

# **Agreement**

**between**

**Reiðarafelagið fyri Handilsskip (RFH)  
(Shipowners of the Faroe Islands)**

**and**

**Sjómannadeild Føroya Fiskimannafelags  
(The Seafarers' Section of The Faroese Fishermen's  
Union)**

This Agreement is entered into by and between Sjómannadeild Føroya Fiskimannafelags and Reiðarafelagið fyri Handilsskip on behalf of any members of the crew, who are not covered by other agreements.

The scope of this Agreement does not, however, extend to people whose situation with the shipping company is of such a character that it entitles to take actions generally binding for the shipping company.

## **1. Wages**

1.1 As of March 1st 2023 the wages will increase by 3,80 %. As of March 1st 2024 the wages will increase by 4,04 %. Monthly wages are paid in accordance with the annexed Salary Scheme.

1.2 The title Seaman (Ship Assistant) Grade 3 designates crew on passenger vessels over 21,000 GT, who join the vessel without the required prior experience on merchant vessels to qualify as able-bodied seamen, and who do not have any skilled craftsman qualification, or who hold positions that do not require such qualification. This wage category also includes crew, who are on fixed-time contracts of up to 1 year.

Length of services for Seamen Grade 3 is only calculated as of March 1, 2009,

at the earliest.

In order for a crew to include Seamen Grade 3, at least three Seamen at Grade 1 and Grade 2 shall be employed. Of these, at least one shall be a Seaman Grade 1.

1.3 Apprentices on passenger vessels over 21,000 GT receive the following wages:

Year 1	50% of journeyman wages
Year 2	55% of journeyman wages
Year 3	60% of journeyman wages
Year 4	75% of journeyman wages

1.4 The above notwithstanding, for crew under 19 years of age on vessels other than passenger vessels, the wages shall be at least:

Cook's assistants	50%
15-16 year olds	65%
17-18 year olds	75%

However, full wages will, under all circumstances, be paid after two year's sailing counting towards the able-bodied seaman qualification, i.e. 3 years of employment.

1.5 Inexperienced sailors on vessels other than passenger vessels, aged 19 or older, start on no less than 80% of full wages during their first year of employment. During their second year they receive 90% and as of the start of the third year they receive 100%. Sailors who have experience from other parts of the maritime industry start on no less than 90% of full wages during the first year, and then 100%. This rule shall, however, not be applicable to sailors already employed.

1.6 The seniority supplements will be given in accordance with the salary scheme. Seniority is defined as length of employment with the same shipowner.

1.7 Hourly wages for unloading are fixed at DKK 135.

1.8 Boatswains receive DKK 1,800.00 extra.

1.9 Greasers receive DKK 1,215.00 extra.

1.10 When paying passengers are on board and the cook has no other arrangement, the cook and the shipping company shall negotiate an agreement regarding due compensation.

1.11 A special compensation of DKK 800 per month is paid for sailing with tankers. For tankers, all wages-increases for the duration of the agreement will be added to the wages as of March 1, 2004.

1.12 For on call-duty DKK 22 are paid for each hour. If deckhands are called in, they shall receive unsocial hours pay for no less than 2 hours. On call-duty implies that the deckhand can be at his workplace within 20 minutes.

1.13 For extended sailing, that is when the crew is more than 3 months away from the Faroes, the crew receives DKK 676 extra each month for the time in excess of 3 months.

1.14 The crew is entitled to receive wages earned on the 1 of the following month. If wages are paid after the 10 of the month, 1.5% shall be added to the wages. Subsequently, 1.5% shall be added for each additional month for any unpaid wages

1.15 The payment of wages shall not cease, even if crew is prevented from boarding again after they have used all their days off. However, up to 10 days may be offset against future days off, if the crew is prevented from boarding again on time.

## **2. Pension Scheme**

Shipping companies transfer, on behalf of crews, 12,50% to a pension scheme approved by both parties.

Pension contributions shall be calculated based on the basic wages stipulated in the Salary Scheme in addition to the following compensation:

- All compensation mentioned in Art. 1.2.
- The cook's compensation stipulated in the Salary Scheme.
- The compensations stipulated in Art. 2.3 of the Special Agreement

for Offshore Activities <sup>[L]</sup><sub>[SEP]</sub>(Multipurpose standby, supply and anchor-handling supply vessels)

2.2 Pension scheme contributions shall be transferred at the same time as wages are paid.

Foreigners, who pursuant to art. 1. sa. 5. in the Early Retirement Pension Act, are exempt from paying to a Faroese pension scheme, and Faroese persons, who have reached the age of retirement shall instead receive the amount, which was to be transferred as an early retirement pension payment, paid as wages. Before the amount is paid, payments, which are to be paid simultaneously as the wages, are deducted from the amount concurrently, so that the expense of the employer remains unaltered.

2.3 Anyone only employed for up to 5 months, may receive the pension contribution as either wages or pension contributions. If the pension contributions are paid as wages, the conversion factor is 0.8.

### **3. Holidays**<sup>[L]</sup><sub>[SEP]</sub>

3.1. Crews are entitled to 30 days off with full wages for every 30 days on board. This time off includes any holidays provided for in Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments.

3.2 When taking their holidays, the crew is entitled to at least 25 consecutive days off for every 30 days on board, before signing on. Any remaining time off may be exchanged for pay in accordance with the Agreement in force.

3.3 Sailors are entitled to 1 additional week of unpaid holiday.

3.4 The first day off is the day after seafarers return to their home country. The last day off is the day before they leave their home country.

3.5 Wages are paid on a monthly basis during holidays.

3.6 Shipping companies shall schedule time off in such a way that after 10 weeks signed on seafarers are entitled to free transport and holidays pursuant to Art. 3.1, with the same fixed monthly wages as while signed on. Shipping companies are not liable for any expenses accruing from more frequent

changes. If part of the holidays is used within the first 3 months of signing on, the crew and shipping company may also enter a special agreement regarding Art. 3.2.

3.7 The shipping company shall receive notice about holidays no later than 14 days prior to signing off.

3.8 Any unspent holidays may, as per agreement, be saved and paid as wages in accordance with the stipulations in the Agreement.

3.9 The crew is entitled to receive holiday supplement in accordance with Art. 11.1 of Act 30, dated April 7, 1986, enacted by the Løgting, on paid holidays, with subsequent amendments

#### **4. Continuing Education**

4.1 The crew has a duty to, by instruction from the shipping company, spend up to 7 calendar days of their holidays on courses in each calendar year. If a shipping company fails to give notice before December 1, it shall not be possible to use any days off for courses in that calendar year.

4.2. The parties agree upon a new system of reimbursement, in connection with courses and educational programmes, which are not required and, where the total value exceeds 30.000 kr.

In connection with such courses/education programmes, a volunteered written educational agreement (contract) may be made with the employee, regarding the conditions for reimbursement for course- or education programme payments, which the shipping company has paid, in order to work against the employee resigning within a period of 12 months at the most from the shipping company.

The agreement must at least include information about the total course activity, if this has been divided into several modules, course title or – package, total course fee, conditions for reimbursement, if the employee resigns of their own accord from the shipping company, together with other information, which is important in the matter.

There is agreement, that pursuant to the system for reimbursement, the employee shall pay 100% of the amount within the first 2 months, which the

shipping company has paid in accordance with the agreement. After this, the total amount shall decrease by 10% each passing month. The agreement/system for repayment automatically expires 12 months after the individual modules in the total education package/course have been taken.

4.3 If crewmembers fail to request permission from the shipping company to use any days not spent (out of said 5 days) for relevant educational purposes in the following calendar year, they forfeit the entitlement to spend them on educational activities, but shall retain them as days off.

4.4 Travel days in addition to the first day of travel count as 0 days. This means that wages are paid for that day; however, no days off are accrued.

4.5 The crew shall negotiate an agreement with the shipping company about the remaining days mentioned in Art. 4.3, and said days shall be used before the end of the following calendar year.

4.6 Shipping companies shall pay for any course fees. Shipping companies shall also pay any travel, accommodation or board expenses, either by agreement or by submission of invoices.

## **5. Leave of absence**

The crew may be granted leave of absence, provided that it does not conflict with the interests of the shipping company. If a leave of absence is granted in connection with an education that serves the interests of the shipping company, an agreement may be reached regarding paid time off or time off at reduced pay. Leave of absence may be granted for 1 year at a time.

## **6. Employment and Period of Notice**

6.1 The crew is employed in accordance with the applicable statutory provisions and the employment agreement required by the authorities.

6.2 The term of notice before 3 years of employment is 1 month for the shipping company and half a month for the crew. After 3 years of employment the term of notice is 2 months for the shipping company and 1 month for the crew. If special circumstances apply, these provisions may be set aside to the benefit of the crew. <sup>[ ]</sup><sub>SEP</sub>

6.3 Anyone who has been given notice and leaves employment before the period of notice has ended shall pay the shipping company a sum equivalent to the wages for half of their period of notice.

6.4 If any of the crew is dismissed by the shipping company while abroad, the shipping company shall pay for the journey home. [L]  
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6.5 The crew is under obligation to sign on to the ship designated by the shipping company and to be transferred from one ship to another. Should this gives rise to any traveling expenses, the shipping company shall pay for them.

6.6 The term of notice or parts of it may be used to spend any holidays accrued. Time off in lieu of pay accrued before notice is given shall not count towards the term of notice from the crew.

6.7 If crew members have not given the shipping company notice of resignation 10 days before they are due to sign on, then the shipping company is entitled to a compensation equivalent to the sum of half a month's wages.

6.8 Crew members who have been employed by a shipping company for more than six months, may, when circumstances allow it, bring their partner on board for a period of one month per year. If a partner remains on board for more than 1 month, the vessel shall receive payment for board. Crewmembers shall agree with the shipping company when their partner may join them. The shipping company is not liable for any travel expenses, insurance or any other responsibility whatsoever.

## **7. Working Conditions and Other Particulars**

7.1 Working periods are structured by the captain or mate.

7.2 Working time is 11 hours a day. Overtime is calculated as working time in excess of 154 hours over a 14-day period. Overtime pay is calculated as follows:  $\text{Monthly wages} / 173 + 20\%$ . Notwithstanding the preceding provision, working time for service employees on board passenger vessels is 10 hours a day. Their overtime is calculated in excess of 140 hours over a 14-day period, however, 12 per day at the most.

7.3 On Sundays and bank holidays the crew may not be assigned any work, which can wait. This provision does, however, not apply to passenger vessels.

7.4 If the number of crewmembers falls below the minimum statutory limit, or the limit stipulated in the authorisation from the Faroese Government, or if crewmembers leave during an expedition, the wages of any missing crewmembers shall be distributed in accordance with Art. 23 of the Seafarer's Act.

7.5 When transferring from one vessel to another, wages are paid during the waiting period.

7.6 It is the duty of the shipping company to insure the private belongings of the crew both on board the vessel and in transit to and from the vessel.

7.7 The shipping company shall provide work clothes for the crew. The shipping company shall supply bed linen and towels.

7.8 Intoxication at work or during travel to the vessel may lead to suspension.

## **8. Repair Stoppage**

8.1 When crew cannot stay at home while the vessel is undergoing repairs, suitable accommodation ashore is paid for.

8.2 When crew can stay at home, but meals are not provided on board, they shall receive a daily maintenance payment of DKK 110.

## **9. Sick Pay**

9.1 Crewmembers in employment are guaranteed wages for up to 3 months, if they are rendered unable to work due to illness or accident. Crewmembers who have been in the employ of the shipping company for more than 5 years are guaranteed wages for up to 4 months, and after 7 years they are guaranteed wages for up to 5 months, and after 10 years they are guaranteed wages for up to 6 months.

9.2. When seafarers are on sick leave, seafarers accrue and spend days-off, as if the party concerned was at work.

9.3 If crewmembers die while in employment, their next of kin are entitled to their wages pursuant to the provisions in this article. Wages for the month in



which the crewmember died are not calculated as part of the bereavement compensation.

9.4 Concerning rights in connection with maternity/paternity leave, please refer to the Act regarding maternity/paternity leave.

## **10. Trainees**

Both parties and the authorities agree to develop a scheme, which allows for the training of trainees on board passenger and merchant vessels.

## **11. Crew Representative**

11.1 All crews on any vessel may appoint a representative, who will act as an intermediary between the captain/shipping company and the crew and, in general, speak for the crew. Should the need arise, Sjómannadeild Føroya Fiskimannafelags may appoint a member on board as steward.

11.2 The following provisions apply to stewards on board passenger vessels over 21,000 GT:

- a. Crew representatives represent and negotiate on behalf of the crew with management and shall contribute to the smooth functioning of work. Management and crew representatives should jointly promote good labour relations.
- b. Crew representatives shall present any complaints and recommendations from the crew to management. Crew representatives shall also be entitled to take proceedings regarding any shortcomings in work place safety.
- c. Crew representatives shall tend to their duties in a manner minimising interference with work. Should crew representatives require leaving work to tend to their duties, they shall only do so as per agreement with management or its appointed supervisors. If it is not possible to reach an agreement with them, then an agreement shall be reached with the captain.
- d. In order to protect crew representatives, they shall have a total of

3 month's period of notice. This, however, shall not apply in the case of summary dismissal.

- e. Any disputes arising regarding this paragraph shall be settled in accordance with Art. 14 of this Agreement.

## **12. Works Council**

For vessels with a total of more than 10 crewmembers, either party may request the appointment of a works council composed of representatives of the shipping company and each of the groups on board. The council shall deal with any disputes arising, which either of the parties wishes to address. Should it fail to reach an agreement, then, the unions shall address the issues.

## **13. Membership Fee**

13.1 Shipping companies shall retain membership fees for Sjómannadeild Føroya Fiskimannafelags. Membership fees are transferred to the office of Føroya Fiskimannafelag each January 1 and July 1, shipping companies also submit a statement listing all persons on behalf of whom they are transferring the membership fees.

13.2 If Sjómannadeild Føroya Fiskimannafelags enters an agreement regarding insuring its members, the parties shall discuss the question of whether shipping companies can partake in retaining the insurance fees.

13.3 The parties agree that it is in their shared interest that seafarers and shipping companies organise in a trade union and employers' union, respectively.

As needed, the parties shall disseminate information about the benefits of joining a union. Furthermore, the parties shall strive to guarantee compliance with the Agreement.

## **14. Disputes**

Any disputes regarding the interpretation of this Agreement shall be referred

to the Faroese Permanent Court of Arbitration (Fastið Gerðarrætturin).

### **15. Validity and Notice**

This Agreement enters into force on March 1, 2023, and may be terminated by either party with 3 months' written notice by a March 1, however, by March 1, 2025, at the earliest.

Tórshavn, February 17, 2023,

Reiðarafelagið fyri Farmaskip

Sjómannadeild Føroya Fiskimannafelags