



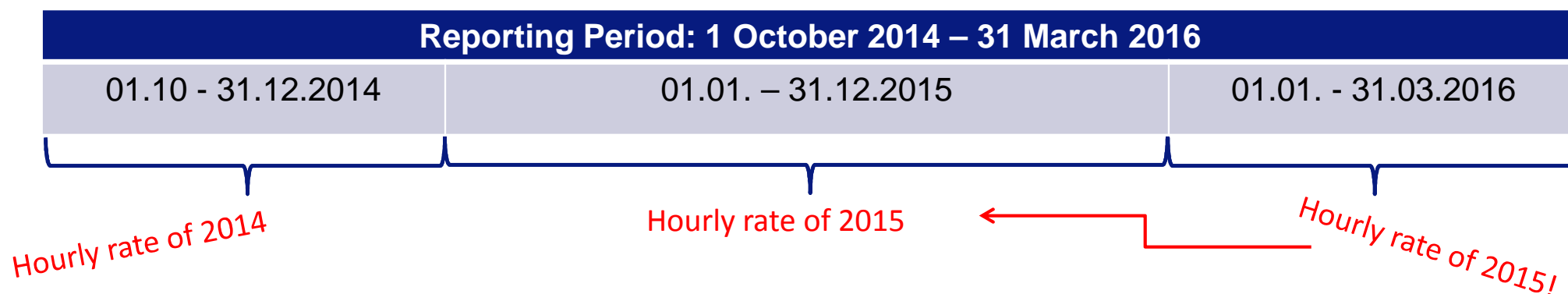
Workshop on Personnel Costs Horizon 2020

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Hourly Rate



- calculation by financial year (12 months period covered by the annual accounts of the beneficiary)
- on the basis of the last closed financial year, i. e. when at the end of a reporting period the financial year is not closed, the figures of the most recent closed financial year available must be used
- no more adjustments once the actual salary of the current year is available → exception: errors or mistakes in the cost calculation

Example: Cost Development Collective Labour Agreement



Salary Grade E 13 Step 4, change to E 14 Step 4 in January 2016

Financial Year	2014	2015	2016
Basic Annual Salary	53.749,68 EUR	53.749,68 EUR	57.693,72 EUR
Annual Bonus Payment	2.687,48 EUR	2.687,48 EUR	2.884,69 EUR
Total Annual Salary	56.437,16 EUR	56.437,16 EUR	60.578,41 EUR

Example: Cost calculation (Option 1720 hours with fulltime contract)

Financial Year	01.10.-31.12.2014	01.01.-31.12.2015	01.01.-31.03.2016
Annual Salary	53.749,68 EUR	53.749,68 EUR	57.693,72 EUR
Bonus pro-rata	= 671,87 EUR (2.687,48*3/12)	= 2.687,48 EUR (2.687,48*12/12)	= 721,17 EUR (2.884,69*3/12)
Hourly rate <u>basic salary + bonus</u> 1720 h	= 31,64 EUR (54.421,55 : 1720)	= 32,81 EUR (56.437,16 : 1720)	= 32,81 EUR (last closed financial year)
Costs incurred (actual hourly rate* productive hours)	13.605,20 EUR (31,64 EUR*430h)	56.437,16 EUR (32,81 EUR*1720)	14.602,80 EUR (33,96 EUR*430)
Costs eligible: (last closed financial year hourly rate*productive hours)	13.605,20 EUR (31,64 EUR*430h)	56.433,20 EUR (32,81 EUR*1720h)	14.108,30 EUR (32,81 EUR*1720h)
Balance	+/- 0	- 3,96 EUR (due to rounding off)	- 494,50 EUR

Example: Cost Development Collective Labour Agreement



Salary Grade E 15 Step 3, change to Step 4 in January 2016

Financial Year	2014	2015	2016
Basic Annual Salary	57.693.72 EUR	57.693.72 EUR	64.996,68 EUR
Annual Bonus Payment	2.884.69 EUR	2.884.69 EUR	3.249,83 EUR
Total Annual Salary	60.578.41 EUR	60.578.41 EUR	68.246,51 EUR

Example: Cost calculation (Option 1720 hours with fulltime contract)

Financial Year	01.10.-31.12.2014	01.01.-31.12.2015	01.01.-31.03.2016
Annual Salary	57.693,72 EUR	57.693,72 EUR	64.996,68 EUR
Bonus pro-rata	= 721,17 EUR (2.884,69*3/12)	= 2884,69 EUR (2.884,69*12/12)	= 812,46 EUR (3.249,83*3/12)
Hourly rate <u>(basic salary+ bonus)</u> 1720 h	= 33,96 EUR (58.414,89 : 1720)	= 35,22 EUR (60.578,41 : 1720)	= 35,22 EUR (last closed financial year)
Costs incurred actual hourly rate* productive hours	14.602,80 EUR (33,96 EUR * 430)	60.578,41 EUR (35,22 EUR * 430)	16.451,80 EUR (38,26 EUR * 430)
Costs eligible: last closed financial year hourly rate*productive hours	14.602,80 EUR (33,96 EUR*430h)	60.578,40 EUR (35,22 EUR*1720h)	15.144,60 EUR (35,22 EUR*430h)
Balance	+/- 0	- 0,01 EUR (due to rounding off)	- 1.307,20 EUR

Example: Cost Development Collective Labour Agreement



Salary Grade E 15 Step 3 with no salary changes

Financial Year	2014	2015	2016
Basic Annual Salary	57.693.72 EUR	57.693.72 EUR	57.693.72 EUR
Annual Bonus Payment	2.884.69 EUR	2.884.69 EUR	2.884.69 EUR
Total Annual Salary	60.578.41 EUR	60.578.41 EUR	60.578.41 EUR

Example: Cost calculation (Option 1720 hours with fulltime contract)

Financial Year	01.10.-31.12.2014	01.01.-31.12.2015	01.01.-31.03.2016
Annual Salary	57.693.72 EUR	57.693.72 EUR	57.693.72 EUR
Bonus pro-rata	= 721,17 EUR (2.884.69*3/12)	= 2884,69 EUR (2.884.69*12/12)	= 721,17 EUR (2.884.69*3/12)
Hourly rate <u>(basic salary+ bonus)</u> 1720 h	= 33,96 EUR (58.414,89 : 1720)	= 35,22 EUR (60.578.41 : 1720)	= 35,22 EUR (last closed financial year)
Costs incurred actual hourly rate* productive hours	14.602,80 EUR (33,96 EUR * 430)	60.578,41 EUR (35,22 EUR * 430)	14.602,80 EUR (33,96 EUR * 430)
Costs eligible: last closed financial year hourly rate*productive hours	14.602,80 EUR (33,96 EUR*430h)	60.578,40 EUR (35,22 EUR*1720h)	15.144,60 EUR (35,22 EUR*430)
Balance	+/- 0	- 0,01 EUR (due to rounding off)	+ 541,80 EUR

Hourly Rate

Consequences:

- does not comply with eligibility criterion: actual costs
- financial losses when salary increase cannot be directly attributed to the project
- financial gain also possible
- difficult to retrieve salaries of the last closed financial year when employee has not worked on H2020 project before

Suggestion:

- **optional use of actual costs** incurred in the on-going financial year
- already used for employees hired during the on-going financial year
- still no adjustments once the financial year is closed
exception: errors in the cost calculation

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