


Scope of Application of Collective Agreements in Austria

 90 to 95% of the workers in Austria are subject to collective agreements

Why? – There are 3 questions to answer!

- 1) Who can close a collective agreement?
- 2) What is the „Outsider“-Principle?
- 3) Who in practice are the parties of collective agreements?

Scope of Application of Collective Agreements in Austria

1) Who can close a collective agreement?


For the employers:

- (voluntary) employer's organization
- (mandatory) chamber of agriculture (economy)

For the employees:

- (voluntary) trade union
- (mandatory) chamber of labour

2) What is the „Outsider“-Principle?

 if the employer is party of the collective agreement, the collective agreement applies (if the employee is member of the trade union is not relevant)

Scope of Application of Collective Agreements in Austria

3) Who in fact are the parties of collective agreements?

(**mandatory**) chamber for the **employers** + (voluntary) trade union for the employees

➔ In agriculture voluntary employers organizations – these collective agreements have priority

Payment of Working Time

- „Normal“ Working Time (=9 hours/day + 40 hours/week) = normal salary per hour
- Overtime Work (=+9 hours/day or + 40 hours/week) = normal salary per hour + 50%
- Night Work (from 7 p.m. to 5 a.m.) + 100%
- Sunday Work + 100%

- System of „Flexible“ Working Time – on Basis of Collective Agreements it is possible to have a „Normal“ Working Time up to 48 hours/week, if there is a comensatory time-off
- But: Minimum working times (32 hours)

Law against Wage and Social Dumping

- Every employee who works in Austria is entitled to Austrian wages which are laid down in collective agreements or in law – this includes posted workers
- Every Posting of Workers has to be reported in advance to a coordination office of the Austrian Federal Ministry of Finances
- Finance Police or Social Security Institution controls compliance with minimum wages laid down in collective agreements or in law

- Fines:

violation of minimum wage up to 3 workers € 1.000 – 10.000

violation of minimum wage more than 3 workers € 2.000 – 20.000

Fines per worker