

Approved by Rector's directive No 71 of 7 December 2018

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In force from: 01.04.2020

Rules for Remuneration

The directive is issued based on clause 11 9) of the Statutes.

1. Purpose of the Rules

1.1 The Rules for Remuneration (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 the employee's remuneration to be determined by the value of 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 shall be taken into account. In determining the remuneration of academic staff 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 in Estonia;

1.4.4 in case of different methods of calculating remuneration, which give rise to a slight difference in the calculation results, a solution that is more favourable to the employee shall always be used;

1.4.5 each employee is entitled, once a year, either in the course of a development and appraisal 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 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;

2.3 "**basic salary**" means remuneration calculated based on the hourly or monthly salary rate laid down in the employment contract or legislation. Basic salary can consist of the base amount and the variable amount of basic salary as laid down in the Rules for the staff categories;

2.4 "**base amount of basic salary**" means remuneration paid for an indefinite period for permanent duties;

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

2.6 "**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.

2.7 "**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;

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

2.9 "**assessment of work performance**" means assessment of the work performance in the period of work preceding the assessment in accordance with the established procedure and based on the performance indicators previously agreed with the employee;

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

2.11 "**representative of employees**" means a representative elected by the trade union;

2.12 "**salary grade**" means an indicator of the value of a position which corresponds to a fixed minimum salary rate;

2.13 "**minimum salary rate**" means the fixed base amount of 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;

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

2.15 "**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 is divided into the base amount of basic salary and 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 consists only of the base amount of basic salary. Use of the base amount and variable amount of basic salary is allowed in determining the basic salary of non-academic staff, 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 The employee is informed the 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 base amount of 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 post;

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

4.3.4 the average salary paid in equivalent posts 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 increase the employee's workload for a fixed period;

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

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

4.6 For non-academic staff, in whose case the variable amount of basic salary can be used due to their post, the monthly variable amount of basic salary shall be agreed upon for a half-year period. The monthly variable amount of basic salary shall be agreed upon based on the assessment of the sales results of the previous six months in compliance with the rules agreed in advance.

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 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, 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 If the basic salary agreed with the employee falls within 10% of the highest salaries for 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 30 January based on the basic salaries agreed by employment contracts. [entry into force 12.12.2019]

5.8 The employee's tasks underlying the use of a financing source of 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. [entry into force 12.12.2019]

5.9 If a financial allocation decision concerns financing sources, in which case the use of the source and the 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. [entry into force 12.12.2019]

5.10 If the employee receives remuneration, the eligibility of which must be proved, 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. [entry into force 12.12.2019]

5.11 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. [entry into force 12.12.2019]

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 three months are deemed to be short-term duties. Payment of additional remuneration for the performance of additional duties for longer than three months shall be stipulated in an annex to the employment contract as 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 of a PhD thesis for successful defence of the thesis.

6.6 The decision to pay one-off additional remuneration for the performance of additional duties shall be laid down by 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:

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 action that affects the development of the university.

7.2 Performance reward can be paid to up to 20% of the employees of a structural unit from the fund allocated for that purpose in the unit.

7.3 The performance reward to be paid to an employee shall not be less than the base amount of the employee's basic salary in the month preceding the month in which the performance reward is paid.

7.4 The head of a structural unit makes a proposal for payment of a performance reward based on the results of the development and appraisal interview carried out 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 form prepared by the Personnel Office by stating the reasons therefor.

7.5 The Rector, dean or area director shall make a decision to pay performance reward to the employees of all the units in his or her area of responsibility simultaneously.

7.6 The Personnel 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.

7.7 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 Personnel Office.

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

9. Payment of remuneration and calculation of remuneration for annual leave [entry into force 12.12.2019]

9.1 An employee's remuneration 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. [entry into force 12.12.2019]

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: [entry into force 12.12.2019]

9.2.1 if the employee has received a fixed remuneration 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 remuneration;

9.2.2 if the remuneration received by the 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 remuneration.

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 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 Personnel 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 requirements for the employees (Annex 6).

12. Implementing provisions

12.1 The Personnel Office shall bring the valid employment contracts into conformity with the directive no later than by 31 December 2019.

12.2 The following shall be repealed:

12.2.1 the Rules for Remuneration (approved by Rector's directive No 22 of 26.01.2017, amended by Rector's directive No 27 of 23.05.2018);

12.2.2 the minimum salary rates (approved by Rector's directive No 8 of 22.02.2018).

12.3 This directive shall enter into force on 1 January 2019.

Staff categories and the corresponding salary grades

| Staff category | | Official title | Salary grade | |
|---------------------------|--|-----------------------|---|------------|
| Academic staff | Tenured Professor | Full Professor | 11 | |
| | | Associate Professor | 10 | |
| | | Assistant Professor | 9 | |
| | Lecturer | Adjunct Professor | 9-11 | |
| | | Research Professor | 9-11 | |
| | | Senior Lecturer | 8-9 | |
| | | Lecturer | 7 | |
| | | Junior Lecturer | 6 | |
| | | Researcher | Senior Researcher | 9 |
| | Researcher | | 7-8 [entry into force 12.12.2019] | |
| Early Stage Researcher | 6 | | | |
| Non-academic staff | 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 | | | 3-4 |
| support staff | | | 3 | |

Academic staff categories and the corresponding salary grades in the transitional period (until 31 December 2021)

| Staff category | Official title | Salary grade |
|-----------------------|--|--------------|
| Lecturers | Professor | 10 |
| | Associate Professor | 9 |
| | Teaching Assistant <i>PhD</i> , Lecturer <i>PhD</i> | 8 |
| | Teaching Assistant, Lecturer | 7 |
| | Teacher | 6 |
| research staff | Lead Research Scientist | 10 |
| | Researcher <i>PhD</i> | 8 |
| | Early Stage Researcher | 6 |

Minimum salary rates

| Salary grade | Official title | Minimum salary rate in case of full-time employment (in euros) |
|---------------------|---|---|
| 3 | Member of auxiliary staff | 613 |
| 4 | Skilled worker, specialist | 692 |
| 5 | Officer | 897 |
| 6 | Teacher, Teaching Assistant, Early Stage Researcher, Officer, Chief Officer | 1140 |
| 7 | Lecturer, Researcher, Chief Officer | 1462 |
| 8 | Senior Lecturer, Researcher, Chief Officer | 1693 |
| 9 | Senior Researcher, Senior Lecturer, Associate Professor | 1811 |
| 10 | Professor | 2232 |

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 | Sole responsibility Field/speciality | Ultimate responsibility Field/speciality | Ultimate responsibility Field/ speciality/the specific post |
| 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 proficiency at level C1 Good computer skills Very good cooperation skills | Foreign language proficiency at level B2 Good computer skills Very good cooperation skills | Foreign language 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/specialty or post | Shared responsibility Post |
| 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 proficiency at level B2 Good computer skills Very good cooperation skills | Foreign language proficiency at level B1 Good computer skills Good cooperation skills | Foreign language 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 | Medium | Medium or low | Low |
| 5. | Education | Higher education | Secondary (vocational) education | Secondary (vocational) education |
| 6. | Skills | Foreign language proficiency at level B1 Good computer skills Good cooperation and communication skills | Foreign language proficiency at level A2 Computer skills Cooperation and communication skills | Foreign language proficiency at level A2 Computer skills Cooperation and communication skills |

Assessment of skilled workers and requirements for the employees

Skilled 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 | Medium | Medium or low |
| 3. | Complexity, novelty, diversity of tasks | Medium | Low |
| 4. | Education and work experience | Speciality-related vocational education and work experience | Speciality-related vocational education |