

COLLECTIVE AGREEMENTS LAW,

5717-1957

Definition of Collective agreement.

1. A collective agreement is an agreement between an employer or an employer's organisation and an employees' organisations, made and submitted for registration under this Law, concerning all or any of the following matters: the engagement of employees and the termination of employment, terms of employment, labour relations, and the rights and obligations of the organisations which are parties to the agreement.

Classes of collective agreements.

2. There are two classes of collective agreements:

(1) special collective agreements - in respect of a particular undertaking or employer - between an employer or an employer's organisation representing the employer and the representative employees' organisation of the employees to whom the agreement is to apply.

(2) general collective agreements - for the whole area of the State or a part thereof, in respect of particular branches of employment or all branches of employment, the agreement being between the representative employees' organisation, and an employers' organisation, of the branch of employment or area concerned, as the case may be.

Representative organisation in the case of special collective agreement.

3. A representative employees' organisation, for the purposes of a special collective agreement, is the employees' organisation comprising, or representing for the purposes of that agreement, the greatest number of organised employees to whom the agreement is to apply, on condition that such number is not less than one-third of the total-number of employees to whom the agreement is to apply.

Representative organisation in the case of general collective agreement.

4. A representative employees' organisation, for the purposes of a general collective agreement, is the employees' organisation comprising the greatest number of organised employees to whom the agreement is to apply.

Change as to representative not to affect agreement.

5. Where a collective agreement has been made, it shall be regarded as valid even if during its period of validity an employees' organisation has lost the qualities which make it a representative organisation within the meaning of section 3 or 4.

Bar to plea of disqualification after signing.

6. The plea that an employees' organisation which is a party to a collective agreement was not at the time of the making of that agreement a representative employees' organisation for the purposes thereof shall not be heard unless made by another employees' organisation.

Collective agreement to be in writing.

7. A collective agreement and any variation or extension thereof shall be in writing.

Collective agreement by accession.

8. A special collective agreement may also be made by -

(1) the signing of an instrument of accession to rules agreed upon between an employees' organisation and an employers' organisation on matters likely to be the subject of a collective agreement; or

(2) the signing of an instrument of accession to an existing special collective agreement

Exemption from a stamp duty.

9. A collective agreement and an agreement varying or extending a collective agreement shall be exempt from stamp duty.

Registration.

10. (a) Within two months from the date of signing, a copy of any collective agreement, agreed rules, or instrument of accession under section 9, shall, in such manner as shall be prescribed by regulations, be submitted for registration to the Minister of Labour and Social Affairs or a person appointed by him in that behalf. The same shall apply to an instrument of variation, cancellation or extension of a document as aforesaid.
- (b) The duty to submit a registrable document under subsection (a) shall apply to each of the parties thereto; where one of them submits the document, the others shall be exempt from doing so.
- (c) The Chief Labour Relations officer under the Settlement of Disputes Law, 5717-1957, may extend the period provided for by subsection (a) or section 10B (a) if he finds it justified in the circumstances of the case.
- (d) The Minister of Labour and Social Affairs shall, in the manner prescribed in regulations, publish a notice regarding the submission for registration of a registrable document as aforesaid.

Inspection.

- 10A. Any person may inspect a collective agreement registered under section 10, or such arrangement of which notice has been given under section 10B.

Notification.

- 10B. (a) An employer in a public service who employs 100 or more employees shall, within two months after the signing of the same, notify the Minister of Labour and Social Affairs, or the person appointed by him in that behalf, of every arrangement in writing which is not a registrable document under section 10 and which concerns the pay or social benefits of all or any group of his employees.
- (b) The Minister of Labour and Social Affairs may by Order, with the approval of the Knesset Labour and Social Affairs Committee, exempt, subject to conditions or unconditionally, an employer or group of employers from the application of the provisions of subsection (a) either generally or in respect of a particular arrangement or group of arrangements.
- (c) For the purpose of this section "a public service" means
- (1) An inspected body within the meaning of section 9(1) to (5) of the State Comptroller Law (Consolidated Version), 5718-1958.
 - (2) An incorporated body set up or recognised by a Law devoted thereto;
 - (3) An incorporated body the management of whose affairs is subject to control or inspection under a Law devoted to affairs of a kind which it conducts.
- (d) The Minister of Labour and Social Affairs shall in the regulations regarding notification under subsection (a) prescribe the modes of delivery, the particulars to be included therein and the documents to be attached thereto.
- (e) A person who contravenes any one of the provisions of this section or an order thereunder shall be liable to a fine not exceeding 9,600 new Shekalim.
- (f) A person who by virtue of his past as manager or senior employee is responsible for complying with the provision of this section or an order thereunder, and where there is no such manager or senior employee, the person who signed the arrangement in the name of the public service, shall also be responsible for an offence under subsection (e) unless he proves that he took reasonable means to prevent the offence or that the offence was committed in consequence of some matter not within his control.

Coming into force of agreement.

11. A collective agreement shall come into force on the day determined therein or, where a day has not been so determined, on the day on which it is signed.

Agreement for specific period and agreement for indefinite period.

12. A collective agreement may be for a specific period determined therein or for an indefinite period or partly for a specific period and partly for an indefinite period.

Period of validity of collective agreement for specific period.

13. Where the period of validity of a collective agreement for a specific period has expired, and neither of the parties to that agreement has given notice to the other, in due time and in writing, of the termination of the validity thereof, the agreement shall continue

in force as a collective agreement for an indefinite period; the time for notice of termination shall be as determined in the agreement or, where a time has not been so determined, not less than two months before the expiration of the validity of the agreement.

Period of validity of collective agreement for indefinite period.

14. Where a collective agreement is for an indefinite period, either party may determine it by giving the other party advance notice at a time determined in the agreement, or, where a time has not been so determined, not less than two months before the day of cancellation.

Provided that the period of validity of a collective agreement originally made for an indefinite period shall not be for less than one year.

Scope of special collective agreement.

15. A special collective agreement shall apply to -

- (1) the parties to the agreement;
- (2) the employers represented, for the purposes of that agreement, by an employers' organisation which is a party to the agreement;
- (3) all employees of the classes included in the agreement who are employed in trades or functions included in the agreement by employers who are parties to the agreement or who are represented as specified in paragraph (2).

Scope of general collective agreement.

16. A general collective agreement shall apply to -

- (1) the parties to the agreement;
- (2) the employers, in the branches or area included in the agreement, who at the time of the signing of the agreement were members of the employers' organisation which is a party to the agreement, or who became members thereof during the period of validity of the agreement, except members expressly excluded from the agreement;
- (3) all employees of the classes included in the agreement who are employed in trades or functions included in the agreement by employers as specified in paragraph (2).

Proof of membership of organisation.

17. For the purposes of section 16, a written confirmation by an employees' or employers' organisation that a particular person is a member thereof, or was member thereof at a particular time, shall be sufficient proof of his membership.

Change of employer.

18. Where an undertaking has changed hands or been partitioned or amalgamated, the new employer shall be regarded as an employer to whom the collective agreement applies.

Rights and obligations of employee and employer.

19. Provisions of a collective agreement concerning terms of employment and termination of employment, and personal obligations imposed on, and rights granted to, an employee and employer by such provisions (hereinafter referred to as "personal provisions"), shall be regarded as a contract of employment between each employer and each employee to whom the agreement applies, and shall have effect even after the expiration of the collective agreement, so long as they have not been validly varied or repealed; participation in a strike shall not be regarded as breach of a personal obligation.

Prohibition of waiver of rights.

20. Rights granted to an employee by personal provisions of a collective agreement cannot be waived.

Saving of rights.

21. A collective agreement can add to, but not derogate from, rights of an employee laid down by law.

Contract of employment and collective agreement.

22. Where any provision of a contract of employment varies from a personal provision of a collective agreement applying to the parties to the contract, the provision of the collective agreement shall prevail; where the variation is favourable to the employee, the provision of the contract of employment shall prevail unless anything contained in the collective agreement expressly precludes the variation.

Conflict of agreement.

23. Where more than one collective agreement applies to any employee, the provisions of the one most favourable to the employee, shall apply.

Compensation.

24. Notwithstanding any law, an employees' organisation or employers' organisation shall not be liable to damages for an infringement of its obligation under a collective agreement save to the extent that it has expressly been made liable thereto by a general collective agreement.

Power to extend collective agreement.

25. The Ministry of Labour and Social Affairs may, on his own motion or on the application of a party to a general collective agreement, extend, by order (hereinafter referred to as an "extension order"), the scope of application of any provision of a general collective agreement if, in his opinion, it is right so to do having regard to the number of employees and employers to whom that collective agreement applies and to the importance of the agreement in regulating labour relations and determining conditions on the labour market; the Minister may do so whether the agreement is valid or whether its validity has been made conditional upon the making of an extension order.

Procedure for making extension order.

26. The Minister of Labour and Social Affairs shall not make an extension order unless one month previously, in *Reshumot* and in such other manner as he may think fit, he publishes in writing a notice of his intention to do so; and upon such a notice being published, any interested person may, in a manner prescribed by regulations, object before the Minister to the making of the order, the Minister of Labour and Social Affairs shall not publish a notice as aforesaid save after consultation with the employees' organisation representing the greatest number of employees' in the State and with representative the greatest number of employees' in the State and with representative national employers' organisations which in his opinion are concerned in the matter.

Conditions for the making of extension order.

27. The Minister of Labour and Social Affairs shall not make an extension order unless -

- (1) the provisions of the collective agreement in question which are the subject of the extension order do not impair the right of any person to employment by reason of his membership or non-membership in an employees' organisation; and
- (2) the provisions of the collective agreement which are the subject of the extension order are not repugnant to an international labour convention ratified by Israel; and
- (3) the Council for Labour Relations functioning under the Settlement of Labour Disputes Law, 5717-1957 (hereinafter referred to as "the Council") has considered the matter and its opinion has been brought before the Minister of Labour and Social Affairs. The Council may delegate its

power under this paragraph to a committee from among its members comprising representatives of employees and representatives of employers in equal number.

(4) The Minister of Labour and Social Affairs shall decide upon an objection filed under section 26.

Extension order.

28. (a) An extension order shall be published in *Reshumot* and shall specify the extended provisions and the classes of employees and employers to which it applies.

(b) An extension order may prescribe that, in respect of the provisions specified hereunder, it shall have effect from a date prior to the date of its publication but not prior to the date on which the extended provisions came to effect:

(1) Any such provision of a general collective agreement as concerns

(a) a cost-of-living allowance or

(b) compensation for a rise in prices or

(c) a minimum wage;

(2) Any such provision of a general collective agreement as applies to several industries and in respect of which, in the opinion of the Minister of Labour and Social Affairs, it is justified to prescribe that it shall have retroactive effect having regard to the number of persons party to the agreement and to the nature of the provision.

(c) Where an extension order with retroactive effect has been published under subsection (b), the employer may pay the differential resulting from such retroactive effect in equal consecutive monthly installments of a number equal to the number of the months from the date from which the order has effect to the date on which it was published; for this purpose, a fraction of a month shall be deemed to be a whole month. The first monthly installment shall be paid upon the date when the monthly day after the publication of the order, whichever comes later; every subsequent monthly installment shall be paid upon the date when the monthly wage is payable for the same month; all such installments and all linkage differentials and interest as mentioned in subsection (d), which are not paid until the ninth day after the date when they are payable as mentioned above, shall be considered as delayed wage within the meaning of the Wage Protection Law, 5718-1958.

(d) The differentials resulting from the retroactive effect of a provision as mentioned in subsection (b) shall be supplemented with linkage differentials and interest within the meaning of the Adjudication of Interest and Linkage Law, 5721-1961 relating to the period starting from the day of commencement of the extension order and ending in the day when the differentials are paid or are payable according to subsection (c), whichever comes first; this subsection shall not apply to differentials which, according to the provisions of the collective agreements which have been extended, are payable retroactively without linkage differentials or interest, as the case may be.

Presumption of validity.

29. The validity of an extension order published as aforesaid shall not be disputed.

Effect of extension order.

30. (a) Where an extension order has been made, the provisions of the collective agreement which have been extended by the order shall apply to all employees and all employers to whom the order applies and shall be regarded as a part of a contract of employment between those employees and those employers.

(b) The provisions of subsection (a) shall not derogate from a right of an employee under any provision of a contract of employment or collective agreement granting him better terms.

Extension order becoming void.

31. Upon the expiry of a collective agreement in respect of provisions of which an extension order has been made, the extension order shall become void, and notice to such effect shall be published in *Reshumot*.

Cancellation of extension order.

32. Where it appears to the Minister of Labour and Social Affairs that the circumstances referred to in section 25 no longer exist, he may, after consultation with the Council, the employees' organisation representing the greatest number of employees in the State and

representative national employers' organisation which, in his opinion, are concerned in the matter, cancel the extension order, and notice of the cancellation and the date thereof shall be published in *Reshumot*, such date shall not be prior to the date of publication.

Continuance in force of personal provisions.

33. Where an extension order has become void under section 31 or has been canceled under section 32, the personal provisions of the collective agreement which have been extended by the order shall continue in force as a part of the contracts of employment which existed while the order was in force, so long as they have not been varied or repealed by new contracts of employment.

Supervisory committee.

33A. For purposes of every general collective agreement in respect of which an extension order has been made, the Minister of Labour and Social Affairs may appoint a supervisory committee of three members, viz.-

- (1) a representative of the Minister of Labour and Social Affairs who shall be the chairman;
- (2) a member recommended by the employees' organisation which has signed the extended collective agreement;
- (3) a member recommended by the employers' organisation which has signed the said agreement.

Record and publication.

33B. A supervisory committee shall keep a record of the undertakings to which the extension order applies and shall publish a list thereof in the manner prescribed by the Minister of Labour and Social Affairs.

Application of extension orders to undertaking and supervision of implementation thereof.

33C. (a) A person empowered by the Minister of Labour and Social Affairs to be an inspector may request information from any undertaking in order to ascertain whether an extension order applies thereto, and if so, whether the provisions of the order are complied with at the undertaking; and he also may for this purpose, after giving advance notice, enter any undertaking, examine the owners, managers and employees thereof and inspect the books and document of the undertaking relating to the employees thereof.

(b) An inspector shall not disclose anything that comes to his knowledge by virtue of his function under subsection (a), save in the discharge of a duty imposed on him by law.

Power of court.

33D. The Regional Court, within the meaning of the Labour Courts Law, 5729-1969 (hereinafter referred to as "the court"), shall have exclusive power to decide whether an extension order applies to any undertaking and to determine every action filed by an employee, employer or inspector in any matter arising out of the provisions of sections 33B and 33C.

Provisions as to proceedings for the settlement of disputes.

33E. Where a collective agreement in respect of which an extension order has been made prescribes proceedings for the settlement of disputes, the Minister of Labour and Social Affairs may prescribe, as to all or part of the extended provision, that in respect of the undertakings to which the order applies -

(1) the supervisory committee shall be the body for the settlement of disputes as aforesaid instead of a body prescribed by the collective agreement and that different proceedings from those prescribed by the collective agreement shall apply;

(2) any right or obligation of an employee or employer which according to an extended provision is conditioned upon the consent of an employees' organisation or employers' organisation shall be conditional upon the consent of the employer or the employees' committee at the place of employment, as the case may be, or, if there is no employees' committee at the place of employment, upon the mutual consent of the employee and the employer.

Powers of supervisory committee.

33F. The powers of a supervisory committee as to the settlement of disputes, the procedure before it and the effect of its decisions shall, *mutatis mutandis*, be the same as those of the body it replaces under section 33E or if it replaces several such bodies, as those of the one having the last right of decision.

Fee to employers' organisation for organisational-technical work.

33G. (a) The Minister of Labour and Social Affairs may by regulations, with the approval of the Knesset Labour and Social Affairs Committee, prescribe provisions as to the obligation of an employer to whom an extension order applies to pay to the employers' organisation which is a party to the extended collective agreement, at the rate and on the conditions prescribed as aforesaid, a fee for organisational-technical work. The regulations may apply to particular categories of employment, branches of employment, branches of the economy or geographical areas or to particular employers, with the exclusion of undertakings or employers, belonging to an organisation of undertakings or employers designated in the regulations.

(b) The court shall have exclusive power to adjudicate disputes arising out of the provisions of section (a).

Implementation and regulations.

34. The Minister of Labour and Social Affairs is charged with the implementation of this law and may make regulations as to any matter relating to such implementation; but he shall not make regulations under section 26 save after consultation with the employees' organisation representing the greatest number of employees in the State and with representative national employers' organisations which in his opinion are concerned in the matter.

Transitional provisions.

35. This Law shall not apply to agreements made before the coming into force thereof, but shall not affect their validity.

Commencement.

36. This law shall come into force on the 28th Adar Alef, 5717 (1st March, 1957).