VU UNIVERSITY AMSTERDAM HR & HSE	07/2015 **Long-term saving model - explanatory notes** *Meerjaren spaarmodel - toelichting* Explanatory notes, VU University Amsterdam, Section 5, Article 5.5 of the Collective Labour Agreement for Dutch Universities (CAO NU)

These notes are designed to explain the specifications of long-term leave and the conditions attached to a possible premium.

1. Introduction of the Long-term saving model in 1998
On 1 August 1998, the Long-term saving model was introduced as part of the Collective Labour Agreement (CAO). At the time this was under the provisions on reduction in working hours, which no longer apply. The accrual model gives the employee the opportunity to build up hours over a number of years in order to take a lengthy period of uninterrupted leave. The model states that, under certain conditions, the supervisor can grant a premium in the form of time and/or financial resources. The employee has the scope to save up to 72 hours of leave per year and has the option of selecting a total savings period of three, four or five years.

2. Written record of the agreements
The following agreements are set down in writing and confirmed in a signed document called the Long-term saving model - *Application to start saving* form:
- date of commencement for saving
- the desired saving period
- the number of hours to be saved each year
- the description of the purpose of the leave (how the applicant intends to use this time)
- the premium (if applicable)
- any additional terms or agreements

3. Premium with an agreed career path
The local trade unions agreed in 1998 that a premium may only be granted if the employee saves for five years and uses this period of leave to enhance his or her own employability – general or specific – from the perspective of the organization (e.g. by taking a degree programme or an educational trip). It makes no difference whether the employee is a member of the academic or support staff. If these conditions are met, the supervisor agrees a premium with the employee in the form of time and/or financial resources.

A financial premium is not paid directly to the employee, but is used to offset the expenses to be incurred during the period of leave. In that case, the premium is settled with the employee using the self-service option *Submitting expense claims* and documentary evidence of the expenses incurred must be appended. For each year during which accrual took place, the employer allocates a financial premium of 1.5% of the basic gross salary up to a maximum of step 10 on scale 12, excluding holiday allowance, year-end bonus and any other allowances or bonuses. The premium should be set aside annually by the unit (settled on 31 December of that year on the basis of the employee's basic gross salary at that moment, with a maximum of step 10 on scale 12).

4. Combination with the Optional Model for Terms and Conditions of Employment
The employee who opts for the Long-term saving model under Article 5.5 paragraph 1 of the CAO and who is in a position to save a maximum of 72 hours of holiday leave per year has the opportunity to make additional savings through the Optional Model, under the terms of Article 5.4, paragraph 2 of the CAO. The sources for this additional saving are holiday leave (maximum of 76 hours per calendar year), holiday allowance, salary and/or year-end bonus. The basic choice made in relation to Article 5.5, paragraph 1 of the CAO determines the rest of the conditions (see point 2).

In conclusion, the fundamental agreement is made on the basis of Article 5.5, paragraph 1 of the CAO, with the possibility of additional accrual each calendar year through the Optional Model. Long-term leave as set out in Article 5.5 paragraph 1 of the CAO (in which duration of leave and arrangements have been agreed), is always a prerequisite for any additional accrual through the Optional Model. It follows, therefore, that if the employee chooses at any point in one or more calendar years to save additional hours through the Optional Model, the duration of leave and the agreements set out in the basic choice (CAO, Article 5.5, paragraph 1) remain unchanged. Under any circumstances, additional accrual through the Optional Model will always have the same end date as the basic choice and can never extend beyond the end of the basic choice.

5. Taking leave using the self-service option *Request holiday leave and special leave*
Unless otherwise agreed with the supervisor, the accrued leave in accordance with Article 5.5, paragraph 4 of the CAO will be taken by the employee within one year of the end of the savings period. In most cases, the employee accrues the leave on the basis of a calendar year and this makes it clear in which year the leave must be taken. But if, for example, leave has been accrued until 1 July 2015, then the period in which the leave must be taken is 1 July 2015 to 1 July 2016.
In cases where it better suits both parties to take the leave outside of this period, this will be permitted as long as the agreements are laid down in writing.
The application to take the total amount of leave accrued is made using the self-service option *Request holiday leave and special leave.* Under the heading 'Type of leave' the employee chooses 'Long term saving variant'.
The employee can also use this self-service option to view a running total of the long-term leave accrued by choosing 'Sabbatical quota' under the tab 'Saldi'.

6. Expiration of accrued leave
Unless otherwise agreed, if the employee does not take the accrued leave in the year following the end of the savings period, the leave will expire five years after the last day of the calendar year in which savings began (CAO, Article 5.5, paragraph 4).
In most cases, the employee accrues the leave on the basis of a calendar year and this makes it clear which part of the leave accrued expires after five years.
An exception applies if saving did not begin on 1 January, but for example on 1 July 2010 and with a term of five years (in this example, until 1 July 2015); the leave accrued in the period 1 July 2010 to 1 January 2011 (the part from the **first** calendar year) will expire on 1 January 2017[1].

7. Interim change of working hours
If there is a change to the employee's working hours in the interim, such that the resulting holiday entitlement precludes the proposed investment in the Long-term saving model, the employee can end the agreement earlier after obtaining the approval of the supervisor. The supervisor is responsible for providing written confirmation of this approval.
Under these circumstances, the leave accrued up to that point is directly subject to the provisions of Article 5.5 paragraph 4 of the CAO (see point 5).
If a financial premium has been agreed, it will be in proportion to the number of years saved and claimed as expenses (see point 3).

8. Interim termination of employment
In principle, if the employee's contract is terminated while the arrangement is ongoing, the hours hitherto accrued under the Long-term saving model should be taken in the period immediately preceding the end of employment. If this is not possible, payment will take place in accordance with Article 5.5, paragraph 5 of the CAO.
Any financial premium agreed will not be paid in the event of interim termination of employment, since in that case the sabbatical has not taken place and no costs have therefore been incurred.

[1] If an employee saves for five years and did not begin on 1 January but later in the year, then the leave accrued in the **first** year cannot expire after five years, because the employee still finds himself or herself in the year in which the leave is to be taken. In that case, the leave accrued in the **first** year will only expire after six years. With regard to taking the accrued leave, the CAO stipulates *one year* after the savings period and *one calendar year* for the expiration of unused leave, but in this case these stipulations are at odds with the practicalities and so a term of one year after the savings period is applied.