

CAO Collective Labor Contract

(NL: collectieve arbeidsovereenkomst)

By F. Jager, 31-01-2022

You might have heard of the CAO. Employers always refer to the CAO without ever explaining what a CAO is. I could not stress enough how important it is to read the CAO if there is one applicable to the company you work for.

To create a CAO, different parties have to be involved. The CAO must be renewed every 5 years. These parties should consist of at least 1 employer, 1 employer organisation, and 1 employee organisation (often a labour law union), but the more, the better. These parties will discuss the working conditions for the industry or organisation. The CAO is the written collective agreement of the arrangements regarding the working conditions.

There are two types of CAOs, the industry CAO and the organisational CAO.

Let's start with the industry CAO. Think of the hospitality industry. The hospitality industry has made agreements for working conditions that are only applicable to the hospitality industry. You can imagine that the working conditions in hospitality differ from the working conditions in the retail sector. Nonetheless, the industry CAO is only applicable to organizations that were represented by one of the parties who discussed the content of the CAO.

The second type of CAO is the organizational CAO. Think of big companies. This CAO is only applicable to a specific organization. Arrangements are discussed between the organization and one of the employee unions.

Sounds nice, written working conditions, but why should it concern you? All companies that are tight to a CAO are bound by those arrangements. It is not allowed to implement different working conditions than is agreed upon. To illustrate, your contract might state you can take 20 holidays annually. But if the CAO says the number of holidays is at least 25 a year, the CAO is leading. The working conditions in the CAO are superior. The organisation is only allowed to differ from the CAO if they offer better working conditions in favour of the employee, like 30 holidays.

Of course, Dutch labour law is superior to the CAO. Therefore, a CAO cannot decide on a lower minimum wage.

Besides holidays and minimum wages, other working conditions can be included in the CAO that is not included in your contract. Think of unpaid sick leave (the number of wait days), reintegration, pension funds, overtime, education or even contributions to the labour union.

I understand that it might be difficult for an expat to read the CAO. If it is published in a web browser, perfect! Then you could try to translate it. If not, ask your employer/manager if there is an English version somewhere available or ask a colleague to translate it for you. But then again, not all organizations and industries have a CAO. In that case, the Dutch labour law or personnel handbook is applicable.

Nonetheless, it is essential to know the working conditions in your industry and if they are applied correctly in your organisation.

Below I will post some sites where CAOs are published:

- The best website to visit is from the FNV. FNV has different CAOs in their library. Some of these are also translated into English. You can search based on your company name or industry (not all companies are registered here): <https://www.fnv.nl/>
- Hospitality: https://www.khn.nl/onderwerpen/werken-in-de-horeca/cao?gclid=Cj0KCQiA1sucBhDgARIsAFoytUvtb9L8Mq5DnLWICH4hP2WSe1dhO431vx5VG4hV1E88DNwKk8wba7kaAkgPEALw_wcB
- Retail: https://www.fnv.nl/cao-sector/handel/winkelstraat/cao-retail-non-food?utm_term=&utm_campaign=&utm_source=adwords&utm_medium=ppc&hsa_ac=4981324223&hsa_cam=16254367089&hsa_grp=&hsa_ad=&hsa_src=x&hsa_tgt=&hsa_kw=&hsa_mt=&hsa_net=adwords&hsa_ver=3&gclid=Cj0KCQiA1sucBhDgARIsAFoytUsVDcEu_Su68MPiNFgTHqtZ817kEa28HPCXGVFQWxMMEpaFdAYdEkgaAiHqEALw_wcB

Source:

- G.A. Diebels, *De Kleine Gids voor het Nederlandse arbeidsrecht*, Deventer: Wolters Kluwer 2020.