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Different collective agreements

A brief introduction

Collective agreements regulate wages and much more

Collective agreements regulate wages, employment conditions and other aspects of the relationship between employer and employee.

They are concluded between an employer organisation or an employer and a labour union.

This text provides a brief introduction to different collective agreements.

Collective agreements on wages and employment conditions

Collective agreements on wages and employment conditions regulate some of the most fundamental aspects of working life: wages and other wage-related components, working time, annual leave etc.

The Swedish social partners, in other words the employer organisations and labour unions, are responsible for wage formation. Unlike in many other countries, there are no statutory minimum wages in Sweden.

In regard to other employment conditions, collective agreements can both complement and replace certain statutory regulations. This makes it possible to address industry-specific issues and adapt the conditions to suit the needs of employers and employees within a particular industry.

Collective agreements regulate bargaining procedures

Another type of collective agreement is agreements regulating collective bargaining procedures. The scope of these agreements

Collective agreements...

... are written agreements between an employer organisation or employer and a labour union

...regulate wages, other employment conditions, or other aspects concerning the relation between employer and employees.

Collective agreements are regulated in the Co-determination in the Workplace Act (1976:580)



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agreements regulate
wages and employment
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varies from agreements concerning the fundamental relationship between the social partners (e.g. the Saltsjöbad Agreement from 1938) to agreements regulating bargaining and mediation procedures in relation to a specific collective agreement area.

Collectively agreed social and unemployment insurance schemes

Statutory social and unemployment insurances provide financial security for families with small children, in case of illness or injury and during unemployment or retirement. They are financed through taxes and social security contributions paid by employers.

Collectively agreed social insurance schemes are established through negotiations between the social partners. Collectively agreed social insurance schemes complement statutory social and unemployment schemes. Some examples are occupational pension, parental top-up benefits and different forms of support for employees in the event of redundancy. These schemes are financed through premiums paid by employers. The premiums are deducted from the wage margin.

Collectively agreed insurance schemes are available for all employees covered by collective agreements.

There is some variation in the terms and benefits of the different collective agreement areas.

Employers without collective agreement can voluntarily take out occupational pension and other insurances for their employees.

More information about collectively agreed insurances is available for instance at www.avtalat.se (private sector), www.afa.se (private sector), www.spv.se (state employees), www.kpa.se (municipalities and regions).

Other collective agreements

The social partners have concluded a wide range of other types of collective agreements. For instance, the social partners have concluded agreements regulating cooperation with regard to issues such as gender equality or work environment. There are also multiple agreements regulating the various forms of employment that involve training (e.g. collective agreements on apprenticeships).