



## **This document has been provided by the International Center for Not-for-Profit Law (ICNL).**

ICNL is the leading source for information on the legal environment for civil society and public participation. Since 1992, ICNL has served as a resource to civil society leaders, government officials, and the donor community in over 90 countries.

Visit ICNL's **Online Library** at  
<http://www.icnl.org/knowledge/library/index.php>  
for further resources and research from countries all over the world.

### Disclaimers

**Content.** The information provided herein is for general informational and educational purposes only. It is not intended and should not be construed to constitute legal advice. The information contained herein may not be applicable in all situations and may not, after the date of its presentation, even reflect the most current authority. Nothing contained herein should be relied or acted upon without the benefit of legal advice based upon the particular facts and circumstances presented, and nothing herein should be construed otherwise.

**Translations.** Translations by ICNL of any materials into other languages are intended solely as a convenience. Translation accuracy is not guaranteed nor implied. If any questions arise related to the accuracy of a translation, please refer to the original language official version of the document. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

**Warranty and Limitation of Liability.** Although ICNL uses reasonable efforts to include accurate and up-to-date information herein, ICNL makes no warranties or representations of any kind as to its accuracy, currency or completeness. You agree that access to and use of this document and the content thereof is at your own risk. ICNL disclaims all warranties of any kind, express or implied. Neither ICNL nor any party involved in creating, producing or delivering this document shall be liable for any damages whatsoever arising out of access to, use of or inability to use this document, or any errors or omissions in the content thereof.

## Collective Agreements Act

Passed 14 April 1993

(RT<sup>1</sup> I 1993, 20, 353),

entered into force 28 April 1993,

amended by the following Acts:

19.06.2002 entered into force 01.08.2002 - RT I 2002, 61, 375;

12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670;

14.06.2000 entered into force 23.07.2000 - RT I 2000, 57, 372;

16.06.99 entered into force 26.07.99 - RT I 1999, 60, 616.

## Chapter I

### General Provisions

#### § 1. Purpose of Act

This Act determines the legal bases for entry into and performance of collective agreements.

#### § 2. General principles

(1) A collective agreement is a voluntary agreement between employees or a union or federation of employees and an employer or an association or federation of employers, and also state agencies or local governments, which regulates labour relations between employers and employees.

(2) An association or federation of employers unites legal and natural persons who are employers within the meaning defined in the Employment Contracts Act by branch of activity or on the basis of any other criteria, and protects and represents the interests of its members in labour relations.

(3) A union or federation of employees unites employees by branch of activity, enterprise, agency or other organisation, or profession (occupation), and protects and represents them in labour relations pursuant to its statutes.

#### § 3. Parties to collective agreement

(1) A collective agreement may be bilateral or tripartite.

(2) A collective agreement is entered into between:

- 1) an employer and a union, federation or authorised representative of employees;
- 2) an association or federation of employers and a union or federation of employees;
- 2<sup>1</sup>) a local government association and a union or federation of employees and officials;

(12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670)

- 3) a central federation of employers and a central federation of employees;
- 4) the central federation of unions of employees, a central federation of employers and the Government of the Republic, and between local federations of unions of employees, a federation of employers and local governments.

(3) Collective agreements in enterprises, agencies and other organisations shall be entered into by unions of employees. If employees are not represented by a trade union in an enterprise, agency or other organisation, an authorised representative of the employees shall enter into the collective agreement.

(14.06.2000 entered into force 23.07.2000 - RT I 2000, 57, 372)

(4) In a government agency, a state agency administered by a government agency or a state administrative agency, the head of the agency may enter into a collective agreement as an employer. The head of the agency shall be liable for the conformity of obligations assumed by the collective agreement with the state budget.

(12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670)

(5) In a local government agency or an agency administered by a local government agency, the head of the agency or a city or rural municipality government may enter into a collective agreement as an employer. The head of the agency shall be liable for the conformity of obligations assumed by the collective agreement with the rural municipality or city budget.

(12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670)

#### § 4. Scope of application of collective agreement

(1) A collective agreement applies to such employers and employees who belong to an organisation which has entered into a collective agreement, unless the collective agreement prescribes otherwise.

(2) The terms and conditions of a collective agreement which are less favourable to employees than those prescribed by an Act or other legislation are invalid.

(3) In the event of a conflict between the provisions of different collective agreements applicable to employees, the provision which is more favourable to the employees applies.

(4) A collective agreement entered into between an association or federation of employers and a union or federation of employees and a collective agreement entered into between the central federation of employers and the central federation employees may be extended by agreement of the parties in respect of the conditions determined in clauses 6 (1) 1) and 3) of this Act. The scope of extension shall be determined in the collective agreement.

(14.06.2000 entered into force 23.07.2000 - RT I 2000, 57, 372)

(5) The terms and conditions of extended collective agreements shall be published by the Minister of Social Affairs in the official publication *Ametlikud Teadaanded*<sup>2</sup>. The terms and conditions of extended collective agreements enter into force on the day following publication of the notice.

(14.06.2000 entered into force 23.07.2000 - RT I 2000, 57, 372)

#### § 4<sup>1</sup>. Registration of collective agreements

(1) Collective agreements entered into shall be registered in a database maintained by the Ministry of Social Affairs.

(2) The procedure for the registration of collective agreements and amendment of data shall be established by a regulation of the Minister of Social Affairs.

(14.06.2000 entered into force 23.07.2000 - RT I 2000, 57, 372)

## Chapter II

### Form and Content of Collective Agreement

#### § 5. Form of collective agreement

(1) A collective agreement is entered into in writing.

(2) Any annexes to a collective agreement are an integral part of the agreement and have the same legal force as the collective agreement.

#### § 6. Content of collective agreement

(1) A collective agreement entered into by the parties specified in clauses 3 (2) 1)–3) of this Act may determine:

- 1) wage conditions;
  - 2) working conditions;
  - 3) working and rest time conditions;
  - 4) conditions for suspension, amendment and termination of an employment contract, and the rules for calculating the continuous length of employment with the same employer;
  - 5) conditions and procedure for lay-off of employees and guarantees in the event of lay-off;
  - 6) conditions for occupational health and safety;
- (16.06.99 entered into force 26.07.99 - RT I 1999, 60, 616)
- 7) conditions for vocational training, in-service training and re-training, and assistance to the unemployed;
  - 8) guarantees and compensation which the parties consider necessary;
  - 9) procedures for monitoring the performance of the collective agreement and providing necessary information;
  - 10) procedures for amendment and extension of the collective agreement, and for entry into a new collective agreement;
  - 11) additional liability for non-performance of the collective agreement;
  - 12) the procedure for submitting demands of employees and employers in the event of a collective labour dispute;
  - 13) the terms which regulate other relations between the parties to the collective agreement.

(2) A collective agreement entered into between the parties specified in clause 3 (2) 4) of this Act may determine:

- 1) the minimum wage and the procedure for amending it based on rises in the cost of living;
- 2) additional measures to ensure occupational health and safety;

(16.06.99 entered into force 26.07.99 - RT I 1999, 60, 616)

- 3) additional employment guarantees;

4) other additional guarantees pertaining to employment which the parties consider necessary;

5) procedures for monitoring the performance of the collective agreement and receiving necessary information.

(3) A collective agreement may determine additional rights and guarantees in labour relations for a person who represents employees.

### Chapter III

#### Entry into, Term and Amendment of Collective Agreement

##### § 7. Procedure for entry into collective agreement

(1) Parties specified in this Act enter into a collective agreement by negotiation on the basis of mutual trust and necessary information.

(2) The party which initiates negotiations shall prepare a draft collective agreement and present it in writing to the other party together with a notice of the desire to commence negotiations.

(3) The parties shall commence negotiations within seven days after receiving such notice.

(4) The parties shall appoint their representatives to conduct negotiations. The unions or federations of employees may, by agreement with each other, establish joint representation and enter into a joint collective agreement.

(5) Negotiations are conducted at the time agreed on by the parties. By agreement of the parties, their representatives shall be free from work to conduct negotiations during working time and they shall continue to receive their average wages.

##### § 8. Rights and obligations of parties

(1) The parties have the right to include qualified persons and experts in negotiations and in the drafting of a collective agreement, and to form work groups on the basis of parity. The cost of inviting the qualified persons and experts shall be borne by the party which invited them.

(2) Representatives, qualified persons and experts of the parties participating in the negotiations, and other persons involved in drafting a collective agreement are required to maintain any production, business or professional secrets which become known to them. Persons who violate this requirement are held liable pursuant to the procedure prescribed by law.

## § 9. Guarantees

Representatives of the parties who participate in negotiations shall not be punished under disciplinary procedure, and their employment contracts shall not be terminated on the initiative of the employer pursuant to clause 91 (1) 4) of the Employment Contracts Act (RT 1992, 15/16, 241; RT I 1993, 10, 150; 26, 441; 1995, 14, 170; 16, 228; 1996, 3, 57; 40, 773; 45, 850; 49, 953; 1997, 5/6, 32; 1998, 111, 1829; 1999, 7, 112; 16, 276; 60, 616; 2000, 25, 144; 51, 327; 57, 370; 102, 669; 2001, 17, 78; 42, 233; 53, 311; 2002, 61, 375; 62, 377). Their employment contracts may be terminated on the initiative of the employer only pursuant to the procedure prescribed in § 94 of the same Act.

## § 10. Resolution of disputes arising upon entry into collective agreement

Disputes arising upon entry into a collective agreement are resolved pursuant to the Collective Labour Dispute Resolution Act.

## § 11. Entry into force and term

(1) A collective agreement enters into force on the date of signature, unless the collective agreement prescribes otherwise.

(2) The term of a collective agreement is one year, unless the parties agree otherwise.

(3) The parties are required to comply with the terms and conditions of a collective agreement during the term of the collective agreement and refrain from calling a strike or lock-out in order to amend the terms and conditions provided for in the collective agreement.

(4) Upon transfer of an enterprise or an organisationally independent part thereof from one person to another, the collective agreement shall be transferred to the transferee of the enterprise. For the purposes of this Act, business entities which do not belong to an undertaking, and agencies and other organisations are also deemed to be enterprises.

(12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670)

(5) Upon expiry of the term of a collective agreement, the parties are required to comply with the terms and conditions of the collective agreement until a new agreement is entered into, with the exception of the obligation to refrain from calling a strike or lock-out.

## § 12. Publication of collective agreement

(1) A collective agreement entered into shall be available to everyone whom it concerns.

(2) The employer of an enterprise, agency or other organisation is required to introduce a collective agreement to all employees and to new employees when they commence employment.

#### § 13. Amendment of collective agreement

A collective agreement is amended pursuant to the procedure prescribed in the collective agreement. If such procedure has not been determined, a collective agreement is amended pursuant to the procedure provided by law.

### Chapter IV

#### Monitoring of Performance of Collective Agreement, Resolution of Disputes, and Liability

#### § 14. Monitoring of performance

(1) The performance of a collective agreement is monitored by authorised representatives of the parties.

(2) The procedure for providing information on and monitoring the performance of a collective agreement is determined by the collective agreement.

#### § 15. Resolution of disputes arising from performance

Disputes arising from performance of a collective agreement are resolved pursuant to the procedure prescribed in the collective agreement and in accordance with the Collective Labour Dispute Resolution Act.

#### § 16. Liability

Upon non-performance of the obligations prescribed in a collective agreement, the party at fault is held liable pursuant to the procedure prescribed by law and in the collective agreement.

### Chapter IV<sup>1</sup>

(12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670)

#### State Supervision

(12.12.2001 entered into force 10.01.2002 - RT I 2001, 102, 670)

#### § 16<sup>1</sup>. Exercise of state supervision

(1) State supervision over compliance with this Act and with the requirements of legislation established on the basis thereof shall be exercised by the Labour Inspectorate. The provisions of the Administrative Procedure Act (RT I 2001, 58, 354; 2002, 53, 336) apply to proceedings conducted in the course of exercising state supervision, taking account of the specifications provided for in this Act.

(2) In the case of violation of the requirements of this Act or of legislation established on the basis thereof, a labour inspector or the head of the regional office of the Labour Inspectorate has the right to issue a precept which shall set out:

- 1) the time and place of the issue of the precept;
- 2) the given name, surname and position of the person who prepares the precept and the name and address of the agency;
- 3) the given name and surname of the natural person or the name of the legal person to whom the precept is issued;
- 4) circumstances which are the basis for the issue of the precept and a reference to the legal grounds therefor;
- 5) conclusion of the precept which shall set out the obligations of the obligated subject arising from the precept and the terms for performance thereof;
- 6) a reference to the possibility of application of administrative coercive measures upon failure to perform the obligations set out in the precept;
- 7) the procedure and term for contesting the precept;
- 8) the signature of the person who prepares the precept.

(3) A precept shall be prepared in two identical copies one of which shall remain with the person who prepared the precept and the other shall be given to the obligated subject. If it is necessary to inform a third person of the precept, a copy of the precept certified by the person who prepared the precept shall be delivered to the third person by post or using electronic means.

(4) Compliance with a precept is mandatory for an employer and a supervisory official specified in subsection (2) of this section has the right to monitor compliance with the precept during the specified term.

(5) Upon failure to perform an obligation specified in subsection (2) of this section, a labour inspector or the head of the regional office of the Labour Inspectorate may impose penalty payment pursuant to the procedure provided for in the Substitutive Enforcement and Penalty Payment Act (RT I 2001, 50, 283; 94, 580).

(6) The maximum rate of penalty payment specified in subsection (5) of this section is 10 000 kroons.

(19.06.2002 entered into force 01.08.2002 - RT I 2002, 61, 375)

## § 16<sup>2</sup>. Challenge proceedings regarding precept

(1) Challenges against precepts shall be filed, reviewed and adjudicated pursuant to the procedure provided for in the Administrative Procedure Act, taking account of the specifications prescribed in this Act.

(2) If an employer does not agree with a precept issued by a labour inspector, the employer has the right to file a challenge with the head of the regional office of the Labour Inspectorate within ten calendar days as of the administrative act being made public. If the precept is issued by the head of the regional office of the Labour Inspectorate, the employer has the right to file a challenge with the Director General of the Labour Inspectorate within ten calendar days as of the administrative act being made public.

(3) The filing of a challenge does not release the person from the obligation to comply with the precept. Heads of regional offices of the Labour Inspectorate and the Director General of the Labour Inspectorate have the right to suspend, on application of the person who filed a challenge or at their own discretion, the enforcement of a precept until a decision on the challenge is made.

(19.06.2002 entered into force 01.08.2002 - RT I 2002, 61, 375)

## Chapter V

### Implementation of Act

## § 17.

Collective agreements and other agreements entered into prior to the entry into force of this Act are valid in so far as they are not contrary to this Act.

## § 18.

Chapter II of the Estonian SSR Labour Code (*ENSV Teataja*<sup>3</sup> 1972, 28, *lisa nr*<sup>4</sup> 1; 1984, 16, 178; 49, 577; 1988, 39, 376) is repealed.

<sup>1</sup> RT = *Riigi Teataja* = *State Gazette*

<sup>2</sup> *Ametlikud Teadaanded* = *Official Notices*

<sup>3</sup> *ENSV Teataja* = *ESSR Gazette*

<sup>4</sup> *lisa nr = Appendix No.*