

**Bonus And Allowance Scheme
University of Twente 2015**

**Reference: CvB UIT-1310
Date: 28 September 2015**

Table of Contents

SECTION 1 GENERAL	2
<i>Article 1 Definitions</i>	2
<i>Article 2 Scope</i>	2
<i>Article 3 General</i>	2
SECTION 2 BONUSES AND INTERIM TERMINATION	3
<i>Article 4 Performance bonus</i>	3
<i>Article 5 Labour market-related bonus</i>	3
<i>Article 6 Bonus for temporary substitution</i>	3
<i>Article 7 Bonuses for other reasons</i>	4
<i>Article 8 Emergency assistance allowance</i>	4
<i>Article 9 Interim termination</i>	5
SECTION 3 ALLOWANCES FOR UNUSUAL WORKING HOURS	5
<i>Article 10 Allowance for work at unsociable hours</i>	5
<i>Article 11 Decreasing allowance for work at unsociable hours</i>	5
<i>Article 12 On-call allowance</i>	6
PARAGRAPH 4 OTHER PROVISIONS	6
<i>Article 13 Compensation for additional activities</i>	6
<i>Article 14 Final provisions</i>	6
EXPLANATION OF BONUS AND ALLOWANCE SCHEME UNIVERSITY OF TWENTE 2015	7

SECTION 1 GENERAL

Article 1 Definitions

This scheme defines the following terms as:

- a. *Manager (beheerder)*: the person who has been charged with the management of a unit according to the Management and Administration regulations of the university (*Bestuurs- en beheersreglement UT*).
- b. *Remuneration*: the sum of the salary and bonuses that have been determined for the employee with due observance of the provisions set out in the Collective Labour Agreement of Dutch Universities.
- c. *Board*: the university's Executive Board.
- d. *Unit (eenheid)*: an administrative unit (*beheerseenheid*) according to the Management and Administration regulations of the university (*Bestuurs- en beheersreglement UT*).
- e. *Position*: the compilation of duties to be performed by the employee pursuant to and in accordance with what he has been assigned to do by the manager.
- f. *Building manager (gebouwbeheerder)*: the person who was been appointed by the Board to be the point of contact for occupational health, safety and environment issues at the building level, as well as the emergency assistance in the building.
- g. *Employee*: a person employed by the university.
- h. *Salary*: : the monthly amount established for the employee in question based on the salary tables in Appendix A of the Collective Labour Agreement of Dutch Universities.
- i. *UT Flex workers*: a student enrolled at the University with an employment contract via the UT-Flex web application.
- j. *University*: the University of Twente.
- k. *Full-time employment*: employment for 38 hours per week.

Article 2 Scope

This scheme applies to all employees of the University, with the exception of UT Flex workers.

Article 3 General

1. The decision to grant or extend a bonus or allowance is recorded in writing and the reason for the grant or extension is sufficiently justified.
2. The bonus or allowance is paid together with the salary every month.
3. Granting a bonus or allowance for an indefinite period of time is not allowed.
4. A bonus or allowance expressed in terms of a percentage of the salary grows with a general or individual salary progression. A bonus or allowance expressed in terms of a fixed amount per month, will not grow with a general or individual salary progression.

SECTION 2 BONUSES AND INTERIM TERMINATION

Article 4 Performance bonus

1. The manager can grant an employee a performance bonus for the maximum duration of one year, if the following two requirements have been met:
 - a. the employee's performance in the position is very good or excellent in the opinion of the manager. A very good or excellent performance in the position means that across the board the employee's performance extends far beyond the set requirements, and that the employee achieves demonstrably excellent results and
 - b. the employee has reached the highest salary scale available to them.
2. The performance bonus is preferably granted during the annual performance appraisals.
3. The performance bonus is expressed in terms of a percentage of the salary and amounts to a maximum of 15%.
4. The performance bonus ends as soon as the set period of time has passed. The performance bonus is terminated on the interim if, in the opinion of the manager, the employee's performance in the position is no longer very good or excellent.
5. The performance bonus can be extended, each time for a maximum of one year, if the employee still meets the requirements as described in the first subsection.
6. If there are special circumstances, the manager can grant a performance bonus for a period lasting longer than one year.
7. If an employee who has been granted a performance bonus is granted a higher salary scale, the performance bonus expires effective from the date on which that higher salary scale becomes applicable.
8. The maximum duration of a performance bonus amounts to five years total, extensions included. After five years, the performance bonus will expire.

Article 5 Labour market-related bonus

1. The manager can grant an employee a labour market-related bonus for a maximum of three years for reasons of mobility, recruitment or retention.
2. The labour market-related bonus can also be granted if the employee has not yet achieved the maximum of their salary scale.
3. The labour market-related bonus is expressed in terms of a percentage of the salary and amounts to a maximum of 15%.
4. The labour market-related bonus ends as soon as the set period of time has passed. The labour market-related bonus can be extended for a maximum duration of two years, if the reasons of mobility, recruitment or retention are still in effect.
5. The maximum duration of a performance bonus amounts to five years total, extensions included. After five years, the labour market-related bonus will expire.

Article 6 Bonus for temporary substitution

1. In case an employee is temporarily working, part-time or full-time, by order of the manager and by way of substitution, in a position for which a higher maximum salary is granted on the basis of the University Job Classification (*UFO*), the manager can grant a bonus for the duration of that temporary substitution, provided that the temporary substitution lasts at least a period of 30 calendar days. The bonus is granted from the first day of the temporary substitution.
2. The scope and content of the activities performed within the context of the temporary substitution and the amount and duration of the bonus for temporary substitution are recorded in writing prior to the start of the temporary substitution. If the employee receives an incremental salary progression during the period of temporary substitution, the bonus for temporary substitution is recalculated.

3. The bonus is granted for the duration of the temporary substitution, with a maximum period of temporary substitution of 2 years. The manager can extend the bonus after this period has ended for the time the temporary substitution continues.
4. In case of full-time temporary substitution of the position, the amount of the bonus for temporary substitution is equal to the difference in salary of the employee and the salary the employee would have received if the salary scale of the temporary position would apply to them at the start of the temporary substitution.
5. In case of part-time temporary substitution the manager will determine the amount of the bonus for temporary substitution based on the nature and scope of the substitutional activities and accompanying responsibilities.
6. If the scope of the temporary substitution amounts to less than 8 hours a week or if the substitutional activities and accompanying responsibilities are not of a higher level than their own position, no bonus for temporary substitution will be granted.
7. If the employee does not perform the substitutional activities for a consecutive period of 4 weeks in connection to unsuitability due to illness, the manager can terminate the bonus for temporary substitution.

Article 7 Bonuses for other reasons

1. In special cases the manager can, for the maximum duration of one year, grant an employee or group of employees a bonus based on other reasons than described in this scheme.
2. The amount of the bonus for other reasons is determined in advance on the basis of the special circumstance. The bonus is expressed in terms of a percentage of the salary of the employee and amounts to a maximum of 15%.
3. In cases in which the special circumstance is equal for a group employees who each have different salaries, it can be decided that the bonus is a set amount that is the same for all members of the group instead of a percentage. This amount cannot be higher than €500 gross per month for full-time employment.
4. The bonus for other reasons can be extended, each time for a maximum duration of one year, if the reason of the special circumstance is still in effect.
5. Contrary to the provisions above, the deans of faculties and scientific directors of institutes receive a bonus for other reasons of 15% of the salary as specified in salary scale H1, step 15 for the duration of their appointment, provided that the amount stays within the statutorily determined remuneration maximum.

Article 8 Emergency assistance allowance

1. The employee who has been appointed by the building manager as member of the emergency assistance team is granted a basic allowance of €400 gross per calendar year.
2. The employee who was been appointed by the building manager to perform emergency assistance tasks in the evenings, is granted an allowance amounting to 50% of the basic allowance for members of the emergency assistance team.
3. The members of the emergency assistance team who hold a Self-contained breathing apparatus holder (*Persluchtmaskerdrager*) certificate will in addition to the basic allowance also receive another €100 gross per calendar year.
4. The members of the emergency assistance team who hold a First Aid certificate will in addition to the basic allowance also receive another €100 gross per calendar year.
5. The allowances specified in subsection 1 to 4 will be paid monthly in the form of a fixed amount (1/12th part of the allowances).
6. Emergency assistance team members of buildings that have been designated as risk buildings will in addition to an emergency assistance course also receive a First Aid course with the accompanying First Aid allowance. Emergency assistance team members of the other buildings who already held their First Aid certificate before 1 April 2007 will retain their allowance.

7. As soon as an employee cannot be used for emergency assistance tasks for a period of at least three months, the manager can terminate the allowance.

Article 9 Interim termination

1. The manager can terminate a bonus or allowance as specified in section 2 in the interim if the reason for which the bonus or allowance is granted is no longer valid.
2. The bonus or allowance will be terminated, if and as soon as the remuneration including bonuses or allowances exceeds the statutory maximum remuneration.
3. The manager will justify the decision for interim termination of the bonus or allowance in writing.

SECTION 3 ALLOWANCES FOR UNUSUAL WORKING HOURS

Article 10 Allowance for work at unsociable hours

1. The manager will grant an allowance for work at unsociable hours to an employee who is part of the support and management staff, who has been assigned to salary scale 10 or lower and who by order of the manager has to work at least one hour a week at unsociable hours according to a (fictional) schedule.
2. Unsociable hours are all hours that fall on a Saturday, Sunday or public holiday and all hours on Monday through Friday between the hours of 20:00 and 07:00.
3. The allowance for work at unsociable hours has to be calculated beforehand on the basis of a (fictional) yearly schedule with 45 working weeks, with due observance of the provisions of article 3.25 subsection 2 and 4 of the Collective Labour Agreement of Dutch Universities.
4. The allowance for work at unsociable hours is paid as a monthly allowance (1/12th part of the allowance for the yearly schedule of 45 working weeks) and is expressed in terms of a percentage of the salary.
5. In case of reduction of the factual length of the work week due to participation in the Senior Staff scheme, the amount of the allowance for work at unsociable hours will not change.
6. In the decision to grant the allowance for work at unsociable hours the manager will specify the unsociable hours in which the employee has to perform activities according to the (fictional) schedule and explains how the allowance has been calculated.

Article 11 Decreasing allowance for work at unsociable hours

1. The manager will grant a decreasing allowance for work at unsociable hours to an employee who has received an allowance for work at unsociable hours during a consecutive period of at least two years, if this grant is lowered or terminated through no fault of the employee.
2. The phase-out period in months amounts to a maximum of one-fourth of the period of time in which the employee immediately preceding the termination or decrease received an allowance for work at unsociable hours.
3. In principle the phase-out period lasts a maximum of 36 months. The phase out proceeds in three equal stages, each lasting a maximum of 12 months. During the first stage the decreasing allowance amounts to 75% of the amount which has been deducted from the allowance for work at unsociable hours, 50% during the second stage and 25% during the third stage.
4. In case the employee is 55 years or older on the start date of the decreasing allowance and they received an allowance for work at unsociable hours during a consecutive period of at least 15 years immediately prior to this date, then the employee is entitled to a permanent decreasing allowance up to the date on which the employment is terminated or if they are at their own request transferred to a position that has no

allowance for work at unsociable hours attached to it. This permanent decreasing allowance amounts to 75% of the amount deducted from the allowance for work at unsociable hours in the first year, 50% in the second year and 25% in all subsequent years. Upon reaching the age of 60 the permanent decreasing allowance will not be reduced further.

5. If the employee is eligible for a new allowance for work at unsociable hours or an increase of an existing allowance for work at unsociable hours on the basis of article 10, the new allowance or the increase is deducted from the decreasing allowance.
6. The decreasing allowance for work at unsociable hours is paid as monthly allowance and is expressed in terms of a set amount per month.
7. In the decision to grant the decreasing allowance for work at unsociable hours the manager will specify the phase-out schedule and the amount of the decreasing allowance per stage. He explains the calculation.

Article 12 On-call allowance

1. The manager will grant an on-call allowance to an employee who is part of the support and management staff, who has been assigned to salary scale 10 or lower and who by order of the manager has to regularly be on-call and available in order to be able to perform their duties when called (on-call shift).
2. The on-call allowance amounts to 10% of the maximum salary of salary scale 3 per full hour. An on-call shift is at least four hours long.
3. If the employee is called up during an on-call shift in order to perform urgent activities, the hours spent on it will be designated as overtime as defined in article 3.28 of the Collective Labour Agreement of Dutch Universities.
4. During an on-call shift the overtime commences at the time the employee leaves the location he was staying at the time of the call. The overtime ends as soon as the employee has returned to this location. The amount of overtime hours is rounded up by half hours and amounts to at least 2 hours per call.
5. As soon as the employee can no longer be employed for an on-call shift during a consecutive period of at least four weeks the manager can terminate the allowance.

PARAGRAPH 4 OTHER PROVISIONS

Article 13 Compensation for additional activities

The manager can occasionally grant an employee a gross compensation for activities that are not part of the position and have been performed outside working hours. The compensation can be granted if the Collective Labour Agreement of Dutch Universities does not stipulate a suitable reason for compensation.

Article 14 Final provisions

1. Agreements concerning bonuses and allowances that were in force on the commencement date of this scheme remain in force until the agreed end date of the bonus or allowance.
2. In cases in which this scheme does not provide or has obviously unreasonable results, the Human Resources Director decides on behalf of the Board, with due observance of the provisions in subsection 3.
3. The Board can decide the amount of bonuses or allowances for deans, scientific directors and directors contrary to the provisions in this scheme.
4. This scheme will come into effect on 1 October 2015. As a result the Allowance Regulations UT 1998 will lapse.

Explanation of Bonus and Allowance Scheme University of Twente 2015

Article 2: Scope

The Bonus and Allowance Scheme does not apply to UT Flex workers. Only the allowance for work at unsociable hours as included in the Collective Labour Agreement of Dutch Universities can apply to UT flex workers. This allowance is arranged elsewhere, namely in the General rules for UT-Flex on-call staff (website HR - UT Flex).

Article 3: General

Subsection 2: The table below specifies whether the bonus or allowance is part of the remuneration, whether the bonus or allowance counts towards the holiday allowance and on which article of the Collective Labour Agreement of Dutch Universities the bonus or allowance is based. End-of-year bonuses are only calculated on the basis of the salary and never on the basis of a bonus or allowance. A bonus or allowance is always pensionable.

Counts towards*	Remuneration**	Holiday allowance	CAO
Performance bonus ≤ 1 year	No	No	3.13 subsection 1
Performance bonus > 1 year	Yes	Yes	3.13 subsection 2
Labour market-related bonus	Yes	Yes	3.14
Bonus for temporary substitution	Yes	Yes	3.15
Bonus for other reasons < 1 year	No	No	3.16
Bonus for other reasons = 1 year	Yes	Yes	3.16
Emergency assistance allowance	Yes	Yes***	3.16
Allowance for work at unsociable hours < 1 year	No	No	3.25
Allowance for work at unsociable hours ≥ 1 year	Yes	Yes	3.25
Decreasing allowance for work at unsociable hours < 1 year	No	No	3.26
Decreasing allowance for work at unsociable hours ≥ 1 year	Yes	Yes	3.26
On-call allowance < 1 year	No	No	3.27
On-call allowance ≥ 1 year	Yes	Yes	3.27
Special compensation	No	No	N/A

* *Subject to fiscal changes (table has been compiled on 2 July 2015)*

** *In accordance with article 1.1. subsection x of the Collective Labour Agreement of Dutch Universities (CAO-NU). The remuneration for hours not worked will be lowered to 76% after 39 weeks of illness (article 4 of the Sickness and Disability Regulations of the Dutch Universities (ZANU)). This decrease extends to bonuses or allowances that are part of the remuneration on the basis of article 1.1 subsection x of the Collective Labour Agreement of Dutch Universities (CAO-NU).*

*** *The emergency assistance allowance is a fixed amount per year, that is paid monthly. The holiday allowance has already been discounted.*

Article 4: Performance bonus

Subsection 1: Employees who perform very well or excellently who have not yet achieved the maximum of their salary scale, can be rewarded in a different manner by the manager, for example by granting an additional periodical increase within the applicable salary scale (in accordance with article 3.3 subsection 2 of the Collective Labour Agreement of Dutch Universities) or a job performance bonus (in accordance with article 3.20 of the Collective Labour Agreement of Dutch Universities).

subsection 7: If this would result in a decline in remuneration, this can be set off by a temporary bonus for other reasons.

Article 6: Bonus for temporary substitution

subsection 1: In case of temporary substitution the original salary scale remains in effect. The bonus compensates for the fact that the employee is temporarily working at a higher level according to the University Job Classification system (UFO).

subsection 2/4/5: The amount of the bonus for temporary substitution is determined on the basis of the difference between the salary of the employee and the salary the employee would receive, if the salary scale of the substitutional position would apply to them at commencement of the temporary substitution. With regards to the salary of the substitutional position, the step of the first following higher salary (in comparison to their own salary) in the higher scale is taken as starting point.

Example (on the basis of the Collective Labour Agreement of Dutch Universities 2015-2016; salary table per 01-01-2016): the salary of the employee is concerns scale 8, step 3 (€ 3,007 gross). The substitutional position concerns a position in scale 10. With regards to the salary of the substitutional position the starting point in this case is scale 10, step 5 (€ 3,129 gross). The bonus for temporary substitution is the difference between these two amounts.

In case of a general or individual salary progression the bonus for temporary substitution is recalculated, as an allowance which is expressed in terms of a fixed amount per month does not grow with a general or individual salary progression (article 3, subsection 4). For example: in case the employee advances to a higher step within the salary scale with regards to their incremental salary progression, the bonus for temporary substitution has to grow to the difference between that salary and the first following higher salary in the higher scale. In the example mentioned above the bonus for temporary substitution after the incremental salary progression to scale 9, step 4 will be the difference between scale 9, step 4 and scale 10, step 6.

subsection 6: In such a situation the manager can reward in a different way, for example by granting a job performance bonus (in accordance with article 3.20 of the Collective Labour Agreement of Dutch Universities).

Article 8: Emergency assistance allowance

subsection 2: Several buildings have a public function during the evening hours. Present employees have to perform emergency assistance tasks should the need arise. Because the availability/employment of these emergency assistance employees members is more limited than the availability/employment of the members of emergency assistance teams and the frequency of the exercise courses is lower, they will receive an adapted allowance.

subsection 3: Qualitative differences between emergency assistance teams are most clearly expressed in the level of education of the team members. This does not concern training courses that require a one-time effort, but training courses for which yearly repetition exercises are required. By partially connecting the amount of the allowance to the training courses taken, qualitative differences between emergency assistance teams can be honoured at the individual level. The building manager in consultation with the HR service department and on the basis of the risk profile of the building determines how many members of the emergency assistance team are required to have a Self-contained breathing apparatus holder (*Persluchtmaskerdrager*) certificate.

subsection 4: See explanatory notes under 3. Rendering first aid in accidents and other calamities are part of the tasks of the emergency assistance teams. However, the First Aid component in the basic emergency assistance training course is limited to life-saving acts. This is not sufficient for all situations in which first aid has to be rendered (see also subsection 6).

subsection 7: For example, this can be the case if the person involved is no longer part of the emergency assistance team, for example because they are no longer participating in exercises, if they are absent for a prolonged period of time due to illness or if the person involved no longer holds the required certificate. The emergency assistance coordinator of the emergency assistance team will inform the HR Information & Administration (HRIA) of the decision to terminate the emergency assistance allowance.

Article 9: Interim termination

subsection 1: A bonus or allowance can be determined in the interim if the reason for which it was granted is no longer valid. For example, this can be the case in the following, non-exhaustively listed, situations:

- after voluntary acceptance of a different position;
- after forced transfer to a different position;
- as soon as the employee has been designated as transfer candidate and is no longer working in the previous position;
- after reassignment on the basis of a reorganization or organizational change;
- as soon as the salary scale of the employee changes;
- as soon as the remuneration including bonuses and/or allowances exceeds the statutory maximum remuneration.

In case of a reorganization, special rules can be drawn up in a social plan with regards to the interim termination of a bonus or allowance, for example a phase-out arrangement.

Article 10: Allowance for work at unsociable hours

subsection 2: It concerns the public holidays as specified in article 4.9 of the Collective Labour Agreement of Dutch Universities (CAO-NU). Compulsory leave days (bridging days/*brugdagen*) are not holidays. If an employee has to work on a compulsory leave day by order of their manager, this day is not deducted from their leave balance.

subsection 3: Taking into account the basic entitlement to holiday leave (232 hours in case of full-time employment) and leave on public holidays, an yearly schedule is 45 weeks on average. In calculating the allowance for work at unsociable hours the UT bases its calculation on a fictional yearly schedule that resembles reality as closely as possible. In case of changes within this schedule, for example by mutual exchange of shifts, illness, etc., the allowance for work at unsociable hours will not be recalculated afterwards. This working method benefits the employee in that the amount of the allowance does not change monthly. For the UT this working method requires the least administrative effort. In case of a structural change of the fictional yearly schedule the allowance for work at unsociable hours will be recalculated.

subsection 4: If an employee does not perform activities due to illness or holiday leave, this does not influence the amount of the allowance for work at unsociable hours. However, the remuneration for hours not worked will be lowered to 76% after 39 weeks of illness (article 4 of the Sickness and Disability Regulations of the Dutch Universities (*ZANU*)). Because the allowance for work at unsociable hours is part of the remuneration, this decrease will affect the allowance.

subsection 5: With all other changes in the factual or formal length of the work week (decrease or expansion of the work week, parental leave, special leave, life cycle leave, etc.) the allowance for work at unsociable hours is recalculated.

Article 11 Decreasing allowance for work at unsociable hours

subsection 1: the decreasing allowance for work at unsociable hours has to prevent that a change of the fictional schedule will lead to a sudden drop in income. In case of an interruption lasting longer than two months, it is no longer a consecutive period. See article 3.26 subsection 6 of the Collective Labour Agreement of Dutch Universities.

subsection 4: The permanent decreasing allowance for employees aged 55 and above will follow the regular decrease schedule and will eventually be settled at 25% or at the decrease percentage applicable when the employee reaches their 60th birthday.

In case of an interruption lasting longer than two months, it is no longer a consecutive period. See article 3.26 subsection 6 of the Collective Labour Agreement of Dutch Universities.

Article 13 Compensation for additional activities

The gross compensation for additional activities is not a compensation on the basis of the Collective Labour Agreement of Dutch Universities. This occasional gross compensation is intended to pay a fee to an employee who has performed activities outside their regular working hours (in their own time) and for a different unit of the UT than the one they have been appointed to. Condition is that the person involved can not be rewarded on other grounds, for example through article 3.25 of the Collective Labour Agreement of Dutch Universities (CAO-NU) (Allowance for work at unsociable hours).

The Dutch text of this regulation is binding. In case of a difference of interpretation, this translation cannot be used for legal purposes.