



Information for all DESY employees on results of salary negotiations on the pay scale at DESY

Dear Colleagues,

The purpose of this letter is to inform you of the results of the salary negotiations, and to give you initial information on points which you should note for the future.

Most employees at DESY have an employment contract which stipulates that the Collective Bargaining Agreement for the Employers Association (TV-AVH) is applicable for them.⁴ If your employment contract includes a different stipulation, e.g. the Regulations for PhD Students, the changes described here do not apply to you.

The three subjects covered here are as follows:

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|---------------------------------------|--------------------------|-----------------------|
| 4. Pay Scale Agreement: | effective from | 1 January 2016 |
| 5. Allocation to higher group: | new rules effective from | 1 March 2016 |
| 6. Performance-related pay: | new rules effective from | 1 January 2016 |

The new rules are added as part of an additional Collective Bargaining Agreement⁵. So a quick look at the TV-AVH is not enough to read all the applicable rules. You will also need the Specific Part on Administration⁶.

1) Pay scale

Why collective bargaining negotiations on a pay scale?

In the past no pay scale was included in the Collective Bargaining Agreement of AVH. However, some transitional arrangements related to group allocation were agreed in the reform of the Agreement in 2005. One of these led to the current situation where all group allocations are **provisional**. After completion of the negotiations, we will not only have a definitive pay scale, but this will also give a number of improvements for DESY employees.

One of the most important new arrangements is that, with introduction of the Federal Pay Scale at DESY, all the provisional group allocations now become definitive allocations. This ensures that nobody will **automatically** earn less.

Important points:

- The transfer to the Federal Pay Scale ("EGO Bund") is now applicable for all employees, with the proviso that their existing salary group allocation and job description remains unchanged.
- Anyone who believes that they are entitled to be assigned to a higher salary group under the Federal Pay Scale has to make an individual application.
- For new recruitment and transfer to other positions, group allocation will in all cases be in accordance with the job characteristics set out in the Federal Pay Scale.

Specific point:

The previous salary group EG 9 is now split into EG 9a and EG 9b. The previous "small EG 9", using only the first four stages of EG 9 and comprising longer periods in stage, is now EG 9a with five stages and with normal periods in stage.

"Big EG 9" remains unchanged, and is renamed as EG 9b.

Which employee groups should consider applying for allocation to a higher group?

⁴ DESY is a member of the Employers' Association Arbeitsrechtliche Vereinigung Hamburg e.V. (AVH) and is thus bound by the Collective Bargaining Agreement (TV). The TV-AVH and the supplementary Agreements are applicable.

⁵ § 49 of the Specific Part on Administration for TV-AVH

⁶ All Collective Bargaining Agreements applicable for DESY are shown at <http://www.av-hamburg.de/tarifvertraege/liste/>.

You can also inspect them at V2 or the Works Council and get explanations of them.



3. Some higher group allocations arise from the fact that the work of certain professional groups has been upgraded. That includes professional groups whose activities have been given completely new descriptions, because the previous descriptions were outdated. They include:
 - Engineers, technicians, supervisors ('Meister')
 - IT employees
 - Librarians
 - Foreign language service employees
 - Stockroom employees
4. The Pay Scale Reform in 2005 eliminated the previous system of upgrades following a probationary period. Introduction of the Federal Pay Scale meant that a decision had to be made for all jobs previously described with upgrade following probationary period, as to whether they should be allocated to the Salary Group before or after the probationary period. It was decided that the Salary Group after probation should be applicable for upgrades with a probationary period of up to 6 years. In such cases improvement is possible if the upgrade following the probationary period has not occurred, for whatever reason. However, that can occur only for white-collar activities previously allocated to Salary Groups 2 to 8. For blue-colour jobs and higher-ranking white-collar jobs, corresponding allocation to the higher Salary Group was already effected in 2005.

Can any disadvantages occur from an application for allocation to a higher group?

In individual cases, there may be disadvantages from the following:

- Loss of supplementary payments (supplementary payments for technicians, supervisors and programmers)
- Change in percentage for annual special bonus (from EG 8 to EG 9 change from 90% to 80%, from EG 12 to EG 13 from 80% to 60%)
- Loss of structural compensation
- An unfavourable combination of pending stage advancement in the existing Salary Group, downgrading on higher group allocation, and remaining duration of employment contract

Under certain circumstances it may be worthwhile to accept minor disadvantages for a certain period in order to get into the "profit zone" at a later time.

It is therefore advisable to calculate precisely what impact the application would have.

What deadlines are applicable for application?

A long period has been set for application, so that you have plenty of time to make your calculations and decide. All applications received by the HR Department by **30 June 2017** (!) will be processed.

Up to that deadline, it makes no difference when the application is received. The changes will in all cases be made with effect from 01/01/2016 and calculated accordingly.

2) Allocation to higher group

From 1 March 2016 there is a new system for higher group allocation, known as "equal-grade higher grouping". If employees are then allocated to a higher Salary Group, they are always allocated to the grade which they had already reached in the previous Salary Group.

This arrangement explicitly becomes applicable later than the Federal Pay Scale. That is to ensure that individual applications for allocation to a higher group arising from entry into force of the Pay Scale are still treated in accordance with the old system for higher group allocation.



3) Performance pay

The negotiations at Federal level treated the three subjects of “Pay scale”, “System for allocation to higher group”, and “Performance pay” as one overall package, and made the Agreement on this basis. So we at DESY were able to take over these arrangements only by accepting all three subjects. For this reason, §18 Performance pay will be regulated in exactly the same way as for the Federation from 2016 onwards.

Specifically, that means:

- The Employer can decide alone whether a budget is to be allocated for performance pay.
- The budget for performance pay is halved, because the Federation has agreed on only 1%, whereas the current arrangement at DESY is 2%.
- The Federation has different criteria and rules for allocation of performance pay, which means that our Company Agreement on Performance Pay will have to be amended
- However, it is also possible to apply the rules of the Federal Performance Pay Ordinance (BLBV) **instead of** §18 Performance pay.

The Board of Directors has decided that in future special performance of employees should continue to get special payment, mainly using the existing “Performance pay budget” for this purpose.

The Works Councils and the Board of Directors have therefore decided to discontinue the existing performance pay system, to cancel the relevant Company Agreement, and to reach a new agreement for application of the BLBV.

That means that from 2016 onwards, no further performance pay will be paid out to employees under the existing system. Instead, from 2016 onwards a new bonus model will be introduced in accordance with the BLBV, supplementing the current “special payments”.

Unlike the special payments, the bonuses under the BLBV arrangements can be paid to all employees on the regular pay scale; so alongside the existing bonuses there will be a type of bonus which is not explicitly linked to certain positions and activities.

Further information

The HR Department and the Works Councils in Hamburg and Zeuthen will jointly distribute further information and conduct information events to explain the points set out here and to give you opportunities to ask questions. The dates and times will be announced

The HR department Intranet gives further information in the directory “Information for all employees” (“Informationen für alle Mitarbeiter/innen”) under “Introduction of TVEntgO Bund”.

Dates and times of information events

Place	Date	Time	Mainly for
Hamburg, Auditorium	Thursday, 21 January 2016	09:00 – 11:00 h	V groups*
Hamburg, Auditorium	Thursday, 21 January 2016	13:00 – 15:00 h	FS groups
Hamburg, Auditorium	Tuesday, 26 January 2016	09:00 – 11:00 h	FH groups
Hamburg, Auditorium	Tuesday, 26 January 2016	13:00 – 15:00 h	M groups
Zeuthen, SR 3	Thursday, 28 January 2016	10:30 – 12:30 h	All employees at Zeuthen site
Hamburg, CFEL, SR I-III	Thursday, 11. February 2016	10.00 – 12.00 h	Information event for English speaking employees

*Sign language interpreter

If you are unable to attend on the dates indicated for your area, you can attend one of the other information events without prior notice.