

Appendix
to HSE Directive No. 6.18.1-01/2503-03
dated March 25, 2015

APPROVED
by Academic Council
of the National Research University
Higher School of Economics
Minutes No.2 dated February 27, 2015

Provisional Regulations on Remuneration for Staff of National Research University Higher School of Economics

1 General Provisions

1.1. These Provisional Regulations on Remuneration for Staff of National Research University Higher School of Economics (hereafter, the University, HSE or Employer) have been developed in accordance with the Labour Code of the Russian Federation, Federal Law No.273-FZ *“On Education in the Russian Federation”* dated December 29, 2012, Federal Law No.174-FZ *“On Autonomous Institutions”* dated November 03, 2006, Federal Law No.82-FZ *“On Minimum Wage”* dated June 19, 2000, Decree No.597 of the President of the Russian Federation *“On Implementing the State Social Policy”* dated May 07, 2012, Step-by-Step Improvement Plan for Remuneration System in State (Municipal) Institutions in 2012-2018 approved by the directive No.2190-p of the Government of the Russian Federation dated November 26, 2012, Decree No.583 of the Government of the Russian Federation *“On Introducing New Remuneration Systems for Staff of Federal State-run, Autonomous and Public Institutions and Federal State Bodies, as well as Civilian Personnel of Military Units, Institutions and Subdivisions of Federal Executive Agencies where Military Service or its Equivalent is Stipulated by Law and who Receive Wages on the basis of a Common Wage Rate Scale for Staff of Federal State Institutions”* dated August 05, 2008, directive No.216H of the Ministry of Health and Social Development of the Russian Federation *“On Establishing Professional Qualification Groups for Employees in the Education Sector”* dated May 05, 2008, directive No.217H of the Ministry of Health and Social Development of the Russian Federation *“On Establishing Professional Qualification Groups for Employees in the Higher and Continuing Education Sector”* dated May 05, 2008, directive No.247H of the Ministry of Health and Social

Development of the Russian Federation “*On Establishing Professional Qualification Groups for General Sector Positions of Senior Staff, Specialists and Officers*” dated May 29, 2008, directive No.248H of the Ministry of Health and Social Development of the Russian Federation “*On Establishing Professional Qualification Groups for General Sector Positions of Employees*” dated May 29, 2008, directive No.305H of the Ministry of Health and Social Development of the Russian Federation “*On Establishing Professional Qualification Groups for Research and Development Staff*” dated July 03, 2008, directive No.1H of the Ministry of Health and Social Development of the Russian Federation “*On Establishing a Common Qualifications Catalogue of Positions of Executives, Specialists and Officers*”, section “*Qualification Profiles of Managerial and Specialist Positions in Higher and Continuing Professional Education*” dated January 11, 2011, directive No.818 of the Ministry of Health and Social Development of the Russian Federation “*On Establishing the List of Incentive Payments in Federal State-run, Autonomous, Public Institutions and Elaborating Incentive Payment Procedures at such Institutions*” dated December 29, 2007, directive No.822 of the Ministry of Health and Social Development of the Russian Federation “*On Establishing the List of Compensation Payments in Federal State-run, Autonomous, Public Institutions and Elaborating Compensation Payment Procedures at such Institutions*” dated December 29, 2007, resolution No.41 of the Ministry of Labour and Social Development of the Russian Federation “*On the Particulars of Part-Time Employment in the Education, Healthcare, Pharmaceuticals and Culture Sector*” dated June 30, 2003, directive No.335 of the Ministry of Education and Science of the Russian Federation “*On Approving Provisional Regulations on Remuneration for Staff of Federal State-run Institutions Managed by the Government of the Russian Federation and engaged in Educational Activities*” dated October 31, 2008, directive No.2075 of the Ministry of Education and Science of the Russian Federation “*On Duration of Working Time (Teaching Hours and Wage Rates Correlation) of Teaching Staff*” dated December 24, 2010, resolution No.1 of the State Statistics Service of the Russian Federation “*On Establishing Standard Templates for Primary Accounting Records on Labour and Remuneration*” dated January 05, 2004, University Charter, action plan (Roadmap) “Changes in the Social Sector Designed to Enhance Effectiveness of Education and Science” in National Research University Higher School of Economics, as approved by the Ministry of Education and Science of the Russian Federation (letter No. АП-1613/02 dated July 30, 2014).

1.2. The following terms and definitions are used throughout this document:

1.2.1. Professional qualification group (PQG) is a set of occupations or positions of workers and officers grouped on the basis of their field of activities and requirements for professional training and level of qualification.

1.2.2. Level of qualification (LQ) is a set of positions (occupations) within one PQG grouped on the basis of qualifications, complexity, responsibility and other characteristics of the work performed.

1.2.3. Labour standards are standard requirements for workload, working time, number of employees and other parameters put forth in the University bylaws on the basis of general labour standards delineated in federal laws and other regulations of the Russian Federation.

1.2.4. Staffing table is an administrative document stipulating the structural arrangement, composition and number of University employees, including the list of qualifications, official salaries and compensation payments provided for by the Russian legislation.

1.2.5. Basic official salary is a minimum official salary of a University employee holding a position (occupation) that falls into a specific professional qualification group, excluding any personal bonuses, compensation, incentive and social support payments.

1.2.6. Official salary is a fixed amount to be paid for one calendar month to University employees holding a position (occupation) that falls into a specific level of qualification within the corresponding professional qualification group for employment (official) duties performed as per the labour standards, excluding any personal bonuses, compensation, incentive and social support payments.

1.2.7. Personal bonus is a type of incentive payment set forth by the Employer and expressed as an absolute value or as a percentage of the employee's official salary to reflect the employee's exceptional professional qualifications, complexity and importance of their job, degree of autonomy and responsibility when performing the given tasks, experience, years of employment, and other characteristics.

1.2.8. Guaranteed remuneration (GR) is a sum of the official salary and personal bonus stipulated in each employment agreement.

1.2.9. Remuneration is the total amount to be paid to the employee depending on his/her qualification, working conditions, complexity, scope and quality of work performed, comprising the official salary, incentive payments (including a personal bonus and others) and compensation payments.

1.2.10. Effective contractual mechanisms comprise a set of remuneration mechanisms adopted by the University to ensure competitive salary rates of University staff depending on intensity, quality, efficiency and productivity of their employment (official) duties concerned with core and other activities of the University.

1.2.11. Compensation payment is an amount paid to employees who perform their employment (official duties) under nonstandard working conditions (undertaking tasks of different qualification levels, holding more than one position (occupation), working overtime, at night, on weekends and bank holidays, etc.).

1.2.12. Social support payment is a lump sum (allowance) or financial support provided to University staff separately from the salary.

1.2.13. Incentive payment is an amount paid to employees to stimulate their productivity or as an award for workplace performance.

1.2.14. Key University staff comprises University employees whose official duties are in direct relation to University activities intended to achieve its primary goals defined in the University Charter.

2 Remuneration Systems for University Staff

2.1. Remuneration systems for University staff are established in accordance with Russian labour laws, University bylaws and these Provisional Regulations.

2.2. Remuneration systems for University staff based on effective contractual mechanisms include the following:

- 2.2.1. Official salaries;
- 2.2.2. Personal bonuses;
- 2.2.3. Compensation payments;
- 2.2.4. Incentive payments.

2.3. Remuneration systems for University staff are defined separately for the following staff categories:

- 2.3.1. Faculty members;
- 2.3.2. Research staff;
- 2.3.3. Secondary school teaching staff;
- 2.3.4. Maintenance staff;
- 2.3.5. Administrative and managerial staff;
- 2.3.6. Operations staff;
- 2.3.7. Educational support staff;
- 2.3.8. Members of the armed forces employed at the Department of Military Training;
- 2.3.9. University employees of other categories.

2.4. The allocation and payment procedures as well as the amount of official salaries, personal bonuses, compensation and incentive payments are determined by the University independently, depending on its payroll budget.

2.5. Monthly remuneration of employees who have worked for the entire month, complied with the standard working hours and completed their employment (official) duties in full cannot be lower than the minimum wage stipulated by the Russian legislation, when adjusted for actual hours worked.

3 Official Salaries for University Staff

3.1. Basic official salaries and official salaries for PQG established by the University cannot be lower than the corresponding basic official salaries and official salaries stipulated by the Government of the Russian Federation.

3.2. Basic official salaries and official salaries are determined as per Appendix 1 to these Provisional Regulations.

3.3. A personal bonus, the amount of which is unrestricted, can be added to the official salary of a University employee upon the decision of the Rector or another authorised official, subject to the procedures established at the University.

3.4. The amount of the official salary and personal bonus is stipulated in each employment agreement concluded with University staff.

4 Remuneration for Part-Time University Staff

4.1. Remuneration for part-time University staff is proportioned to actual hours worked.

4.2. Salary amount is determined separately for the primary position and the part-time position.

4.3. Part-time employment can be for up to 0.5 FTE under an employment agreement between the University and employee.

5 Compensation Payments for University staff

5.1. The University sets forth the following compensation payments:

5.1.1. Payments to employees involved in heavy work, working in harmful and/or hazardous or other abnormal conditions;

5.1.2. Increment for working with data that constitutes a state secret;

5.1.3. Payments for nonstandard working conditions, such as undertaking tasks of different qualification levels, holding more than one position (occupation), working overtime, at night;

5.1.4. Payments for working in an area with adverse weather conditions;

5.1.5. Payments for working on weekends and bank holidays;

5.1.6. Payments for expanding the sphere of competence; increasing the amount of work; taking up the duties of employees who are temporarily absent while still doing work stipulated in the employment agreement.

5.2. The amount of compensation payments is defined as a percentage of the official salary, unless otherwise prescribed by the Russian legislation and University bylaws.

5.3. The University sets forth amounts of compensation payments as follows:

Type of compensation payment	Monthly amount of compensation
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		payment
1.	Payments to employees involved in heavy work, working in harmful and/or hazardous or other abnormal conditions	As per the University bylaws
2.	Increment for working with data that constitute a state secret	As per the University bylaws
3.	Payments for nonstandard working conditions, such as undertaking tasks of different qualification levels, holding more than one position (occupation), working overtime, at night, etc.	<p>Concurrent part-time positions – up to 50% of the official salary for this position, unless otherwise stipulated in the employment agreement;</p> <p>Undertaking duties of a dean, deputy dean, school head, department head, academic supervisor of an education programme – as per the University bylaws;</p> <p>Overtime work – 1.5 of the GR rate for the first two hours and twice the GR rate for subsequent hours, proportioned to actual hours worked (alternatively, at the employee's request, increased pay for overtime work may be substituted with extra time off which cannot be less than overtime);</p> <p>Working at night – 20% of the GR rate divided by the number of working hours per month and multiplied by the number of hours of work at night</p>
4.	Payments for working in an area with adverse weather conditions.	Regional salary coefficient prescribed by the Russian legislation
5.	Payments for working on weekends and bank holidays	GR rate divided by the number of working hours per month and multiplied by the number of hours of work on weekends and bank holidays, if work on

		weekends or bank holidays falls within the monthly limit for working time; Twice the GR rate divided by the number of working hours per month and multiplied by the number of hours of work on weekends and bank holidays, if work on weekends or bank holidays exceeds the monthly limit for working time
6.	Payments for expanding the sphere of competence; increasing the amount of work; taking up the duties of employees who are temporarily absent while still doing work stipulated in the employment agreement	As per the University bylaws

6 Incentive Payments

6.1. The University sets forth the following incentive payments:

6.1.1. Payments for work intensity and high performance;

6.1.2. Payments for high quality and efficiency (productivity) of work;

6.1.3. Bonus payments for work progress achieved.

6.2. Incentive payments are governed by these Provisional Regulations and other University bylaws.

6.3. Incentive payment amounts are expressed as a percentage of the official salary or guaranteed remuneration, or as an absolute value.

6.4. The total amount of incentive payments is unrestricted.

6.5. The grounds for assigning incentive payments to University staff by staff category and incentive payment type are listed in Appendix 2.

6.6. Incentive payments to University staff are assigned by (first) vice rectors, (senior) area directors and heads of subdivisions as per the allocation of duties at the University.

6.7. Incentive payments to (first) vice rectors, (senior) area directors, chief accountant, academic secretary, presidents, academic supervisors and directors of regional campuses and deans are assigned by the Rector.

6.8. A directive on incentive payments to a University employee is drawn up on the basis of the following:

6.8.1. An official memorandum submitted by the head of a subdivision where the employee works (except for employees listed in Clause 6.7) to an official

responsible for assigning incentive payments; the memorandum must contain the following:

- 6.8.1.1. Grounds for assigning incentive payment as per the list of criteria stipulated in Appendix 2;
- 6.8.1.2. Rationale for assigning incentive payment to the employee;
- 6.8.1.3. Source of funding for incentive payments;
- 6.8.1.4. Stamp of approval by the Finance and Planning Office certifying that there are enough funds for incentive payments;
- 6.8.1.5. Approval by the Rector or another official authorised by the Rector;
- 6.8.2. The Rector's instructions on assigning incentive payments to employees listed in Clause 6.7 as prescribed by University bylaws.

6.9. Incentive payments are paid only if the employee has not been subject to disciplinary action during the period for which incentive payments are assigned.

7 Social Support for University Staff

7.1. Apart from salary, University staff may also be entitled to social support payments as prescribed by these Provisional Regulations and other University bylaws.

7.2. The University provides social support payments for its staff on the following grounds:

- 7.2.1. Childbirth/adoption/foster care;
- 7.2.2. Death of a University employee (provided to his/her family);
- 7.2.3. Death of a family member (only applies to parents, spouses and children (biological and adopted) of employees);
- 7.2.4. Severe financial difficulties;
- 7.2.5. Any other grounds prescribed by the University bylaws.

7.3. The total amount of financial support available is stipulated in the University's financial plan.

7.4. The amount of financial support provided on the grounds listed in Clause 7.2 is determined annually and documented as a resolution of the Social Committee under the University Academic Council. As an exception, the Social Committee may change the amount of financial support provided.

7.5. Social support payments are assigned by a directive of the Rector or an authorised official. A draft directive on financial support is drawn up by the Finance and Planning Office based on the resolution of the Social Committee under the University Academic Council.

7.6. The Social Committee under the University Academic Council decides on social support payments on the basis of a request submitted by the employee (or a

family member, in case of the employee's death) along with documentary evidence of eligibility for financial assistance.

8 University Payroll Budget

8.1. University payroll budget is prepared for each financial year drawing from the following sources:

- 8.1.1. Subsidies from the federal budget for the state assignment;
- 8.1.2. Income from income-generating activities, including income from University's contribution to the charter/pool capital of other legal entities, in particular small-scale innovation businesses;
- 8.1.3. Income from intellectual property rights and designations, including remunerations under license agreements, in compliance with the Russian legislation;
- 8.1.4. Voluntary target contributions and donations from both Russian and foreign legal entities and individuals;
- 8.1.5. Other sources permitted under the Russian legislation and University Charter.

8.2. At least 30% of the University payroll budget must be allocated to incentive payments.

9 Remuneration for Secondary School Teaching Staff

9.1. Incentive payments assigned to secondary teaching staff for work intensity, high performance and quality of work may be provided as a lump sum or as a monthly increment. A monthly increment is proportioned to the actual hours worked.

9.2. Increments for class supervision and honorary titles cannot be paid as a lump sum.

9.3. The amount of monthly increment for class supervision and honorary titles is put forth in the Rector's directive or by a vice rector responsible for basic and secondary education programmes implemented at HSE.

9.4. A monthly increment, apart from those for class supervision and honorary titles, is assigned for up to one year on the basis of the employee's performance during the past academic year, or at the start of employment for the period no longer than the start of the next academic year on the basis of the employee's high professional qualifications.

10 Remuneration for Senior Staff (Rector, President, Academic Supervisor, (First) Vice Rectors, University's Academic Secretary, (Senior) Area Directors, Chief Accountant, Presidents, Academic Supervisors, Directors, Deputy Directors and Chief Accountants of Regional Campuses, Deans)

10.1. Official salary and incentive payments for the Rector are determined by the Government of the Russian Federation and set forth in the employment agreement concluded with the Rector as per the Russian legislation.

10.2. Official salaries are set forth as follows:

10.2.1. For the President and Academic Supervisor of the University, 20% lower than the Rector's official salary;

10.2.2. For vice rectors, directors of regional campuses, (senior) area directors, Chief Accountant, Deputy Academic Supervisor and deans, 30% lower than the Rector's official salary;

10.2.3. Presidents, academic supervisors, deputy directors and chief accountants of regional campuses, 30% lower than the official salary of the director of the relevant campus.

10.3. Official salaries of other executive staff are listed in Appendix 1.

10.4. Incentive payments are assigned to the Rector depending on key performance indicators of the University as prescribed by the Government of the Russian Federation; they are taken from the portion of University payroll budget allocated for incentive payments.

10.5. The amount of incentive payments for the Rector, as well as procedures and criteria for their allocation are determined by the Government of the Russian Federation and set forth in the employment agreement concluded with the Rector.

10.6. Incentive payments for the President, Academic Supervisor, (first) vice rectors, Chief Accountant, (senior) area directors, directors of regional campuses and deans are assigned by the Rector depending on key performance indicators in the field coordinated by a given executive.

10.7. Incentive payments for other senior staff are allocated as prescribed by University bylaws.

11 Remuneration for Members of the Armed Forces Employed at the Department of Military Training

11.1. Remuneration paid by the University to members of the armed forces employed at the Department of Military Training as prescribed by the Federal Law No.76-FZ “On the Status of Members of the Armed Forces” dated May 27, 1998, decrees of the President, Government and Ministry of the Defence of the Russian Federation.

12 Remuneration for Employees of the University’s Regional Campuses

12.1. Official salaries of employees of the University’s regional campuses are determined as per the Appendix 1.

12.2. The amount of compensation and incentive payments for staff of the University’s regional campuses is determined as described in sections 5 and 6.

13 University Staffing Table

13.1. The staffing table is developed in accordance with University bylaws and the requirements defined in this section.

13.2. The staffing table is developed as per the template established by the resolution No.1 of the State Statistics Service of the Russian Federation “*On Establishing Standard Templates for Primary Accounting Records on Labour and Remuneration*” dated January 05, 2004, based on labour standards and funds allocated for remuneration of University staff in the financial plan for the given year; it contains the following data:

- 13.2.1. List of staff positions;
- 13.2.2. Number of employees in each position;
- 13.2.3. Official salaries for each position;
- 13.2.4. Types of compensation payments put forth in the labour legislation of the Russian Federation;
- 13.2.5. Source of payroll budget for the given position.

13.3. List of staff positions and official salaries for each position are established as per the Appendix 1.

13.4. Positions listed in the University’s staffing table correspond to University staff categories stated in Clause 2.2.

13.5. The staffing table reflects types of positions and staff categories in accordance with the University’s institutional structure:

13.6. The number of faculty members to be provided for in the staffing table depends on the University payroll budget, the stipulated number of students per one

faculty member, study load for the given academic year, working time regulations and the maximum number of faculty members prescribed by federal state educational standards and University educational standards.

13.7. The staffing table and number of employees in the Department of Military Training is determined by the Ministry of Education and Science following approval by the Ministry of Defence of the Russian Federation and duly communicated to the University.

13.8. Staffing tables are approved by the Rector (or another official authorised by the Rector to approve staffing tables) as follows:

13.8.1. For each academic year for faculty members;

13.8.2. For each calendar year for all other positions.

13.9. Any changes to the staffing table are made on the basis of the Rector's directive (or another official authorised by the Rector to change staffing tables).

13.10. Staffing tables may be changed on the following grounds:

13.10.1. Official memorandum prepared by the head of the subdivision who's initiated changes in the subdivision's staffing table, approved by the Rector or Coordinating Vice Rector;

13.10.2. Resolution of the University Academic Council and official memorandum prepared by the person who's initiated the establishment of a new subdivision;

13.10.3. Rector's orders.

13.11. The official memorandum proposing changes to the staffing table that would necessitate increasing the subdivision's payroll budget must be accompanied with a financial and economic rationale for the changes.

13.12. A financial and economic rationale for changes to the subdivision's staffing table is prepared as per the Appendix 3 and must contain the following information:

13.12.1. The scope of changes (subdivision's current staffing table, and staffing table after the proposed changes are implemented; list of newly introduced/dissolved subdivisions and positions, and description of their functions; current and proposed GR rates, etc.);

13.12.2. Grounds for introducing changes to the staffing table with a link to the corresponding University bylaw, legislative act or other written document reflecting rationale for the proposed changes;

13.12.3. Relevant calculations and estimation of additional funds required for the payroll budget until the end of the current financial year and for the next financial year, if the proposed changes are introduced;

13.12.4. Expected sources of additional funds required for the payroll budget if the proposed changes are introduced to the staffing table.