

# Pay increase guidelines by the Finnish Commerce Federation for the agreement period 1 February 2023–31 January 2025

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## Eligibility for pay increase

According to the collective agreement, only employees covered by the collective agreement are entitled to the pay increase. Therefore, the pay increase does not apply to employees who do not fall within the scope of the Working Hours Act, such as salesmen pursuant to the Act on Commercial Representatives and Salesmen (regardless of the form of pay). Furthermore, the increases do not apply to sales staff working in wholesale trade fully or partly on commission or so-called senior salaried employees, unless otherwise agreed in the employment contract for the benefit of the employee.

These instructions concern employees who are covered by the following collective agreements:

- Collective Agreement for the Commercial Sector, including salaried ICT employees
- Collective Agreement for Retail Supervisors
- Collective Agreement for Commercial Logistics Supervisors (former Collective Agreement for Warehouse and Transport Supervisors)

## Pay increases in 2023

In addition to the pay increases, the unions have agreed to reform the pay system for logistics workers (former warehouse workers) and salaried employees of commerce (former clerical employees). Updated job requirements will become part of the collective agreement. As a result of the reform, the provision concerning the oldest member of the logistics working group (the so-called foreman) will be removed from the collective agreement. The unions have also agreed on the abolition of the language proficiency bonus as of 1 February 2023. Examples of bonuses are discussed in section 7 of this guideline.

The reform concerning logistics employees and salaried employees will enter into force on 1 January 2024. The unions will prepare more detailed instructions on the change by 15 May 2023.

### 1. Pay increases in the Collective Agreement for the Commercial Sector in 2023

#### 1.2. One-time instalment in April 2023

Only employees working under an employment contract shall be entitled to the instalment. For example, no instalment will be paid for unpaid traineeships. The probationary period is irrelevant to the payment of the instalment.

The instalment paid to full-time employees is EUR 400. For part-time employees, the instalment is calculated in proportion to the contracted hours according to the time of wage payment in April in accordance with the following formula:

$$\frac{\text{an instalment of EUR 400} \times \text{agreed weekly working time}}{37.5}$$

The hours valid at the time of wage calculation can be used as weekly working hours, even if the working hours change before the wage payment date. The condition is that the salary calculation and review of contracted hours have been handled according to the company's usual practice.

The instalment will also be paid if the employee is laid off or on sick leave or family leave. The one-time instalment may be paid to a laid-off employee on the wage payment day following the lay-off.

The instalment is paid, even if the employee is on a statutory or contractual unpaid leave (e.g. study leave or agreed unpaid leave) maximum length of which is two weeks during the instalment payment date (the company's wage payment date).

The instalment is paid normally if the employee is on annual leave or other paid leave.

Temporary and predetermined contractual-hours changes to fixed-term contracts of a maximum duration of four (4) months (excluding those related to sick leave and family leave) are not taken into account, but even in these situations the amount of the one-time instalment is determined according to the employee's usual employment contract hours.

The instalment will be paid in connection with the payment of wages in April regardless of the payment period (e.g. on 15 April, wages will be paid for the period from 1 March to 31 March 2023).

Half of the instalment (EUR 200) can be paid later, i.e. in connection with the payment of wages in September. Correspondingly, part-time employees can be paid half of the remaining proportional instalment in connection with the payment of wages in September. **The employer may unilaterally decide whether the whole instalment is paid in April or half in April and half in September.**

The employment relationship must have started **no later than on 1 February 2023 and the employment relationship must still be valid on the first date of payment of the instalment.** The right to the instalment is determined on the basis of the first payment date. In case there are multiple employment relationships between 1 February 2023 and instalment date, possible continuity of employment is evaluated based on Employment Contracts Act Chapter 1 Section 5.

The instalment will not be paid if the employee has resigned or if the employer has terminated the employment relationship for reasons attributable to the employee before the first payment date.

If the employer has decided to pay the instalment in two instalments and the employee's employment ends between the payment dates, the employee is still entitled to the remaining part of the instalment. In practice, this is paid as part of the final wage.

The instalment shall not be taken into account in the calculation of other wage components, such as annual holiday pay, overtime pay or average hourly earnings.

In a fixed-term employment relationship of **up to four months**, the amount of the instalment is determined according to the duration of the employment relationship in accordance with the following. Incomplete months shall be rounded to full months as follows:

- For example, 2 months and up to 2 weeks are rounded down in the calculation to 2 months.
- For example, 3 months and more than 2 weeks are rounded up in the calculation to 4 months.

Length of the employee's fixed-term in full months / 12 months \* EUR 400.

*Example: The duration of a full-time employee's fixed-term employment relationship is 3 months and 3 weeks. The instalment is calculated in proportion to the number of whole months of the fixed-term employment: (4 months / 12 months \* EUR 400) = EUR 133.33.*

The setting in proportion shall also be applied to part-time fixed-term employees as follows:

*Example: The duration of the employment of a 30-hour part-time employee is 3 months and 1 week. When calculating the amount of the one-time instalment, the hours pursuant to the employee's employment contract must be taken into account:  $(30 / 37.5 * 400) = \text{EUR } 320$ .*

*Thereafter, the instalment shall be calculated in proportion to the number of whole months of the fixed-term employment:  $(3 \text{ months} / 12 \text{ months} * \text{EUR } 320) = \text{EUR } 80$ .*

The one-time instalment must be paid in full if the duration of the fixed-term employment relationship exceeds 4 months.

### 1.3. Pay increases from 1 June 2023

From 1 June 2023 onwards, the monthly pay of all full-time employees in employment on 31 May 2023 will be increased by EUR 105. During the same period, the hourly wages of part-time employees will be increased by EUR 0.66. If a part-time employee is paid a proportional monthly salary, the employee's personal pay will be increased proportionally by the same increase.

*Example: The weekly working time under the employment contract of an employee receiving a proportional monthly wage is 20 hours. Thus, the increase in their proportional monthly salary is EUR 56 ( $\text{EUR } 105 * 20 / 37.5$ ).*

Salary increase is paid in full, even if the employee is paid a trainee's salary (85%) or a school student's salary (70%).

### 1.4. Pay scale rates from 1 June 2023 onwards

All pay scale rates will be increased by 3.88 per cent as of 1 June 2023. In addition, the B1 and C1 pay scale rates will be increased as follows:

- The B1 pay scale rates will be increased by 50 per cent of the difference between the B2 and B1 pay scale rates.
- The C1 pay scale rates will be increased by 50 per cent of the difference between the C2 and C1 pay scale rates.

The new pay scales are available on the Finnish Commerce Federation website and the increases that will enter into force on 1 June 2023 are included in the scales in full. The pay scale rates are the minimum wages of the industry and the corresponding pay can be paid to employees coming to the company on or after 1 June 2023.

*Example: A company in Espoo has a sales assistant who started working for the employer on 1 January 2015. The employee's monthly pay is currently EUR 2,110 (the pay scale rate for a fifth-year salesperson in the Helsinki Metropolitan Area is EUR 2,110). On 1 June 2023, their pay will be increased by EUR 105, which means that the employee's new pay will be EUR 2,215 ( $\text{EUR } 2,110 + \text{EUR } 105$ ).*

*When the employee reaches 8 service years on 31 December 2023, the employer must increase the employee's pay to correspond to the pay of an eighth-year sales assistant pursuant to the new pay scale rate. The employee's pay after the increase is EUR 2,306.*

#### 1.4.1. Monthly wages

The pay scale rates that entered into force on 1 June 2023 in accordance with the wage annex of the Collective Agreement for the Commercial Sector have been increased by 3.88 per cent and the B1 and C1 pay scale rates have also been increased separately as described above.

The pay scale rates of salaried ICT employees in commerce have also been increased by 3.88 per cent.

#### 1.4.2. Hourly wages

New hourly pay scale rates are calculated by dividing the aforementioned increased monthly pay scale rates by 160 (the monthly wage divisor specified in the Collective Agreement for the Commercial Sector). Due to the rounding-off rule, the increase to the hourly pay scale rates ranges from 22 to 32 cents.

You can find the new pay scale rates here:

[Pay scale rates 1 June 2023–31 May 2024](#)

### 1.5. Sales assistants working on commission

In this instance, sales assistants working on commission refer to sales assistants in retail trade and specialty goods trade. The personal **fixed salary component** of a full-time commission-paid sales assistant will be increased by EUR 105 (or EUR 0.66 per hour) as of 1 June 2023. If a sales assistant on a part-time commission is paid a proportional monthly wage, the employee's personal wage is increased proportionally by the same increase.

*Example: The working hours under the employment contract of an employee receiving a proportional monthly wage is 20 hours. Thus, the increase in their proportional monthly salary is EUR 56 (EUR 105 \* 20 / 37.5).*

The variable component is not subject to the increases. Work on commission refers to a wage type including a commission, i.e. a variable component based on sales, sales profits, or other such factors.

The pay increase instructions do not apply to sales staff working in wholesale trading who receive even a part of their pay as commission and who are not entitled to overall pay increases under the collective agreement. Furthermore, the pay increase instruction does not apply to cash-and-carry employees who receive part of their salary as a commission and who are covered by the provisions on logistics workers (former warehouse workers).

### 1.6. Logistics employees on performance pay (former warehouse workers)

In accordance with the protocol on logistics employees, the general increases agreed between unions will also affect the performance of logistics employees in companies that have a performance-based pay

system in place at the time of the pay increase.

Due to the pay increase in euros, the general rate of increase in logistics' performance-based pay has been calculated on the basis of the average working hours of a logistics employee (the statistics on salaries of the Confederation of Finnish Industries (EK)), in accordance with the previous practice of the unions.

An increase in performance-based pay in these companies shall be made, at the discretion of the employer, through either of the following procedures:

A. From the average performance-based pay of the employee is calculated a share pursuant to the general increase (4.2%). The resulting amount of euros is used to increase the employee's personal monthly or hourly pay on the next payday.

B. The general increase (4.2%) is used to increase unit prices, performance coefficients or comparable performance elements of the performance so that the corresponding performance produces a performance-based pay that is higher than the previous general increase.

Alternatively, the calculation, distribution or replacement of the performance increment component may be agreed on a workplace-specific basis in accordance with section 23.

More detailed application instructions regarding the performance pay of logistics employees and the pay increase can be found in the general application instructions of the Finnish Commerce Federation and PAM. ([link](#))

### 1.7. Working time supplements

Working time supplements will not be increased in 2023, therefore, the working time supplements included in the wage annex of the Collective Agreement for the Commercial Sector in force from 1 May 2022 will continue to apply.

### 1.8. Shop stewards and labour protection delegates

Shop steward and labour protection delegate compensation will increase by 6.0% from 1 June 2023.

Compensation of shop stewards and labour protection delegates as of 1 June 2023:	
Number of employees	Compensation EUR per month
20–49	47
50–149	83
150–299	117
300–499	177
500–699	225

700 or more	to be agreed locally
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## 2. Collective Agreement for Retail Supervisors

Personal pay of supervisors covered by the Collective Agreement for Retail Supervisors in will be increased by 3.5% as of 1 June 2023.

The one-time instalment will also be paid to supervisors in accordance with the criteria mentioned in section 1.1 above.

## 3. Collective Agreement for Commercial Logistics Supervisors

Personal pay and pay scale rate for supervisors within the scope of the collective agreement for commercial logistics supervisors will increase by 3.5% from 1 June 2023.

The instalment will also be paid to logistics supervisors in accordance with the criteria mentioned in section 1.1 above.

## Pay increases in 2024

### 4. Pay increases in the Collective Agreement for the Commercial Sector in 2024

#### 4.1. Pay increases from 1 June 2024

As of 1 June 2024, the monthly pay of all employees in employment on 31 May 2024 will be increased by EUR 60. During the same period, the hourly pay of part-time employees will be increased by EUR 0.38. If a part-time employee is paid a proportional monthly salary, the employee's personal pay will be increased proportionally by the same increase.

Salary increase is paid in full, even if the employee is paid a trainee's salary (85%) or a school student's salary (70%).

#### 4.2. Local instalment pilot

The Finnish Commerce Federation and the Service Union United PAM have agreed that the pay increase for 2024 will include a local instalment pilot with more detailed conditions determined in the field of wholesale and salaried employees. The pilot enables the partial distribution of the general increase with local agreement. People must register for the pilot separately so that the local instalment can be applied. The unions will publish more detailed information on the topic on their website during spring 2023.

### 4.3. Pay scales from 1 June 2024

Pay scale rates will be increased by 2.14 per cent as of 1 June 2024. In addition, the B1 and C1 pay scale rates will be increased as follows:

- The B1 pay scale rates increased to the level of the B2 pay scale rates.
- The C1 pay scale rates increased to the level of the C2 pay scale rates.

The new pay scales are available on the Finnish Commerce Federation website and the increases that will enter into force on 1 June 2024 are included in the scales in full. The pay scale rates are the minimum wages in the industry and the corresponding pay can be paid to employees coming to the company on or after 1 June 2024.

#### 4.3.1. Monthly wages

The pay scale rates that entered into force on 1 June 2024 in accordance with the wage annex of the Collective Agreement for the Commercial Sector have been increased by 2.14 per cent and the B1 and C1 pay scale rates will be increased to the level of the B2 and C2 pay scales. As of 1 June 2024, the pay scale of the Collective Agreement for the Commercial Sector will only include scales B and C.

The pay scale rates for ICT employees in commerce have also been increased by 2.14%.

#### 4.3.2. Hourly wages

New hourly pay scale rates are calculated by dividing the aforementioned increased monthly pay scale rates by 160 (the monthly wage divisor specified in the Collective Agreement for the Commercial Sector). Due to the rounding-off rule, the increase to the hourly pay scale rates ranges from 22 to 32 cents.

You can find the new pay scale rates here:

[Pay scales 1 June 2024–31 January 2025](#)

### 4.4. Sales assistants working on commission

In this instance, sales assistants working on commission refer to sales assistants in retail trade and specialty goods trade. The personal fixed salary component of a full-time commission-paid sales assistant will be increased by EUR 60 (or EUR 0.38 per hour) as of 1 June 2024. If a sales assistant on a part-time commission is paid a proportional monthly wage, the employee's personal wage is increased proportionally by the same increase.

*Example: The working hours under the employment contract of an employee receiving a proportional monthly wage is 20 hours. Thus, the increase in their proportional monthly pay is EUR 32 (EUR 60 \* 20 / 37.5).*

The variable component is not subject to the increases. Work on commission refers to a wage type including a commission, i.e. a variable component based on sales, sales profits, or other such factors.



The pay increase instructions do not apply to sales staff working in wholesale trading who receive even a part of their pay as commission and who are not entitled to overall pay increases under the collective agreement. Furthermore, the pay increase instruction does not apply to cash-and-carry employees who receive part of their salary as a commission and who are covered by the provisions on logistics workers (former warehouse workers).

#### 4.5. Logistics employees on performance pay (former warehouse workers)

In accordance with the protocol on warehouse workers, the general increases agreed between unions will also affect the performance of logistics employees in companies that have a performance system in place at the time of the pay increase.

Due to the pay increase in euros, the general rate of increase in logistics' performance-based pay has been calculated on the basis of the average working hours of a logistics employee (the statistics on salaries of the Confederation of Finnish Industries (EK)), in accordance with the previous practice of the unions.

An increase in performance-based pay in these companies shall be made, at the discretion of the employer, through either of the following procedures:

A. From the average performance-based pay of the employee is calculates a share pursuant to the general increase (2.4%). The resulting amount of euros is used to increase the employee's personal monthly or hourly pay on the next payday.

B. The general increase (2.4%) is used to increase unit prices, performance coefficients or comparable performance elements of the performance so that the corresponding performance produces a performance-based pay that is higher than the previous general increase.

Alternatively, the calculation, distribution or replacement of the performance increment component may be agreed on a workplace-specific basis in accordance with section 23.

More detailed application instructions regarding the performance-based pay of warehouse workers and the pay increase can be found in the general application instructions of the Finnish Commerce Federation and PAM. ([link](#))

#### 4.6. Working time supplements

Working time supplements will not be increased in 2024, therefore, the working time supplements included in the wage annex of the Collective Agreement for the Commercial Sector in force from 1 May 2022 will continue to apply.

#### 4.7. Shop stewards and labour protection delegates

Shop steward and labour protection delegate compensation will not be increased in 2024, so the compensations increased on 1 June 2023 will continue to apply.

## 5. Collective Agreement for Retail Supervisors

Pay of supervisors covered by the Collective Agreement for Retail Supervisors in will be increased by 2.5% as of 1 June 2024.

## 6. Collective Agreement for Commercial Logistics Supervisors

Personal pay and pay scale rate for supervisors within the scope of the collective agreement for trade logistics supervisors will increase by 2.5% from 1 June 2024.

## 7. Calculation examples concerning the changed increments of the collective labour agreement

### 7.1. Collective agreement, section 13, clause 10 Working team foreman ("nokkamies")

The unions have agreed on a reform of the pay system for logistics employees and salaried employees. The reform will enter into force on 1 January 2024 in a separately specified manner. The provision concerning the working group's eldest member (foreman) will be removed on 31 December 2023 as part of this reform.

In the case of an employee who has been paid the foreman increment at the time of the transition, the difference between the increment and the new pay scale rate pursuant to the new requirement category will be transferred to the employee's salary.

The basic salary thus formed is processed when, for example, calculating annual holiday pay, sick pay, family leave pay and pay increases.

*Example: An employee (the Helsinki Metropolitan Area) has been paid the foreman bonus until 31 December 2023. The salary has thus been 2,235 (B2, 8th year) \* 1.1 = 2,458.50 + general increase on 1 June 2023 (EUR 105), totalling EUR 2,563.50.*

*The new pay scale for the employee as of 1 January 2024 is D, 5th year (EUR 2,526). Therefore, the employee's pay is still EUR 2,563.50.*

*On 1 March 2024, the employee is moved on the seniority level to scale D, 8th year (EUR 2,718). The new pay of the employee is EUR 2,718 according to the new pay scale.*

### 7.2. Collective Agreement, section 11, clause 9: language proficiency bonus

The unions have agreed to remove the provision concerning the language proficiency bonus as of 1 February 2023. For a part-time employee, the removed bonus is transferred to part of the hourly wage or

prorated monthly wage. The bonuses in force on 1 February 2023 will be paid as part of the employee's total pay. The total pay of anyone in an employment relationship on 31 January 2023 will not decrease due to this change in the collective agreement.

*Example 1: The employee has been paid the B1, 5th-year pay scale rate of EUR 2,110 until February 1, 2023 (Helsinki Metropolitan Area). In addition, they have been paid a 3% language proficiency bonus of EUR 63.30. The amount of the language proficiency bonus will be transferred to be part of the employee's pay, in which case the new pay will be  $2,110 + 63.30 = \text{EUR } 2,173.30$ . The pay thus formed forms the so-called calculation basis for calculating things such as annual holiday pay, sick pay, family leave pay and pay increases. The employee's pay will be increased by EUR 105 on 1 June 2023, in which case the salary will be  $2,173.30 + 105 = \text{EUR } 2,278.30$ . The employee's salary will be increased by EUR 60 on 1 June 2024, in which case the employee's salary will be  $2,278.30 + 60 = \text{EUR } 2,338.30$ . After that, the employee will move to the 8th year pay scale on 15 January 2025 (EUR 2,372). The new pay of the employee is EUR 2,372 according to the new pay scale.*

*Example 2: The employee has been paid the B1, 5th-year pay scale rate of EUR 2,110 until February 1, 2023 (Helsinki Metropolitan Area). In addition, they have been paid a 3% language proficiency bonus of EUR 63.30 for the "tourist season" of 1 June–30 September. The bonus transferred to the pay is proportional to the calendar year, i.e.  $63.30 * (4/12) = \text{EUR } 21.10$ . Upon expiry of the provision on the language proficiency bonus, the additional EUR 21.10 will be transferred to be part of the employee's pay, in which case the new pay will be  $2,110 + 21.10 = \text{EUR } 2,131.10$ . The pay thus formed forms the so-called calculation basis for calculating things such as annual holiday pay, sick pay, family leave pay and pay increases. The employee's pay will be increased by EUR 105 on 1 June 2023, in which case the salary will be  $2,131.10 + 105 = \text{EUR } 2,236.10$ . The employee's salary will be increased by EUR 60 on 1 June 2024, in which case the employee's salary will be  $2,236.10 + 60 = \text{EUR } 2,296.10$ . After that, the employee will move to the 8th year pay scale on 15 January 2025 (EUR 2,372). The new pay of the employee is EUR 2,372 according to the new pay scale.*