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In force from: 01.01.2023

## Remuneration Rules

The directive is issued based on clause 12) of § 11 of the Statutes.

### 1. Purpose of the Rules

1.1 The Remuneration Rules (hereinafter referred to as "Rules") lay down the principles and procedure of remuneration of the employees of Tallinn University of Technology (hereinafter referred to as "the university").

1.2 The Rules are applied together with the Employment Contracts Act and other legislation governing remuneration, the collective agreement of the university and the remuneration agreement, which is set out as an annex to the collective agreement.

1.3 The purpose of the Rules is to establish fair terms of remuneration that allow an employee's remuneration to be determined by the value of work performed in his or her position and his or her work performance.

1.4 The university shall determine the remuneration of employees based on the following:

1.4.1 the average salary in Estonia and its changes and the developments of average remuneration for similar posts in the market shall be taken into account. In determining the remuneration of academic posts, the university wishes to maintain the position of the highest-paying university in Estonia;

1.4.2 in order to provide security to employees and develop the reputation of a stable employer, the university will increase the share of fixed monthly salary in the employees' remuneration;

1.4.3 the university shall determine the salary based on the complexity of the employee's work, the extent of contribution at work, the uniqueness of the person's competencies and the level of remuneration paid in similar posts at the university and in Estonia;

1.4.4 in case of different methods of calculating remuneration, which give rise to a difference in the calculation results, a solution that is more favourable to the employee shall be used if the more favourable solution can be ensured for all employees at reasonable costs of upgrading the information system;

1.4.5 each employee is entitled, once a year, either in the course of an annual interview or a separate pay conversation, to receive an overview of the levels of remuneration related to his or her post and of the basis for calculating his or her salary.

### 2. Definitions

For the purposes of these Rules, the terms set out below have the following meaning:

2.1 "**additional remuneration**" means the sum which the employer pays to an employee in addition to the basic salary for execution of additional duties or in other cases stipulated in legislation, the collective agreement or the employment contract;

2.2 "**bonus**" means a one-off payment in recognition of an employee's outstanding work results or significant contribution to the development of the university or unit, which is regulated by legislation on employee recognition approved by the unit or the university;

2.3 "**basic salary**" means remuneration calculated based on the hourly or monthly salary rate laid down in the employment contract or legislation, which may include the variable amount of basic salary as laid down in the Rules for the staff categories;

2.4 "**variable amount of basic salary**" means remuneration paid for up to one year for variable duties or for sales results in the previous period;

2.5 "**pay conversation**" means a conversation on the underlying basis of the employee's basic salary that takes place between the employee and head of his or her structural unit or immediate superior at least once a year (in the course of an annual interview or separately).

2.6 "**performance reward**" means a one-off payment for exceptional achievement of the goals agreed with the employee or outstanding work performance, which complies with the terms laid down in the Rules;

2.7 "**employer's representative**" means the Rector or authorised representative of the university who performs the obligations and exercises the rights of the employer;

2.8 "**work performance appraisal**" means evaluation of the work performance in the period of work preceding evaluation of the employee in accordance with the established procedure and based on the performance indicators previously agreed with the employee, which are assessed at the annual interview and upon attestation;

2.9 "**employee**" means a person working at the university under an employment contract;

2.10 "**representative of employees**" means a representative elected by the trade union (Academic Professionals Union);

2.11 "**salary grade**" means a value indicator of a position with a corresponding fixed minimum salary rate;

2.12 "**minimum salary rate**" means the fixed basic salary corresponding to a salary grade and a unit of time below which amount it is prohibited to agree on in case of full-time employment;

2.13 "**remuneration agreement**" means an agreement entered into between the university and the representative of the employees concerning the minimum salary rates;

2.3 "**terms and conditions for remuneration**" means the salary rates, the basic salary paid to employees, the method for calculating and the procedure for payment of remuneration.

### **3. Remuneration scheme**

3.1 The remuneration scheme of academic staff includes:

3.1.1 basic salary, which may include the variable amount of basic salary;

3.1.2 additional remuneration;

3.1.3 performance reward;

3.1.4 bonus.

3.2 The remuneration scheme of non-academic staff includes:

3.2.1 basic salary, which does not include the variable amount of basic salary;

3.2.1.1 Use of the variable amount of basic salary is allowed in determining the basic salary of non-academic employees, who are responsible for the sale of the university's services;

3.2.2 additional remuneration;

3.2.3 performance reward;

3.2.4 bonus.

3.3 As a rule, no legal relationships regarding employment other than an employment contract are established with an employee.

### **4. Principles for determining basic salary**

4.1 The Rector shall establish the minimum salary rates in compliance with the remuneration agreement.

4.2 An employee is informed of formation of his or her basic salary by the head of the structural unit or the immediate superior authorised by the head of the structural unit.

4.3 The basic salary shall be agreed upon having regard to:

4.3.1 the staff category, the corresponding salary grade and minimum salary rate of that salary grade (Annexes 1 and 2), and in case of a member of non-academic staff, also the results of his or her assessment (Annexes 3-6);

4.3.2 the specific sectoral nature of the relevant position;

4.3.3 the salary rate of equivalent positions in the labour market;

4.3.4 the average salary paid in equivalent positions at the university;

4.3.5 the employee's personal contribution to and initiative in exceeding the requirements set for the post;

4.3.6 the employee's qualifications and their uniqueness.

4.4 The variable amount of basic salary shall be agreed upon having regard to:

4.4.1 the need to temporarily increase the employee's workload and intensity of work;

4.4.2 assessment of the sales results of a non-academic employee in accordance with clause 4.6.

4.5 The basic salary shall not be lower than the current minimum salary rate or a share thereof proportional to the employee's workload. The minimum basic salary of tenured professors and non-tenured associate professors is 3000 euros per month.

4.6 For non-academic staff, in whose case it is allowed to apply the variable amount of basic salary based on clause 3.2.1.1 of the Rules, the monthly variable amount of the basic salary shall be agreed for a period of up to one year on the basis of the terms and conditions previously approved by the head of the structural unit.

4.7 The basic salary of an employee whose duties include the duties of different positions shall be agreed upon based on the minimum salary rate of the position with a higher salary grade.

## **5. Establishment of the terms and conditions for remuneration**

5.1 The terms and conditions of an employee's remuneration shall be laid down in his or her employment contract.

5.2 The Rector shall agree on the terms and conditions of remuneration of area directors, deans and other employees directly subordinate to the Rector.

5.3 The area directors shall negotiate on the terms and conditions of remuneration of the heads of the structural units in their area of responsibility and the employees directly subordinate to them.

5.4 A dean shall negotiate on the terms and conditions of remuneration of the heads of the structural units in his or her school and of the employees directly subordinate to the dean.

5.5 A head of a structural unit shall negotiate the terms and conditions of remuneration of the employees directly subordinate to the head of the structural unit. The head of a structural unit has the right to delegate negotiations on the terms and conditions of remuneration to the immediate superior of the employee.

5.6 In order to confirm an agreement, the area directors, deans and heads of structural units shall submit a proposal to the employer's representative on establishing the terms and conditions of employment of the employee in the format of an employment contract or an annex thereto.

5.7 The terms and conditions for an employee's remuneration shall be agreed and documented in the employment contract or its annex in the month preceding their entry into force. As an exception, it is allowed to document changes in the terms and conditions for remuneration in the month of entry into force if:

5.7.1 the financing agreement which is the basis of the remuneration is concluded in the same month;

5.7.2 the employment contract with the employee is concluded in the same month.

5.8 If the basic salary agreed with an employee falls within 10% of the highest salaries (above the 9th decile) in the salary grade of the employee's position, the remuneration shall be approved by the dean or the area director based on the argumentation provided by the head of the structural unit. The Human Resources Office shall disclose to the heads of the structural units the top 10% rate of pay for the salary grades as at 30 September and 31 January based on the basic salaries agreed by employment contracts.

5.9 The employee's duties underlying the use of a financing source for the employee's remuneration, the financing sources of remuneration and the utilisation rate of a financing source shall be approved by the head of the structural unit by a financial allocation decision.

5.10 If a financial allocation decision contains financing sources, in which case the use of the source and performance of the relevant task must be supported by documentary evidence to prove eligibility, the financial allocation decision shall be submitted to the employee for information.

5.11 If an employee receives remuneration, the eligibility of which must be proved to the financier, timesheets must be filled in for the period of performance of additional work if additional remuneration is paid to the employee. A timesheet replaces the project workload laid down in the financial allocation decision.

5.12 If a timesheet is used to document an employee's working time or no evidence of eligibility is required regarding the financing source specified in the financial allocation decision, the project workload need not be specified in the financial allocation decision.

## **6. Payment of additional remuneration**

6.1 Additional remuneration is paid to an employee in addition to basic salary for the performance of temporary short-term additional duties that exceed the workload agreed upon in the employment contract or that are not laid down in the job description.

6.2 The rate of additional remuneration shall comply with the volume of additional work performed and be proportional to the basic salary of the relevant employee or, in case of conducting continuing education courses, providing consulting services to foreign partners or carrying out expert assessment, be based on the market price of similar activities.

6.3 Duties with the maximum duration of five months are deemed to be short-term duties. Payment of additional remuneration for the performance of additional duties for longer than five months shall be stipulated in an annex to the employment contract as a variable amount of the basic salary.

6.4 Additional remuneration shall be agreed upon before commencing performance of additional duties. Monthly additional remuneration shall be paid to the employee together with the basic salary. Additional remuneration shall be paid from the funds allocated for that purpose in the structural unit.

6.5 Additional remuneration shall not be paid to supervisors for successful defence of graduation theses.

6.6 Additional remuneration may be granted to an employee based on the procedure approved by the head of the structural unit if the annual workload of face-to-face teaching or supervision of the employee exceeds the workload laid down in Annex 3 to Work Procedure Rules.

6.7 The decision to pay one-off additional remuneration for the performance of additional duties shall be laid down in an order of the head of the structural unit.

## **7. Payment of performance reward**

7.1 Performance reward is paid to employees once a year from the fund allocated for that purpose in the structural unit as follows:

7.1.1 for outstanding achievement of the goals agreed with the employee;

7.1.2 for significantly remarkable work performance, or

7.1.3 for successful launch or implementation of an action that affects the development of the university.

7.2 The performance reward to be paid to an employee shall not be less than the employee's basic salary in the month preceding the month in which the performance reward is paid, not including the variable amount.

7.3 The head of a structural unit makes a proposal for payment of a performance reward based on the results of the annual interview held with the employee. The head of a structural unit shall submit to the dean or area director a proposal for paying a performance reward to an employee in writing on the additional remuneration order form by stating the reasons therefor.

7.4 The rector, dean or area director shall make a decision to pay performance reward.

7.5 The Human Resources Office shall verify that payment of the performance reward conforms to the rules. The employer's representative has the right to examine the proposals for payment of performance reward.

7.6 The decision to pay an employee performance reward shall be laid down in a financial order.

## **8. Payment of bonuses**

8.1 A bonus is paid based on the legislation governing acknowledgement and noting the services of employees.

8.2 The university establishes systems for recognition of employees aimed to value the employees' commitment, consistent high performance or outstanding long-term contribution to the development of the university or unit.

8.3 The basis for university-wide recognition are laid down in the Regulations on Acknowledgement and Insignia. The systems for recognition of employees in structural units shall be approved by an order of the area director or dean.

8.4 The acts pursuant to which bonuses are paid within structural units shall be approved by the Human Resources Office.

8.5 The decision to pay an employee a bonus shall be documented in a financial order.

### **9. Payment of salary and remuneration for annual leave and calculation of remuneration for annual leave [entry into force 20.05.2022]**

9.1 An employee's salary shall be paid to the bank account specified by the employee pursuant to the terms and conditions laid down in his or her employment contract once a month on the date specified in the university's Work Procedure Rules. The university shall bear the costs of the transfer.

9.1<sup>1</sup> Remuneration for annual leave shall be paid no later than on the penultimate working day before the start of the leave or, by agreement between the employer and the employee, in instalments on pay days. [entry into force 20.05.2022]

9.2 Remuneration for annual leave shall be calculated based on the Regulation of the Government of the Republic "The Conditions and Procedure for Payment of Average Wages", whereas

9.2.1 if an employee has received a fixed salary during the six months preceding the month of calculation of remuneration for annual leave, the employee is paid remuneration for annual leave based on the fixed-amount salary;

9.2.2 if the salary received by an employee during the six months preceding the month of calculation of remuneration for annual leave has changed, the employee is paid remuneration for annual leave based on the six month's average salary, unless the remuneration for annual leave calculated based on clause 9.2.1 is higher, in which case the employee shall be paid remuneration for annual leave calculated based on clause 9.2.1. [entry into force 07.01.2022]

9.2.3 Upon termination of an employment contract, the head of the structural unit may waive deducting the remuneration for unearned annual leave.

### **10. Implementation of the Rules and supervision**

10.1 The head of a structural unit shall be responsible for the implementation of the Rules in the structural unit and shall make sure that payment of remuneration in the structural unit is substantiated and transparent and that the employees are informed of the remuneration procedure.

10.2 The dean shall shape the remuneration policy of the school and shall monitor its implementation in the school. If necessary, the dean may establish additional terms and conditions of remuneration in compliance with the Rules and the dean has the right to require fulfilment of the terms and conditions.

10.3 The Human Resources Office shall exercise supervision over implementation of the Rules, prepare surveys, analysis and proposals for the managing staff concerned.

### **11. Annexes to the Rules**

The Rules have the following Annexes:

11.1 staff categories and the corresponding salary grades (Annex 1);

11.2 minimum salary rates (Annex 2);

11.3 assessment of chief officers and requirements for the employees (Annex 3);

11.4 assessment of officers and requirements for the employees (Annex 4);

11.5 assessment of office assistants and requirements for the employees (Annex 5);

11.6 assessment of skilled workers and auxiliary staff and requirements for employees (Annex 6).

### **12. Implementing provisions**

12.1 The Human Resources Office shall bring the valid employment contracts into conformity with the salary grades laid down in Annex 1 to the directive no later than by 31 December 2021.

12.2 The Remuneration Rules (approved by Rector's directive No 71 of 07.12.2018, amended by Rector's directive No 11 of 27.02.2019, directive No 58 of 12.12.2019, directive No 12 of 24.03.202 and directive No 12 of 18.03.2021) are repealed.

12.3 Clause 5.7 of the Rules shall enter into force on 1 January 2022, the rest of the directive shall enter into force on 1 September 2021.

**Staff categories and the corresponding salary grades**

Staff category		Official title	Salary grade	
Academic positions	tenured professor	full professor	11	
		associate professor	10	
	professor	associate professor	10	
		assistant professor	9	
		professor of practice	9- 11	
		adjunct professor	9- 11	
		research professor	9- 11	
	lecturer	senior lecturer	9	
		lecturer (PhD)	8	
		lecturer	7	
	researcher	leading researcher	11	
		senior researcher	9	
		researcher	8	
early stage researcher		6		
Non-academic positions	managing staff			
	area director	vice-rector, director	12	
	dean		11	
	head of department		10	
	head of an administrative and support unit		9	
	officer			
	chief officer		6- 8	
	officer		4- 6	
	office assistant			3- 5
	skilled worker and auxiliary worker			3- 4

**Academic staff categories and the corresponding salary grades in the transitional period**

Staff category	Official title	Salary grade	In force until:
teaching staff	professor	10	30. 06.2022
	tenured assistant professor	9	31.05.2024
	associate professor	9	30. 06.2022
	assistant PhD	8	30. 06.2022
	assistant	7	30. 06.2022
	teacher	6	30. 06.2022
research staff	researcher PhD	8	30. 06.2022
	early stage researcher	6	30. 06.2022

**Minimum salary rates**

<b>Salary grade</b>	<b>Minimum salary rate in case of full-time employment (in euros) until 31.12.2022</b>	<b>Minimum salary rate in case of full-time employment (in euros) from 01.01.2023</b>
<b>3</b>	654	725
<b>4</b>	738	812
<b>5</b>	956	1052
<b>6</b>	1216	1338
<b>7</b>	1559	1793
<b>8</b>	1806	2077
<b>9</b>	1932	2222
<b>10</b>	2381	2619
<b>11</b>	2578	2836
<b>12</b>	2668	2935



### Assessment of chief officers and requirements for the employees

**Chief officer** – a leading specialist in his or her field, whose duties include development and supervision of employees and/or management of work processes. The position calls for high degree of specialisation, the ability to analyse, prevent and solve problems, and to cooperate /coordinate work in the field.

No	Requirements	Salary grade		
		8	7	6
1.	Management	People, processes and resources	People and/or processes	People and/or processes
2.	Development of the field	Primary responsibility	Primary responsibility	Important secondary duty
3.	Liability	Ultimate responsibility Field/speciality	Ultimate responsibility Field/speciality	Ultimate responsibility Field/ speciality/the specific position
4.	Scale of impact	University-wide and outside the university	University-wide or unit-wide/area-wide	Unit-wide/ area-wide
5.	Complexity, novelty, diversity of tasks	All attributes apply	All attributes apply	All attributes apply
6.	Education	Master's degree or an equivalent qualification	Master's degree or an equivalent qualification	Master's degree or an equivalent qualification
7.	Skills	Foreign language(s) proficiency at level C1 Good computer skills Very good cooperation skills	Foreign language(s) proficiency at level B2 Good computer skills Very good cooperation skills	Foreign language(s) proficiency at level B2 Good computer skills Very good cooperation skills

**Assessment of officers and requirements for the employees**

**Officer** – independently ensures the operation and development of predefined processes and solves problems.

No	Requirements	Salary grade		
		6	5	4
1.	Management	Processes	Processes	Processes
2.	Development of the field	Principal duty or important secondary duty	Important secondary duty	Secondary duty
3.	Liability	Ultimate or shared responsibility Field/speciality	Shared responsibility Field/speciality or post	Shared responsibility Position
4.	Scale of impact	University-wide or unit-wide/area-wide	Unit-wide/area-wide	Unit-wide/area-wide
5.	Complexity, novelty, diversity of tasks	All attributes apply	At least 2 attributes apply	At least 1 attribute applies
6.	Education	Higher education	Higher education	Secondary (vocational) education
7.	Skills	Foreign language(s) proficiency at level B2 Good computer skills Very good cooperation skills	Foreign language(s) proficiency at level B1 Good computer skills Good cooperation skills	Foreign language(s) proficiency at level B1 Computer skills Good cooperation skills

**Assessment of office assistants and requirements for the employees**

**Office assistant** – the work duties are related to collection, storing and processing of information and involve clerical and secretarial work and simple financial operations, provision of information services. The aim of the job is to ensure operation of predefined processes or performance of specific functions.

No	Requirements	Salary grade		
		5	4	3
1.	Instruction of employees	Organisation/coordination of work	–	–
2.	Provision of assistance to clients	Duty of considerable importance	Duty of considerable or minor importance	Duty of minor importance
3.	Level of discretion	Medium	Medium or low	Low
4.	Complexity, novelty, diversity of tasks	Average	Medium or low	Low
5.	Education	Higher education	Secondary (vocational) education	Secondary (vocational) education
6.	Skills	Foreign language(s) proficiency at level B1 Good computer skills Good cooperation and communication skills	Foreign language(s) proficiency at level A2 Computer skills Cooperation and communication skills	Foreign language(s) proficiency at level A2 Computer skills Cooperation and communication skills

**Assessment of skilled workers and auxiliary staff and requirements for employees**

**Skilled worker and auxiliary worker** - the work duties are relatively simple and repetitive tasks that involve little or moderate novelty and variety and may involve handling of complex tools depending on the particular post. The aim of the job is skilled and timely performance of certain tasks or operations.

No	Requirements	Salary grade	
		4	3
1.	Instruction of employees	Organisation/ coordination of work	–
2.	Level of discretion	Average	Medium or low
3.	Complexity, novelty, diversity of tasks	Average	Low
4.	Education and work experience	Speciality-related vocational education and work experience	Speciality-related vocational education