

AGREEMENT ON EMPLOYMENT AND COLLECTIVE BARGAINING

This May the long awaited [V Agreement on Employment and Collective Bargaining](#) ("AENC"), has been signed by CEOE and CEPYME, on the business side, and CCOO and UGT, the most representative trade unions at the national level [representing the workers]. This Agreement is the result of a bipartite social dialogue and aims, based on collective bargaining, to improve the situation of businesses and uphold the employment of workers. The Agreement will be in force for three years, that is, up to and including 2025.

As a preliminary point, it is important to highlight that the AENC provides "**guidelines**" for the parties negotiating collective agreements, so that its content **is not mandatory**; however, it is of obvious practical use as grounds for negotiating collective agreements, as well as for "steering" businesses, particularly regarding possible wage increases.

Thus, the aspect of the AENC that has aroused the most interest is, precisely, that relating to wage increases and review clauses. The text agreed sets out the following guidelines:

(i) General wage increase of 4% in 2023

And an exceptional increase, with effect from 1 January 2024, of an additional point ("*maximum additional increase of 1%*") if the year-on-year CPI of December 2023 is higher than 4%.

(ii) General wage increase of 3% by 2024 (added to the previous year's increase)

Likewise, an additional 1% increase from 1 January 2025, if the year-on-year CPI of December 2024 is higher than 3%.

(iii) General wage increase of 3% by 2025 (over the previous year's increase)

An additional 1% increase from 1 January 2025, if the year-on-year CPI of December 2025 is higher than 3%.

The Agreement "recommends" increases of 10% (4% + 3% + 3%) for the period 2023-2025 and possible trigger clauses of up to an additional 1% for every year if inflation exceeds these increases, with the aim of helping wages recover.

However, in every case, **the specific circumstances of the business sector will be taken into account in setting wage terms, so that the above guidelines can be adapted** to every business sector affected by an unequal incidence of growth, profits, or Interprofessional Minimum Wage increases, with the aim of sustaining and creating employment **taking into account the particular circumstances of every company and the sector overall.**

The Agreement also addresses other noteworthy matters, some of which we will highlight. These include:

- On the one hand, mention is made of **teleworking**, given the growing number of workers who provide services in this way. Parties negotiating such agreements are encouraged to include within them some content covering this issue, such as: identifying the jobs likely to lend themselves to this way of working; setting a maximum number of hours for teleworking, the minimum working day that must be carried out in person, specific terms for exercising the right to withdraw from teleworking, mechanisms for covering expenses arising from teleworking, as well as developing the terms on which it may take place and, should it be appropriate, making personal use of any IT provided by the employer.
- Another of the subjects dealt with in the AENC is the **right to digital disconnection**, in order to guarantee workers' breaks, bank holidays and holidays. Thus, the parties signing the Agreement are urged to expressly include this right in collective agreements. Likewise, it is pointed out that a worker's voluntary connection does not entail liability for businesses. It also proposes the possibility of adopting certain mechanisms favouring the exercise of this right, such as arranging for automatic responses during periods of absence, or delayed messaging so that communications are made within the recipient's working time.
- Similarly, mention is made in the Agreement of **health and safety at work**. Regarding this issue, it is advisable that collective bargaining cover points relating to: setting specific measures for businesses to develop plans focused on promoting prevention, as well as reducing industrial accidents; making improvements to risk assessments for teleworking; include training and information programmes on the risks arising from the use of new technologies at work and preventive measures against such risks; and promoting the development of collective health surveillance in the workplace, among other things.
- The Agreement also reflects the commitment to analyse how to reduce the number of **temporary disability ("TD")** processes for common contingencies, as well as their duration. Moreover, it is specified that in cases involving TDs arising from common contingencies of traumatological origin, Friendly Societies should be the bodies to carry out diagnostic tests and apply therapeutic and rehabilitation treatment.
- Another of the points discussed is that relating to **internal flexibility tools**, in order to allow businesses to adapt to competition and sustain the employment of workers. Some of the measures recommended for inclusion in collective bargaining are specifying procedures for the non-application of certain agreement terms, via opt outs, or using employment regulation files (ERTES) that prioritise measures to reduce working hours over those suspending employment contracts.

- The AENC also contains a section on the **ecological and digital transition**, which, on the one hand, mentions the European Framework Agreement on digitalisation and, on the other hand, the importance of Artificial Intelligence ("AI"). Regarding the latter, and based on the Framework Agreement, there is the requirement that human oversight prevail over AI in any Artificial Intelligence system. Likewise, the text proposes that businesses provide legal representatives with transparent and understandable information about AI processes used by human resources (recruitment, assessment, promotion, dismissals, etc.) and guarantee the absence of prejudice or discrimination. These recommendations also apply to the public sphere.
- On another point, the Agreement refers to other issues such as **employment and recruitment**, one of the focuses of the workplace following the changes brought about by Royal Decree-Law 32/2021, of 28 December, on urgent measures for reforming the employment relationship, guaranteeing stability in employment and the transformation of the employment market [[AJ January 2022](#)]. The Agreement highlights that the purpose of this legislative text was to reduce temporary employment, through other forms of employment (i.e., permanent discontinuous contracts). Without prejudice to the latter, emphasis is placed on the importance of using employment relationships to achieve stability and permanence of employment, even in cases where a fixed-term contract is used. Thus, it is intended that collective agreements contain measures to encourage the indefinite employment of persons who provide services under a temporary contract. Some of these measures sought are, as follows: agree on ways, beyond public announcements, whereby the existence of permanent positions is notified to this type of worker; establish plans to reduce temporary employment; as well as, setting out in sectoral collective agreements those cases in which the duration of temporary contracts will be extended up to one year due to production circumstances.
- Finally, the V AENC briefly urges that other issues affecting social and employment realities also have an express place in the texts of collective agreements. Thus, any Agreement should refer to matters such as **partial and flexible retirement; training** and professional qualifications; **equality** between women and men in the workplace, disability and LGTBI diversity; as well as, **sexual and gender-based violence** in the field of employment.

In conclusion, it is important to highlight that the V AENC has used, as have other, previous, Employment Agreements, the approach of making recommendations so it can act as a guide for businesses, without prejudice to the fact that it will need to be implemented on a case-by-case basis and according to the specific needs of each organisation. In this sense, the text, the result of "strenuous" social dialogue, will continue to be in some way the object of negotiation at the moment of its practical implementation by businesses, since it will be the engagement in (often also "strenuous") **collective bargaining processes between businesses and workers' representatives, either through collective or employment agreements, which will allow its content to penetrate every field and adapt to different realities.**