

Practice Case 1.4

CHANGE OF WORK TIME SCHEDULE DURING THE REPORTING PERIOD

The Reporting Period is 01.09.2019 – 28.02.2021

Ms. Smith was employed by the beneficiary organisation on 1st July 2019 and is assigned on the H2020 action on the 01 September 2019 on a Full Time Equivalent schedule. As of 1 January 2021, she started working on a 50% FTE schedule.

Productive hours are 1720 for all the financial years.

How to calculate her personnel costs?

For the **hourly rates**:

1) 01.09.2019 – 31.12.2019

All monthly payments to Ms. Smith as of 01.07.2019
(salary, bonuses, social security, statutory costs)

$$(1720/12)*6$$

For these months the actually worked hours on the H2020 that can be claimed, are maximum $\{(1720/12)*4\}$

2) 01.01.2020 – 31.12.2020

All monthly payments to Ms. Smith for 01.01.2020 – 31.12.2020
(salary, bonuses, social security, statutory costs)

$$1720$$

For 2020 the maximum hours that can be claimed are **1720**.

3) 01.01.2021 – 28.02.2021

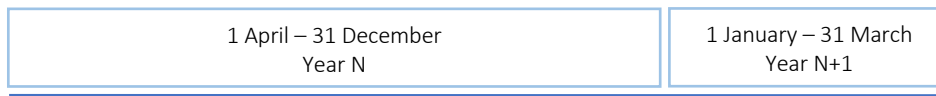
The same hourly rate as calculated for the year 2020

For these 2 months, the total hours actually worked on the H2020 that can be claimed are maximum $\{(1720/12)*2\}*50\%$

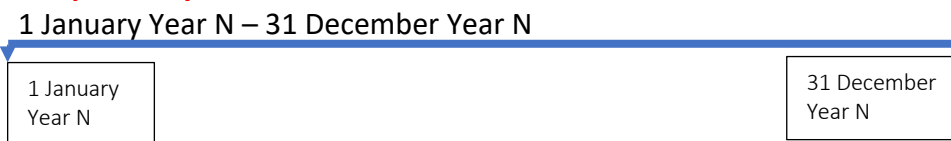
FINANCIAL YEAR DIFFERENT FROM FISCAL YEAR

The Beneficiary's fiscal year starts **1 April of year N** and ends **31 March in the N+1 year**

Fiscal Year



Periodic Report for year N



How to calculate the hourly rates for Year N+1?

Either one of the following:

- A. Based on Calendar Year: the hourly rates for Jan – Dec Year N+1 (if all information necessary to calculate the hourly rates is available), or
- B. Based on the last full fiscal year: to use the hourly rates from the period 1 Apr N – 31 Mar N+1 for the entire N+1 Reporting Period (Jan-Dec N+1) thus not including the bonus paid in December N+1 in the nominator for that period's hourly rates. Any increase of salary payments that might occur in year N+1 is subsequently reflected in the calculation of the hourly rate for the next reporting period, N+2.

The method must however be **consistently applied and can NOT be changed within the same grant.**

If Ms. Smith is recruited and assigned to the H2020 action on 1st October Year N+1, and the beneficiary calculates hourly rates based on fiscal year, which rate should be applied for Reporting Period N+1?

Remuneration, statutory costs, income taxes, bonuses allowances for year N+1:

October = 3000

November = 3000

December = 5500

The hourly rate to be applied to her must be calculated taking into account all her monthly eligible remuneration costs for Oct, Nov, and Dec N+1 and the pro-rata of the annual productive hours for the months Oct, Nov, and Dec, i.e. $(1720/12)*3$:

Hourly rate for Reporting Period N+1: $\{3000 + 3000 + 5500\} / \{(1720/12)*3\} = 11\,500 / 429 = 26,80$ euro