

## Performance development

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02.12.2020

### Holistic approach to goal setting for 2021

2020 has been an unprecedented year that has brought challenges for everyone in both our personal and professional lives. I would like to express my deepest appreciation for your unwavering commitment to the Office and for your contribution to our results this year.

Looking ahead to 2021, the process of digital transformation - embedded in SP2023 and massively accelerated by the pandemic - looks set to continue. In other words, we will further digitalise our work processes to make us more effective, while relying on the personal development, flexibility and collaboration of all colleagues to safeguard quality, timeliness and performance levels.

Against this background, I would like to invite you all to reflect on your professional goals for 2021. While we remain fully committed to delivering strong business results, our success in 2021 and beyond will depend heavily on how we do so. Hence, we intend to move to a more holistic approach to goal setting. That means encouraging behaviours and ways of working that are specifically relevant to our transition towards a new normal. Business goals will be included in your professional goals as per usual, but the new approach will now also prioritise:

- **Collaboration:** Foster a "One Office" culture which is collaborative and inclusive
- **Individual development:** Develop skills to contribute effectively in a smart working environment
- **Leadership** (for managers): Act as a catalyst for positive change and build an engaged, collaborative and knowledgeable organisation

Achievements in all of these areas, and especially in collaboration, will be taken into consideration in the next rewards exercise.

To give you more time for meaningful discussions with your line manager, we've extended the deadline for 2021 goal setting by a month to 31 January 2021. In the remaining interval, I would also urge you to carefully consider any orientation on goal setting given by the Vice-President of your directorate.

Wishing all colleagues an aspirational and fulfilling 2021!

02.12.20 | Author: António Campinos - President

## 2021 Performance Management

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**This second work stream shall** identify "how" do we drive and measure performance in collaborative ecosystems? The work stream "**Performance Management**" will look at this part. The initiatives under this work stream will deliver:

- Design alternative holistic performance indicators
- Drive a culture of feedback, development and collaboration

In particular, Performance Management will focus on

- Support development and implementation of a holistic performance management system in DG1 Operations which
  - is better aligned with our organisational goals in terms of Timelines, Quality and Value creation for the Users
  - is supporting the move towards a more collaborative organisation
  - creates more financial responsibility
- Reconsider points system & (personal) time budget management against this background

### What has happened so far?

- Supported change towards a more holistic way of managing our staff with workshop and form of a new community of practice (MP- CoP) on Performance Management
- Development of a new Corporate Effectiveness dashboard aiming at presenting a more holistic way on our effectiveness comprising KPIs related to Operations, Users, Finance, and People
- Development of a new planning approach for the year 2022 with more focus on holistic objectives related to the collective value we create for our users (timeliness, quality, service delivered) and a simplified way of managing time budgets

Last update: 23.07.2021 | Send us your [feedback](#)

General Consultation Committee

# Document for the General Consultative Committee

Document number	GCC/DOC 35/2023
Meeting Date	05/12/2023
Title	Amendments to Circular 364 - Implementation of the New Career System - Minimum qualifications for recruitment, grading on recruitment, promotion & other rewards
Classification	For consultation
Date submitted	20/11/2023

# **Decision of the President of the European Patent Office dated XX.XX.2023 amending Circular No. 364 – Implementation of the New Career System – Minimum qualifications for recruitment, grading on recruitment, promotion and other rewards**

The President of the European Patent Office,

Having regard to Article 10 of the European Patent Convention,

Having regard to the Service Regulations for permanent and other employees of the European Patent Office, and in particular Articles 48, 48a and 49 thereof,

Having consulted the General Consultative Committee,

Has decided as follows:

## **Article 1**

Circular No. 364 will read as set out in the annex to this decision.

## **Article 2**

Amended Circular No. 364 will enter into force on 1 January 2024.

Done at Munich, XX.XX.2023.

António Campinos

President

## Annex



### Circular No. 364

## Implementation of the New Career System – Minimum qualifications for recruitment, grading on recruitment, promotion and other rewards

Guidelines for applying Articles 11, 12(2), 48, 48a and 49 of the Service Regulations for permanent and other employees of the European Patent Office (ServRegs)

### Part I – Minimum qualification for external recruitment

#### A. Minimum qualifications for job groups 1 to 4

- (1) Diploma of completed university studies at master's level or – in exceptional cases – equivalent professional experience.
- (2) Excellent knowledge of one official language and ability to understand the other two.
- (3) Alternatively, where justified in the interests of the service, excellent knowledge of one official language. In such cases, the employee recruited will demonstrate achievement of the required level in the second and third languages under the conditions laid down in Circular No. 405.

#### B. Minimum qualifications for job group 5

- (1) Diploma of completed studies at bachelor's level or equivalent or – in exceptional cases – equivalent professional experience.
- (2) Working knowledge of two official languages.
- (3) Alternatively, where justified in the interests of the service, working knowledge of one official language. In such cases, the employee recruited will demonstrate achievement of the required level in the second language under the conditions laid down in Circular No. 405.

**C. Minimum qualifications for job group 6**

- (1) Completed secondary education or – in exceptional cases – equivalent professional experience.
- (2) Working knowledge of two official languages.
- (3) Alternatively, where justified by the interests of the service, working knowledge of one official language. In such cases, the employee recruited will demonstrate achievement of the required level in the second language under the conditions laid down in Circular No. 405.

**Part II – Grade and step on recruitment (Article 11 ServRegs)**

- (1) On recruitment an employee shall be assigned the grade corresponding to the specific post to which they have been appointed, having regard to the vacancy notice.
- (2) Assignment shall be to:
  - (a) the lowest grade in each job group, except where the need to fill a vacant post within a higher grade so requires according to the vacancy notice;
  - (b) the lowest step within the assigned grade.
- (3) Where the vacancy notice expressly provides for the possibility of recruitment in a grade higher than the lowest in the job group, the grading on recruitment shall be assigned depending on previous professional experience as described below.
  - (a) Posts in job group 4 (administrator/examiner, etc.)

Grade on recruitment is determined by previous professional experience, in accordance with the table below:

Grade	Minimum previous professional experience
G7	None
G8	6 years
G9	12 years
G10	18 years

- (b) Posts in job group 5 (head of section/expert)

Grade	Minimum previous professional experience
G7	None
G8	6 years
G9	11 years

## (c) Posts in job group 6 (administrative employee)

Grade	Minimum previous professional experience
G2	None
G3	6 years
G4	11 years
G5	16 years

- (4) Professional experience prior to recruitment to an EPO post is considered for grade assignment and career development purposes, subject to the conditions below:
- It must correspond to that of an employee holding an EPO post in the same job group as regards the type of work and level of responsibility.
  - It must occur after acquisition of the level of education required under the minimum qualifications for the post in question.
  - It must be the result of a formal working relationship documented through a contract of employment or salary payslips or any other document from the list set out by the recruitment department. Freelance activities must be documented through tax declarations.
  - Part-time work will be considered pro rata. In the absence of a documented part-time percentage, the professional experience will be calculated against a 40-hour working week.
  - The total professional experience considered may not exceed 100% for a given period.
- (5) If a doctoral degree (PhD) was earned within the framework of or concurrently with a formal working relationship, then the period of time leading to that degree is considered for grade assignment and career development purposes for any part of that period in which the requirements of paragraph 4 are met. In any event, the period recognised will not be less than three years.
- (6) If a doctoral degree was earned outside and not concurrently with a formal working relationship, only a flat rate of three years' professional experience is considered for grade assignment and career development purposes for the period of time leading to that degree.
- (7) The President may, in exceptional cases, decide that a candidate's qualifications justify a higher grading or step. The decision must be duly substantiated. Such exceptions may be justified in cases in which a candidate's qualifications are considered particularly relevant and useful to the Office.

### Part III – Functional allowance (Article 12(2) ServRegs)

**A. Definitions and conditions**

- (1) An employee requested to perform duties in their grade *inter alia* involving specific constraints or demands or additional tasks and responsibilities may be awarded a functional allowance.
- (2) The functional allowance is linked to the nature of the duties, be they of a permanent or temporary nature. Employees carrying out duties as listed in Annex I may be eligible for a functional allowance.
- (3) A functional allowance may be awarded to an employee *inter alia* under the following conditions:
  - (a) when, in addition to their usual duties, an employee performs other duties corresponding to their grade, such as those listed in Annex I.
  - (b) these additional duties are not otherwise rewarded.
  - (c) the funds are available in the corresponding budget.
- (4) The functional allowance may be granted when the additional duties or constraints commence and continue to be paid while the extra duties are required.
- (5) An employee may be awarded only one functional allowance.
- (6) The maximum amount of the functional allowance is defined in Article 12(2) ServRegs. The exact amount of the functional allowance awarded to an employee is defined by the President, considering *inter alia* the nature of the tasks, their complexity and strategic priorities.

**B. Procedure**

- (1) The line manager of an employee discharging duties included in Annex I justifying the award of a functional allowance may request such an award from their superior(s) in advance or at the latest as soon as the duties commence.
- (2) The request for continuation of the functional allowance must be renewed yearly. Deadlines for renewal of such requests will be set, in order to be considered for the budget cycle of the subsequent year.
- (3) A harmonised approach across the Office to the award of this allowance will be ensured, with regard to the:
  - (a) fulfilment of the minimum eligibility criteria; and
  - (b) budgetary envelope availability in the DG.
- (4) Each year (N), following a decision on the funds available for this element for the next year (N+1), a list of employees eligible for the functional allowance shall be submitted in the



prescribed form to the President.

- (5) New requests for functional allowances that could not have been planned in the previous year or that arise out of urgency or unforeseen needs may exceptionally be filed during the budget year within the budgetary limits. They must be submitted in the prescribed form for approval to Human Resources, which will ensure harmonised application across the Office and will report regularly to the President on the use of the functional allowance in the different DGs.
- (6) The decision to award a functional allowance rests with the President.

## **Part IV – Decisions on step advancement, bonuses and promotions (rewards)**

### **A. General**

- (1) Depending on budgetary availability Office-wide, a budgetary envelope shall be awarded each year to all DGs to be distributed as applicable in the rewards allocation rounds for:
  - (a) step advancements (Article 48 ServRegs)
  - (b) bonuses (Article 48a ServRegs)
  - (c) promotions (Article 49(2) ServRegs).
- (2) It is the responsibility of the managers at each level to assess and propose the award of the elements mentioned in paragraph 1(a)-(c) above, and to ensure a harmonised approach, taking into consideration:
  - (a) performance as explained below;
  - (b) budgetary envelope availability in the DG;
  - (c) equal opportunities among all categories of staff (such as but not limited to gender, job group, type of appointment, etc.);
  - (d) that periods of maternity and adoption leave are neutralised by considering that performance prior to and after the leave is continuous;
  - (e) that attention is paid to employees who have not received any step advancement or promotion in several successive reward exercises.
- (3) There is no automatic link between appraisal reports and the reward exercise. While performance is a precondition for the award of the elements mentioned in paragraph 1(a)-(c) above, it may not be sufficient to warrant a reward in view of:
  - (a) the setting by the President of the maximum proportion of employees to be rewarded in a specific reward exercise;

- (b) the comparative nature of the reward exercise; and
  - (c) Office priorities in the allocation of budget envelopes.
- (4) Decisions regarding the award of the elements mentioned in paragraph 1(a)-(c) above shall be taken by the President, having regard to:
- (a) the proposals of the managers at each level
  - (b) performance as explained below; and
  - (c) budgetary envelope availability in the DG.

#### **B. Step advancement (Article 48 ServRegs)**

- (1) Depending on budget availability in the DG, an advancement of one or two steps in grade is used to reward performance resulting in a sustained contribution towards the Office priorities and achievements.

Demonstration of such contribution may be for instance:

- (a) achievement of the expected goals corresponding to grade, seniority and job profile;
  - (b) steady progress towards mastery of the job, including, for example, increased scope or complexity of tasks;
  - (c) strength in the competencies critical for the employee's role;
  - (d) continuous engagement on the priorities of the Office;
  - (e) being a role model within and outside the employee's team.
- (2) Allocation of step may occur only within the same grade. When the employee has reached the highest step in their grade, career progression may occur only through promotion.

#### **C. Bonuses (Article 48a ServRegs)**

- (1) Depending 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, provided that these result in consistent achievement over the performance year, such as:
- (a) contribution to strategic projects or well-defined work packages with a clear budgetary scope and timeline defined in advance;
  - (b) collaborative achievements;

- (c) extraordinary workload due to specific organisational circumstances;
- (d) efforts towards a specific development critical to the employee's role;
- (e) meeting stretched goals;
- (f) providing significant business contributions which go beyond achievement of the individual goals.

On the basis of the above criteria, bonuses continue to reward high performance, also after reaching the end of the grade or the job group.

- (2) Bonuses may be individual in nature or have a collective character.
- (3) The amount of the bonus shall be defined within the limits of the budgetary envelope. It shall be granted within the budgetary year in one or more payments. Applicable amounts, including ceilings for the maximum amount that may be received per individual employee, are defined in the President's general guidelines on rewards.

## **D. Promotions (Article 49(2) ServRegs)**

### **a. Definitions and scope**

These guidelines concern normal promotion procedures within the meaning of Article 49(2) ServRegs: access to the next immediate higher grade within the same post not taking place following a selection procedure or reclassification.

### **b. Eligibility criteria for promotion**

- (1) The eligibility of an employee for promotion shall be assessed over time, taking into account *inter alia* the following conditions:
  - (a) the employee has reached the last step in their grade in the calendar year prior to the promotion exercise;
  - (b) proven performance and expected goals corresponding to the grade continuously achieved over several years;
  - (c) demonstrated competencies and abilities to perform at a higher grade;
  - (d) broadening or deepening of the employee's tasks, experience and responsibilities;
  - (e) continuous growth in role, along with an evolution in scope and complexity of the tasks performed.

- (2) 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).

## **E. Process**

The President shall take appropriate measures to ensure a smooth reward process and may specify the timeline, priorities and other reward modalities in general guidelines on rewards.

The procedure and responsibilities are described *inter alia* in Part IV.A above. The process may involve different rounds per year for pensionable rewards and for bonuses. More specifically:

- (1) Subject to the budgetary limits and eligibility criteria, managers at each level shall propose the distribution in each reward round of rewards for those employees under their managerial responsibility.
- (2) Each DG, taking into account the budgetary envelope allocated to it and the proposals of the managers at each level, shall submit to the President a list of employees proposed for rewards, as the result of a calibration exercise at different managerial levels including the VPs and the President.
- (3) A Harmonisation Committee shall assist the President before conclusion of each round of allocation of individual rewards by assessing and monitoring trends to ensure a balanced distribution among all categories of staff (such as but not limited to gender, job group, etc.). The Harmonisation Committee shall be responsible for ensuring a consistent approach across all DGs and observance of the applicable criteria Office-wide.
- (4) The Harmonisation Committee shall be chaired by the President and composed of members of each DG appointed by the President. The President may invite observers, who do not have an active role in the Committee but can follow the Committee's discussions. The information and documents provided as confidential must be treated as such by the members and observers of the Harmonisation Committee.
- (5) The President decides in accordance with this circular on the final list of employees to be rewarded, including, in particular, proposals for promotion.
- (6) Pensionable rewards (step advancements and promotions) will take effect on 1 April of the calendar year in which the decision is taken, provided that the conditions continue to be met on the date of the decision.
- (7) Non-pensionable rewards (bonuses) will be paid on the dates set out in the annual guidelines for rewards.
- (8) The list of promoted employees shall be published.
- (9) Upon approval of the President, a report will be published after closure of the reward exercise to provide general information about trends and global statistics.

## **Part V – Entry into force**

This circular shall enter into force on 1 January 2024. It replaces the former circular No. 364 in force until 31 December 2023.

Munich, XX.XX 2023

The President of the European Patent Office

António Campinos

## ANNEX I

Non-exhaustive list of duties involving specific constraints or demands or tasks and responsibilities that may justify the award of a functional allowance:

1. Advisers to areas of high responsibility (e.g. President, vice-presidents).
2. Management assistants to areas of high responsibility (e.g. President, vice-presidents, principal directors).
3. Management duties that are not reflected in the new grading system and that involve reporting responsibilities.
4. Others: additional tasks or duties such as functions with very high responsibility (*inter alia* political contacts with external stakeholders such as NPOs), risk management in the RFPSS, etc.

General Consultation Committee

# Document for the General Consultative Committee

Document number	GCC/DOC 01/2024
Meeting Date	31/01/2024
Title	General Guidelines on Rewards 2024 (President's Instructions on Rewards)
Classification	For consultation
Date submitted	16/01/2024

**General guidelines on  
Budget allocation and rewards distribution for 2024  
under Articles 48, 48a and 49 (2) Service Regulations and  
Circular No. 364**

**I. Budget envelope and reward types**

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.

Two different envelopes are allocated per Directorate General:

- one for pensionable rewards (steps and promotions) and
- one for non-pensionable rewards (individual and strategic bonuses).

The envelopes will be distributed as per following pay-outs and relevant organisational structure:

- 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:**

<b>Rewards round (pay-out)</b>	<b>Non-pensionable rewards</b>	<b>Pensionable rewards</b>	<b>Organisational structure</b>	<b>Eligibility – staff* in service on:</b>
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”.

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.



Further details on the budget envelopes for the 2024 reward exercises can be found in Annex I.

## **II. Rewards allocation and criteria**

Within each DG, rewards shall be allocated as follows:

### **1) Steps and promotions**

Up to 60% of eligible staff 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 as described in Annex II are included in the 60%.

The number of staff receiving two steps shall not exceed 20% of the eligible staff.

### **2) Bonuses**

A combination of individual and strategic bonuses is possible for eligible employees.

Staff up to and including job group 3 who participated in one of the identified initiatives (Annex III) are eligible for strategic bonuses.

#### **a) Bonus amounts and ceiling related to 2023 performance (paid in April 2024):**

Up to 30% of eligible staff may receive individual bonuses in the rewards round of April 2024.

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

- EUR 2 000
- 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: 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: EUR 9 000 overall, comprising any combination of following bonuses:

- Individual bonus July 2024
- Strategic bonus July 2024
- Individual bonus December 2024
- Strategic bonus December 2024

### **3) Performance criteria**

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.

For strategic bonuses, the President may define strategic initiatives and projects within or across DGs which support key objectives of the Office. The initiatives defined for strategic bonuses 2024 are listed in Annex III.

Participation in such initiatives is not limited to functional or hierarchical teams but may include collaborative work on the defined initiatives across the organisation.

Initiative owners are assigned to co-ordinate nominations across the Office. Strategic bonuses are awarded for significant contribution in the respective initiatives.

## **III. Process and timeline**

### **1. Process**

- 1) Managers should propose the rewards for the individual staff members by taking into account the criteria set out in Circular 364 as well as budget availability.
- 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.
- 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.

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:

- 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

#### 4) Rewards calibration process for pensionable rewards and individual bonuses

The rewards allocation process within the DGs follows the steps below (as outlined in Circular 364 Part IV):

- line managers submit their proposals for staff to be rewarded to their hierarchy via on-line tools
- the respective PDs and VPs may adjust and subsequently approve the proposals
- the list of 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.

## 2. Timeline

The following indicative timeline is envisaged for the process:

Planned steps	Timeline
<b>Round 1: Pensionable rewards and bonuses related to 2023 performance</b>	
Submission of rewards proposals	February 2024
Calibration phase and Harmonisation Committee meeting	March 2024
Communication and implementation of reward decisions	April 2024
<b>Round 2: Individual and strategic bonuses related to performance in 2024</b>	
Submission of rewards proposals	May 2024
Calibration phase and Harmonisation Committee meeting	June 2024
Communication and implementation of reward decisions	July 2024
<b>Round 3: Individual and strategic bonuses related to performance in 2024</b>	
Submission of rewards proposals	October 2024
Calibration phase and Harmonisation Committee meeting	November 2024
Communication and implementation of reward decisions	December 2024

#### **IV. Communication of rewards allocation**

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.

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.

After completion of the rewards process and decision of the President on the rewards:

- 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.

**ANNEX I****Budget envelope breakdown and calculation criteria for 2024  
reward exercise**

The budget envelope breakdown among the different categories of rewards is shown below.

The overall rewards budget envelope for 2024 amounts to **35.8 million Euros** and is distributed as follows:

<b>Reward type (in EUR)</b>	<b>Pensionable/ non- pensionable reward</b>	<b>Budget envelope 2024 (calendar year)</b>
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 as a transition, two cycles of bonuses: 9.3 million Euros to cover the one-off impact for the individual bonus round in April 2024 related to 2023 performance cycle, and 11.6 million Euros for the individual and strategic bonus rounds in July and December 2024. A maximum of up to 2.3 million Euros can be spent on strategic bonuses.

**ANNEX II****Catch-up mechanism 2024**

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.

## Annex III

### Strategic bonus 2024

As announced on 6 November 2023 by the President, the following (non-exhaustive) list of projects and initiatives will be considered for the strategic bonus to be paid this year:

Category	Initiative
<b>People</b>	<ul style="list-style-type: none"> <li>▪ Transition from the New Ways of Working pilot to the future policy</li> <li>▪ Diversity &amp; Inclusion: modernisation of our policies and other schemes</li> </ul>
<b>Digitalisation</b>	<ul style="list-style-type: none"> <li>▪ Simplification and digitalisation of corporate services plus out-and insourcing when applicable</li> <li>▪ Increase usage of MyEPO Portfolio</li> </ul>
<b>High-quality products and services</b>	<ul style="list-style-type: none"> <li>▪ Collaborative search in the division</li> <li>▪ Increasing quality and efficiency by improving the interaction with our external users</li> <li>▪ Certified staff for EQE or EPAC</li> <li>▪ Increasing quality through a fully digital system for the allocation of work to examiners, leveraging AI</li> <li>▪ PGP paperless teams</li> </ul>
<b>Outreach</b>	<ul style="list-style-type: none"> <li>▪ Conclusion of new validation agreements</li> <li>▪ Implementation of the work programme of the Observatory</li> <li>▪ European Inventor Network</li> <li>▪ Unitary Patent implementation</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>▪ Implementation of the outcome of the Financial Study</li> <li>▪ Implementation of the new fee structure and support for small entities</li> <li>▪ Deployment of the Technology Intelligence Platform</li> <li>▪ Vienna Green Hub</li> <li>▪ Framework for the implementation of SP2028</li> </ul>

## COMPARISON BETWEEN EXISTING AND NEW TEXTS

<u>Existing text</u>	<u>Proposed new text</u>
<p><b>General guidelines on Budget allocation and rewards distribution for 2023 under Articles 48, 48a and 49 (1) first indent Service Regulations</b></p>	<p><b>General guidelines on Budget allocation and rewards distribution for 2024<sup>3</sup> under Articles 48, 48a and 49 (1<sup>2</sup>) first indent Service Regulations and Circular No 364</b></p>
<p><b>I. Budget envelope and reward types</b></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"> <li>- one for pensionable rewards (steps and promotions) and</li> <li>- one for non-pensionable rewards (bonuses).</li> </ul>	<p><b>I. Budget envelope and reward types</b></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"> <li>- one for pensionable rewards (steps and promotions) and</li> <li>- one for non-pensionable rewards (individual and strategic bonuses).</li> </ul> <p>The envelopes will be distributed as per following pay-outs and relevant organisational structure:</p> <ul style="list-style-type: none"> <li>- In April 2024, pensionable rewards and individual bonuses relating to 2023 performance</li> <li>- In July 2024, non-pensionable rewards (individual and strategic bonuses) relating to 2024 performance.</li> <li>- In December 2024, non-pensionable rewards (individual and strategic bonuses) relating to 2024 performance.</li> </ul>



<b>Overview:</b>				
<b>Rewards round (pay out)</b>	<b>Non-pensionable rewards</b>	<b>Pensionable rewards</b>	<b>Organisational structure</b>	<b>Eligibility – staff* in service on:</b>
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 <del>2023</del>2024 reward exercises can be found in Annex I.</p> <p><del>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.</del></p>
<p><b>II. Eligibility and criteria for rewards</b></p> <p><b>1. Staff included in the reward process</b></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><b>II. Eligibility <del>Rewards allocation</del> and criteria for rewards</b></p> <p><b><del>1. Staff included in the reward process</del></b></p> <p><del>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.</del></p> <p><del>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”.</del></p>
<p><b>2. Rewards allocation and percentages</b></p> <p>Within each DG, rewards shall be allocated as follows:</p>	<p><b><del>2. Rewards allocation and percentages</del></b></p> <p>Within each DG, rewards shall be allocated as follows:</p>
<p><b>1) Steps and promotions</b></p>	<p><b>1) Steps and promotions</b></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 <b>eligible</b> staff <del>under II 1. 2)</del> 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 <del>2023</del> 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 <b>eligible</b> staff <del>under II 1. 2)</del>.</p>
<p><b>2) Bonuses</b></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"> <li>• EUR 2 000</li> </ul>	<p><b>2) Bonuses</b></p> <p><del>Up to 30% of staff under II 1. 1) may receive individual bonuses.</del></p> <p>A combination of individual and <b>collaborative strategic</b> bonuses is possible for eligible employees. <del>However, any combination of bonuses shall not exceed the annual ceiling of EUR 9 000 per employee.</del></p> <p><b>Staff up to and including job group 3 who participated in one of the identified initiatives (Annex III) are eligible for strategic bonuses.</b></p> <p><b>a) Bonus amounts and ceiling related to 2023 performance (paid in April 2024):</b></p> <p><b>Up to 30% of eligible staff may receive individual bonuses in the rewards round of April 2024.</b></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"> <li>• EUR 2 000</li> </ul>

- 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: 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: EUR 9 000 overall, comprising any combination of following bonuses:

- Individual bonus July 2024

	<ul style="list-style-type: none"> <li>• Strategic bonus July 2024</li> <li>• Individual bonus December 2024</li> <li>• Strategic bonus December 2024</li> </ul>
<p><b>3. Performance criteria</b></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><b>3. Performance criteria</b></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><b>Steps</b></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"> <li>- achievement of the expected objectives and competencies corresponding to grade, seniority and job profile;</li> <li>- steady performance;</li> <li>- good balance between expected leadership (when applicable), functional and core competencies as well as strength in the core competencies critical for their role;</li> <li>- engagement towards the priorities of the Office;</li> </ul>	<p><b>Steps</b></p> <p><del>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.</del></p> <p>Demonstration of such contribution may be for instance:</p> <ul style="list-style-type: none"> <li><del>- achievement of the expected objectives and competencies corresponding to grade, seniority and job profile;</del></li> <li><del>- steady performance;</del></li> <li><del>- good balance between expected leadership (when applicable), functional and core competencies as well as strength in the core competencies critical for their role;</del></li> <li><del>- engagement towards the priorities of the Office;</del></li> <li><del>- their being role models in and outside their teams;</del></li> </ul>

<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><del>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.</del></p>
<p><b>Promotions</b></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"> <li>- the employee has reached the last step in his grade in the calendar year prior to the promotion exercise</li> <li>- proven performance and expected objectives corresponding to the grade continuously achieved over a long period of time</li> <li>- 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</li> <li>- broadening or deepening of the employee's tasks, experience and responsibilities.</li> </ul> <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><b>Promotions</b></p> <p><del>The eligibility of an employee for promotion shall be assessed over time, taking into account inter alia the following conditions:</del></p> <ul style="list-style-type: none"> <li><del>-the employee has reached the last step in his grade in the calendar year prior to the promotion exercise</del></li> <li><del>— proven performance and expected objectives corresponding to the grade continuously achieved over a long period of time</del></li> <li><del>—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</del></li> <li><del>— broadening or deepening of the employee's tasks, experience and responsibilities.</del></li> </ul> <p><del>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).</del></p> <p><del>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).</del></p>
<p><b>Bonus</b></p>	<p><b>Bonus</b></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"> <li>- contribution to strategic projects or well-defined work packages with a clear budgetary scope and timeline defined in advance;</li> <li>- collaborative achievements;</li> <li>- extraordinary workload due to specific organisational circumstances;</li> <li>- efforts towards a specific development critical to the role;</li> <li>- meeting stretched objectives.</li> </ul> <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><del>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:</del></p> <ul style="list-style-type: none"> <li><del>—contribution to strategic projects or well defined work packages with a clear budgetary scope and timeline defined in advance;</del></li> <li><del>—collaborative achievements;</del></li> <li><del>—extraordinary workload due to specific organisational circumstances;</del></li> <li><del>—efforts towards a specific development critical to the role;</del></li> <li><del>—meeting stretched objectives.</del></li> </ul> <p><del>It is also used to acknowledge performance and demonstration of the expected competencies when step advancement or promotion is not available.</del></p> <p><del>For strategic bonuses, the President may define strategic initiatives and projects within or across DGs which support key objectives of the Office.</del><del>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.</del> The initiatives defined for strategic bonuses 2024 are listed in Annex III.</p> <p><del>The definition of teams</del> 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"> <li>- Collaborative achievement of particularly successful unit results</li> <li>- Collaborative initiatives aiming to increase and advance key objectives of the Office</li> <li>- Significant contributions to strategic projects with DG-wide or Office-wide importance, e.g. in the framework of strategic plans</li> </ul> <p>Initiative owners may be assigned to co-ordinate nominations across teams.</p>	<p><del>collaborative initiatives within or across DGs, which support key objectives and projects of the Office.</del></p> <p><del>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:</del></p> <ul style="list-style-type: none"> <li><del>Collaborative achievement of particularly successful unit results</del></li> <li><del>Collaborative initiatives aiming to increase and advance key objectives of the Office</del></li> <li><del>Significant contributions to strategic projects with DG-wide or Office-wide importance, e.g. in the framework of strategic plans</del></li> </ul> <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><b>III. Process and timeline</b></p>	<p><b>III. Process and timeline</b></p>
<p><b>1. Process</b></p>	<p><b>1. Process</b></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"> <li>▪ 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)</li> <li>▪ Newcomers (performance with demonstrated learning curve may be rewarded, including during probationary period)</li> <li>▪ Part-timers</li> <li>▪ 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)</li> <li>▪ Staff who did not benefit from pensionable rewards over several years</li> <li>▪ Staff in statutory functions (e.g. Staff Representatives, Confidential Counsellors)</li> <li>▪ Young professionals</li> </ul>	<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"> <li>- the respective PDs and VPs may adjust and subsequently approve the proposals</li> <li>- the list of those employees proposed for rewards by the respective DG is submitted to the President for review</li> <li>- 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</li> <li>- the final decision on the award of rewards is taken by the President.</li> </ul>	<ul style="list-style-type: none"> <li>- the respective PDs and VPs may adjust and subsequently approve the proposals</li> <li>- the list of <del>these</del> employees proposed for rewards by the respective DG is submitted to the President for review</li> <li>- 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</li> <li>- the final decision on the award of rewards is taken by the President.</li> </ul>																																										
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<p><b>IV. Communication of rewards allocation</b></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><b>After completion of the rewards process and decision of the President on the rewards:</b></p> <ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Managers on their initiative or upon staff request should communicate the outcome of the reward exercise, either individually or collectively.</li> <li>▪ The promoted staff members will receive a certificate of their promotion. Additionally, the list of staff receiving a promotion will be published.</li> </ul>	<p><i>Unchanged</i></p>								

<p><b>ANNEX I - Budget breakdown and calculation criteria for 2023 reward exercise</b></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><b>ANNEX I – Budget envelope breakdown and calculation criteria for 2023 reward exercise</b></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>																		
<p><b>1) Budget breakdown:</b></p> <p>The overall budget envelope allocated to 2023 rewards amounts to <b>23.0 million Euros</b> and is distributed as follows:</p> <table border="1" data-bbox="168 635 887 951"> <thead> <tr> <th>Reward type (in EUR)</th> <th>Pensionable/ non-pensionable reward</th> <th>Budget 2023 (calendar year)</th> </tr> </thead> <tbody> <tr> <td>Steps/Promotion</td> <td>pensionable</td> <td>Max. 11 700 000</td> </tr> <tr> <td>Individual and Collaborative bonus*</td> <td>non-pensionable</td> <td>Max. 11 300 000</td> </tr> </tbody> </table> <p>* A maximum of up to 30% of the bonus budget can be spent on collaborative bonuses.</p> <p><b>– Criteria used for the calculation of the reward types:</b></p> <ul style="list-style-type: none"> <li>• <b>Step advancement</b> (Art. 48 Service Regulations) and <b>promotion</b> (Art. 49 (2) Service Regulations): For promotions and</li> </ul>	Reward type (in EUR)	Pensionable/ non-pensionable reward	Budget 2023 (calendar year)	Steps/Promotion	pensionable	Max. 11 700 000	Individual and Collaborative bonus*	non-pensionable	Max. 11 300 000	<p><del>1) Budget breakdown:</del></p> <p>The overall <del>rewards</del> budget envelope allocated to for 2023<del>4</del> rewards amounts to <del>23.0</del> <b>35.8 million Euros</b> and is distributed as follows:</p> <table border="1" data-bbox="1037 635 1935 951"> <thead> <tr> <th>Reward type (in EUR)</th> <th>Pensionable/ non-pensionable reward</th> <th>Budget envelope 20234 (calendar year)</th> </tr> </thead> <tbody> <tr> <td>Steps/Promotion</td> <td>pensionable</td> <td>Max. 11 700 000 14 900 000*</td> </tr> <tr> <td>Individual and Collaborative Strategic bonus</td> <td>non-pensionable</td> <td>Max. 11 300 000 20 900 000**</td> </tr> </tbody> </table> <p>* Including additional funds of 3.2 million Euros to cover the one-off impact of advancing pensionable rewards by 3 months .</p> <p>** Including as a transition, two cycles of bonuses: 9.3 million Euros to cover the one-off impact for the individual bonus round in April 2024 related to 2023 performance cycle, and 11.6 million Euros for the individual and strategic bonus rounds in July and December 2024. * A maximum of up to 30% 2.3 million Euros can be spent on collaborative strategic bonuses.</p> <p><del>– Criteria used for the calculation of the reward types:</del></p>	Reward type (in EUR)	Pensionable/ non-pensionable reward	Budget envelope 20234 (calendar year)	Steps/Promotion	pensionable	Max. 11 700 000 14 900 000*	Individual and Collaborative Strategic bonus	non-pensionable	Max. 11 300 000 20 900 000**
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<p>steps a maximum of <b>11.7 million Euros</b> 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"> <li>• <b>Individual and collaborative bonus</b> (Art. 48a Service Regulations): A maximum of <b>11.3 million Euros</b> will be dedicated to bonuses.</li> </ul> <p><b>General information on long-term financial sustainability:</b> 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><del>• <b>Step advancement</b> (Art. 48 Service Regulations) <b>and promotion</b> (Art. 49 (2) Service Regulations): For promotions and steps a maximum of <b>11.7 million Euros</b> will be available in the 2023 budget. This has been calculated based on the demographical structure per DG.</del></p> <p><del>• <b>Individual and collaborative bonus</b> (Art. 48a Service Regulations): A maximum of <b>11.3 million Euros</b> will be dedicated to bonuses.</del></p> <p><b>General information on long-term financial sustainability:</b> 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><b>ANNEX II - Catch-up mechanism 2023</b></p>	<p><b>ANNEX II - Catch-up mechanism 2023<del>4</del></b></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 (2019<del>20</del>-2023<del>2</del>), 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><b>Annex III - Collaborative bonus 2023</b></p>	<p><b>Annex III – Collaborative <b>Strategic</b> bonus 2024<del>3</del></b></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 8<del>6</del> March<del>November</del> 2023<del>2</del> by the President, the following (non-exhaustive) list of projects and initiatives will be considered for the collaborative <b>strategic</b> bonus to be paid this year:</p>
<p><b>a) People</b></p> <ul style="list-style-type: none"> <li>• Development of skills mapping and upskilling initiatives</li> <li>• Electronic EPAC and the electronic European Qualifying Exam (e-EQE)</li> </ul>	<p><b>a) People</b></p> <ul style="list-style-type: none"> <li>• Development of skills mapping and upskilling initiatives</li> <li>• Electronic EPAC and the electronic European Qualifying Exam (e-EQE)</li> <li>• Design and implementation of policies to make the Office fit for the future</li> </ul>

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<p><b>b) Infrastructure, technology and data</b></p> <ul style="list-style-type: none"> <li>• Mainframe decommissioning</li> <li>• Data policy approval and implementation</li> <li>• IT co-operation</li> <li>• Implementation of ANSERA roadmap</li> </ul>	<p><del><b>b) Infrastructure, technology and data</b></del></p> <ul style="list-style-type: none"> <li><del>• Mainframe decommissioning</del></li> <li><del>• Data policy approval and implementation</del></li> <li><del>• IT co-operation</del></li> <li><del>• Implementation of ANSERA roadmap</del></li> </ul>								
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		<ul style="list-style-type: none"> <li>▪ PGP paperless teams</li> </ul>
	<b>Outreach</b>	<ul style="list-style-type: none"> <li>▪ Conclusion of new validation agreements</li> <li>▪ Implementation of the work programme of the Observatory</li> <li>▪ European Inventor Network</li> <li>▪ Unitary Patent implementation</li> </ul>
	<b>Sustainability</b>	<ul style="list-style-type: none"> <li>▪ Implementation of the outcome of the Financial Study</li> <li>▪ Implementation of the new fee structure and support for small entities</li> <li>▪ Deployment of the Technology Intelligence Platform</li> <li>▪ Vienna Green Hub</li> <li>▪ Framework for the implementation of SP2028</li> </ul>

# Rewards exercise 2023/2024

## ANNEX 6

### Recognising colleagues' accomplishments

Show target groups ⓘ

12.4.2024 in Office

👍 43

by António Campinos, President



Dear colleagues,

After consulting the Harmonisation Committee on 22 March, the rewards exercise for the 2023/2024 cycle has now concluded in accordance with the refined [Circular No 364](#) and [General guidelines on rewards](#).

In 2023, across the Office, we continued to develop and adapt, advancing our tools and digital processes, and collaborating to achieve greater efficiency, efficacy and sustainability. We can all be proud of our achievements during the final year of SP2023, a momentous year that saw the successful launch of the Unitary Patent system and a record number of patent applications, reflecting the trust users place in our high-quality products and services.

To acknowledge their outstanding efforts, **75% of staff will receive pensionable or non-pensionable rewards for their performance in 2023.**

As in previous years, the Office has been diligent in ensuring rewards are fairly and equitably distributed. Merit is rewarded independent of gender, maternity leave, job group, seniority or part-time work arrangements. Reward rates for men and women are similar and we see a stabilising trend of higher levels of rewards in job groups 5 and 6 and newcomers.

To be fully transparent, the Office is sharing the breakdown per category below. [View the complete statistics on the Rewards exercise 2023/2024.](#)

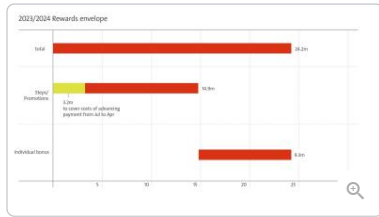
Overall, these statistics show that more funds and higher average bonus amounts were distributed than previously. This reflects the Office's ongoing efforts to make the rewards exercise a truly inclusive process that recognises all forms of outstanding contribution.

To conclude, the timeliness of rewards has improved with this rewards exercise, which advanced payment by three months to April. In the course of 2024 we will see the implementation of further [improvements](#) – with the bonus exercises in July and December rewarding performance during the ongoing performance year.

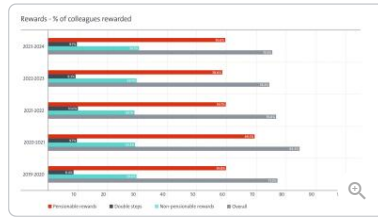
Once again, thank you all for your effort and commitment in 2023. I look forward to seeing what our Office will achieve in 2024.



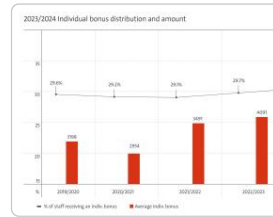
# Media gallery



Breakdown of rewards budget: As in previous years, up to 60% of eligible staff could receive pensionable rewards; up to 20% a double step; and up to 30% individual bonuses.



Individual rewards: 75.3% of colleagues will receive an individual reward.



Bonus utilisation: Individual budget utilisation was higher last year, with more funds and a higher average bonus amounts distributed.

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