Selection Model for Conditions of Employment
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In the Collective Labour Agreement for Dutch Universities (CAO-NU) has been agreed on the implementation of a selection model for conditions of employment. With the selection model employees can use certain conditions of employment (sources) as means of exchange for other conditions of employment (goals).

December 12, 2001 the Board of Directors and the representatives of the Employer's Organizations in the IGO (Instellingsgebonden Overleg) have agreed that per January 1, 2002 the selection model would be implemented.

Updated as of June 16, 2023.

1. **Basic Principles**

1.1 **Budget neutrality**
A condition set down in the CAO is budget neutrality at the level of the institute.

1.2 **Administratively workable and well arranged**
The selection model has four sources and eleven targets. This generates many different selection options. This alone creates a massive burden for implementing the scheme. The aim is to keep the selection model transparent.

1.3 **Individual responsibility**
The selections have no bearing on the pensionable earnings if the exchange amount to no more than 30% of the original pensionable earnings.

The use of gross wage components (salary, 13th month allowance, holiday pay) in the selection model may have consequences in the year you participate:

- Conversion reduces the taxable wage and thus the basis for the Social Insurance laws (SV wage). This may affect, for instance, an unemployment, disability, or illness payment should you be eligible for one. *Experience teaches that this effect tends to be small and does not lessen the net gain in the year you participate.*
- The regulation reduces your taxable wage, and this could result in an increase in any income-dependent allowance such as rent allowance, healthcare allowance and child daycare allowance.

The employer will do his utmost to inform employees of the consequences. If you wish to discuss matters or have a question about the possible consequences of participating in this selection model, contact HRM. However, the employee is responsible for the choice he or she makes. After the choice is submitted in TU/e InSite, an employee is not able to reconsider the choice that has been made.

Using gross salary as a source does not affect any salary-related allowances (holiday allowance and end-of-year bonus) and payments as referred to in Section 3 of the collective labour agreement (CAO NU).

2. **Who can participate?**

All TU/e employees as referred in CAO NU article 1.1 can utilize the selection model except for the following groups:
Interns/trainees
Unpaid staff
Participants in the 30% facility regarding financial choices; this group is only allowed to make use of choices with time as a source and target as selecting flexible working hours, saving for leave selection, extension of parental leave.

Employees with part-time employment have the same selection options as employees with full-time employment. With one exception, namely the selection option flexible working hours as referred to in Article 8.1. All other selection options apply to part-timers in full and not in proportion, considering the statutory limits for the minimum gross monthly salary and the statutory minimum holiday allowance.

3. Selecting deadlines

The employee can indicate his/her choices via TU/e InSite during the calendar year.

In principle, the employee’s choice becomes definitive immediately after it has been submitted in TU/e InSite. In the case of the choices: purchase of a bicycle, contribution to study/training and union membership fees, the uploaded attachments will first be checked before the choice is made definitive in TU/e InSite.

If the choice has been made and submitted via TU/e InSite by no later than the last day of the month, then that choice (if the source and purpose allow) will be processed the following month, provided it is approved in time.

The selection model closes each year on November 30, after which choices for the year in question can no longer be submitted.

If the employee makes a choice after the dates mentioned below, this request cannot be granted.

- Deploying leave hours/gross monthly salary/End-of-the-year allowance: Choice must be made November 30 at last.
- Deploying holiday allowance: The choice must be made April 30 at last.
- Choosing the working hours: Make a choice by November 30 at last. If an employee does not make a choice, the last recorded choice is tacitly extended for another year.

4. Decision

If the employee wants to exchange time for time or money for money, the choice will be made definitive in TU/e InSite in compliance with CAO NU article 5.9, paragraph 2. Regarding a choice to convert time into money or money into time, the manager may, after consultation with the employee, undo the request, giving reasons.

Based on article 5.9 of the CAO NU, the employer may decide to undo choices made in TU/e InSite (or have them undone) if the choice leads to serious problems:

- For operational management in re-staffing the freed hours;
- In the area of safety;
- Of a schedule-technical nature;
- Due to not having enough available work; or
- Because the staff budge for this is insufficient.

Each decision concerning a submitted request is treated as a decision within the meaning of the General Administrative Law Act.

5. Terminating employment

In case of the termination of employment in the course of the calendar year, all the choices made must be implemented proportionately. If it is not possible to realize these choices, then a proportional settlement
takes place. If it emerges that the working conditions were used unjustly, then a proportional settlement takes place as well.

6. Exchanging sources for targets

Per calendar year the value of maximum 76 hours in total can be exchanged for targets defined for that purpose. For the choice of leave time for money, a ceiling applies (see TU/e InSite).

As for holiday allowance: you can only exchange the amount that exceeds the legally set minimum holiday allowance (see CAO NU) (with full time employment).

Note:
When using your salary for exchange, your salary can't fall below the legal minimum wage. The legal minimum wage changes twice a year. See http://www.rijksoverheid.nl/onderwerpen/minimumloon for the actual amounts (in Dutch).

To keep the selection model manageable, your choices will be settled with the specified source(s) at once. Financing with salary cannot be spread over several months. If multiple sources have been indicated, for example holiday allowance plus salary, holiday allowance will first be taxed up to the maximum; the remaining will be deducted from the salary.

The bike, insurance and the first amount for maintenance costs is first financed with your holiday allowance. If the holiday allowance is insufficient, the remaining is financed with the salary. The remaining maintenance costs for the next 2 years you can either finance with the holiday allowance or end of year bonus or you will receive in that year.

If the employee chooses to fund through salary only, the employee can use the salary of the next processing month for this purpose. For the choice Extra compensation for commuting costs (Article 8.9), the employee may use the following gross sources for the tax exchange:

1. the end-of-year bonus; or
2. the combination of holiday allowance and end-of-year bonus; or
3. monthly with the salary.

Example
Mr. Jansen buys a bicycle for 800 euros with Insurance for 240 euros.
Total costs: 1040 euros, leaving 210 euros for maintenance (1250-1040).
Mr. Jansen can finance this amount in various ways. Below are two examples:

Example 1
Using 62 hours of leave at 20 euros per hour (62*20=1240) and the remaining 10 euros (1250-1240) with (part of) the monthly salary, holiday payment or 13th month allowance.

62 hours are debited from the leave card and Mr. Jansen gives up (part of) the gross 13th month at € 10. For surrendering these two sources he receives instead a net amount ('purpose of bicycle') of € 1250.

On balance Mr. Jansen receives as a countervalue for surrendering 62 (gross) hours of leave 1240 euros net and also for giving up (part of) the gross 13th month a tax benefit that depends on Mr. Jansen’s tax band. For a tax band of 42%, this benefit is about: 42% of € 10 = € 4.20.

Example 2
Using 25 hours of leave at 20 euros per hour (20*25=500) and the remaining 750 euros with (part of) the 13th month allowance.
25 hours are debited from the leave card and Mr. Jansen gives up (part of) the gross 13th month at € 750. For surrendering these two sources he receives instead a net amount (‘purpose of bicycle’) of € 1250.

On balance Mr. Jansen receives as a countervalue for surrendering 25 (gross) hours of leave 500 euros net and also for giving up (part of) the gross 13th month a tax benefit that depends on Mr. Jansen’s tax band. For a tax band of 42%, this benefit is about: 42% of € 750 = € 315.

7. Sources

7.1 Holiday hours
Per calendar year the value of maximum 76 hours in total can be exchanged for targets defined for that purpose. For the choice of leave time for money, a ceiling applies; see notes to the respective choice.

If employees with part-time employment have a problem accruing the exchangeable hours for a selection model 'Target', they can ask the director/manager to be allowed to accrue more hours by temporarily working more. It is not possible to work more with the purpose of exchanging the accrued hours for additional income. It is also not possible to work more than the maximum 80 hours. The value of one hour in terms of a standard working hour is translated into and paid according to 0.704% of the monthly salary of the month in which the application is implemented in a full-time job. This percentage includes the 8% holiday allowance and the 8.3% systematic end-of-the-year allowance. If time (hours) is exchanged for money, the payment takes place in the form of a gross allowance on top of the salary. One hour retains the same value.

Exchanging hours must not lead to a situation in which the employee has fewer hours at his/her disposal than four times the working hours per week valid for the employee.

7.2 Money
Gross monthly salary, holiday allowance and end-of-the-year allowance are defined as money targets.

8. Targets

8.1 Selecting flexible working hours
This selection is available for employees with employment of 0.5 FTE or more (50% of a full-time job) and who are permitted to participate in the selection model for conditions of employment, except for participants in the Senior Staff Scheme.

For those who can choose, the following applies: A selection of working hours is accepted unless it comes in conflict with interests of the operational management.

For selecting, the employee makes an appointment with the direct manager about the working hours per week that will deviate from the standard full-time employment of 38 hours per week. The deviation can be maximum 2 hours per week upwards or downward, in other words, 40 hours or 36 hours per week. On a yearly basis the employee receives 96 extra hours by working 2 hours longer than the 38-hour week or 96 hours less by working two hours less than the standard 38-hour week.

The employee and the manager will reach agreements about allocation of vacation hours and specification of the working hours.

A working hours selection has no impact on the salary. It purely concerns an agreement about working hours. The basis is a standard working day of 8 hours. For employees with full-time employment and a selected working week of 40 hours, the working hours will usually be 5 x 8 hours. A choice of 36 working hours can be carried out for example in 4 days of 8 hours and 1 day of 4 hours or 4 days of 7 hours and 1 day of 8 hours; an employee can also work 4 days of 9 hours.

Note: Only one time a year it is possible to make a choice in flexible working hours. The effective date is always 1 January of the following year.
8.2 Saving for leave selection

This is not applicable to employees with temporary employment (unless there is a prospect of permanent employment) and/or less than 0.5 FTE (except for doctoral candidates/ EngD trainees; see below).

Employees with "tenure track" employment are allowed to save for a sabbatical (see 1. below).

1. A longer leave period including a sabbatical: (not for doctoral candidates/ EngD trainees)

Between at least 3 and at most 5 years a minimum of 56 and maximum of 152 hours of leave can be saved for an extended unbroken period of leave or the temporary reduction of working hours per week. In the case of an extended unbroken period of leave, the saved leave must be taken within one year of the end of the period in which the leave has been saved unless this is agreed otherwise in consultation. In the case of a temporary reduction of working hours per week, the period in which this is taken may carry over into the following year.

If the leave is taken for a 'sabbatical leave', the director/manager shall grant the employee a contribution of maximum 10% of the saved balance at the time that leave is realized. A condition for this is that the director/manager assessed that the sabbatical leave will also serve the interest of the institute. In this context, 'sabbatical leave' is defined as: a longer period of leave in which the employee devotes general or specific attention to his/her employability (usability).

If the agreements regarding a long-term leave/sabbatical cannot be met, then the employee and director/manager shall have to make new agreements well in time.

2. Completing a doctorate/thesis

Doctoral candidates/ EngD trainees can save up to 56 hours of leave per year with a maximum of 224 hours during the entire appointment period for the purpose of a 'leave premium' all at once at the end of the appointment. The premium per saved hour is 0.692% of the last earned monthly salary.

To be eligible for this, the candidate must complete the dissertation or thesis subject within the time period determined for this purpose.

If one has not completed it within the allotted time frame, he/she can still use the saved balance to extend employment to complete the doctorate.

If the candidate is conferred a doctorate or completes the thesis before the original deadline and employment as a PhD candidate is terminated earlier, then - in addition to the departure premium - the person receives a bonus of 50% of each monthly salary for each full month that falls between the original deadline and the actual termination of employment.

This saving scheme can be submitted only once during the appointment as doctoral candidate EngD trainee and can’t be changed.

In the event of termination (or premature termination) of employment, the saved leave must be taken before leaving employment. If and insofar that operational management does not permit it, the employee is paid for the saved leave. In the latter case, the payment is based 0.704% of the last monthly salary of the non-taken hours of leave.

Payment of leave hours is in the form of a supplement. This supplement is not included in the pensionable earning used for calculating pensions and salary related allowances.

When taking the saved period of leave, there is a right to travel reimbursement for the duration of the (sabbatical) period that corresponds with the amount of leave saved by the employee.
8.3 Extension of parental leave
Supplementary to parental leave as referred to in the 'Parental Leave Regulations of TU/e', an employee can save hours of leave for every child younger than 8 years old by deploying leave hours, gross salary, holiday allowance, end-of-the-year allowance and bonus. This only applies when an employee has used up the full paid parental leave.

This saving arrangement is permitted for minimum one year and maximum four years. Per calendar year, the employer is permitted to save maximum 80 hours. This saving scheme can be submitted only once per child and can't be changed.

Further agreements are made between the employer and employee about the precise time of taking the leave and its duration. In any case, the leave has to be taken at the period in which parental leave is permitted, based on the 'Parental Leave Regulations of TU/e'.

8.4 Leave for participating in a function-related study or course (has expired)
Participation in this choice is no longer possible as of 1-1-2016.

8.5 Extra holiday hours
By deploying gross salary, holiday allowance and end-of-the-year allowance, an employee can obtain maximum 80 holiday hours per calendar year. These extra holiday hours are added to the non-statutory holiday hours. The maximum also applies to part-time employees (meaning not pro rata).

8.6 Extra salary
Maximum 38 holiday hours can be used for obtaining extra salary. The maximum also applies to part-time employees (meaning not pro rata). This choice can be made only once per calendar year.

8.7 (Contribution) for the cost of a study or education or other career related matters
If an employee is following (or will follow) a career-related study or course that will enable him/her to continue fulfilling the task at a reasonable level or to fulfill a higher or another task, and the study or course is reimbursed for 50% or 75%, he/she can deploy the value of maximum 38 hours, gross salary, holiday allowance or end-of-the-year allowance for contributing to the cost of the study or course. This is on condition that the invoice is addressed to the employee and paid by the employee. NB It can happen this invoice is reimbursed by the employer partially for 50% or 75% by way of declaration. The employee must send both an approved application for ‘TU/e study facilities scheme’ and the invoice.

If an employee pays for other career-related matters like memberships and contributions of networks/associations himself, he can use (the value of) up to 38 hours, gross monthly salary, holiday pay and 13th month allowance for that part of the costs the employee pays himself upon presentation of proof of payment. This choice is unrelated to the existing trade union contribution choice whereby the December salary and/or 13th month allowance is set off fiscally against the trade union contribution, see 8.10.

8.8 Bicycle plan scheme
The selection model offers the possibility to use 62 leave hours, gross salary, holiday allowance or end-of-the-year allowance for acquiring a bicycle. The value of one hour for the purchase of a bicycle has been set at €20 at the TU/e. For more information, please refer to the Bicycle Scheme.
8.9 Extra allowance for commuting costs
The allowance is calculated over a travel distance determined via Google Maps from the employee’s home address to De Rondom 70, 5612 AP, Eindhoven (standard) or to the location designated by the employer where the employee performs the work (alternative).

In accordance with the tax rules, the allowance is based on 214 working days per calendar year during which the employee commutes to his or her regular place of work (full-time). If less than 214 working days are spent commuting to the regular place of work, the allowance is calculated based on the actual situation. So, for 3 days of travel: 3/5 x 214 working days.

**Calculation formula for the maximum tax allowance for Extra Allowance for Commuting Costs**: 214 working days x single commuting distance (with a maximum travel distance of 75 kilometers one way) from residential address to regular place of work x 2 times the maximum tax-free km rate (2022: € 0.21) x number of commuting days per week divided by 5 working days (full-time).

The amount already received for the commuting allowance is deducted from the amount obtained with the formula (read: the tax allowance). The remaining amount is exchanged for tax purposes with the chosen gross source(s).
The tax allowance is then used according to the employee's choice from the options below.

**Three options**

In the selection model, three options are possible for the tax exchange Extra allowance for commuting costs:

1. monthly conversion with the gross monthly salary; or
   - N.B. If you make this choice later in the year, the total amount will be settled over the remaining months of the calendar year.
2. conversion with a combination of the holiday allowance and the end-of-year bonus; or
3. conversion with only the end-of-year bonus.

The tax allowance, no matter which choice you make, is the same. Whether you have sufficient sources to be able to fully convert this tax allowance depends on your individual situation. Consider, for example, the limits of the statutory gross minimum wage or the gross minimum holiday allowance.
The net benefit the employee obtains from the tax exchange depends on the employee's taxable salary (read: the tax rate applicable to the employee).

Make a one-time choice in TU/e InSite

It is not necessary to make a new choice every year for the tax exchange of commuting costs. Giving your choice once is sufficient. Once your choice has been made, it is automatically continued each year. Of course, you retain the ability to change or terminate the choice. However, this is not possible during the current calendar year, but only as of January 1 of the following year.
Take note! You must, however, indicate that choice during the calendar year in question (closing date November 30).

For this selection you do not need the approval of your director/manager.

8.10 Union contribution
With deploying the gross salary of December or end-of-the-year allowance and submitting payment proof(s), the employee is entitled to receive a tax-friendly reimbursement for owed/paid union contribution.

All this is subject to the number of months that the employee had worked that particular year in the TU/e.

No approval is necessary from the director/manager for this selection.

8.11 Additional accrual of ABP ExtraPensioen
The employee can choose for an additional accrual of ABP ExtraPensioen, in accordance with the ABP pension scheme. For more information (in Dutch only), please refer to the ABP website.

Hardship clause

If an employee is unable to make his choice known (in time) through no fault of his own, the schedules stated above may deviate from the aforementioned regulation within reasonable limits. A request to this effect can be submitted to the director of the entity where the employee works. The director then forwards this request, including any supplementary information it may contain, to the director of HRM, who then decides concerning this request.

A dispute can be submitted insofar as it relates to compliance with salary agreements and the implementation of the selection model. Click here for more information.