

# Wage Policy for the University of Copenhagen



## 1. Introduction – Objectives

The wage policy is an integral part of the University's Personnel Policy and is based on the values and attitudes expressed in this policy. The point of departure for the wage policy is that there should be a coherent relation between the qualifications and efforts of employees and the objectives set by the University, and that this should be reflected in pay and other conditions of employment.

The University of Copenhagen is part of the public sector, and remuneration is therefore governed by official regulations, job structure and collective agreements. Over time, the overall growth in pay will correspond to that of wages and prices generally. Pay adjustments are to an extent determined by collective agreements, so that the decentral setting of pay levels that takes place at the University will, over time, correspond to the difference between the adjustments for wages and prices and the adjustments determined by the collective agreements. The management will ensure that funds are earmarked for this purpose.

The University of Copenhagen will be internationally-oriented to a still higher degree, with employees, cooperation partners and students being attracted both from within Denmark and from abroad. Moreover, the University must be ready for keener competition for students, research funding, contracts with business and industry and the best-qualified employees.

## 2. General Principles

- The wage policy applies to all employees at the University of Copenhagen, regardless of their source of financing and pay system.
- The wage policy shall further the University's objectives and the performance of its tasks by flexible remuneration of employee effort that increases the scope for realising those objectives.
- The wage policy shall contribute to well-being and a good working environment by reflecting the interrelation of job content, qualifications, effort and remuneration, with a view to promoting employees' motivation, satisfaction and commitment.
- The wage policy shall enhance the University's ability to attract and retain the best-qualified employees from abroad as well as from the Danish employment market.
- The wage policy forms part of the University's Personnel Policy. It is important that remuneration is seen in relation to the potential for professional challenges, internal mobility, continuing education and training, development of competences, leave arrangements, seniors' arrangements, etc.
- Importance is attached in the wage policy to equality of treatment, so that employees with comparable functions, qualifications, efforts and results can normally obtain the same level of pay.
- The wage policy shall be open and transparent, and the criteria for the award of pay supplements shall be accessible to all employees.

- Pay shall reflect the employee's professional and personal qualifications, job content, efforts and performance. The University thus practises differential remuneration, and it is possible for employees of all categories to obtain pay supplements.

### 3. Agreement Structure

The University of Copenhagen desires to have its wage agreements organised in a clear agreement structure based on the following:

- A. Wage policy of the University of Copenhagen (this document).
- B. Wage agreements via employee organisations or collective agreements can be made at University level as a supplement to national collective agreements currently in force.
- C. Wage agreements may be made at faculty level as necessary. Where there is particular need, the University's wage policy may be supplemented by a wage policy at faculty level, but it is the aim that the University has one overall policy.

Where there is particular need, wage agreements may be made at department level, provided that the Head of Department has been authorised to negotiate by the Dean.

### 4. Types and Amounts of Supplements

The pay system provides for a basic wage plus supplements agreed at the University. The basic wage is determined in accordance with central negotiations between the negotiating employee organisations and the Danish Ministry of Finance. The University can augment the basic wage by individual supplements as set out in wage agreements and below:

**Qualification Supplement:** The qualification supplement is negotiated at the University. The amount of the supplement is determined on the basis of the individual employee's professional and personal qualifications. The supplement is permanent, but may in special cases be paid as a temporary supplement. Supplements of this type must not normally be of less than DKK 9,900 p.a. (2012 level).

**Function Supplement:** The function supplement is negotiated at the University and is used to reward an employee for accepting particular tasks or responsibilities. Function supplements are typically limited to a certain period or task, but may be permanent, if the function for which they are awarded is an integral part of the job content. Supplements of this type must not normally be of less than DKK 9,900 p.a. (2012 level).

**Recruitment/Retention Supplement:** In recruitment or retention situations, i.e., in situations where market conditions make it necessary to offer a higher remuneration than normal for the job category concerned, a special recruitment or retention supplement can be paid. For example, such supplements are paid to attract employees with special qualifications, or when there is a shortage of employees of a particular kind, or in order to retain experienced employees.

These supplements can be permanent, temporary or one-off.

**One-off Payment:** One-off payments are made to reward an extraordinary effort, and cannot be awarded for effort of long duration. One-off payments must not normally be of less than DKK 12,000. One-off payments do not require the employee to change over to a new pay system.

**Performance-related Pay:** Performance-related pay can be agreed in special cases. It entails that supplements are awarded and triggered on the basis of a number of pre-agreed qualitative and quantitative performance measures.

**Advance Agreements:** Advance agreements may be made applying to groups of employees, whereby a supplement is linked to the performance of specified functions or the achievement of certain qualifications. The specific supplements are triggered for the individual employee when the agreed conditions have been fulfilled.

**Pension:** Permanent and temporary supplements agreed at the University of Copenhagen are pensionable. If agreed upon, pension contribution can be made for one-off payments.

**Executive Pay:** Executive pay agreements are made in accordance with the agreement on executive pay made between the Danish Ministry of Finance and the negotiating employee organisations and are composed in accordance with the principles contained in the wage policy.

Employees on grade 35 or above of the pay scale can negotiate pay personally with their manager. They have the option of choosing to be represented by an executive pay negotiator or employee representative.

**Chief and Executive Advisers:** Chief and Executive Advisers negotiate their pay according to the same rules as managers.

**Employee Representatives:** The situation of employee representatives with regard to pay and pay increases must not be inferior to that of other employees, and they must have the opportunity to obtain supplements in addition to their basic wage on an equal footing with other employees. Employee representatives must be able to obtain supplements for the qualifications which they acquire through their function as employee representatives.

**Employees Covered by a Former Pay System:** Employees belonging to groups covered by collective agreements who are not covered by the new pay systems will be paid in accordance with the relevant collective agreements. Pay negotiations for these groups are on the basis of the "Agreement on Local Pay and Executive Pay".

The award of permanent and temporary supplements requires changing over to a new pay system for those who belong to collective agreement groups and are able to choose between remaining in their old system or switching to a new system.

## 5. Pay Supplement Negotiation Procedure

Agreements on pay supplements are made between the University management and the negotiating employee organisation/representative. Power to negotiate on behalf of the University has been delegated by the Rector to the Deans and the University Director, who can delegate it further by issuing written authorisation.

Pay negotiations are normally conducted once a year, at a fixed time. Pay negotiations also take place when a new appointment is made and may take place as part of retaining an employee or if an employee's job content changes substantially. The initiative for pay negotiations outside the annual adjustment may come from the management or from an employee representative.

It is the responsibility of both the management and the employee representatives to ensure that pay negotiations run smoothly and satisfactorily and in accordance with the collective agreement and the wage policy and wage agreements. Both sides must help to ensure that pay negotiations, whether relating to the annual adjustments or to individual cases, are conducted responsibly and efficiently.

Procedure for New Appointments:

At the advertisement stage: The level of remuneration (basic wage under the collective agreement, approved general supplements and any supplements that may have been specifically approved for the position concerned), and the possibility of individual pay negotiation, must appear in the advertisement.

At the appointment interview: The expectations and wishes of the workplace and the applicant with regard to pay should be discussed at the interview. It must be made clear in the discussion that pay will only be fixed after negotiation with the relevant negotiating body or employee representative and therefore cannot be agreed at the interview. In order to speed the appointment process, applicants should be told at the interview what negotiating body or employee representative will be involved in negotiating their pay. The negotiations must take place before the contract of employment is signed.

Procedure for the Annual Pay Negotiations:

The annual pay adjustment process is governed by an activity and time plan for the Faculty or the Central Administration. It is considered important that the pay adjustment process is conducted simply, rapidly and openly. The plan should be so arranged that no more than three months will normally elapse between the consideration of the plan by the collaboration committee and the announcement of the outcome of the negotiations.

**Phases of the Pay Adjustment Process:**

- The Faculty Collaboration Committee or the Central Administration collaboration committee draws up an activity and time plan for the annual local pay negotiations. The plan also covers evaluation of the outcome of the negotiations. In addition, the collaboration committee discusses what pay statistics shall be available in the negotiations. This is done to ensure that the negotiating parties are in possession of relevant statistical material relating to pay, such as tables of employees' present pay, pay levels and pay increases. Copies of any statistical material on pay that either of the parties wishes to have included in the negotiations must be supplied to the other party.
- The management calls for proposals from management representatives and employee representatives.
- Proposals as to which employees should be awarded supplements are exchanged between the management and employee representatives/organisations.
- The negotiation phase including the drawing up of individual written agreements. These agreements are produced by the management. In the event of disagreement in the local pay negotiations, the dispute can be submitted to the University management and the employee organisation for processing.
- The communication phase – when the negotiations have been concluded, the two sides will agree on how the outcome is to be communicated. It will normally be the responsibility of the management to communicate the outcome.
- The pay negotiation process is set out more precisely in the annual activity and time plan for the faculty.

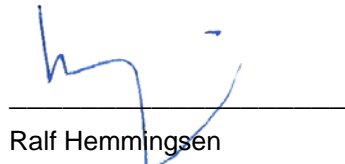
## **6. Validity and Termination**

This wage policy shall come into effect upon its adoption by the General Collaboration Committee (HSU).

It can be terminated in accordance with the rules set out in the General Collaboration Circular, according to which each of the parties has the right to terminate adopted guidelines at three months' notice. Before termination, the General Collaboration Committee must endeavour to amend the existing guidelines in a manner that satisfies the parties represented in the Committee.

Should any of the parties so desire, the wage policy must be renegotiated in consequence of the outcome of negotiations on a collective agreement.

Considered and adopted at the General Collaboration Committee meeting on 20 February 2008. Revised June 2012 with respect to base amounts.



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