

Remuneration Policy and Procedure

Remuneration Policy and Procedure is enacted pursuant to § 16 (3) of the Statutes of Estonian University of Life Sciences and based on legislation regulating payment of wages.

1. General Provisions

1.1. Remuneration Policy and Procedure (hereinafter: the Policy and Procedure) sets forth the principles and policy for the payment of remuneration to employees in exchange for their labour at Estonian University of Life Sciences (hereinafter: the University).

1.2. Remuneration for the University employees is determined in accordance with national and internal legislation governing wage payments, employee-employer agreements, and the terms and conditions specified by sponsors if the salary is funded externally.

1.3. This Policy and Procedure excludes work performed under contracts for services or other service contracts as governed by the Estonian Law of Obligations Act. Processing employment and agency contracts concluded with natural persons is governed by the University's internal accounting rules.

2. Definitions

2.1. The University as an employer is represented by the Rector or an authorised employee of the University performing the duties of the employer's representative and exercising the rights of the employer's representative.

2.2. An employee is a natural person employed by the University under an employment contract.

2.3. Remuneration is the agreed-upon payment in an employment contract, provided by the employer to the employee in exchange for labour.

2.4. The remuneration level corresponding to an employee's position is a numerical value that aligns with the minimum salary level assigned to that position.

2.5. The conditions of remuneration include the basic salary, additional remuneration, the method for calculating remuneration, and payment terms as defined in the employees' employment contracts.

2.6. The basic salary is calculated according to the hourly, daily, weekly, or monthly rate stipulated in the employment contract.

2.7. An additional remuneration is compensation provided by the employer for extra work or managerial responsibilities performed by an employee.

2.8. Minimum wage is a government-mandated rate of remuneration corresponding to a specific period of time (hourly, daily, weekly, monthly, etc.), representing the minimum amount that may be agreed upon with an employee for full-time employment.

3. Remuneration procedure

3.1. The basic salary for an employee is mutually agreed upon in the employment contract, taking into consideration the position type and salary level as outlined in Appendix 1 of this Policy and Procedure. The employee's basic salary shall not fall below the minimum monthly wage corresponding to the specified salary level in Appendix 2 of this Policy and Procedure.

3.2. The employee's position, job title, and salary level (in accordance with Appendix 1 of the Policy and Procedure) are determined based on the job description, including the nature and

content of the role, required qualifications, work complexity, working hours, and associated responsibilities.

3.3. If an employee's duties encompass various position types, their basic salary will be determined based on the minimum remuneration rate applicable to the higher of these positions.

3.4. During the trial period, the employee may receive a basic salary that is up to 25% lower than the salary scheduled to take effect after the trial period. However, this reduced amount shall not fall below the minimum wage corresponding to the agreed-upon working hours.

3.5. The Rector may grant exceptions to the salary payment principles upon receiving a well-founded submission from the Vice-Rector or the head of the structural unit.

4. Employee rights, obligations, and structural units' responsibilities under Remuneration Policy and Procedure

4.1. The Rector concludes remuneration conditions with vice-rectors, directors of institutes, professors, and other employees with whom employment agreements are concluded.

4.2. Vice rectors, directors of institutes, and other heads of structural units that are authorised to represent the employer engage in negotiations and agree upon the conditions of remuneration for the employees within their area of activity or area of responsibility.

4.3. The head of the chair or the head of the department, in coordination with the project manager, negotiates with employees whose salaries are funded by projects and agrees on the conditions for setting salaries.

4.4. The Department of Human Resources develops and oversees the remuneration field, ensuring compliance with legislation. Salaries are accurately calculated and disbursed promptly by the Department of Finance.

4.5. The responsibility for compliance with the conditions of remuneration according to this Policy and Procedure lies with the party entering into the employment contract.

5. Grounds for additional remuneration

5.1. Additional remuneration is provided in recognition of additional duties, including managerial responsibilities.

5.2. Additional duties refer to supplementary tasks beyond the scope and volume agreed upon in the employment contract, including project work and managerial responsibilities.

5.3. Additional remuneration for the performance of managerial duties within a department in an academic structural unit is formalised as a provision in the employment contract, upon request by the employer's representative.

5.3.1. In recognition of the responsibilities associated with the roles of an institute director, director of academic affairs, and director of research, additional monthly remuneration may be provided, up to 50% of the monthly rate of minimum remuneration applicable for professors.

5.3.2. The Rector has the authority to assign the director of the institute a higher additional remuneration than the rate specified in Clause 5.3.1 for performing management tasks.

5.4. One-time additional remuneration may be granted for the current month. The monthly additional remuneration is calculated considering that it is not paid for periods when the employee is not performing work duties, such as during vacations or temporary incapacity for work.

6. Payment of remuneration

6.1. The salary is transferred to the employee's bank account once a month. The salary is transferred no later than the last day of the current month.

7. Employee rights in the remuneration arrangement

7.1. An employee has the right to request remuneration conditions and their justified modification, in accordance with their position, working conditions, tasks performed, and job performance.

7.2. An employee has the right to seek clarifications regarding remuneration conditions and additional remuneration granted from the official who made the relevant proposal (head of structural unit, immediate superior).

7.3. An employee has the right to receive monthly notifications from the finance department regarding the components of their remuneration that have been calculated (basic salary, additional remuneration), as well as the taxes and charges that have been withheld.

7.4. An employee has the right to receive information from the Department of Human Resources regarding the remuneration policy and procedure and their own remuneration.

8. Implementing provisions

8.1. The Directive enters into force upon notification and shall be applied starting from 1.01.2022.

8.2. I repeal the Rector's Directive No 1-8/9 of 13.03.2019, starting from 01.01.2022

8.3. I repeal the Rector's Directive No 18/20 of 08.06.2020, starting from 01.01.2022