

# Agreement on Conditions of Employment for Bank Employees

## **AGV Banken**

Employers Association of  
Banks in Switzerland

AGV Banken  
Dufourstrasse 49  
p.o. box 4182  
4002 Basel  
T +41 61 295 92 95  
info@agv-banken.ch  
www.agv-banken.ch



Schweizerischer Bankpersonalverband  
Association suisse des employés de banque  
Associazione svizzera degli impiegati di banca

The Swiss Bank Employees Association  
Monbijoustrasse 61  
p.o. box 8235  
3001 Bern  
T 0848 000 885  
info@sbpv.ch  
www.sbpv.ch



Kaufmännischer Verband Schweiz  
Hans-Huber-Strasse 4  
p.o. box 1853  
8027 Zürich  
T +41 44 283 45 45  
info@kvschweiz.ch  
www.kvschweiz.ch

# Agreement on Conditions of Employment for Bank Employees

## A. General terms and conditions

### 1. Purpose

With this agreement, the social partners in the banking sector intend:

- to set out the rights and obligations provided for in employment law, thereby making a positive contribution to the welfare and development of the banks covered by it;
- to deepen the collaboration between the employees and the banks as well as between the social partners involved;
- to establish rules for participation rights in the banks;
- to hold a constructive dialog and safeguard good labour relations in the banking sector on the basis of good faith.

### 2. Scope

This agreement applies to all employment relationships for periods in excess of three months.

The employment relationships of members of senior management are not governed by this agreement.

## B. Provisions relating to labour law

### I. Commencement and termination of the employment relationship

#### 3. Appointment

The employment relationship comes into being through the conclusion of an individual employment contract in written form. The employment provisions of this agreement are part of this individual contract of employment.

The agreement on conditions of employment is issued to all employees or made available in electronic form. The contractual principles contain a reference to the Agreement on conditions of employment for bank employees.

In addition, the provisions of the Swiss Code of Obligations also apply to the individual contract of employment.

#### 4. Termination of the employment relationship

Termination of the employment relationship is governed by the provisions of Art. 334 et seq of the Swiss Code of Obligations.

### II. Employees' special duties of loyalty and the banks' duties of care

#### 5. Secondary employment

Employees are required to devote their professional activities exclusively to the bank. For the duration of the employment relationship, they may not undertake any paid work for a third party without the bank's permission, if to do so encroaches on their working hours or compromises their performance in the bank or obligation of good faith.

The bank's consent is to be sought in advance by employees wishing to perform functions in a professional association during working hours or to hold public office, in so far as this affects the employment relationship. This approval may not be withheld without valid reason.

#### 6. Non-competition clause

No work may be carried out in the interests of a competing institution.

#### 7. Business and banking secrecy

Employees are bound to secrecy vis-à-vis all parties with respect to information gained during the course of their duties at the bank.

Employees must maintain absolute secrecy with respect to all business relations with customers of the bank. This confidentiality obligation will continue to apply after leaving the bank.

#### 8. Safeguarding the interests of the customer

It is the duty of the employee to safeguard and represent the interests of all customers of the bank equally.

#### 9. Gifts and benefits

Employees may not accept any gifts or receive any benefits in connection with their professional activities if to do so would violate their duty to represent the interests of all customers of the bank equally under Art. 8 of the conditions of employment for bank employees or if they or persons close to them would gain direct or indirect advantages as a result.

#### 10. Personal transactions

Employees are essentially treated on an equal basis with the customers of the bank for the purpose of their own banking transactions.

Personal transactions must be in reasonable proportion to the employee's financial situation and must not place excessive demands on their time.

The bank designates certain personal transactions as prohibited transactions

**11. Further professional training**

The bank supports and encourages employees in their efforts to undertake further professional training and maintain their competitiveness in the labour market.

It determines the working hours to be apportioned for attendance at further training events and a possible contribution to costs.

**12. Introduction of new technologies**

When new technology is introduced, the bank must ensure that operations and procedures are rational and safe, and that the motivation and job satisfaction of employees are taken into account.

Where new technology is having a detrimental effect on the health of employees, general or individual medical examinations may be carried out.

Where medical factors mean that an employee's original duties can no longer be carried out after working procedures have been modified, the bank will make special efforts to assign equivalent alternative duties to employees prepared to accept such duties.

**III. Working hours****13. Weekly working hours**

Normal working hours are calculated on the basis of 42 hours a week.

Within the framework of the provisions of Swiss labour law, they will normally be spread over five days followed by two consecutive days off.

Employees may only be required to work regularly on Saturdays with their written consent.

**14. Annual planned working time**

The bank determines the annual planned working time taking into account public holidays and other work-free days and hours.

**15. Flexi-time**

Flexitime working is the rule. This is determined by the bank in accordance with the needs of the business and the employees, taking local conditions into account.

The normal working week of 42 hours must be achieved as an average over the year.

**16. Recording of working hours**

If the bank does not establish any rules for time recording, the employees are entitled to record the hours and maintain a time compensation account. The bank will provide suitable instruments for this purpose.

**17. Overtime**

Overtime must be ordered by the bank or subsequently authorised.

Employees are obliged to work overtime (e.g. in case of extraordinary work load, work backlogs or absences) as far as they are able and can be expected to do so in good faith.

The total overtime is determined on the basis of the annual working hours in relation to the annual planned working time.

Where the total overtime is less than 50 hours, the bank determines the manner in which compensation in lieu is made.

In the event of the total overtime exceeding 50 hours, the employees decide whether they prefer compensation in the form of time off (including by transfer of the time credit to the following year), a bonus of 25%, or by means of a corresponding compensation payment agreed in writing.

**18. Overtime for part-time employees**

A supplement of 25% will be paid to part-time employees to compensate for hours worked over and above the agreed prescribed working hours, provided compensation cannot be made and only if hours worked exceed prescribed full-time working hours.

For overtime paid for work between the contractually agreed hours of work and the annual working hours for normal full-time work, the supplement in lieu of holiday pay will be applied.

**19. Special working hours**

Occasional work on Sundays and public holidays and in the night may only be required under exceptional circumstances and only with the consent of the employee.

For work at night (as defined by Swiss labour law) a supplement of 25% is paid and for work on Sundays and public holidays a supplement of 50% is paid.

**IV. Holidays and paid leave****20. Length**

The annual entitlement to paid holiday is:

- up to age 60: 25 days
- up to age 61: 26 days
- up to age 62: 27 days
- up to age 63: 28 days
- up to age 64: 29 days
- from age 65: 30 days
- Senior management from age 60: 30 days

The longer holiday entitlement begins at the start of the calendar year in which the relevant age is achieved.

One day's holiday is equivalent to 8.4 working hours for full-time employees. This is adjusted pro-rata for part-time employees.

Employees joining or leaving in the course of the year receive a proportional holiday entitlement.

## 21. Holiday arrangements

The bank stipulates when holidays may be taken while taking into account the wishes of the employee as far as operational requirements allow.

Employees with children at school are entitled to take their holidays during the school holidays insofar as this is operationally possible.

As a general principle, holidays are to be taken by 30 April of the calendar year following the year in which the entitlement is earned. Holiday entitlements not taken up by this date must, by arrangement with the bank, be taken by 31 December of the same year.

Employees are required to take at least two weeks' consecutive holiday per year.

The bank reserves the right, under exceptional circumstances, to direct employees to postpone holidays already booked, or to recall employees from holiday in urgent cases. In such cases the employee will be reimbursed for costs incurred as a result of the postponement or interruption of the holiday. The employee retains the entitlement to the unused holiday.

Should the employee fall ill or sustain any injury during the holiday through no fault of their own, days when, on the evidence of a doctor's certificate, the employee would have been completely unable to work, will not count as holidays.

## 22. Paid leave and brief absences

The bank grants the employee the following paid absences with no reduction in holiday entitlement and no payroll deduction:

- a) Marriage, registration of partnership: 1 to 3 days
- b) Attendance at the wedding of a child, sibling or parent: 1 day
- c) Bereavement
  - of a spouse, registered partner, child or parent living in the same household: 3 days
  - of a child or parent not living in the same household: 2 days
  - a close relative not living in the same household: 1 day
- d) Moving house: up to 2 days
- e) Release from military service on reaching the relevant age: 1 day
- f) Active participation in official national celebrations: 1 day
- g) Participation as an elected member of central organs of the Swiss Bank Employees' Association or the Swiss Association of Commercial Employees: up to 5 days
- h) Brief absences, which cannot be postponed, for medical, dental reasons or appointments with authorities, as well as for physician prescribed treatments: the time necessary
- i) Paternity leave on the birth of the employee's own children: 5 days, to be taken within a period to be defined by the bank.

## V. Salaries and allowances

### 23. Payment of salaries

The salary will be agreed on an annual basis, payable in 13 parts.

Salaries are paid monthly, at the end of each month. The 13<sup>th</sup> monthly salary is paid in two halves, one at the end of June, the other no later than the end of December.

Employees who have not worked the full calendar year will receive the 13<sup>th</sup> month's salary on a pro-rata basis.

The yearly salary can also be paid in twelve equal instalments each at the end of a month.

### 24. Salary system

Depending on its size, the bank may operate a salary system which provides the framework for function-based market salaries and is the basis for the salary of employees subject to this agreement.

The employee associations will be consulted in the internal studies for equality of remuneration.

### 25. Performance appraisals and salary increases

The performance appraisal is used to review the employee's performance of their contractual duties, taking into account their personality.

Employee performance appraisals are conducted annually. The bank notifies employees of the individual assessment criteria. Employees have the right to a personal review of their performance appraisal and are entitled to submit a written statement about it. They may inspect their performance appraisal on request and are entitled to have a copy should they desire.

Salary increases are determined on the basis of regular performance appraisals.

### 26. Minimum salary

The social partners establish a minimum salary applicable to all contracts of employment subject to the agreement.

They negotiate adjustment of the minimum salary at regular intervals, taking into account salary developments, and an adjustment to the family allowance.

In exceptional circumstances, an employee's salary may be reduced to less than the minimum if, after consultation with the social partner, they are unable to carry out their work to the required standard.

### 27. Family allowance

The bank pays employees a family allowance, the amount of which is determined by the social partners. Family allowance may be claimed by employees who are in receipt of child allowance or education allowance under cantonal law and Art. 28 of this Agreement on Conditions of Employment for Bank Employees for children born after 1 January 1993. Family allowance is paid only as long as child allowance is drawn.

Should an employee receive only a reduced child allowance, the family allowance is reduced accordingly.

Part-time employees receive family allowance in proportion to their percentage contractual hours.

## 28. Child allowance

As a general rule, the bank pays child allowance to employees for all children under the age of 18. For children who can be shown to be in continuing education, child allowance is paid until they have completed their education, but only up to the age of 25.

Individual claims for child allowance are to be assessed according to the relevant legal provisions.

## VI. Continued payment of salary in the event of inability to work

### 29. Illness, accident, pregnancy, legal obligations, maternity

Should an employee be unable to work through no fault of their own as a result of illness, accident, pregnancy, compliance with legal obligations or exercise of a public function, they are entitled to continued payment of their full salary as detailed below:

- during the first year of service: 1 month
- during the 2<sup>nd</sup> – 4<sup>th</sup> years of service: 3 months
- during the 5<sup>th</sup> – 10<sup>th</sup> years of service: 6 months
- during the 11<sup>th</sup> – 14<sup>th</sup> years of service: 8 months
- from the 15<sup>th</sup> year of service: 12 months

The bank is not liable to make payment if there is a claim for loss of earnings against a third party, which is not based on premium payments on the part of the employee.

Paid absences are always calculated on the basis of the cumulative total in 12 consecutive months.

In the event of pregnancy and maternity, the bank grants leave of 14 weeks with continued payment of full salary, starting from the date of childbirth at the latest.

### 30. Military, civil defence and civilian service

Should the employee do compulsory Swiss military or civil defence service, Swiss civilian service or Red Cross service, the bank continues to pay their full salary as follows:

- a) For compulsory courses, not exceeding four weeks in any given year: 100% of the salary.
- b) For all other service (including service as a single-term conscript), those employees in receipt of child or family allowance are paid 90% of their salary, while all other employees are paid 80%.

Payment of salary beyond the first four weeks of service can be made dependent on an undertaking by the employee not to give notice of termination within an appropriate period after release from the service.

Employees are obliged to inform the bank as soon as they know the date on which they will be undertaking the service. At the request of the bank, they are required to take all necessary steps to have the period of service rescheduled in the event of important operational needs.

## VII. Pension and insurance provisions

### 31. Posthumous payment of salary

Should an employee die, the bank will pay their salary to their survivors for the current month. The deceased's survivors are additionally entitled to a further three months' salary (or six months' salary if the employee worked for the bank for more than three years).

Survivors are deemed to be the persons specified in Art. 338 of the Swiss Law of Obligations.

## C. Employee participation

### I. General terms and conditions

The following guidelines apply to the furtherance of employee participation:

### 32. Objectives of employee participation

Employee participation has the following main objectives:

- to further the personal and professional development of all employees and increase their job satisfaction
- to encourage shared responsibility and active participation in the organisation
- to foster interest in the work and in the bank's performance
- to encourage positive cooperation and partnership between the bank and its employees
- to promote a good working atmosphere.

### 33. Area of applicability, scope of authorisation, authorised persons

Employee participation essentially covers matters of a general nature in the welfare and work-related areas that directly affect bank employees and are of direct relevance to the employer-employee relationship.

Participation rights take the following forms: the right to information, the right to express an opinion and the right to take an active part in decision-making. The actual scope of the entitlement is to be determined by the individual banks.

### 34. Classification of employee participation rights

Employee participation rights may be classified according to three different criteria:

Employee participation rights according to the operational sphere:

- social sphere
- operational sphere
- commercial sphere

Employee participation rights according to those authorised:

- direct involvement by all employees
- involvement by employee representatives (staff councils, relevant special councils)

Employee participation rights according to the scope of authorisation:

- the right to information  
the right of employees to timely, appropriate and adequate information about important facts, occurrences and plans.
- the right to express an opinion  
the right to participate which does not confer any decision-making authority on the employee but allows them to exercise an influence of varying degree (right to express an opinion, right to initiate action, right to consultation, right of appeal, right to confer).
- the right to codetermination  
the right to codetermination which includes decision-making authority on the part of the employees and allows them to exercise an active influence of varying degree (minority, parity, majority codetermination right).

## II. Participation by individual employees

### 35. Information entitlement and opportunities for employees to express their opinion

The banks are to inform employees promptly and fully about decisions affecting them, setting out the principal reasons for such decisions. In addition, employees are to be kept regularly informed on the general course of business.

The information provided should cover the following areas in particular:

- retirement provisions, pension fund
- health care
- sport and leisure facilities
- canteen facilities
- in-house magazine
- internal regulations
- the organisation of the employee's own working area.

Employees have the opportunity to express an opinion in personal matters, for example: timing of holidays, the organisation of personal working areas, training and individual performance appraisals.

They may put forward suggestions using the staff suggestions scheme.

### 36. Behaviour during the introduction of new technology

Employees are to be fully involved at an early stage when new, computer-based working procedures (new technology) are to be introduced.

New work procedures are to be introduced and training conducted in a careful and thorough manner. In the course of this, the function of the working area and its relation to the bank's activities is to be explained.

## III. Participation of employee representatives (staff council)

### 37. Establishment and organisation of employee representation bodies

Within banks – at head offices and branches – employee representation bodies are to be established wherever there are sufficient employees to justify this. Such bodies are to be set up, regardless of the numbers involved, whenever requested by a majority of employees.

These representation bodies look after the interests of the employees vis-a-vis the bank, unless this task is reserved for other committees.

The employee representation bodies may consist of one or more staff councils or – where the appointment of a committee is not considered appropriate in the light of the small number of employees – a single person.

Voting rights – both active and passive – may only be exercised by employees of the bank.

The provisions of the Swiss Federal Act on Employee Representation of 17 December 1993 govern the establishment of employee representation bodies.

The bank, in consultation with the employee representation body, specifies the detail of the appointment, duties, work, limits of authority and organisation of the employee representation body.

### 38. Status of the members of employee representation bodies

The members of employee representation bodies may not be subjected to any discrimination in connection with the proper exercise of their duties. The bank shall grant members of the employee representation body adequate freedom (time, objectives etc.) for the accomplishment of their tasks.

The employee representation bodies will receive administrative support from the banks.

### 39. Obligation of confidentiality on the part of members of the employee representation bodies

The obligations of members of employee representation bodies in respect of confidentiality are set out in Art. 14 of the Swiss Federal Act on Employee Representation. These obligations are to be observed both within and outside the bank. The banks and the employee representation bodies shall consult one another regarding any communications arising from the discussions, including to associations.

The employee representation bodies are entitled to consult specialists or the external social partners for advice. The information provided by these persons may only be passed on within the scope of the communications discussed with the bank management however.

#### **40. Rights to information on the part of the employee representation bodies**

The right to information on the part of the employee representation bodies relates to the following areas:

- issues which are to be decided on in conjunction with the Executive Board;
- general course of business;
- other important matters with far-reaching implications, such as the introduction of new technologies that directly affect bank employees and which relate directly to the employer-employee relationship.
- Implementation of the salary increases negotiated by the employee representation body.

#### **41. Rights to express an opinion on the part of the employee representation bodies**

The rights to express an opinion on the part of the employee representation bodies are determined by mutual agreement within the bank. In the context of these guidelines, general questions relating to the following topics are eligible for consideration:

- Illness and accident prevention as well as security measures in respect of bank robberies;
- social services, welfare institutions (insofar as participation is not already regulated by the law, by the articles of association or by other regulations, etc.);
- holiday and leave arrangements;
- arrangement of working hours;
- canteen facilities, sanitary facilities, cloakrooms, recreation areas;
- systems for evaluating individual working areas;
- systems for assessing job performance;
- building alterations and the design of premises and fittings;
- organisation of working areas;
- staff suggestions scheme;
- professional training issues;
- sports and cultural matters;
- measures to be taken in the case of large-scale redundancies.

#### **42. Right to codetermination on the part of the employee representation bodies**

The employee representation body is empowered to conduct salary negotiations with the bank.

Of those areas covered by the right to express an opinion, individual banks may, by mutual agreement, designate certain areas in which employee representation bodies are granted a right to codetermination. Particular tasks and responsibilities may be wholly delegated to employee representation bodies.

## **IV Participation of the social partners**

### **43. Salary systems**

The banks may involve the social partners in the introduction of function-based salary systems.

In justified cases, the banks will provide the social partners with an insight into the compensation procedures as they affect functions or salary systems.

### **44. Negotiations with associations**

If the employee representation body and management fail to reach agreement in the salary negotiations, the employee representation body may call in the Swiss Bank Employees' Association as well as the Swiss Association of Commercial Employees and the bank may call in the Employers Association of Banks in Switzerland.

### **45. Conciliation board**

Should it prove impossible to reach agreement through the procedure described in Art. 44, the employee representation bodies or the social partners on the employee side may refer the case to a joint conciliation board.

The conciliation board consists of four members appointed for a term of four years and a chairperson. They are not permitted to play any role in association negotiations.

The Swiss Bank Employees' Association and the Swiss Association of Commercial Employees together appoint two members and one deputy, as does the Employers Association of Banks in Switzerland. The members of the conciliation board also elect the chairperson and deputy chairperson.

The conciliation board submits a mediation proposal. The provisions relating to the conciliation proceedings of the Swiss Federal law governing the Federal Conciliation Office (Arts. 3 and 4) apply *mutatis mutandis*.

## **D Procedures in cases of bank closures and layoffs of bank employees**

### **46. Purpose**

The purpose of this paragraph is to outline the measures to be taken in the case of termination of all, or a significant number of employees, as a result of the full or partial closure of a bank, or due to far-reaching corporate restructuring. Such layoffs are equivalent to notices of termination that employees are forced to submit for reasons of distance in cases of business relocation.

### **47. Information**

The employees concerned, the employee representation body and the social partners are to be informed of such measures at an early stage.

The information should be as comprehensive as possible. This applies especially to the reasons that led to the decision, the planned measures, their organization, and the time frame for the process.

#### 48. Social plan

The banks are required to discuss the results of such measures with the employees and the social partners.

Substantial in-house negotiations on the social plan must be conducted with the employee representation body. In cases where no such body exists, the social partners must be consulted. The same applies if the employees themselves wish to involve the social partner with immediate effect. Every effort should be made to conclude a social plan.

In the event of major operational changes which will result in the loss of jobs, in particular in the case of mergers, management undertakes to enter into talks with the social partners with a view to preserving jobs on a transitional basis and minimising social and economic hardship.

#### 49. Measures

In implementing the measures, the following points must be particularly observed:

Legal and contractual requirements and obligations such as:

- notice periods
- obligation to pay salary including supplementary benefits
- staff pension fund
- severance pay, as long as it is not replaced by vested benefits

The following must be checked as measures to reduce the impact of job cuts:

- temporary reduction in working hours, with resultant salary reduction aimed at maintaining jobs
- avoidance of regular and recurring overtime
- promotion of part-time work
- short-time working

Further measures to be investigated with the aim of avoiding or alleviating human or economic hardship are:

- the offer of other jobs in the bank
- bank-internal retraining
- assistance from the bank in job searching
- extension, or if requested by the employees, reduction of notice periods
- facilitation of moving
- early payment of anniversary bonuses within the 12-month period after employment ceases
- concessions given on existing loans
- waiver of competition clauses
- early retirement with supplementary benefits
- increased vested benefits from the occupational staff pension fund up to full policy reserve
- additional benefits in individual cases of hardship
- special circumstances bonuses for employees who are obliged to continue the employment relationship beyond the length of the notice period.

## E Relationships between the social partners

#### 50. Joint committee

The social partners form a joint committee to be chaired alternately.

The purpose of the joint committee is to track developments in the banking sector labour market, to discuss general questions relating to the terms and conditions of employment of bank employees and to carry out preparatory work in connection with the negotiations.

Every two years, in consultation, the joint committee will clarify the situation in relation to salary systems and salary developments as they affect the bank employees subject to the agreement on conditions of employment for bank employees. In exceptional circumstances and in response to a reasoned request from one of the social partners involved, an investigation into salary transparency can also be conducted in an intermediate year.

#### 51. Court of arbitration

The social partners agree to submit any disputes arising from this agreement to a court of arbitration in Zurich whose decision is final.

The court comprises a president and four arbitrators, two of which are appointed by each party. The members of the court of arbitration are to be named within 20 days of the date of request.

The president shall be elected by unanimous vote of the members of the court of arbitration. If a unanimous decision cannot be reached, the president is to be designated by the appropriate legal authority in accordance with the (Swiss) concordat governing arbitration.

The president can order that oral conciliation proceedings be carried out.

In all other respects the concordat governing arbitration is binding.

## F Final provisions

#### 52. Coming into force and duration

This agreement enters into force on 1.1.2013.

Unless terminated with six months' notice to December 31, it will be renewed for a further one-year period.

*Employers Association of Banks in Switzerland  
(AGV Banken)*

*The Swiss Bank Employees' Association (SBPV)*

*Swiss Association of Commercial Employees (KV Schweiz)*