

Opinion of the CSC members of the GCC on GCC/DOC 1/2024: President's Instructions on Rewards for 2024

The CSC members of the GCC give the following opinion on the President's Instructions on Rewards proposed in [GCC/DOC 1/2024](#).

The document defines the annual budget envelope and reward types, the eligibility and criteria for rewards and the process and timeline.

On the consultation

1. For the first 6 reward exercises following the implementation of the New Career System in 2014, the President's Instructions on Rewards were submitted each year **for information** only to the General Consultative Committee (GCC). In essence, the document could not be subject to a vote. The CSC members of the GCC argued each year that such instructions on rewards should be submitted **for consultation** in compliance with Article 38(2) ServRegs stating that the GCC shall be consulted on *"any proposal which concerns the conditions of employment of the whole or part of the staff to whom these regulations apply"*.
2. In 2021, the President's Instructions on Rewards were submitted for the first time **for consultation** and Mr Campinos invited the GCC members to send their opinion in writing. This change of practice was explained by an opinion of the Appeals Committee (ApC) recommending that such a document should be submitted for consultation from now on. It is regrettable that only legal action convinced Mr Campinos to make the Office comply with its own Service Regulations and acknowledge that rewards concern conditions of employment.
3. This year, the instructions are again submitted for consultation.
4. The amendments consist in adaptations following new Circulars 364 ([GCC/DOC 35/2023](#)) and Circular 366 ([GCC/DOC 36/2023](#)) introducing stricter criteria for rewards, several rounds of reward exercises with a strong focus on individual and strategic bonuses distributed during the performance year (see [opinions](#)¹).
5. On 11 January 2024, the administration sent an email invitation to the CSC representatives (**ANNEX A**²) for a Technical Exchange meeting on 15 January 2024 from 15.00h to 16.00h. Two documents were attached to the invitation: a comparative table between the new and former guidelines (**ANNEX B**³), and a PowerPoint Presentation (**ANNEX C**⁴).
6. On 15 January 2024, the Technical Exchange meeting took place as scheduled in 1 hour.
7. During the meeting the CSC representatives explained that they understood that the Office intends to make payments of rewards closer to performance with one-off effect payments because of the transition. However, according to their understanding, the Office has taken it as an opportunity to reduce comparable budget envelopes in "real" terms.
8. On 16 January 2024, Mr Campinos tabled the present document in the GCC for the meeting of 31 January 2024. None of the comments and requests made by the CSC representatives were taken into account.

¹ "Report on the GCC meeting of 5 December 2023", CSC paper ([sc23148cp](#)), 21-12-2023

² "Technical Exchange Meeting on General Guidelines on Reward", Email invitation from Social Dialogue to CSC representatives, 11-01-2024 [**ANNEX A**]

³ "Comparison between existing and new texts", 11-01-2024 [**ANNEX B**]

⁴ "General Guidelines on Rewards 2024", PD People Presentation, 11-01-2024 [**ANNEX C**]

9. In preparation of the GCC meeting, the CSC sent an [open letter](#)⁵ to the President asking for clarifications and comments.
10. On 31 January 2024, the GCC meeting took place from 10.00h to 10.45h. At the time of the meeting, the administration had not provided any written answer to the CSC letter but gave oral answers in the meeting.

On the merits

On the pensionable rewards

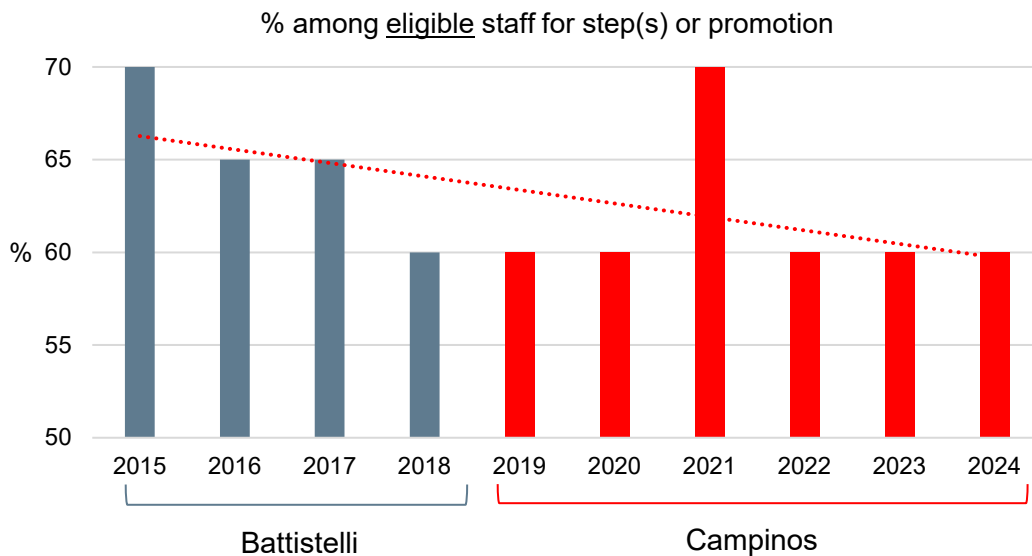
On the 60% ceiling

11. The pensionable rewards shall be allocated as follows (section II. 1):

“Up to 60% of staff under II 1. 2) may receive one or two steps or a promotion”

A careful look at the past, shows that Mr Battistelli’s reward exercise in 2015 defined that up to 70% of staff may receive a pensionable reward ([GCC/DOC 12/2015](#)). The subsequent exercises in 2016 ([GCC/DOC 11/2016](#)) and 2017 ([GCC/DOC 16/2017](#)) were slightly below at 65%.

12. Mr Campinos maintains the threshold at the minimum level of 60% applied in 2018 ([GCC/DOC 5/2018](#)), 2019 ([GCC/DOC 4/2019](#)), 2020 ([GCC/DOC 11/20](#)), 2022 ([GCC/DOC 4/2022](#)) and 2023 ([GCC/DOC 3/2023](#)). The only exception remains the year 2021 ([GCC/DOC 1/2021](#)) for which the ceiling was set at 70%.



On the catch-up mechanism

13. The low ceiling should be furthermore put in perspective with the fact that (section II. 1)

⁵ “Reward Exercise 2024 – Budget Envelope in the Guidelines”, CSC letter ([sc24002cl](#)), 18-01-2024

“Staff falling in the category of the catch-up mechanism 2023 as described in Annex II are included in the 60%” (emphasis added)

whereas the catch-up mechanism 2020 was under a separate budget⁶ and amounted to an additional EUR 861.000.

14. Furthermore, an additional separate budget is still available, as the President’s budget for step(s) and promotion does not exhaust the budget voted in the Council (see section “On the budget” below).
15. The document in ANNEX II mentions that

Eligible staff, who did not receive a step advancement or promotion during the last four consecutive years (2020-2023), will advance one step in grade. Such advancement is possible until the last step of the grade. Promotions to a next grade are excluded from the catch-up mechanism.

16. We do not understand why this specification is only part of an annex and not mentioned directly higher in section II. 1) together with the mention that it is on a separate budget envelope.
17. We consider that 1 step every 5 years (promotions excluded) is clearly insufficient to solve the unfairness of the career system (see **ANNEX D**⁷). For instance, the [EU staff regulations](#) consider that 1 step every 3 years is the minimum⁸.

On the financial justification

18. In the previous version of the Guidelines ([GCC/DOC 3/2023](#)), the 60% ceiling was justified in ANNEX I as follows:

“With regards to career progression, the baseline scenario of the Financial Study 2019 corresponds to granting a step to 60% of eligible staff. Every 5% increase in quota increases the coverage gap with around EUR 160 million.” (emphasis added)

19. This statement has been deleted in the present version.
20. In the Technical Exchange meeting, the administration explained the removal of the reference to the Financial Study 2019 by the 2023 update ([CA/68/23](#)). The CSC representatives asked then why the administration did not increase the ceiling to above 60% as there is no justification anymore to keep it. The administration was not in the position to answer.
21. The Financial Study 2019 has confirmed to be undeniably and fundamentally wrong as it predicted deflation (see [CA/83/19](#) page 20) instead of inflation. It was not tenable anymore for the administration to justify career policies on the basis of this document.
22. The Financial Study update 2023 ([CA/68/23](#), p. 133/145) depicts the actual EPO situation and uses it as an assumption (Source PD Finance 26 July 2023)

⁶ [“One-off measure”](#), President Communiqué of 13-01-2020, “this one-off measure has been decoupled from the next reward envelope. The sum will be taken out of the 2019 budget and will not come from, or affect, the funds available for the next rewards exercise.” “This one-off measure will take effect as of January 2020 and represents a total investment of around EUR 861 000.”

⁷ “Pensionable rewards distribution 2015 to 2023”, Compensation and Benefits, 31-07-2023 [**ANNEX D**]

⁸ [EU staff regulations](#), Article 87, “A member of the contract staff referred to in Article 3a who has been at one step in his grade for two years shall automatically advance to the next step in that grade.”

WS11 Career progression

Structure of yearly career progression:

- 40% of employees do not progress
- 40% of employees progress by one step
- 20% of employees progress by two steps

Progression levels assumed constant across all grades, steps, functions and pension schemes

Employees assumed not to be able to switch job groups, thus reaching promotion ceilings

23. Such a low standard of career policies is nothing to be proud of and cannot foster engagement. As the Financial Study update 2023 does not identify a financial gap, it is high time for the EPO to change track.

On the demotivation aspects

24. After 9 reward exercises, the demotivating aspects of the New Career System have also become obvious.
25. The number of staff members who have reached the last step (G9(5) for JG6, G10(5) for JG5 and G13(5) for JG4) has increased and they are now deprived of any pensionable reward. This could create some possibility of granting more pensionable rewards to the younger colleagues if the envelope as approved by the Council were used (see section “On the budget” below). However, the rigid 60% quota combined with the arbitrary “real” decrease of the envelope prevents this. The effect is that, in absolute numbers, fewer and fewer colleagues are receiving a step or promotion and thus fewer and fewer colleagues are progressing in their career. The reward exercise is more of a budget-based and quota-based exercise than a merit-based one.
26. We consider that a purely competition-based career system excluding 40% of eligible staff is not fit for purpose. It is dogmatic to consider that 40% of eligible staff, regardless of their performance, should be excluded from any career progression.
27. We would be ready to discuss within a Working Group a performance-based system defining a minimum career, an average career and a fast career. When the reward statistics⁹ actually show that 40% of eligible staff got less than 4 steps in 9 reward exercises 2015-2023, it is high time for a pragmatic revision of the New Career System.

On the budget

For step(s) and promotions

As of 1 January 2024 onwards, step advancements and promotions will take effect on 1 April (instead of 1 July so far). The period of payment will therefore increase from 6 to 9 months. This derives from the new Circular 364 (see [GCC/DOC 35/2023](#), section E. (6)). The consequent changes to the presentation of the budget of the Administrative Council and the evolution of the

⁹ “Pensionable rewards distribution 2015 to 2023”, Compensation and Benefits, 31-07-2023 [ANNEX D]

budget envelope in the Guidelines on Rewards were analysed in the CSC [publication](#)¹⁰ of 18 December 2023 and the CSC [open letter](#)¹¹ of 18 January 2024.

28. Past budget documents CA/50/xx and CA/D 1/xx, as well as the Guidelines on Rewards GCC/DOC x/xx, mentioned the envelope in terms of 12 months equivalent while payments for the budget year were made only over the 6 months period of July to December.
29. For the year 2024, these documents mention the envelope in terms of pro-rata with different basis and shall be considered in 12 months equivalents:

Approved by the Council	Proposed in the Guidelines
2023	
CA/D 1/22 (p. 166/187)	GCC/DOC 3/2023 (p. 20/22)
€ 14,380 mil (12 months equivalent)	€ 11,700 mil (12 months equivalent)
2024	
CA/D 1/23 (p. 81/111)	GCC/DOC 1/2024 (p. 7/25)
€ 11,250 mil pro-rata temporis (9 months)	€ 14,900 mil pro-rata temporis* (15 months)
	- € 3,200 mil (one-off impact for advancing by 3 months)
	=
€ 15,200 mil ¹² (12 months equivalent)	€ 11,700 mil (12 months equivalent)

* The administration explained in the Technical Exchanges that the relevant time period does not correspond to a calendar year.

30. The Council has approved an increase of the budget envelope from € 14,380 mil for 2023 to € 15,200 mil for 2024 amounting to +5.7%.
31. The present Guidelines on Rewards set a lower budget than the one approved by the Council. And this budget envelope has not increased compared to the previous year when considering the 12 months equivalents and is maintained at the amount of € 11,700 mil.
32. The administration may be rewarding staff earlier with step(s)/promotion, however it is not rewarding staff with more career advancements. When considering that the number of eligible staff remains stable (4.928 in 2023 vs 4.900 in 2024) and that the growth in salary mass due to the salary adjustment is +3,47%, one can conclude that staff is granted less career advancements.

For bonuses

33. In February 2023, the administration proposed for the Rewards Exercise 2023 (for 2022 performance) in [GCC/DOC 3/2023](#) a budget envelope for individual/collaborative bonuses of € 11,300 mil.

¹⁰ "Reward Exercise 2024 – The addendum", CSC paper ([sc23144cp](#)), 18-12-2023

¹¹ "Reward Exercise 2024 – Budget Envelope in the Guidelines", CSC letter ([sc24002cl](#)), 18-01-2024

¹² Corresponds to 1,74% x Basic salaries (Item 3.000 p. 32/11) = 1,74% x 869.925 = 15,136 rounded at € 15,2 mil
Basic salaries can also be calculated (Annex p. 81/111) as = Total Budget 2024 – Internal tax = 1.113.175 – 250.250 = 862.925 (some additions were made for e.g. Young Professionals)

34. In the course of the Rewards Exercise 2023 in May 2023, the administration replaced the collaborative bonus by the strategic bonus(es) in [GCC/DOC 13/2023](#) and stated (p. 1, last paragraph) no impact on the rewards proposals already made for the individual rewards exercise or the ceiling for the exercise 2023 and that payment would come from remaining funds of the exercise.
35. Therefore, the budget envelope in the Guidelines on Rewards 2023 can be considered as referring to the individual bonus for 2022 performance and the strategic bonus(es) for 2023 performance.
36. The administration intends to pay the individual and strategic bonus(es) for 2024 performance during the course of the year 2024. The individual bonus for 2023 performance is still outstanding and shall be paid at the beginning of the year 2024 (one-off effect).
37. The comparison shall be made by comparing only the individual and strategic bonus(es) for the 2024 performance with the previous budget envelope:

Approved by the Council	Proposed in the Guidelines
2023	
CA/D 1/22 (p. 167/187)	GCC/DOC 3/2023 & GCC/DOC 13/2023 (p. 20/22)
€ 10,500 mil ¹³	€ 11,300 mil (individual for 2022 performance + strategic for 2023 performance)
2024	
CA/D 1/23 (p. 82/111)	GCC/DOC 1/2024 (p. 7/25)
	€ 9,300 mil (individual for 2023 performance)
	€ 9,300 mil (individual for 2024 performance)
	+ € 2,300 mil (strategic for 2024 performance)
	=
€ 11,000 mil ¹⁴	€ 11,600 mil (for 2024 performance)

38. The Council has approved an increase of the budget envelope from € 10,500 mil for 2023 to € 11,000 mil for 2024 amounting to +3.8%.
39. The budget envelope in the Guidelines on Rewards for the individual and strategic bonus(es) for 2024 performance only increased by +2.65% compared to the previous year. It remains higher than the one approved by the Council but the excess remains far below the underspent on the step(s) and promotion, and is of course of a very different nature i.e. not a career progression. The increase is lower than the growth in salary mass due to the salary adjustment of +3,47%. The budget envelope is hence reduced in “real” terms.
40. In the GCC meeting, the administration clarified that the payment of individual bonuses for 2023 performance will appear on the financial account statement of December 2023 and not in the accounts of 2024.

¹³ 1,26% x Basic salaries = 1,26% x 826.500 = 10,413 rounded at € 10,500 mil

The figure of 826.500 was provided orally by the Finance Department.

¹⁴ 1,26% x Basic salaries (Item 3.000 p. 32/11) = 1,74% x 869.925 = 10,961 rounded at € 11,000 mil

Basic salaries can also be calculated (Annex p. 81/111) as = Total Budget 2024 – Internal tax = 1.113.175 – 250.250 = 862.925 (some additions were made for e.g. Young Professionals)

On the bonuses

Ceilings and amount

41. The bonuses paid in April 2024 relate to the 2023 performance (section II. 2. a). The amounts and ceilings are identical to the former regulations.
42. The bonuses paid in July and December 2024 relate to the 2024 performance (section II. 2. b)).
43. A combination of individual and strategic bonuses is possible for eligible employees. However, any combination of bonuses shall not exceed the annual ceiling of EUR 9.000 per employee. This overall ceiling remains unchanged. However, the basic amounts and ceilings have been amended as follows:
44. The **ceiling on the amount of eligible staff** (formerly up to 30%) who may receive individual bonuses is **abolished**.
45. The **minimum individual bonus** amount has been **increased from EUR 2.000 to EUR 3.000**. The exact lump sums are now:
 - EUR 3.000
 - EUR 4.000
 - EUR 5.000
 - EUR 6.000
 - EUR 7.000
 - EUR 8.000
 - EUR 9.000
46. The **strategic bonus** amount has **increased from EUR 2.000 to 3.000**.
47. These changes reinforce the bonus culture at the EPO which has no place in a public service organization.
48. The administration considers that an explicit list of exact lump-sums increases transparency. A mere list of lump-sums still does not reveal what goes to whom and with which criteria.

Young professionals

49. Young Professionals are among the categories of staff who may be considered for the allocation of bonuses (see section I) and for which specific attention is to be paid (see section III. 1. 3)). The administration considers that this change gives more opportunities to Young Professionals. There is however nothing binding ensuring that this will actually be the case.
50. In our view, Young Professionals should be provided with a decent work package.

Criteria for strategic bonuses

51. The criteria for the allocation of step(s) and promotions, and individual bonuses have been amended and moved to new Circular 364 ([GCC/DOC 35/2023](#)). We already commented on these

in our [opinions](#)¹⁵. However, the following criteria for the allocation of the strategic bonus have been deleted:

- ***Collaborative achievement of particularly successful unit results*** (emphasis added)
- *Collaborative initiatives aiming to increase and advance key objectives of the Office*
- *Significant contributions to strategic projects with DG-wide or Office-wide importance, e.g. in the framework of strategic plans*

52. The criterion of “successful unit results” allowed the possibility to reward teams working in core tasks (such as e.g. in DG1) and not on specific projects. The deletion of this criterion paves the way to depriving such units from the strategic bonus.
53. The deletion of the two other criteria gives now full manoeuvre for management to decide what is a strategic project and what are the collaborative initiatives worth being rewarded.
54. An explicit list is mentioned but it is non-exhaustive and therefore still lacks transparency. There is no transparency as to the role the staff member should hold in the initiative in order to be eligible for a strategic bonus.
55. Most listed initiatives relate to normal EPO business and processes such e.g. standard HR, Financial and BIT work. It is questionable why these should be rewarded with additional strategic bonuses.
56. The initiative “PGP paperless teams” is a typical example of the EPO focus on processes rather than substantial outcome. The same applies to the initiative “Increasing quality through a fully digital system for the allocation of work to examiners” which takes it for granted that digitization increases necessarily quality. The initiative “Collaborative search in the division” apparently led to the infamous “[Active Search Division](#)¹⁶” which is undefined, lacks legal basis and without any time budget.
57. Obviously, the drafting of the list of initiatives lacks objectivity. Strategic bonuses are a means for Mr Campinos to reward what he has unilaterally declared as being successful.

On functional allowances

58. For the first 6 reward exercises following the implementation of the New Career System in 2014, the budget for **functional allowances** was mentioned in the President’s Instructions on rewards. In 2021, the budget for functional allowances was not even submitted to the General Consultative Committee (GCC) and the budget envelope was simply disclosed in an [announcement](#) published on the Intranet on 15 October 2021. The details concerning the distribution and entitlement remain undisclosed. The Office also carried out a harmonisation reform without discussing it with the staff representation and without providing any details or basis for it.
59. The CSC addressed this lack of transparency and consultation in a [letter](#)¹⁷ to the Administrative Council on 26 November 2021. To this day, the letter remains unanswered. In 2022 and 2023, no consultation took place and no figure was communicated. We fear the same will happen in 2024.
60. Initially, functional allowances were meant to compensate employees in Job Groups 4-6 when temporarily taking on tasks above and beyond what is in their job description. This is for instance the case for Team Managers. Obviously, this did not apply in the beginning to managers in Job

¹⁵ "Report on the GCC meeting of 5 December 2023", CSC paper ([sc23148cp](#)), 21-12-2023

¹⁶ "Active Search Division", More 'checks'. Better quality?", CSC paper ([sc23134cp](#)), 10-11-2023

¹⁷ "Functional allowances at the EPO", CSC letter ([sc21140cl](#)), 26-11-2021

Groups 1-3, since the New Career System awarded them an increase in salary for higher responsibilities.

61. With [GCC/DOC 7/2017](#), management amended Article 12(2) ServRegs to open up the possibility of getting a functional allowance also to... Management. Concomitantly, the functional allowance was increased from a maximum of *“an amount equivalent to two steps in the current grade”* to *“two monthly basic salaries per year”*.
62. The Office stated that this was justified for *“the sake of efficiency and flexibility”*. Annex I to Circular 364 indicates that duties and constraints deserving a functional allowance are for *“functions of high responsibility (...) organizational and technical change management etc.”* One can easily assess the degree of self-service and how the trend will continue if the budget for functional allowances remains undisclosed and not submitted to consultation. After having opened the cookie jar to help themselves, management is now hiding the cookie jar.
63. In the GCC meeting, the Chairman immediately interrupted our intervention on the topic and stated that the topic of functional allowances was not part of the document and hence should not be addressed. We could not make our intervention at all. However, there is currently no other forum to address the topic. Mr Campinos has not planned any meeting with the CSC in 2024.
64. The administration merely referred in the meeting to the budget document [CAD 1/23](#) (p. 82/111) mentioning the percentages of the basic salaries allocated per site. No information is given as to whom and for which tasks the envelope is spent.

On performance criteria

For steps and promotion

65. The criteria for granting a reward have now been moved to new Circular 364 ([GCC/DOC 35/2023](#)) which stills consist of a broad non-exhaustive list which is interpreted differently among directorates and teams.
66. It is worth mentioning again that for steps, one of the criteria is the
“achievement of the expected objectives and competencies corresponding to grade, seniority and job profile” (C364, section B. 1) a))
67. and for promotions, the criteria have become stricter (amendments in bold)
*“proven performance and expected objectives corresponding to the grade continuously achieved **over several years**”* (C364, section D. b. 1) b))
demonstrated competencies and abilities to perform at a higher grade (C364, section D. b. 1) c));
68. Such levels of expectations are not defined and the so-called corridors of “production/productivity” or “grade expectations” applied in DG1 continue to be purposefully hidden from staff. And staff is essentially asked to perform already like in the higher grade to get promoted. The rat race competition is pushed even further.

“Specific attention”: Parental leave? Sickness?

69. Allegedly to *“ensure a fair distribution of rewards to all categories of staff”* (section III. 1.), the Guidelines on Rewards state that *“it is wished that specific attention is paid in the reward exercise”*

for:

- *Staff on maternity and adoption leave (periods of maternity and adoption leave are to be neutralised by considering continuity between performance prior to and after the leave)*
- *Newcomers (performance with demonstrated learning curve may be rewarded, including during probationary period)*
- *Part-timers*
- *Staff who changed jobs or were on partial mobility during the relevant period (in such cases it is important that managers in charge liaise to discuss potential rewards proposals)*
- *Staff who did not benefit from pensionable rewards over several years*
- *Staff in statutory functions (e.g. Staff Representatives, Confidential Counsellors)*
- *Young professionals*

70. If the Office were serious about fairness, it would not define it as a “wish”, but as a requirement and the “specific attention” would be defined as a positive attention.
71. The period of “over several years” before making an employee benefit from a pensionable reward is undefined and open to managerial arbitrariness.
72. **Sick staff and staff on parental leave are not mentioned in the list.**
73. The CSC representation in the Technical Meetings? requested that these shall be included in the list but the administration pretended they “*did not want to overburden the text and keep it concise*”. Representatives from the Employment Law Department stated that the EPO is able to prove in litigation that these have been taken into account.
74. We are not convinced by the argument. We hear of several cases of Directors explaining to staff on parental leave that they have “*made a choice of family life incompatible with a career*”. We also remember that management explained in the GCC meetings shortly after the entry of the (New) Career System that “*the Office shall support sick staff but not promote them*”.
75. The age pyramid of EPO staff shows a clearly ageing population and hence more prone to sickness. It is high time the EPO to revise its policies.
76. Overall, the Reward Exercise sends the signal of how much the Office values its employees and pays attention to them. For this reason, rewards, performance management and skills management need to be in the hands of the best managers ready to treat staff with the utmost care.

(Lack of) justification

77. Colleagues are hardly ever given reasons as to why they got or did not get a reward, and how they should perform to get one in the future. Only those who file a management review start to have the beginning of answer which raises even further questions on the arbitrariness of the exercise.
78. We hear that colleagues were successful in their appeals against a lack of reward. Their case was then submitted to a Reassessment Panel. However, this panel remains defined nowhere, its creation was never submitted to GCC consultation and the staff representation obviously never involved in its composition.

On the communication of rewards allocation

79. Line managers remain forbidden to transparently share the information whether they had proposed a staff member for a reward or not. They are only allowed to announce the President's decision after the completion of the rewards process. This goes against the alleged principle of "empowering managers" which was put forward by the management when disbanding the promotion board in 2014.
80. 40% of staff will be excluded from a pensionable reward. We are concerned that the text allows line managers to communicate the outcome of the reward exercise collectively. If a lack of individual reward is announced in front of the other team members, this could be experienced as humiliating for the employee concerned.

On the calibration by PDs, VPs and the President

81. Staff engagement can only be fostered by performing an **objective** appraisal exercise and linking it to the reward exercise. At the EPO, the appraisal exercise is not objective and the reward exercise remains arbitrary. The administration is wrong in continuing along this path which has not been followed by another International Organization.
82. We observe an increasing number of colleagues in DG1 who produced at least 92% of their challenging target and are considered to be "not met" and their requests for being considered "partially not met" are summarily dismissed. We even see Team Managers ranking their Team Members along the criterion of "usefulness" for deciding whether or not to grant a reward. Such a policy can only trigger frustration, demotivation and lack of engagement. If the negative effects cannot be seen on production, they take place on decreasing substantial quality.
83. In the GCC meeting, the Chairman interrupted our intervention on appraisals and argued that appraisals have nothing to do with the rewards exercise. This statement surprised us in view of the fact that appraisals are the basis for the rewards exercise. Even if the Office states that there is no automatic link, it cannot deny there is a link.
84. Indeed, the document mentions (section IV),

*"There is **no automatic link between appraisal reports and the reward exercise**. While performance is a pre-condition, it may not be sufficient to warrant a reward in view of other elements taken into account for its attribution such a **comparison with peers**, collaborative behaviour, development, priority of the Office and contribution to the Office's achievement". (emphasis added)*

85. The broad statement allows management to exclude anyone at PD or VP level from the reward exercise during the so-called calibration process in an arbitrary manner.
86. The term "*peers*" is not substantiated by any document: are the peers from the same team? from the same grade? from the same directorate? from the same technical field? Over the years, we have asked the administration for clarification and a clear definition. None was provided.
87. The year 2023 showed that production is paramount for management:

*"The pensionable and non-pensionable envelopes are initially distributed to the DGs on the basis of the demographic structure (number and grading of staff). **Each VP may then calibrate them within the DG considering unit performance and collaborative achievements**. However, no transfer of the different amounts between the different envelopes is allowed." (section I, par. 3)*

88. This statement formalises the practice of arbitrarily reducing the percentage for the teams considered less productive (50% for some, 70% for others) without duly considering the specificities of their work.
89. A COO, a PD or a VP may further reduce the percentage to show that he or she is acting more “sustainably” than other managers.

On collaboration

90. The document mentions several times the word collaborative and collaboration. However, it remains solely in the context of allocating bonuses.
91. The word “collaboration” appears to be a communication exercise designed to hide the fact that the administration maintains a competition-based system that goes actually against the values of cooperation.
92. It is a fig leaf on the actual exclusion of 40% of eligible staff from career progression.

On transparency and the Harmonisation Committee

93. The flaws of the Harmonisation Committee are detailed in the [opinion](#)¹⁸ on [GCC/DOC 2/2023](#) and the [opinion](#)¹⁹ on [GCC/DOC 35/2023](#).
94. On 30 January 2023, the administration informed us by email (**ANNEX E**²⁰) of a Harmonisation Committee meeting for the upcoming rewards exercise scheduled for 22 March.
95. We maintain that the Harmonisation Committee remains a rubber-stamping exercise which lacks transparency. Staff representation is only offered to nominate a single observer with strict confidentiality requirements. Our nominee is not even allowed to comment on the meeting in front of other staff representatives. The conditions are not met for the CSC to nominate an observer in the Harmonisation Committee.
96. In 2024, three rounds of reward exercise will take place and for each the Harmonisation Committee will meet, and two will relate to individual/strategic bonuses only. We wonder whether the Office is making best use of its resources by keeping busy managers and staff for the purpose of the distribution of bonuses which have very little impact on staff engagement.
97. Finally, we consider that the administration should make full transparency on the allocation of strategic bonuses. These bonuses do not relate individual performance but rather to operational information as to who works on which initiative.

Conclusion

98. The many pitfalls identified by staff and their representation over the last 9 years of application of the New Career System still remain unsolved. The reward exercise is still a lottery which is unique among international organizations.

¹⁸ "Report on the GCC meeting of 28 February 2023", CSC paper ([sc23030cp](#)), 09-03-2023

¹⁹ "Report on the GCC meeting of 5 December 2023", CSC paper ([sc23148cp](#)), 21-12-2023

²⁰ "Invitation to nominate an observer for the next HC meeting on 22.3.24", Email from Social Dialogue, 30-01-2024
[ANNEX E]

For the above reasons, the CSC members of the GCC are **negative** on the document.

The CSC members of the GCC

Annexes:

A:	"Technical Exchange Meeting on General Guidelines on Reward", Email invitation from Social Dialogue to CSC representatives, 11-01-2024
B:	"Comparison between existing and new texts", 11-01-2024
C:	"General Guidelines on Rewards 2024", PD People Presentation, 11-01-2024
D:	"Pensionable rewards distribution 2015 to 2023", Compensation and Benefits, 31-07-2023
E:	"Invitation to nominate an observer for the next HC meeting on 22.3.24", Email from Social Dialogue, 30-01-2024

Subject: Technical Exchange Meeting on General Guidelines on Rewards
Location: Microsoft Teams Meeting

Start: Mon 15-01-2024 15:00
End: Mon 15-01-2024 16:00
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Tentatively accepted

Organizer: Social Dialogue
Required Attendees: Social Dialogue; Andreas Sattler; Jeremy Scott; Mohamed El Hadouchi; Kirsten Lackner; Silvia Analia Echagüe-Wehling; Mégane Le Guiader; Lucie Decoudu; Thomas Franchitti; Anil Ozdemir; Eva Loschnig; Teresa Juárez; Tiago Pinheiro; David de la Torre
Optional Attendees: Konstantinos Kortsaris; Maria Arranz Gomez; Beth Rees; Massimo Vangelista; Juan Vázquez Regueiro; Harald Leineweber

Dear all,

In preparation for Monday's technical meeting on the General Guidelines on Rewards 2024, please find attached a PPT presentation and a comparative table detailing the proposed changes.

Best wishes,
Social Dialogue Team

Microsoft Teams meeting

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COMPARISON BETWEEN EXISTING AND NEW TEXTS

<u>Existing text</u>	<u>Proposed new text</u>
General guidelines on Budget allocation and rewards distribution for 2023 under Articles 48, 48a and 49 (1) first indent Service Regulations	General guidelines on Budget allocation and rewards distribution for 2024³ under Articles 48, 48a and 49 (12) first indent Service Regulations and Circular No 364
<p>I. Budget envelope and reward types</p> <p>Within the budget approved by the Administrative Council, the President defines annually the overall budget envelope allocated to rewards and the budget breakdown among the different categories of rewards.</p> <p>Two different envelopes are allocated per Directorate General:</p> <ul style="list-style-type: none"> - one for pensionable rewards (steps and promotions) and - one for non-pensionable rewards (bonuses). 	<p>I. Budget envelope and reward types</p> <p>Within the budget approved by the Administrative Council, the President defines annually the overall budget envelope allocated to rewards and the budget envelope breakdown among the different categories of rewards.</p> <p>Two different envelopes are allocated per Directorate General:</p> <ul style="list-style-type: none"> - one for pensionable rewards (steps and promotions) and - one for non-pensionable rewards (individual and strategic bonuses). <p>The envelopes will be distributed as per following pay-outs and relevant organisational structure:</p> <ul style="list-style-type: none"> - In April 2024, pensionable rewards and individual bonuses relating to 2023 performance - In July 2024, non-pensionable rewards (individual and strategic bonuses) relating to 2024 performance. - In December 2024, non-pensionable rewards (individual and strategic bonuses) relating to 2024 performance.

Overview:				
Rewards round (pay out)	Non-pensionable rewards	Pensionable rewards	Organisational structure	Eligibility – staff* in service on:
April 2024 (for 2023 performance)	✓ (Individual bonuses)	✓ (Steps and promotions)	1 February 2024	31 December 2023 (for bonus & pensionable) and still in service on 1 April 2024 (for pensionable)
July 2024 (for 2024 performance)	✓ (Individual and Strategic bonuses)		1 May 2024	1 May 2024
December 2024 (for 2024 performance)	✓ (Individual and Strategic bonuses)		1 October 2024	1 October 2024

* Permanent employees, staff employed on fixed-term contract, probationers and young professionals. Staff may be considered for steps or promotion, provided that they are not yet in the last step of the highest grade of the respective job group or “off-scale”.

<p>The pensionable and non-pensionable envelopes are initially distributed to the DGs on the basis of the demographic structure (number and grading of staff). Each VP may then calibrate them within the DG considering unit performance and collaborative achievements. However, no transfer of the different amounts between the different envelopes is allowed.</p> <p>Further details on the budget envelopes for the 2023 reward exercise can be found in Annex I.</p> <p>Decisions on rewards apply with effect as of 1 July 2023. The organisational structure on 1 February 2023 is considered as the basis for determining the line managers and their staff for the purpose of this reward exercise.</p>	<p>The pensionable and non-pensionable envelopes are initially distributed to the DGs on the basis of the demographic structure (number and grading of staff). Each VP may then calibrate them within the DG considering unit performance and collaborative achievements. However, no transfer of the different amounts between the different envelopes is allowed.</p> <p>Further details on the budget envelopes for the 20232024 reward exercises can be found in Annex I.</p> <p>Decisions on rewards apply with effect as of 1 July 2023. The organisational structure on 1 February 2023 is considered as the basis for determining the line managers and their staff for the purpose of this reward exercise.</p>
<p>II. Eligibility and criteria for rewards</p> <p>1. Staff included in the reward process</p> <p>1) Staff in service on 31.12.2022 (including permanent employees, staff employed on fixed-term contract, probationers and young professionals) may be considered for the allocation of individual and collaborative bonuses.</p> <p>2) Staff in service on 31.12.2022 and still in service on 01.07.2023 may be considered for steps or promotion, provided that they are not yet in the last step of the highest grade of the respective job group or “off-scale”.</p>	<p>II. Eligibility Rewards allocation and criteria for rewards</p> <p>1. Staff included in the reward process</p> <p>1) Staff in service on 31.12.2022 (including permanent employees, staff employed on fixed-term contract, probationers and young professionals) may be considered for the allocation of individual and collaborative bonuses.</p> <p>2) Staff in service on 31.12.2022 and still in service on 01.07.2023 may be considered for steps or promotion, provided that they are not yet in the last step of the highest grade of the respective job group or “off-scale”.</p>
<p>2. Rewards allocation and percentages</p> <p>Within each DG, rewards shall be allocated as follows:</p>	<p>2. Rewards allocation and percentages</p> <p>Within each DG, rewards shall be allocated as follows:</p>
<p>1) Steps and promotions</p>	<p>1) Steps and promotions</p>

<p>Up to 60% of staff under II 1. 2) may receive one or two steps or a promotion. A step may amount to a full step or the difference between their current salary and the next possible step in the new salary scales, depending on their current position in the salary scales; Staff falling in the category of the catch-up mechanism 2023 as described in Annex II are included in the 60%.</p> <p>The number of staff receiving two steps shall not exceed 20% of the staff under II 1. 2).</p>	<p>Up to 60% of eligible staff under II 1. 2) may receive one or two steps or a promotion. A step may amount to a full step or the difference between their current salary and the next possible step in the new salary scales, depending on their current position in the salary scales. Staff falling in the category of the catch-up mechanism 2023 as described in Annex II are included in the 60%.</p> <p>The number of staff receiving two steps shall not exceed 20% of the eligible staff under II 1. 2).</p>
<p>2) Bonuses</p> <p>Up to 30% of staff under II 1. 1) may receive individual bonuses.</p> <p>Individual bonuses may be awarded within the available unit budget in the form of the following harmonised lump sums:</p> <ul style="list-style-type: none"> • EUR 2 000 	<p>2) Bonuses</p> <p>Up to 30% of staff under II 1. 1) may receive individual bonuses.</p> <p>A combination of individual and collaborative strategic bonuses is possible for eligible employees. However, any combination of bonuses shall not exceed the annual ceiling of EUR 9 000 per employee.</p> <p>Staff up to and including job group 3 who participated in one of the identified initiatives (Annex III) are eligible for strategic bonuses.</p> <p>a) Bonus amounts and ceiling related to 2023 performance (paid in April 2024):</p> <p>Up to 30% of eligible staff may receive individual bonuses in the rewards round of April 2024.</p> <p>Individual bonuses may be awarded within the available unit budget in the form of the following harmonised lump sums:</p> <ul style="list-style-type: none"> • EUR 2 000

- EUR 3 000
- EUR 4 000
- EUR 5 000
- EUR 6 000
- EUR 7 000
- EUR 8 000
- EUR 9 000

A combination of individual and collaborative bonuses is possible for eligible employees. However, any combination of bonuses shall not exceed the annual ceiling of EUR 9 000 per employee.

- EUR 3 000
- EUR 4 000
- EUR 5 000
- EUR 6 000
- EUR 7 000
- EUR 8 000
- EUR 9 000

Strategic bonuses are awarded with an amount of EUR 2.000

Applicable ceiling related to the 2023 performance cycle: EUR 9 000 overall, comprising any combination of following bonuses:

- Strategic bonus July 2023
- Strategic bonus December 2023
- Individual bonus April 2024

b) Bonus amounts and ceiling related to 2024 performance (paid in July and December 2024):

Individual bonuses may be awarded within the available unit budget in the form of the following harmonised lump sums:

- EUR 3 000
- EUR 4 000
- EUR 5 000
- EUR 6 000
- EUR 7 000
- EUR 8 000
- EUR 9 000

Strategic bonuses are awarded with an amount of EUR 3.000

Applicable ceiling related to 2024 performance cycle: EUR 9 000 overall, comprising any combination of following bonuses:

- Individual bonus July 2024

	<ul style="list-style-type: none"> • Strategic bonus July 2024 • Individual bonus December 2024 • Strategic bonus December 2024
<p>3. Performance criteria</p> <p>Individual performance complemented by collaborative behaviour forms the basis for any reward. In accordance with Circular 364, the following criteria apply:</p>	<p>3. Performance criteria</p> <p>Individual performance complemented by collaborative behaviour and development in the role forms the basis for any reward. In accordance with the criteria defined in Circular 364, the following criteria apply:</p>
<p>Steps</p> <p>1. Based on budget availability in the DG, an advancement of one or two steps in grade is used to reward performance and demonstration of the expected competencies which result in sustained contribution towards the Office priorities and achievements.</p> <p>Demonstration of such contribution may be for instance:</p> <ul style="list-style-type: none"> - achievement of the expected objectives and competencies corresponding to grade, seniority and job profile; - steady performance; - good balance between expected leadership (when applicable), functional and core competencies as well as strength in the core competencies critical for their role; - engagement towards the priorities of the Office; 	<p>Steps</p> <p>1. Based on budget availability in the DG, an advancement of one or two steps in grade is used to reward performance and demonstration of the expected competencies which result in sustained contribution towards the Office priorities and achievements.</p> <p>Demonstration of such contribution may be for instance:</p> <ul style="list-style-type: none"> - achievement of the expected objectives and competencies corresponding to grade, seniority and job profile; - steady performance; - good balance between expected leadership (when applicable), functional and core competencies as well as strength in the core competencies critical for their role; - engagement towards the priorities of the Office; - their being role models in and outside their teams;

<p>- their being role models in and outside their teams;</p> <p>2. Attribution of steps may occur only within the same grade. When the employee has reached the highest step in his grade, career progression may occur only through promotion.</p>	<p>2. Attribution of steps may occur only within the same grade. When the employee has reached the highest step in his grade, career progression may occur only through promotion.</p>
<p>Promotions</p> <p>The eligibility of an employee for promotion shall be assessed over time, taking into account inter alia the following conditions:</p> <ul style="list-style-type: none"> - the employee has reached the last step in his grade in the calendar year prior to the promotion exercise - proven performance and expected objectives corresponding to the grade continuously achieved over a long period of time - application and demonstration of the expected competencies corresponding to his job profile over a period of several years and progression in the proficiency levels of the required competencies - broadening or deepening of the employee’s tasks, experience and responsibilities. <p>The promotion exercise shall consider inter alia appraisal reports covering at least the period up to a given calendar year (N-1) prior to the year of the promotion exercise (N).</p> <p>The eligibility criteria shall have been met by 31 December of the calendar year (N-1) prior to the year of the decision for promotion (N).</p>	<p>Promotions</p> <p>The eligibility of an employee for promotion shall be assessed over time, taking into account inter alia the following conditions:</p> <ul style="list-style-type: none"> –the employee has reached the last step in his grade in the calendar year prior to the promotion exercise – proven performance and expected objectives corresponding to the grade continuously achieved over a long period of time –application and demonstration of the expected competencies corresponding to his job profile over a period of several years and progression in the proficiency levels of the required competencies – broadening or deepening of the employee’s tasks, experience and responsibilities. <p>The promotion exercise shall consider inter alia appraisal reports covering at least the period up to a given calendar year (N-1) prior to the year of the promotion exercise (N).</p> <p>The eligibility criteria shall have been met by 31 December of the calendar year (N-1) prior to the year of the decision for promotion (N).</p>
<p>Bonus</p>	<p>Bonus</p>

<p>1. Based on budget availability in the DG, a bonus in the form of a lump sum payment is used to reward high performance and/or additional duties not otherwise rewarded, which results in specific achievements such as:</p> <ul style="list-style-type: none"> - contribution to strategic projects or well-defined work packages with a clear budgetary scope and timeline defined in advance; - collaborative achievements; - extraordinary workload due to specific organisational circumstances; - efforts towards a specific development critical to the role; - meeting stretched objectives. <p>It is also used to acknowledge performance and demonstration of the expected competencies when step advancement or promotion is not available.</p> <p>2. Teams and staff contributing to strategic initiatives as defined by the President (Annex III) may benefit from collaborative bonuses in the form of a lump sum payment with the same amount for all receiving the bonus.</p> <p>The definition of teams is not limited to functional or hierarchical teams and includes also cross-functional teams and collaborative initiatives within or across DGs, which support key objectives and projects of the Office.</p>	<p>1. Based on budget availability in the DG, a bonus in the form of a lump sum payment is used to reward high performance and/or additional duties not otherwise rewarded, which results in specific achievements such as:</p> <ul style="list-style-type: none"> – contribution to strategic projects or well defined work packages with a clear budgetary scope and timeline defined in advance; – collaborative achievements; – extraordinary workload due to specific organisational circumstances; – efforts towards a specific development critical to the role; – meeting stretched objectives. <p>It is also used to acknowledge performance and demonstration of the expected competencies when step advancement or promotion is not available.</p> <p>For strategic bonuses, the President may define strategic initiatives and projects within or across DGs which support key objectives of the Office. 2. Teams and staff contributing to strategic initiatives as defined by the President (Annex III) may benefit from collaborative bonuses in the form of a lump sum payment with the same amount for all receiving the bonus. The initiatives defined for strategic bonuses 2024 are listed in Annex III.</p> <p>The definition of teams Participation in such initiatives is not limited to functional or hierarchical teams but may include collaborative work on the defined initiatives across the organisation. and includes also cross-functional teams and</p>
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<p>- The aim is to reward collaborative efforts and contributions to strategic initiatives within or across DGs which support key objectives and projects of the Office, such as:</p> <ul style="list-style-type: none"> - Collaborative achievement of particularly successful unit results - Collaborative initiatives aiming to increase and advance key objectives of the Office - Significant contributions to strategic projects with DG-wide or Office-wide importance, e.g. in the framework of strategic plans <p>Initiative owners may be assigned to co-ordinate nominations across teams.</p>	<p>collaborative initiatives within or across DGs, which support key objectives and projects of the Office.</p> <p>The aim is to reward collaborative efforts and contributions to strategic initiatives within or across DGs which support key objectives and projects of the Office, such as:</p> <ul style="list-style-type: none"> Collaborative achievement of particularly successful unit results Collaborative initiatives aiming to increase and advance key objectives of the Office Significant contributions to strategic projects with DG-wide or Office-wide importance, e.g. in the framework of strategic plans <p>Initiative owners may be assigned to co-ordinate nominations across teams the Office. Strategic bonuses are awarded for significant contribution in the respective initiatives.</p>
<p>III. Process and timeline</p>	<p>III. Process and timeline</p>
<p>1. Process</p>	<p>1. Process</p>
<p>1) Managers should propose the rewards for the individual staff members by taking into account the criteria set out under II.3 as well as budget availability.</p>	<p>1) Managers should propose the rewards for the individual staff members by taking into account the criteria set out under II.3 in Circular 364 as well as budget availability.</p>
<p>2) In cases of a managerial change or partial assignments of employees to other departments or projects, the responsible line manager should liaise with the other managers in charge to take their input into account for rewards proposals.</p>	<p><i>Unchanged</i></p>

<p>3) Managers are asked to ensure a fair distribution of rewards among their staff by recognising collaborative behaviour and by promoting equal opportunities according to gender, job group, type of appointment etc.</p> <p>As a proactive measure in order to ensure a fair distribution of rewards to all categories of staff, it is wished that specific attention is paid in the reward exercise to the following categories of staff:</p> <ul style="list-style-type: none"> ▪ Staff on maternity and adoption leave (periods of maternity and adoption leave are to be neutralised by considering continuity between performance prior to and after the leave) ▪ Newcomers (performance with demonstrated learning curve may be rewarded, including during probationary period) ▪ Part-timers ▪ Staff who changed jobs or were on partial mobility during the relevant period (in such cases it is important that managers in charge liaise to discuss potential rewards proposals) ▪ Staff who did not benefit from pensionable rewards over several years ▪ Staff in statutory functions (e.g. Staff Representatives, Confidential Counsellors) ▪ Young professionals 	<p><i>Unchanged</i></p>
<p>4) Rewards allocation process</p> <p>The rewards allocation process within the DGs follows the steps below (as outlined in Circular 364 Part IV):</p> <p>– line managers submit their proposals for staff to be rewarded to their hierarchy via on-line tools</p>	<p>4) Rewards allocation calibration process for pensionable rewards and individual bonuses</p> <p>The rewards allocation process within the DGs follows the steps below (as outlined in Circular 364 Part IV):</p> <p>– line managers submit their proposals for staff to be rewarded to their hierarchy via on-line tools</p>

<ul style="list-style-type: none"> - the respective PDs and VPs may adjust and subsequently approve the proposals - the list of those employees proposed for rewards by the respective DG is submitted to the President for review - the Harmonisation Committee meets to ensure a consistent and balanced distribution of rewards among all categories of staff in accordance with the applicable Office-wide criteria - the final decision on the award of rewards is taken by the President. 	<ul style="list-style-type: none"> - the respective PDs and VPs may adjust and subsequently approve the proposals - the list of these employees proposed for rewards by the respective DG is submitted to the President for review - the Harmonisation Committee meets to ensure a consistent and balanced distribution of rewards among all categories of staff in accordance with the applicable Office-wide criteria - the final decision on the award of rewards is taken by the President. 																																										
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<p>IV. Communication of rewards allocation</p> <p>There is no automatic link between appraisal reports and the reward exercise. While performance is a pre-condition, it may not be sufficient to warrant a reward in view of other elements taken into account for its attribution such as comparison with peers, collaborative behaviour, development, priorities of the Office and contribution to the Office’s achievement.</p> <p>The reward proposals are calibrated throughout the hierarchical levels up to the President. The result of the reward exercise can therefore be communicated only after the final sign-off of the proposals by the President.</p> <p>After completion of the rewards process and decision of the President on the rewards:</p> <ul style="list-style-type: none"> ▪ VPs and PDs communicate the outcome of the rewards calibration to Directors and line managers. Line managers should also verify the final rewards for their teams in the rewards tool. ▪ Managers on their initiative or upon staff request should communicate the outcome of the reward exercise, either individually or collectively. ▪ The promoted staff members will receive a certificate of their promotion. Additionally, the list of staff receiving a promotion will be published. 	<p><i>Unchanged</i></p>								

<p>ANNEX I - Budget breakdown and calculation criteria for 2023 reward exercise</p> <p>The budget breakdown among the different categories of rewards as well as the criteria used to calculate the amounts are as follows:</p>	<p>ANNEX I – Budget envelope breakdown and calculation criteria for 2023 reward exercise</p> <p>The budget envelope breakdown among the different categories of rewards as well as the criteria used to calculate the amounts are as follows: is shown below.</p>																		
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<p>steps a maximum of 11.7 million Euros will be available in the 2023 budget. This has been calculated based on the demographical structure per DG.</p> <ul style="list-style-type: none"> • Individual and collaborative bonus (Art. 48a Service Regulations): A maximum of 11.3 million Euros will be dedicated to bonuses. <p>General information on long-term financial sustainability: With regards to career progression, the baseline scenario of the Financial Study 2019 corresponds to granting a step to 60% of eligible staff. Every 5% increase in quota increases the coverage gap with around 160 mEUR*. *CA/83/19 - 2019 Financial Study</p>	<p>• Step advancement (Art. 48 Service Regulations) and promotion (Art. 49 (2) Service Regulations): For promotions and steps a maximum of 11.7 million Euros will be available in the 2023 budget. This has been calculated based on the demographical structure per DG.</p> <p>• Individual and collaborative bonus (Art. 48a Service Regulations): A maximum of 11.3 million Euros will be dedicated to bonuses.</p> <p>General information on long-term financial sustainability: With regards to career progression, the baseline scenario of the Financial Study 2019 corresponds to granting a step to 60% of eligible staff. Every 5% increase in quota increases the coverage gap with around 160 mEUR*. *CA/83/19 – 2019 Financial Study</p>
<p>ANNEX II - Catch-up mechanism 2023</p>	<p>ANNEX II - Catch-up mechanism 2023⁴</p>
<p>Eligible staff, who did not receive a step advancement or promotion during the last four consecutive years (2019-2022), will advance one step in grade. Such advancement is possible until the last step of the grade. Promotions to a next grade are excluded from the catch-up mechanism.</p>	<p>Eligible staff, who did not receive a step advancement or promotion during the last four consecutive years (201920-2023²), will advance one step in grade. Such advancement is possible until the last step of the grade. Promotions to a next grade are excluded from the catch-up mechanism.</p>
<p>Annex III - Collaborative bonus 2023</p>	<p>Annex III – Collaborative Strategic bonus 2024³</p>
<p>As announced on 8 March 2022 by the President, the following (non-exhaustive) list of projects and initiatives will be considered for the collaborative bonus to be paid this year:</p>	<p>As announced on 8⁶ MarchNovember 2023² by the President, the following (non-exhaustive) list of projects and initiatives will be considered for the collaborative strategic bonus to be paid this year:</p>
<p>a) People</p> <ul style="list-style-type: none"> • Development of skills mapping and upskilling initiatives • Electronic EPAC and the electronic European Qualifying Exam (e-EQE) 	<p>a) People</p> <ul style="list-style-type: none"> • Development of skills mapping and upskilling initiatives • Electronic EPAC and the electronic European Qualifying Exam (e-EQE) • Design and implementation of policies to make the Office fit for the future

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<p>b) Infrastructure, technology and data</p> <ul style="list-style-type: none"> • Mainframe decommissioning • Data policy approval and implementation • IT co-operation • Implementation of ANSERA roadmap 	<p>b) Infrastructure, technology and data</p> <ul style="list-style-type: none"> • Mainframe decommissioning • Data policy approval and implementation • IT co-operation • Implementation of ANSERA roadmap 								
<p>c) Sustainability</p> <ul style="list-style-type: none"> • Operational excellence (timeliness, quality, agility, simplification and digitalisation of all operational areas) • Quality (specifically at the search and written opinion stage) • Implementation of UPP/UPC 	<p>c) Sustainability</p> <ul style="list-style-type: none"> • Operational excellence (timeliness, quality, agility, simplification and digitalisation of all operational areas) • Quality (specifically at the search and written opinion stage) • Implementation of UPP/UPC 								
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		<ul style="list-style-type: none"> ▪ PGP paperless teams
	<p>Outreach</p>	<ul style="list-style-type: none"> ▪ Conclusion of new validation agreements ▪ Implementation of the work programme of the Observatory ▪ European Inventor Network ▪ Unitary Patent implementation
	<p>Sustainability</p>	<ul style="list-style-type: none"> ▪ Implementation of the outcome of the Financial Study ▪ Implementation of the new fee structure and support for small entities ▪ Deployment of the Technology Intelligence Platform ▪ Vienna Green Hub ▪ Framework for the implementation of SP2028

GENERAL GUIDELINES ON REWARDS 2024 TECHNICAL EXCHANGE MEETING

PD PEOPLE | JANUARY 2023

Highlights rewards guidelines 2024

In line with the revised Circular 364, the new guidelines allow for **timelier & more frequent rewards**:

- **Three rewards rounds** per year (each with prior performance feedback and Harmonisation committee meetings)
- **Simplification**: Removal of redundancies with Circular 364 and simplified text to ease understanding
- **Pensionable rewards round with advanced payment** from July to April
- **Revised bonus approach with two bonus rounds** per year
- **Catch-up mechanism** as in previous years

	Rewards round (pay-out)	Non- pensionable rewards	Pensionable rewards	Organisational structure	Eligibility – staff in service on:
1	April 2024 (for 2023 performance)	✓ (Individual bonuses)	✓ (Steps and promotions)	1 Feb 2024	31 December 2023 (for bonus & pensionable) and still in service on 1 April 2024 (for pensionable)
2	July 2024 (for 2024 performance)	✓ (Individual and strategic bonuses)		1 May 2024	1 May 2024
3	December 2024 (for 2024 performance)	✓ (Individual and strategic bonuses)		1 Oct 2024	1 October 2024

Approach applied so far included a **distribution quota**, which allowed 30% of employees to receive a bonus.

For the individual bonus round in April 2024, the distribution quota will apply for the last time.

2024 bonus modalities

- **No distribution quota** as of July 2024
- **Bonus amounts:** Individual bonuses can be assigned in the range of 2k – 9k (for 2023) and 3k to 9k (2024)
- **Bonus ceiling:** Overall ceiling of 9k per performance year (for any combination of individual or strategic bonuses)

BUDGET ENVELOPE

The overall budget envelope allocated to **2024 rewards amounts to EUR 35.8m Euros.**

Reward type (in EUR)	Pensionable/ non- pensionable reward	Budget envelope 2024 (calendar year)
Steps/Promotion	pensionable	Max. 14.900.000*
Individual and Strategic bonus	non-pensionable	Max. 20.900.000**

* Including additional funds of 3,2 million Euros to cover the one-off impact of advancing pensionable rewards by 3 months.

** Including additional funds of 9,3 million Euros to cover the one-off impact of having both individual bonuses co-existing in the same year (transition phase).

The breakdown per rewards type and round is shown below and the split between individual and strategic bonus will be 80/20, i.e. EUR 9.3m for individual bonus and EUR 2.3m for strategic bonus.

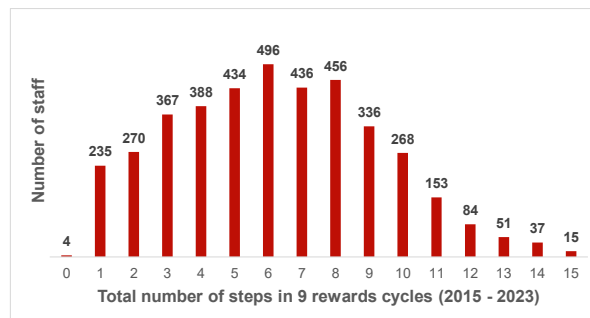
Rewards type	Budget envelope	Rewards round
Pensionable rewards for 2023	EUR 14.9m	April 2024
Individual bonus for 2023	EUR 9.3m	April 2024
Individual bonus for 2024	EUR 9.3m	July and December 2024
Strategic bonus for 2024	EUR 2.3m	July and December 2024



2024 is a transition year and the overall rewards envelope includes one-off impacts on pensionable and non-pensionable rewards!

Pensionable rewards distribution 2015 - 2023

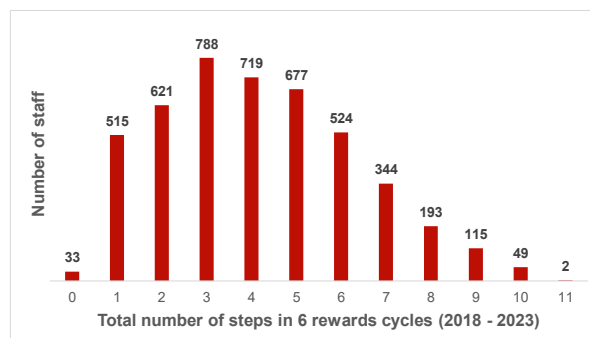
Number of steps	#staff
0	4
1	235
2	270
3	367
4	388
5	434
6	496
7	436
8	456
9	336
10	268
11	153
12	84
13	51
14	37
15	15
Average	6.22



Remarks: Only staff members who have been active and eligible for a pensionable reward in each year during the whole period 2015-2023 have been considered. i.e. in total 4030 employees. Newcomers, leavers and those having reached the last step of their career group have not been taken into account in the analysis, because doing so would distort the statistics. A double step has been counted as two steps, and "mini-steps" and promotions have been counted as 1 step. This analysis also includes all one off and catch-up mechanisms, when the President granted additional steps to a number of staff. Pensionable rewards granted to staff representatives in accordance with Circular 356 are not included in this analysis. The maximum amount of steps in the 9 reward cycles is limited by the fact that depending on the current position on the grade it is not always possible to receive a double step.

Pensionable rewards distribution 2018 - 2023

Number of steps	#staff
0	33
1	515
2	621
3	788
4	719
5	677
6	524
7	344
8	193
9	115
10	49
11	2
Average	4.15



Remarks: Only staff members who have been active and eligible for a pensionable reward in each year during the whole period 2018-2023 have been considered. i.e. in total 4580 employees. Newcomers, leavers and those having reached the last step of their career group have not been taken into account in the analysis, because doing so would distort the statistics. A double step has been counted as two steps, and "mini-steps" and promotions have been counted as 1 step. This analysis also includes all one off and catch-up mechanisms, when the President granted additional steps to a number of staff. Pensionable rewards granted to staff representatives in accordance with Circular 356 are not included in this analysis. The maximum amount of steps in the 6 reward cycles is limited by the fact that depending on the current position on the grade it is not always possible to receive a double step.

From: Derek Kelly
Sent: 30 January 2024 17:34
To: DL-CSC; Monika Ernst; Isabelle Brandt
Subject: FW: invitation to nominate an observer for the next HC meeting on 22.3.24

Fyi

From: Social Dialogue <socialdialogue@epo.org>
Sent: Tuesday, January 30, 2024 9:58 AM
To: Derek Kelly <dkelly@epo.org>
Cc: PRESIDENT <president@epo.org>; Social Dialogue <socialdialogue@epo.org>; Massimo Vangelista <mvangelista@epo.org>; Maria Arranz Gomez <marranzgomez@epo.org>; Beth Rees <erees@epo.org>; Konstantinos Kortsaris <kkortsaris@epo.org>
Subject: invitation to nominate an observer for the next HC meeting on 22.3.24

Dear Chair,

We would like to inform you that the Harmonisation Committee meeting for the upcoming rewards exercise is scheduled for 22 March at 14.00.

We kindly reiterate our invitation for you to nominate an observer, by 10 March.

Please confirm your participation and the name of your observer, if any, by replying to this email.

Many thanks in advance

Social Dialogue Team