

Final stage in the implementation of a single national collective agreement for the metallurgy industry

17 October 2023

With 80% of companies in the metallurgy sector having fewer than 50 employees, the SMEs in this particular sector will have to do some serious work in preparing themselves for the implementation of the new measures provided for in the single national collective agreement for metallurgy, planned for **1st January 2024**.

On 7 February 2022, after more than 5 years of negotiations, the French trade union for the industry, the UIMM, and 3 other representative trade union organisations in the sector - the CFDT, CFE-CGC and FO - signed the new text laying out its main aims which are not only to adapt to the new challenges facing the sector but to above all, harmonise all the provisions which currently vary from one region to another in France, and/or depend on the professional status accorded to employees.

The 76 territorial agreements currently in place, together with the national agreement for engineers and managers, and the agreement for the steel industry will all therefore be replaced by a single national collective agreement (CCUM).

The undertaking of this project is considerable and will affect all companies in the sector regardless of size. It will have an impact on the existing conventional and contractual agreements and on major issues such as:

- ✓ pay and classification
- ✓ termination and suspension of employment contracts
- ✓ working hours.

Although the majority of companies began rolling out the new collective agreement more than a year ago, many of them underestimated the scale and complexity of the task of bringing the new agreement into line with existing legislation, more particularly on the issue of employee classification, which is not a mere transposition of the system currently in place.

Rather than considering employees for skills they have acquired, they are to be considered and classified by nature of the jobs they occupy.

A new fixed minimum wage scale has been introduced, which may be applied over a transition period in the case of certain companies with fewer than 150 employees. It should be noted that a change in employee classification may result in the same or increased pay, but not in a reduction in pay.

In practical terms, this means that employers now face a number of challenges not only at an organisational level but equally at a company policy and human resources management level: how can employers manage cases where employees have been over-classified in grade (now resulting in a loss of manager status), how can they prepare for an increase in payroll costs, how can they manage the career development of an employee when a salary progression is no longer linked to seniority? What can a company do when faced with a rejection of the new classification by certain employees? Can company agreements derogate from the CCUM? What happens to previous company agreements that were in place?

Each and every company in the sector is affected by the implementation of these updated provisions. Employers will therefore have to issue comprehensive and effective communication to their employees on all the specific subjects, and where necessary include the ESC in order to ensure a clear understanding of these changes.

The intention of the text is to achieve a common legal basis at a national level. Territorial negotiations will still be possible via independent territorial agreements. In this context, the aim of the social partners is to also to encourage social dialogue within all companies in the sector.

VSEs and SMEs should not overlook the potential need to revise company agreements negotiated on the basis of former collective agreements in the metallurgy sector and, where appropriate, to open negotiations on provisions that may derogate from the CCUM.

Our team of lawyers, experts in social law and HR engineering at Grant Thornton *Société d'Avocats*, remain at your disposal to assist you in:

- ❑ The drafting/modifying of job descriptions and determining the appropriate position grades to be compliant with the new applicable classifications
- ❑ Performing a critical review prior to deployment of the job descriptions, their grading and a verification of the application of the required minimum wage before final deployment
- ❑ Pre-litigation and litigation management in the event of a misclassification of a job description, or an over-classification or rejection of the new classification by employees
- ❑ Reviewing the collective bargaining status applicable in the company in order to identify the provisions of company agreements that have become void.
- ❑ Collective bargaining on issues any that may derogate from the CCUM.

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