|  |  |
| --- | --- |
| August 2022 | |
| contract  SERVICE CONTRACT  This sample service contract may be used by all managers employed in private companies, who have executive and/or project-related responsibilities and who are employed on salaried employee terms. For publicly employed managers/executives and State employees, who are managers/executives, please see the following links:  [Manager in a municipality (Danish)](https://ida.dk/raad-og-karriere/chef-i-en-kommune)  [Manager in the government (Danish)](https://ida.dk/raad-og-karriere/ansaettelsesvilkaar-og-kontrakter/chef-i-staten)  This service contract has been drafted for employment by a limited liability company. If service is performed in a company of a different ownership, it will have to be adapted accordingly.  [*Please note that wherever the wording is italicised, you must insert data, make a choice between several options or select/deselect.*] | |
|  | |
| Contact  [Write to IDA](https://english.ida.dk/legal-advice)  +45 33 18 48 48 | Kalvebod Brygge 31-33  1560 Copenhagen  ida.dk |

**SERVICE CONTRACT**

The undersigned parties

[*insert name*]

[*insert address*]

[*insert town and postal code*]

[*insert CVR-number*]

(in the following the Company)

and

[*insert name*]

[*insert address*]

[*insert town and postal code*]

[*Insert CPR-no.*]

(in the following the Manager)

have today concluded this Manager’s service contract:

**1. DATE OF COMMENCING SERVICE**

1.1 The Manager will commence service as [*insert job title, such as Head of Department, Departmental Manager, Head of Project, Project Manager, Head of Office, Key Account Manager, Executive Office Manager*] as of [*insert date, month, year*]. [Seniority is calculated from [*date and year*].]

**2. PLACE OF WORK AND TASKS**

2.1 The place of work is [*insert address*].

2.2 [*The Manager will be entitled to perform his/her work from the home office established for that purpose to the extent it is consistent with operations of the Company, and the wishes of the Manager*.]

2.3 The Manager’s work area and responsibilities appear from the attached conditions of appointment which form an integral part of this service contract.

**3. SALARY, NEGOTIATIONS AND ADJUSTMENT OF PAY PLUS PENSION**

3.1 The monthly salary comes to DKK [*insert amount*], excluding pension. The salary will be paid monthly in arrears not later than the last business day in a month.

3.2 The salary is to be negotiated once annually in the month of [*insert month*] and will become effective as from [*insert month*], the first time being in the month of [*insert month and year*].

The salary will as a minimum be adjusted upwards by a percentage rate that corresponds to the pay level developments applicable to all Managers in private service who have a similar length of service and education, cf. the salary statistics of the Danish Society of Engineers, IDA.

3.3 In case of significant changes to the work tasks specified in 2 above, the salary will be subject to renegotiation between the parties.

3.4 *Alternative 1*

[*A pension scheme is to be established with* [*insert Pensionskassen for teknikum- og diplomingeniører/Danske civil- og akademiingeniørers pensionskasse/name of other relevant pension fund chosen by the Manager*] *to which the Company will, in addition to the salary mentioned above, pay* [*insert percentage rate*] *% of all parts of the pay and the Manager will pay* [*insert percentage rate*] *% of all parts of the pay*].

*Alternative 2*

[*The Manager participates in the Company’s pension scheme established in* [*insert pension company*] *to which the Company will, in addition to the salary mentioned above, pay* [*insert percentage rate*] *% of all parts of the pay and the Manager will pay* [*insert percentage rate*] *% of all parts of the pay*].

**4. BONUS**

4.1. The Manager’s salary will include a bonus based on the conditions that appear from the attached agreement which forms an integral part of this contract.

4.2 Upon retirement within the financial year to which the bonus relates, the Manager is entitled to a proportionate share of the bonus to which he/she would have been eligible if he/she had been employed with the Company at the end of the financial year or at the time when the bonus is paid out, cf. Section 17a of the Danish Salaried Employees Act.

**5. WORKING TIME**

5.1 The weekly working time amounts to 37 hours, incl. half an hour’s lunch break daily.

5.2 The Manager will plan his/her own working time which is to be placed within the Company’s normal office hours, Monday to Friday between [hour] and [hour]. [*Alternatively: The working time will be placed within the flexible hours which lie between 07.00 and 18.00 hrs.*].

5.3 Time spent on transportation in connection with the execution of the work, attending courses, in-service training and the like will be recognised as working time as will work executed from the Manager’s home.

**6. OVERTIME**

6.1 Overtime is when the Manager works more than 37 hours a week. All endeavours should be made to avoid overtime.

Overtime, if any, will be made up at the end of the month and be paid separately.

At the Manager’s option, overtime will be paid either by way of time off in lieu or as overtime pay according to the below rules:

*Alternative 1*

[*Time off in lieu corresponding to the scope of the overtime plus 50 % extra*

Or

*Overtime pay where the hourly rate is calculated as the gross annual salary/annual working time (52 x 37) plus 50 %.*

*The extra pay comes to 100 % for assigned overtime work on Saturdays, Sundays and non-working days.*

*Earned time off in lieu is to be taken subject to agreement, at the latest, however, within six months from its being earned.*

*Overtime pay will be paid out together with the first succeeding monthly salary*].

*Alternative 2*

[*Time off in lieu corresponding to the scope of the overtime*

Or

*Overtime pay where the hourly rate is calculated as the gross annual salary/annual working time (52 x 37).*

*The extra pay comes to* [*insert per cent*] *% for assigned overtime work Saturdays, Sundays and non-working days.*

*Earned time off in lieu is to be taken subject to agreement, at the latest, however, within six months from its being earned.*

*Overtime pay will be paid out together with the first succeeding monthly salary*].

**7. HOLIDAYS AND DAYS OFF**

Holidays

7.1 The Manager earns and takes his/her holidays in accordance with the rules of the Danish Holiday, always provided that he/she earns 2,08 holidays per month, corresponding to 5 weeks with pay annually.

The Manager has, from the start of the employment, 5 extra holidays (feriefridage), with pay pr. holiday year. Unused extra holiday (feriefridage) can at the choice of the Manager be passed over to the next holiday year or converted into cash payment.

The 5 extra holidays (feriefridage) is to be placed according to the rules on residual holiday laid down in Holidays Act.

7.2 The special holiday allowance according to the Holidays with Pay Act will be paid out at a rate of [*insert percentage, 1% or higher percentage*] %. Upon resignation, the special holiday allowance of [*insert percentage*] % will be added to the holiday allowance of 12,5%.

7.3 [*As from the date of commencement of service the Manager is entitled to full salary during his/her holidays.*]

[*Alternative: The Manager is entitled to [no.] weeks holiday with pay in the [current or next] holiday year*]

7.4 The Manager is entitled to replacement holidays in case of documented illness during his/her holidays.

7.5 The Manager cannot be ordered to take his/her holidays in the course of the period of notice. This also applies if the Manager has been made redundant.

Days off from work

7.6 Christmas Eve Day, New Year’s Eve Day, Friday after Ascension Day and Constitution Day are fully salaried days off from work.

**8. COMPETENCY DEVELOPMENT AND DEVELOPMENT INTERVIEW**

8.1 The Manager has the right and duty to participate in competency development, which is relevant for the employment, including educational courses. The Manager has the right to participate in continuing education for a minimum of 2 weeks a year and the expenses will be paid by the Company according to invoice. [*Suggestion: The Manager is entitled to time off work with pay for up to three days for preparation for exam(s), as well as on the day of the exam(s).*]

[*An* *alternative suggestion is that the extent of education is defined by amount or number of weeks.*]

Once annually a development interview is to be held between the Manager and his/her nearest manager. The purpose of the employee’s development interview is to ensure a goal-oriented and systematic development of the Manager’s professional and personal competencies.

In the employee’s development interview a written, personal development plan must be drawn up, where development goals and activities for the Manager must be expressed.

The parties are mutually bound to follow up on the development goals and activities agreed in the development plan.

The parties are mutually bound to complete the development plans in such a way that the framework and conditions for the competency development are ensured.

**9. PREGNANCY, CHILDBIRTH AND ADOPTION**

9.1 The Manager is entitled to leave in connection with pregnancy, childbirth and adoption in accordance with the rules of the Maternity Law (barselsloven).

[*insert for female Manager*]

The Company will pay the full salary to the Manager during the following periods:

* Maternity leave for eight weeks prior to expected birth
* Maternity leave for 14 weeks after birth
* Parental leave for twelve weeks following the expiry of the maternity leave.

[*insert for male Manager*]

The Company will pay the full salary to the Manager during the following periods:

* Paternity leave for two weeks during the first 14 weeks after birth. The two weeks may be placed freely within the first 14 weeks immediately following birth.
* Parental leave for twelve weeks. The twelve weeks may be placed freely within the 46 weeks immediately following birth.

[*Alternative for both male and female Manager if it is not possible to come to an agreement concerning salary during leave: “The Manager is entitled to receive an amount corresponding to the for the Company maximum obtainable reimbursement rate from barsel.dk during the periods as defined by barsel.dk.”*]

9.2 The Manager is entitled to full pension in periods without full salary.

9.3 The above provisions apply without restrictions in case of adoption.

**10. CHILDREN’S ILLNESS ETC.**

10.1 The Manager is entitled to two salaried days off in case of a child’s illness. The Manager can take his/her child to the doctor/dentist during working hours without deduction of salary.

**11. COMPASSIONATE LEAVE**

11.1 The Manager is entitled to two days’ salaried compassionate leave a year.

11.2 Moreover, Managers with children are entitled to two salaried child-care days per child each calendar year up to and including the calendar year in which the child turns 15.

11.3 The entitlement to compassionate leave and child-care days applies as from the date of commencing service. If the Manager has not used the days for compassionate leave or child-care days before the end of the year or upon his/her resignation, they fall due for cash disbursement at the end of the year. However, the two salaried days given in the birth year may be transferred to the following year if the Manager wishes to.

**12. NEWSPAPERS, MAGAZINES, TELEPHONE AND HOME OFFICE**

12.1 The Manager is entitled to paid subscriptions for [*insert newspaper(s)*] and [*insert magazine(s)*].

12.2 The Company will make a cell phone available to the Manager. Besides, the Manager is entitled to a paid fixed-line telephone and Internet connection.

12.3 At the Manager’s home a home office will be set up, including the necessary hardware and software to perform the work.

12.4 The above equipment may be used both for work and private purposes, and the Company will pay the establishment costs as well as the ongoing costs.

**13. TRAVEL AND ENTERTAINMENT**

13.1 The Manager’s expenses towards transportation, overnight stays, entertainment, attendance at courses, in-service training etc. will be covered by the Company according to vouchers submitted. The Manager is, however, entitled to advance payments if the Manager so requests, cf. Section 7 of The Danish Salaried Employees Act.

13.2 The Manager will be remunerated for driving his/her own car at the highest going rate, cf. Danish government rules.

**14. INTELLECTUAL PROPERTY RIGHTS ETC.**

14.1 The Manager is entitled to fair consideration for inventions, intellectual property rights, computer software and the like developed, produced or discovered by the Manager in the course and as part of the service relationship. Inventions, intellectual property rights etc., which are developed, produced or discovered by the Manager without this being in the course and as part of the service relationship belong to the Manager.

The special consideration must reflect the value of the right of use less the direct costs towards promotion, marketing, formation of agreements and implementation.

**15. TERMINATION**

15.1 Either party may terminate the service relationship at the notices laid down in the Danish Salaried Employees Act, always provided that the notice period on the part of the Company is three months as from the start of the service relationship. [*Alternative – please note that if this alternative is agreed upon, the four points below shall be deleted: From the start of the service relationship the termination notice on the part of the Company will be 6 months*.]

Notice period on the part of the Company:

* up to 2 years and 9 months’ employment the notice period is three months
* up to 5 years and 8 months’ employment the notice period is four months
* up to 8 years and 7 months’ employment the notice period is five months

and hence at six months’ notice

The Manager may give notice of resignation at one month’s notice for the end of a month.

Notice is to be for the end of a calendar month, and it is to be made in writing and be in the hands of the addressee by the last day of the month.

No probationary period has been agreed for this service relationship.

15.2 Although the Manager may have been made redundant, he/she will retain the paid fixed-line telephone and cell phone, Internet connection, PC’s etc. as well as subscriptions, cf. Art. 12 throughout the period of notice.

**16. THE DANISH SALARIED EMPLOYEES ACT AND THE HOLIDAYS WITH PAY ACT**

16.1 To the extent the above provisions do not give the Manager any preference position, the Danish Salaried Employees Act and the Danish Holidays with Pay Act are to govern the service relationship.

\*\*\*\*\*

**SIGNATURE**

[*insert city/ town*], [*insert date*] [*insert city/ town*], [*insert date*]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[*insert name of the Manager*] For the Company