary of _____SEK/month based on the salary position for the year. The salary is paid on the 25th of each month. A review of salary and other benefits shall take place annually on [date].

In addition to the monthly salary, the parties also agree that [NN] shall receive performance-based remuneration (bonus, earnings-related compensation or other similar remuneration) in accordance with Appendix 1.

COMMENT: SALARY

It is important to specify the date of the salary review, especially if the company is not bound by a collective agreement. Otherwise, the issue of date is unspecified. If there is a collective agreement in place, the dates of salary reviews are specified. If you agree to a salary based on the salary position for the following year, you will not be included in the salary review for the current year.

Before stating your salary expectations for a new employment, you should find out as much as possible about the salary position for your profession, taking into account education, professional experience and the work tasks in question. Consult Akavia's payroll statistics at www.akavia.se. There you will also find advice and tips on salary negotiations. If the prospective employer has a local association for academic staff, it may be a good idea to contact the local union representative to get an idea of the salary position at the employer. You can also call Akavia's member advisory service for individual salary advice.

The agreed salary, and the salary position year that applies to it, should be stated in the employment contract. Salaries should be reviewed annually. If there is no collective agreement, the date of the review should be stated in the employment contract.

COMMENT: VARIABLE SALARY COMPONENTS

It is not uncommon for employers to propose a salary model comprising both fixed and variable salary components. This template contract refers to agreed variable salary components. Examples of such variable salary components are bonuses and commissions. These variable salary components are usually dependent on certain targets being met. This can involve variable salary components linked to performance targets, collective targets for a unit and/or targets linked to your individual performance. It is worth noting that variable salary components are not guaranteed in cases where targets are not achieved or only partially achieved. It may therefore be preferable for as large a proportion of the salary as possible to consist of a fixed salary.

If a certain part of the salary is variable, it is important that there are simple and clear rules for when and how the variable salary is to be calculated and paid. Targets or similar that generate the variable salary must be reasonable and measurable. Look out for imprecise terms such as "share of profit or surplus". You should be given the opportunity to check the employer's calculation basis for variable salary components by, for example, receiving an extract from the accounts with regard to the contribution derived from your work.

In the event that you wish to terminate your employment or give notice of resignation, the employment contract should contain provisions setting out your entitlement to compensation for all the variable salary components that you have earned during your employment. Disputes concerning these issues are common because the issues have not been covered. Employers sometimes claim that the employee must perform above the set level without fail for the entire period – in this case the entire calendar year – in order to be entitled to commission. Employers often claim that variable salary components should only be paid if you are still employed or if you have not handed in your notice at the time of payment.

Akavia recommends that the parties specify what shall apply in such situations already at the time of signing the employment contract. This eliminates any ambiguities and both parties know where they stand. A reasonable provision is that the employee shall receive the variable salary components earned by the end of the employment by prorating the variable salary in relation to the period of employment.

EXAMPLE 1:
This example assumes that the requirement for receiving commission is that the employee's work per calendar year must generate invoiced and received amounts of more than SEK 500,000 (excluding VAT) per year and that commission in such case shall be paid at a rate of 30 per cent on the amounts received in excess of SEK 500,000 (excluding VAT).

If the employee's work for a full calendar year generates invoiced and received amounts (excluding VAT) of SEK 800,000 (excluding VAT), the commission shall therefore be calculated on SEK 300,000. In this case the employee would receive SEK 90,000 in commission. This is relatively simple, even though there may be discussions and disputes about the amounts that have been received, but this can be avoided through regular consultations with the employer and a provision in the employment contract about the kind of documentation the employer should provide you with.

EXAMPLE 2:
The employee hands in their notice after half a calendar year, at which point they have generated invoiced and received income of SEK 400,000 (excluding VAT). The employer believes that in accordance with the contract the employee is only entitled to commission on the amount exceeding SEK 500,000 (excluding VAT) and therefore does not pay any commission at all for the half calendar year.

The employee claims they are entitled to 30 per cent commission on the amount that exceeds half of the agreed commission threshold because the work was performed and income was generated for the employer for six months, i.e. 30 per cent of SEK 150,000 = SEK 45,000. The employer also states that the employee, irrespective of the method of calculation, is not entitled to commission because he/she will not be employed at the time the salary comprising commission is paid. Because this issue is not clearly covered in the contract, a dispute arises between the parties.

COMMENT: ADVICE
In order to avoid disputes, the matter could be set out in the employment contract, e.g. as follows:'

[NN] is entitled to [x] per cent of the fee that accrues to [the company] for [NN]'s work and that exceeds SEK [x] thousand and to [y] per cent of the fee that accrues above SEK [y] thousand. The commission is calculated over a calendar year.

If [NN] is absent for more than two weeks as a result of continuous sick leave or parental leave, the thresholds for the commission shall be reduced by 1/26 for each full two-week period.

If [NN]'s employment ends before the end of the calendar year, the thresholds for the commission shall be reduced by 1/12 per month remaining of the calendar year.

Any offers by the employer of convertible bonds, warrants and the like should not affect salary considerations, as these are pure investments. Such contractual terms are not covered by the labour law service provided by Akavia.

As mentioned above, there are many calculation methods and structures when it comes to variable salary components. They are usually adapted to the specific business. It is important to familiarise yourself with the calculation basis before signing the contract in order to be able to assess the possibilities of achieving the specific requirements. As mentioned above, note that certain performance-based salary components are usually linked to one's own performance, while others are independent and linked, for example, to the performance of a business unit or to the pre-tax profits of the company.

Other performance-based salary components – which are not covered by the contract – are unilateral payments made by the employer at their own discretion. Such variable salary components are not included in the employment contract but are entirely discretionary, i.e. the employer can unilaterally decide whether or not they are to be paid.

Always look at the calculation basis. Note that the terms commission and bonus are not used in a consistent manner.

The reference to Appendix 1 is included in the contract to emphasise that there is an agreement on commission and that this is not a discretionary variable remuneration.

It is all too common that the appendices referred to in the contract are not included as appendices or that the content of the appendices has not been discussed. It is not uncommon for the parties to agree that they can be drawn up later. As a consequence, in the event of a dispute the benefit cannot usually be proven.

Contact Akavia for further advice.

§5 WORKING HOURS AND OVERTIME PAY

The normal working hours are_____hours/week. Trust-based working hours are the default. However, core working hours are scheduled between 09:30 and 16:30 every working day. Between these times, the employee is expected to be available and working. If the employer finds it necessary for the business, they may decide on deviations from the above.

COMMENT: WORKING HOURS

Working hours per week generally used to be 40 hours. Nowadays, it is not unusual for weekly working hours to be shorter, for example 38 hours. Often, unregulated working hours or trust-based working hours are used – which means that the employee has

great freedom with regard to the scheduling of their work and where it is to be performed – as long as the work is being performed.

Normally, there are still core working hours during which the employee is expected to be available and working. The employer may invoke operational reasons to deviate from the provisions.

COMMENT: OVERTIME PAY

Overtime work is only compensated if it is specified in collective agreements or employment contracts. It is therefore important to specify the right to overtime compensation in the employment contract if there is no collective agreement. In these cases, the calculation of overtime remuneration may be based on collective agreements, which must of course also be stated in the employment contract.

Because Akavia's members often have trust-based working hours and unregulated working hours – i.e. flexible working hours – weekly working hours are becoming less and less important. It is common for employers with collective agreements to try to reach an agreement with employees that they will not be entitled to overtime pay. The conditions under which this can take place are stated in the collective agreement. If such an agreement is made, the employee is normally compensated with longer annual leave, usually five additional days of leave. Because overtime can be extensive, you should also try to make sure that you are compensated with a higher salary if overtime pay is not an option.

To calculate the value of overtime work, visit akavia.se.

§6 ANNUAL LEAVE

Annual leave is 30 days of paid annual leave/year. [NN] receives advance annual leave without any settlement obligation.

COMMENT

According to the Annual Leave Act, the annual leave entitlement is 25 days per annual leave year. An employee who does not receive overtime pay usually receives five additional days per annual leave year. Additional days of annual leave may also be something that the employee negotiates in connection with salary reviews.

Advance annual leave, i.e. paid annual leave not accrued by the employee, is often offered to salaried employees. As a general rule – both under the Annual Leave Act and under collective agreements – advance annual leave requires the holiday pay paid in advance to be paid back when the employee leaves. However, this does not apply if the holiday pay received in advance was paid more than five years before the employment ended. The employee and the employer may agree in the employment contract that advance annual leave shall be offered without settlement.

§7 CAR BENEFIT

[NN] receives a newly manufactured car of [car brand/model] or another car in the corresponding price class free of charge. The company pays all costs for the car. [NN] is entitled to unlimited use of the car for private journeys in Sweden and abroad. The car may also be used by family members. [NN] is entitled to replace the car with a newly manufactured car in the same price class every [x] years or after _____ kilometres. If the car benefit is no longer desired or ceases, [NN] shall be compensated for this benefit with a monthly amount corresponding to the benefit value of a newly manufactured car of the car brand/model in question or another car in the corresponding price class.

COMMENT

All costs include repairs and petrol. According to the proposed contract, the right to use the car for private journeys also applies to trips abroad. If you do not use the wording of the template contract, you can expect the right to be limited to Sweden. Whether this benefit is of interest to you or not depends on income, travel habits, etc.

The car benefit is often set out in the company's car policy in force at any given time. This means your ability to introduce a special provision for you is usually limited. It is not a given that the employer offers a car benefit.

Always check the tax consequences of this benefit with the Swedish Tax Agency.

§8 HEALTH CARE

The company takes out special health insurance cover for [NN].

COMMENT

This insurance is taken out so that you can receive care quickly in the event of illness and related problems. Ultimately, a health insurance policy is taken out to avoid absence due to slow or delayed medical care or a lack of preventive care. The employer takes out this insurance policy with an insurance company on your behalf. There are several insurance solutions in this area. Nowadays, many employers take out such insurance policies to cover all employees.

Contact the Swedish Tax Agency for up-to-date information about any taxation of benefits.

§9 REIMBURSEMENT OF TRAVEL AND SUBSISTENCE EXPENSES, ETC.

Reimbursement of travel and subsistence expenses, etc. for business travel are paid in accordance with the employer's travel regulations/travel policy in force at any given time.

COMMENT

For those who travel for work purposes, the employment contract should specify which reimbursements will apply in terms of travel expenses, subsistence expenses, reimbursement for the use of private car for business purposes, etc. Many companies have drawn up travel regulations/travel policies. In such cases, a reference to this is sufficient. However, you should read the content before it is included in the employment contract. Collective agreements often contain rules on travel time reimbursement that specify reimbursement levels for travel outside normal working hours.

The Swedish Tax Agency website contains information about tax-free subsistence rates, deduction rules, etc.

§10 SICK PAY, ETC.

[NN]'s employment includes the following entitlement.

Option 1: In addition to what is required by law, the company applies the rules on sick pay and disability pension that follow from the applicable collective agreement.

Option 2: The company undertakes to take out separate health insurance with an insurance company specified by [NN].

COMMENT

Provisions under Option 1 assume that the employer has a collective agreement, i.e. that the employer is bound by general terms and conditions of employment and the ITP occupational pension plan for salaried employees, etc. These provisions apply to all salaried employees at the company.

Prior to your negotiations with your employer, it may be good for you to know that the collective agreement entitles you to the following benefits:

- In the event of illness, the employer is required by law to make a one-off deduction (qualifying deduction) of 20 per cent of sick pay – based on an average working week.

- The company pays sick pay from day two up to and including day 14 at 80 per cent of salary in accordance with the law and – where applicable – in accordance with the general terms and conditions of employment in the applicable collective agreement.

- The employer must report the illness to the Swedish Social Insurance Agency if the sickness absence exceeds 14 days. A medical certificate must be provided. From the 15th calendar day of sickness absence, the Swedish Social Insurance Agency pays sickness benefit.

- From days 15–90, the employer also pays sick pay of 10 per cent of the salary that is less than 7.5 price base amounts and 90 per cent of the salary that exceeds 7.5 price base amounts in accordance with the general terms and conditions of employment in the applicable collective agreement.

- Disability pension is paid by Alecta from day 91. This is a collectively agreed disability pension, paid by Alecta in accordance with the ITP plan.

For further information about sickness benefit, sick pay, etc., please refer to the Swedish Social Insurance Agency's website and read in particular this page.

For further information on collectively agreed benefits in the event of illness, please refer to Avtalat and read in particular this page.

If the company does not have a collective agreement, the company may instead take out separate health insurance, which among other things provides compensation for 90 per cent of salary. However, you should be aware that the insurance company may require a health check. It is recommended that you check this before making this request. You may want to try to negotiate another benefit instead.

Contact the Swedish Tax Agency for up-to-date information about any taxation of benefits.

§11 PARENTAL LEAVE, ETC.

Employees who are on leave of absence due to pregnancy, in connection with the birth or adoption of a child, are entitled to parental pay from the employer if they have been employed by the company for at least one consecutive year and the employee's employment will continue for at least three months after the leave of absence. However, the right to parental pay ceases in connection with termination of the employment.

Parental pay is paid for up to 180 calendar days when parental allowance is received. Parental pay comprises 10 per cent of daily salary on an annual salary within 10 price

base amounts. For fixed monthly salaries exceeding 10 price base amounts, the remuneration is 80 per cent of the daily salary.

- If the salaried employee has been employed for one, but not two consecutive years, parental pay shall be paid for 60 days.
- If the salaried employee has been employed for two, but not three consecutive years, parental pay shall be paid for 90 days.
- If the salaried employee has been employed for three, but not four consecutive years, parental pay shall be paid for 120 days.
- If the salaried employee has been employed for four, but not five consecutive years, parental pay shall be paid for 150 days.
- If the salaried employee has been employed for five or more consecutive years, parental pay shall be paid for 180 days.

Parental pay is not paid for the part of annual salary exceeding 15 price base amounts.

Parental pay is paid at half the amount at the start of the leave and the remaining half after the salaried employee has continued their employment for three months after the leave.

COMMENT
Similar provisions can be found in collective agreements. If the employer is bound by a collective agreement, the provisions of the collective agreement shall apply. What is written in this section is intended to provide an insight into what may apply if the company has collective agreements and what you must reach agreement on in the absence of collective agreements.

§12 PENSION AND INSURANCE

In addition to benefits under the Swedish public insurance act (Lagen om allmän försäkring), [NN] is guaranteed the pension benefits set out in the ITP occupational pension insurance plan, the TGL occupational group life insurance plan and the TFA occupational injury insurance plan in force at any time, agreed between the Confederation of Swedish Enterprise and PTK, the council for negotiation and cooperation.

Option 1: [NN] receives pension benefits in accordance with the collective agreement for salaried employees in the private sector that the company is bound by, currently the ITP plan, the collective agreement between PTK and the Confederation of

Swedish Industry. In respect of [NN], select option ITP 1 (defined contribution pension) or option ITP 2 (defined benefit pension) shall apply.

In addition, the company undertakes to pay___% of [NN]'s monthly salary to an occupational pension insurance policy specified by [NN].

Option 2: Because the company is not bound by any collective agreements, the company undertakes to pay_____% of [NN]'s monthly salary to an occupational pension insurance plan and health insurance plan chosen by [NN] on behalf of [NN].

In addition, the company undertakes to pay the premiums for the following insurance policies:

- Occupational group life insurance, TGL
- Occupational injury insurance, TFA
- Business travel insurance, which provides insurance cover for all business trips regardless of continent.

COMMENT

If there is no collective agreement governing pension and insurance, these benefits must be set out in the employment contract. The employer can add the employee to a pension plan that applies to the industry or offer another pension solution via pension insurance taken out with an insurance company. Life and occupational injury insurance on behalf of the employee can also be taken out with insurance companies.

In order to ensure your pension benefits are appropriate, you need to contact a pension insurance expert. The information provided by Akavia in this section is therefore general information only.

What is written here about pensions is only intended as a rule of thumb, which can help you decide which pension solution would be right for you.

The ITP plan only applies to employers in the private sector who are bound by collective agreements. The employer can be bound either by membership of an employers' organisation or by a so-called suspended agreement. The latter collective agreement is signed directly between an employee organisation and the employer. Similar pension plans – such as the BTP, FTP and KTP occupational plans – exist. These pension plans apply to the banking, insurance and cooperative sectors.

If the ITP plan otherwise applies to all salaried employees, the employer can also register the CEO and other employees in management positions to be covered by this plan. Regardless of how you choose to negotiate your pension terms and conditions, you should make sure that you always receive pension premium payments and benefits corresponding to the ITP plan.

If you are already covered by an ITP1 solution, it may be difficult to get the company to agree to change your pension plan. If you have previously been covered by a defined benefit ITP2 plan, it may be better for you to keep it. However, this presupposes that the company is covered by the ITP plan and the company accepts this.

If you previously had ITP2 and are covered by a high earners' solution, this can still be retained if the company is covered by the ITP plan. In this case, you should check that the premium level corresponds to the premium payment the employer would have been required to make if there had not been a high earners' solution. This is usually referred to as a cost-neutral premium or opt-out solution.

In addition to the above-mentioned benefits, it is sometimes possible to negotiate provisions for an additional occupational pension insurance. This usually applies to key personnel.

The big difference between ITP1 and ITP2 is that those born in 1979 or later generally receive a defined contribution occupational pension, while those born in 1978 or earlier continue to have a defined benefit pension and ITPK complementary occupational pension. If you were born in 1978 or earlier, you may also be covered by a defined-contribution retirement pension if you change employer and start a new employment.

For further information about the ITP plan, please refer to PTK's website or Collectum's website.

If your employer is not bound by a collective agreement, you should ensure that the company commits to paying a certain percentage of your monthly salary to an occupational pension insurance plan chosen by you. This percentage should not be lower than the percentages stated in the collectively agreed ITP1 plan. Alternatively, the pension contributions should correspond to the premium and the conditions that would have applied if you had been covered by the defined benefit ITP2 plan.

Always contact a pension and insurance expert to find out which pension solution is best for you. Factors that influence this are what insurance cover you already have and what you want to achieve. Historical returns and not least the fees can be used for guidance when it comes to the choice of pension insurance.

The occupational group life insurance, TGL, and occupational injury insurance, TFA, mentioned in this section are commonplace, regardless of which salaried employee position you hold and regardless of whether you are covered by a collective agreement or not. Business travel insurance is relevant when working abroad. Akavia recommends that these benefits be included in the contract regardless of whether a collective agreement exists or not.

Note that in the case of a pension solution that is not based on collective agreements, it is important to choose an occupational pension insurance with low fees, as this can significantly affect your final pension. Within the ITP plan, insurance choices are procured at low fees and involve high-quality pension products. If you have an opportunity to somehow be covered by the ITP plan, you can benefit from the low fees, which is a great advantage for you.

This also applies if you have a so-called high earners' solution, which you can continue to be covered by via the ITPK plan. Collectum can provide you with more information about this.

For further information about the ITP plan, please refer to PTK's website or Collectum's website.

Please note that there are a lot of hidden commissions and other remunerations paid by the insurance companies to the brokers/advisers who propose pension solutions outside the area of collective agreements. Such a commission is taken directly from your pension pot.

§13 NOTICE PERIOD

The notice period for both employers and employees is three months.

COMMENT

Notice periods are set out either in the Swedish Employment Protection Act (LAS), collective agreements or the employment contract.

If both the employer and the employee are bound by a collective agreement, the agreement's rules on notice periods apply. Collective agreements usually allow an individual agreement between the employee and the employer as long as it does not conflict with certain minimum rules specified in the collective agreement. If the employee is not bound by a collective agreement, there is freedom of contract with regard to the period of notice, subject to the limitation that the employer cannot have a shorter period of notice in respect of the employee than that stated in section 11 of LAS. According to LAS, the minimum notice period for both the employee and the employer is one month. However, according to LAS, in the event of termination by the employer, the employee has a right to a notice period that increases gradually in relation to the period of employment; however, a maximum notice period of six months after ten years of employment. Similar provisions exist in collective agreements.

A commonly used structure is that the parties agree on a mutual notice period of three months. As an employee, you must ensure that you do not have a shorter notice period than the one to which you are entitled in accordance with LAS, if your employer later wishes to terminate your employment.

§14 OTHER GENERAL TERMS AND CONDITIONS OF EMPLOYMENT

General terms and conditions of employment that are not covered in this agreement follow item by item the applicable collective agreement for the industry between [names of the parties to the collective agreement].

PROCESSING OF CASES IN CASE OF TERMINATION OF EMPLOYMENT (LAW FIRMS)
The parties understand that The Bar of Associations Code of conduct entails, among other things, a responsibility to contribute to the preparation of a document in order to be able to make a possible settlement between the law firm and the associate.

COMMENT

It is not certain that the employer agrees to this formulation.

Akavia can help you with arguing your case and with finding the collective agreement that most closely matches your situation.

You can read more about possible settlements between the associate and the law firm at akavia.se.

§15 DISPUTES

Option 1: Disputes arising from this contract shall be settled by a Swedish court and Swedish law shall apply.

Option 2: Disputes arising from this contract shall be settled by arbitration in accordance with the Rules for Expedited Arbitration of the SCC Arbitration Institute at the Stockholm Chamber of Commerce. Swedish law shall apply. All costs of the arbitration proceedings shall be borne by the company regardless of the outcome of the dispute.

COMMENT: OPTION 1

This option reflects the main rule, i.e. what applies if the parties have not settled the issue at all. Unless the issue of dispute resolution is specified in a contract, disputes arising from the contract shall be settled by a court and in accordance with Swedish law. However, this presupposes that the work is mainly carried out in Sweden and that the work is carried out for a Swedish employer; in this case a Swedish limited liability company (AB).

COMMENT: OPTION 2

Employers often want any disputes to be resolved by arbitration as this is usually a faster and less public procedure. In principle, you should not accept this, as the costs of arbitration proceedings often exceed the costs of a court case by substantial amounts. Should you nevertheless accept such a provision, you must be aware that Akavia will not bear the costs of the arbitration proceedings. If Akavia grants you legal assistance in such a case, the union will therefore only be responsible for the work that Akavia has done as your representative – and in the event of you losing the case – for the other party's representation costs. If you nevertheless are considering accepting an arbitration clause, it is important that the clause contains an obligation for the employer to bear all costs of the arbitration proceedings regardless of the outcome of the dispute. Such wording can be found under option 2 in the contract text.

Ask Akavia for help if arbitration is discussed as an option.

§16 AMENDMENTS AND ADDITIONS

Amendments and additions to this contract must be approved in writing by both parties.

COMMENT

This sets out the requirement that any amendments and additions to this contract must be agreed in writing. The provision has been added in the interest of both parties to avoid disputes.

This agreement has been drawn up in two copies, of which the parties have taken one copy each.

[Place, Date]

[Employer] [Employee]

Akavia is the trade union for you who have chosen the academic path. Our organisation was formed from the unions Jusek and Civilekonomerna in 2020. Akavia brings together 135,000 business professionals, lawyers, social scientists, IT academics, HR professionals and communication specialists

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