



Salary policy for the national staff in Médecins du Monde France’s international missions

“MDM operates in France and abroad: it is important that local laws (where they exist) are applied in all areas with the utmost respect for everyone involved. It is also important that all employees benefit from a foundation which guarantees sufficient social protection and a secure working environment. As an actor of social change, we must also apply this principle in practice when it comes to managing our national staff.”

Extract from the Human Project

Remuneration is one of a number of elements in the Human Resources policy. It is based on the principles of fairness, clarity and objectivity.

The principles set out in this document reflect the Médecins du Monde’s employer values, and the aim is to harmonise them across all fields, including France.

The salary policy is also a communication tool. Internally, first of all, with our employees, as a well-defined, transparent and explicit salary policy is a valuable tool for managing teams. But also, externally, whether it is a question of making our management rules known to donors or ensuring that our framework complies with local legislation.

The salary policy only concerns aspects of remuneration as they appear on the employee’s pay slip. Travel expenses (per diem) are excluded from the scope of this document but must nevertheless be covered by the mission’s conditions of employment (CoE) or internal regulations (IR). The same applies to medical expenses which are not an element of remuneration and are addressed within the framework of the medical policy.

Please get in touch with your Human Resources advisor for further information on understanding and implementing this policy.



Local legislation applies above all!

Under no circumstances do any of the principles set out in this document replace the local legal framework. This policy supplements that framework where it is lacking or insufficient.

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1 The elements making up remuneration

The concept of “salary” is very broad, it can be gross or net, basic or reference. It is important to clarify and understand the different nuances and terms associated with this topic.

1.1 Basic salary

Basic salary = gross salary, excluding remuneration variables

This is the salary as contractually defined between an employer and an employee for a given occupation and a fixed volume of hours. This is also the salary mentioned in the salary scale. It should be noted that this includes the employee share of social security contributions, also known as “employee contributions”.

It should also be noted that Médecins du Monde does not differentiate hours worked between different employees. Weekly working hours are defined by the terms and conditions of employment or by internal regulations, in accordance with local legislation. This is the same for all employees in the mission. This point refers in particular to the management of on-call staff (guards, drivers, etc.) who are required to work outside normal “office” hours and particularly beyond the time defined for all other employees. It is recommended that there are sufficient staff to organise shifts to ensure that normal schedules are adhered to. If this is not possible, then hours beyond the defined framework should be treated as overtime, in accordance with local legislation and the principles set out in paragraph 4.3.

1.2 Remuneration variables

These variables form part of remuneration, although they are potentially adjustable and defined by collective agreements (CoE and/or IR) and in accordance with local labour legislation:

- Bonuses and allowances
- Overtime

Paragraph 5 sets out the principles governing these variables.

1.3 Gross salary

Gross salary = basic salary + remuneration variables

Gross salary is the basis for calculating social security contributions (employee contributions + employer contributions).

It can also be defined as gross salary = net salary + employee contributions.

1.4 Net salary

Net salary = Gross salary - employee contributions - Income tax (if deducted at source)

This is what the employee will actually receive.

1.5 Total cost

Total cost = Gross salary + employer’s contributions

The total cost is the actual cost of the employee. This is the salary as it should appear in the budgets.

1.6 Social security contributions and income tax

All legislative systems make provision for social contributions and/or income tax. Generally, it is the responsibility of the employer (in this case, Médecins du Monde) to deduct these sums from the salaries

paid to the employees - these funds are then paid to various government administrations in the country. This is therefore a legal obligation from which Médecins du Monde cannot derogate once it is registered in the country.

Information relating to contributions and income tax should be understood upon arrival in the country and must be taken into account.

Social contributions (social security, pension, unemployment, etc.) are usually divided into two parts: one payable by the employer (employer's contributions) and the other by the employee (employee's contributions). Depending on national legislation, certain components of the salary may be exempt from contributions (e.g., certain bonuses).

In most countries in which we work, income tax is deducted at source. In other words, it is the responsibility of Médecins du Monde to calculate the tax due for each employee, deduct it from their salary and pay it to the tax authorities. In the vast majority of cases, this payment must be accompanied by a declaration. The tax is generally calculated in progressive increments. Similarly, certain bonuses or social security contributions may not be taxable.

In all cases, this involves obtaining exhaustive information on the obligations of Médecins du Monde in terms of payment of social security contributions and taxes, on the methods of calculation, exemptions and declaration procedures for Médecins du Monde and each of its employees. When doing so, always seek the services of a lawyer or tax advisor.

It is also necessary to monitor changes in tax legislation and take these into account when calculating salaries.

As legislation and contributions or taxes necessarily change, an employee's net salary may correspondingly vary over time. **Under no circumstances will Médecins du Monde compensate for a loss or gain in remuneration due to a change in local taxation.**

It is therefore important that framework and/or contractual documents (employment contract, salary scale, CoE) are expressed in terms of basic salary (gross salary excluding remuneration variables) only.

1.7 Example:

An employee has a salary defined in their employment contract as 90. The collective agreement provides for a travel bonus of 10. This bonus is subject to social security contributions. Employee contributions are 2% and employer contributions 5%:

Basic salary = 90

Gross salary = 100

Net salary = 98

Total cost = 105

Social contributions to be paid to the tax authorities = 7

All salary payments must be accompanied by a pay slip which must include, as a minimum and subject to the regulations in force: the basic salary, remuneration variables, gross salary, social contributions, income tax (if deducted at source), and net salary.

Three copies of the pay slip are issued, one of which will be given to the employee. The two MdM copies represent an accounting document for the finance department and an HR document to be archived in the personnel file.

Please note that if salaries are paid in cash, a receipt of payment is absolutely necessary for accounting purposes. In this case, the pay slip must be signed. For bank transfers, a signature is not necessary as the bank statement is sufficient to justify proof of payment to the auditors.

Summary:

- Gross salary = basic salary + remuneration variables
Or = net salary + employee contributions
- Net salary = gross salary - employee contributions
- Total cost to the employer = gross salary + employer's contributions
Or = net salary + employee contributions + employer's contributions
Or = net salary + social security contributions



2 The choice of currency to be used

In order not to destabilise the existing monetary system, the local currency must be chosen as a priority. In principle, therefore, **wages are expressed and paid in local currency**. In a number of countries, setting and paying wages in another currency is actually illegal, so this must be checked with the mission's legal advisor.

Nevertheless, payment in hard currency (US dollars, euros) is sometimes unavoidable, especially when the local currency has no real purchase value in the country and most transactions are carried out in hard currency (euros or dollars). The **use of a currency other than the local currency must be discussed and approved in advance with the Desk Officer, the HR representative and the mission Financial Officer**. Use of a currency other than the local currency must be justified and the choice of the currency in which wages are paid must not be guided by a desire to compensate for inflation. The problem of inflation is addressed through the mechanisms of collective salary adjustments described in paragraph 4.2.

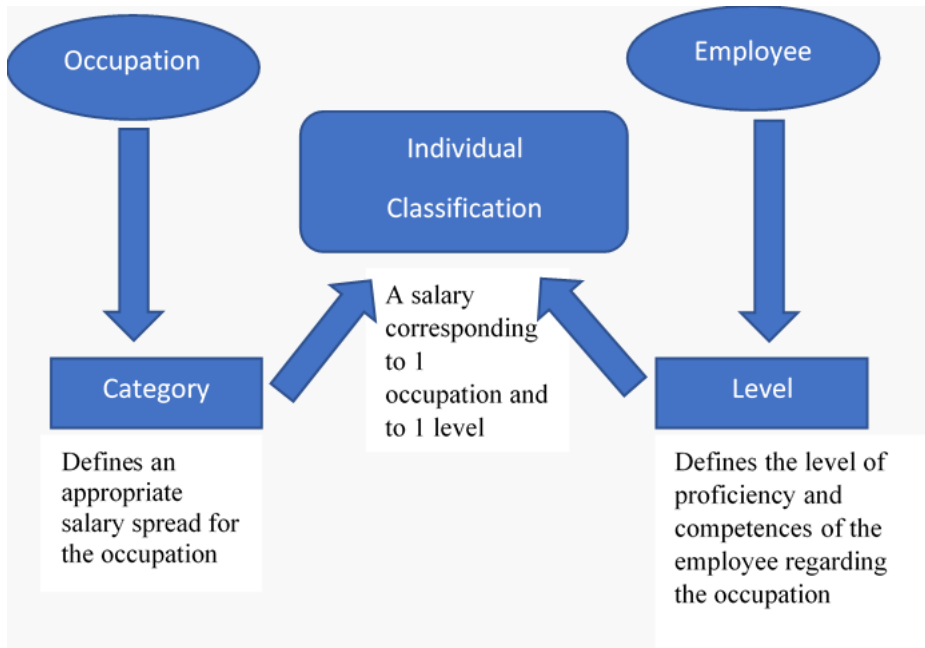
In any case, **the currency chosen must be the same at all stages of the salary cycle** (employment contract, salary scale, pay slips, payment of salary). This consistency is necessary both for Médecins du Monde (to ensure the simplification of procedures and controls, transparency) and for the employee (their remuneration is more visible and understandable).



3 Salary scale

The salary scale is a key tool in human resource management. However, the mere existence of a salary scale within a mission is not in itself a guarantee of good management, particularly if it does not respect the basic principles set out in this document and if it is not clearly communicated to everyone.

The approach adopted makes it possible to distinguish between occupations and individuals:



The salary scale is constructed from three elements: the occupation grid, the reference salary and the differences between categories and levels:

- The occupation grid makes it possible to assign each occupation to a category
- The intervals between categories and levels make it possible to define salary increments within the grid
- The reference salary is the starting point which leads to the final salary scale with the implementation of intervals defined in advance.

While the occupation grid is fixed and common to all international missions, it is up to each mission to define its reference salary and the intervals between categories and levels.

The salary scale is expressed as the basic salary (gross salary excluding remuneration variables).

3.1 The occupation grid

Work was carried out on classifying occupations in order to define a common basis for describing these occupations, and to establish a weighting tool and a grid classifying occupations into 10 categories. Each occupation was positioned objectively using the weighting tool and in relation to the competences and responsibilities described in the occupation description.

It is not possible to change the occupation/category classification as this is common to all national staff on international missions. In the same way, it is not possible to unilaterally integrate new occupations into the grid.

However, this grid is not fixed, and any requests for changes (creation of a new occupation, questions about the weighting of an existing occupation, etc.) are centralised through HR advisors at headquarters. Their role will be to collect requests and analyse them in terms of their impact on all missions. This centralisation is necessary to guarantee the consistency of the framework and to ensure management is harmonised.

The occupation grid can be found in **Appendix 1** and the weighting tool in **Appendix 2**. All occupation descriptions are available on the HR intranet.

3.2 Reference salary

The reference salary is the lowest salary on the scale and corresponds to category 1 level A. This is therefore the minimum wage for the mission.

In order to determine this, it is necessary consider:

- Whether there is a legal minimum wage
- The poverty threshold determined in the country
- The minimum wage practiced by other NGOs, UN agencies, the private sector for comparable occupations and listed in category 1.

Based on the same principle governing the salary policy for employees under French law, **an additional 20% must be applied to the legal minimum wage** if this is to be the reference wage.

But this being the case: **no MDM basic salary can be less than US\$274 per month**. This limit was determined from World Bank data, which sets the global poverty threshold at **\$1.90/person/day**. The calculation was made considering that an MDM salary should be able to cover the basic needs of a family of four (one employee and three dependants) to which an additional 20% has been applied. This is an absolute minimum that will only apply if the legal minimum or the local poverty threshold (with the same basis of calculation, four persons for 30 days plus 20%) is less than US\$274 per month. **The data given in this paragraph date from October 2020 and will be amended with each official World Bank update.**

In short, the most favourable option to the employee will be chosen between:

- Practice in the local market and in comparable occupations
- The legal minimum wage + 20%
- The monthly national poverty threshold for a family of four + 20%
- The international poverty threshold set by the World Bank, adapted for a family of four + 20%. This threshold will have to be revised according to updates to the calculation made by the World Bank as an official reference. In October 2020, this figure was US\$274.

3.3 Intervals between categories and levels

The aim here is to define the intervals between one level and the next within the same category, and to define the intervals between one category and another.

Regardless of the intervals defined, **the ratio between the lowest (category 1 level A) and the highest (category 10 level D) salary on the scale must not exceed 10.**

While a linear evolution of the intervals in levels (for example, all level intervals are fixed at x% and are identical throughout the scale) may be considered for the sake of readability and simplification, this option makes little sense when it comes to changes in the intervals within the categories.

The intervals between the levels correspond to an individual evaluation linked to the competences demonstrated in the occupation. This is a question of defining the stages of progression within the same occupation.

Note that it is perfectly acceptable for level D in one category to be higher than level A in the higher category. In other words, an expert in one category may be paid more than a beginner in the category just above.

In order to establish the intervals between categories, it will be necessary to understand the local labour market and the salary ranges for equivalent occupations. This data is absolutely necessary in order to prepare the scale and allow us to objectify our attractiveness, albeit limited to financial criteria.

It will therefore be necessary to carry out a study (also known as a “benchmark”) of the labour market in the area of intervention. Data is usually available from government agencies (Ministry of Labour) and it is often a good idea to contact your counterparts in other NGOs who have already carried out this work and are often willing to share it as long as we are also involved.

That said, it is important to keep a critical eye on this type of study. Most of the countries in which we operate have completely deregulated labour markets. For the lower categories of occupations, the lack of a minimum wage means we are often comparing ourselves to salary levels which are below the poverty line, which is not acceptable. Conversely, when it comes to the higher categories, we do not wish to compare ourselves with the UN agencies, or with a private sector where multinationals operate, and which have no limits on the ratio between lower and higher salaries.

Finally, we cannot limit our attractiveness to the question of salary alone. Social values, transparency and equity, values which Médecins du Monde upholds in its salary policy, our medical cover policy and the meaning of our actions are all elements that must be taken into account and promoted.

Key point: The definition of intervals between levels must also take into account the question of length of service and the related bonus. **Care should be taken to ensure that the interval between levels is not less than the % bonus granted for length of service (see paragraph 5.1.1).** Although this is not a rule (see paragraph 4.1 on individual changes), if it is considered that the competences demonstrated in the occupation justify a change of level every two or three years on average, this gives the following indications so that there is consistency between taking length of service into account and the intervals between levels:

- The interval between levels A and B must be greater than 5%
- The sum of the intervals between levels A and B, and levels B and C must be greater than 11%
- The sum of the intervals between the levels over the whole category (A/B + B/C + C/D) must be greater than 17%

Here is an example of a salary scale with non-linear intervals:

Example of intervals between categories and levels

Reference salary = 100

		Level A	Interval A/B	Level B	Interval B/C	Level C	Interval C/D	Level D
	Cat.1	100,00	6%	106,00	7%	113,42	8%	122,49
<i>Interval Cat.1 lev. A and Cat.2 lev. A</i>	20%							
	Cat.2	120,00	6%	127,20	7%	136,10	8%	146,99
<i>Interval Cat.2 lev. A and Cat.3 lev. A</i>	20%							
	Cat.3	144,00	6%	152,64	7%	163,32	8%	176,39
<i>Interval Cat.3 lev. A and Cat.4 lev. A</i>	30%							
	Cat.4	187,20	6%	198,43	7%	212,32	8%	229,31
<i>Interval Cat.4 lev. A and Cat.5 lev. A</i>	25%							
	Cat.5	234,00	6%	248,04	7%	265,40	8%	286,64
<i>Interval Cat.5 lev. A and Cat.6 lev. A</i>	25%							
	Cat.6	292,50	6%	310,05	6%	328,65	6%	348,37
<i>Interval Cat.6 lev. A and Cat.7 lev. A</i>	30%							
	Cat.7	380,25	6%	403,07	6%	427,25	6%	452,88
<i>Interval Cat.7 lev. A and Cat.8 lev. A</i>	25%							
	Cat.8	475,31	6%	503,83	6%	534,06	6%	566,10
<i>Interval Cat.8 lev. A and Cat.9 lev. A</i>	30%							
	Cat.9	617,91	7%	661,16	6%	700,83	5%	735,87
<i>Interval Cat.9 lev. A and Cat.10 lev. A</i>	15%							
	Cat.10	710,59	7%	760,33	6%	805,95	5%	846,25
Ratio between the highest and lowest salaries:								8,5

3.4 Position on the scale

The aim here is to define the position on the salary scale at time T. The question of the progress through the scale will be dealt with in the following paragraph (4).

Whether it is a question of hiring a new employee or setting up the salary scale, it must be possible to assign each individual to a position on the scale.

As seen above, it is the occupation that the person holds which determines their category.

For levels:

- In principle, when a new employee is hired, they are placed on the first level, A. It is possible to place them in level B if the person has significant experience (sufficiently long work experience) in the **same occupation**. Hiring at level B should not, however, be at the expense of management consistency and fairness within the mission. The Admin/HR coordinator must pay particular attention to this point.
- When the salary scale is first implemented, the assignment to a level will depend on the competences that the employee has demonstrated that they hold. The table on the next page presents the relative indications.

It should be noted that mastery of these competences must be documented and objectified, particularly through the annual appraisal interview.

LEVEL OF COMPETENCES DEMONSTRATED IN THE MDM OCCUPATION

LEVEL A	Partial proficiency	Able to do	requires proficiency - the basic techniques to be implemented in the field covered by the competences - the formal conditions of application (procedures, quality and safety standards). Period of adjustment to the context, implementation of competences in the environment, understanding of operational and procedural issues.	<p align="center">ability to act and react appropriately. knows what to do knows how to act in an emergency ability to do a series of actions depending on the aim</p>
LEVEL B	Standard proficiency	Able to adapt	requires proficiency - of all standard techniques to be implemented in the field covered by the competences - in all standard conditions of application (procedures, quality, safety and economic standards) - adjustment of solutions to partly new situations that the post-holder has not necessarily encountered - increasingly complex cases dealt with	<p align="center">ability to combine resources ability to construct competences based on resources and to use them in a context ability to arbitrate, negotiate, decide ability to go beyond the basics ability to draw lessons from experience ability to use their resources but also those in the environment</p>
LEVEL C	Advanced proficiency	Able to adapt to all complexities. Proficiency beyond what is expected	requires proficiency - of all techniques to be implemented both routinely and exceptionally in the field covered by the competence in question of all standard conditions of application and their short- and long-term impacts can contribute to cases involving bigger issues than their field of employment the choice of solutions corresponding to situations that are totally or partly new an additional complexity of cases treated supervision/management of 1/3 people not covered in the occupation assist and train employees	<p align="center">ability to transpose ability to memorise multiple situations and solutions ability to take a step back and operate simultaneously in two fields ability to use meta-competences to create a model ability to identify and interpret contextual indicators ability to learn</p>
LEVEL D	Expert	Innovates and teaches others	Masters areas covering the entire occupation in different working situations including the most exceptional and complex situations. The post-holder must, among other things, carry out the following three additional activities: carry out mentoring; develop new, innovative working methods applicable to others holding the same occupation; make particular expertise available in the occupation's areas of competence and outside the strict scope of their occupation	<p align="center">ability to learn ability to transform their action into experience ability to describe how to learn ability to take risks ability to create conditions for transposing using transfer mechanisms ability to take initiative</p>



4 Changes in salary

Changes in salary must be based on a clear, transparent framework that teams understand.

4.1 Individual changes

Individual changes only relate to:

- A change of category resulting from a change of occupation (employee mobility)
- A change in level resulting from the demonstration that new competences have been acquired in the occupation as presented in the table on page 10.

These types of changes (categories and levels) are part of the construction of the employee's career path within the organisation and are therefore based on the annual appraisal interviews. That said, there is no automatic link between annual appraisal interviews and a salary revaluation.

A positive evaluation does not necessarily lead to a move to the next level. This is not a sufficient condition, the acquisition of a new competence in the occupation must also be demonstrated. Without being set in stone, the acquisition of competences is reviewed on average every two years.

The change of level is proposed at manager level (line-manager or functional manager) and is centralised by the HR/admin coordinator, to ensure that all employees are treated fairly and that the overall budget allocated to individual revaluations is respected. If necessary, the General Coordinator may act as arbitrator. Your HR advisor at headquarters can also provide support and advise you on this process as needed.

Consequently, no employee can benefit from a salary increase other than in these two cases. The granting of individual bonuses is strictly prohibited. This would run counter to the principle of equity.

It should be noted that if an employee moves to an occupation in the same or a lower category, their salary remains the same. In other words, as long as the salary is contractually fixed, there is no financial demotion, even if this is permitted by local law permits.

The question of length of service is addressed in paragraph 5.1.1.

4.2 Collective changes

The salary scale is not rigid. It must be able to be periodically reviewed in the light of developments that may call it into question, such as inflation and its adequacy or attractiveness in relation to the local labour market.

4.2.1 *Inflation*

The salary scale must be adjusted annually in line with inflation.

Because inflation can vary greatly from month to month, the average of the last 12 months should be used as the basis for determining the inflation rate to be applied.

The World Bank and most Ministries of Finance publish official inflation data. It is useful to cross-reference several official sources.

In extreme cases where no reliable official data are available, it will be necessary to establish a “household basket” and track its evolution. However, this method is still subject to a great deal of subjectivity and represents a significant amount of work. It should therefore only be used as a last resort.

Inflation applies to the entire salary scale. The same rate applies to all. Negative inflation is not be taken into account and therefore does not have an impact on the scale.

The proposed rate must be made prior to preparation of the annual budget and both the rate must be approved by the Desk Officer in consultation with the HR advisor that will check the used calculation methodology (sources of information, spread over 12 months, etc.) and the Financial Officer, in order to anticipate the impact on the budget.

If the need for a salary revaluation arises during the year, in an unforeseeable and exceptional way, a documented request from the field will be studied by the Desk Officer and the HR Advisor. This request may require additional approval from the Executive Committee if the requested revaluation is outside the budget and is accompanied by a request for additional funding.

4.2.1 Revision of the salary scale

Monitoring the local labour market should enable us to regularly analyse the attractiveness of our salaries. However, as mentioned in paragraph 3.3, we need to keep a critical eye on the salary benchmark and not limit our attractiveness to financial aspects alone.

The relevant data must be updated every two or three years. Either through a study conducted by us, a study by another NGO, official data, etc. And think about sharing with other international or national NGOs.

Feel free to take part in the studies conducted by our peers, who will then be inclined to share their results. This can be a valuable source of information for us.



5 Variable elements of remuneration

Local labour legislation regulates and sometimes provides for the system of bonuses and allowances. Under no circumstances can this legislation be evaded. The aim of this paragraph is to harmonise practices and to define all the bonuses that Médecins du Monde, as an employer, wishes to implement for its employees. This consists of establishing these bonuses where local law does not provide for them. If local law provides for them, then the most favourable to employees should be chosen.

The bonus scheme described in this document is harmonised with the principles of the salary policy implemented for employees governed by French law.

It should be noted that **performance-related bonuses are contrary to the principles of the salary policy** as intended by Médecins du Monde France. MdM also does not offer bonuses linked to family events (birth, marriage, etc.).

The introduction of a bonus must be the subject of a tax study in order to identify contributions and taxes, the taxable portion, in order to comply with these obligations.

The bonus system for the mission must be set out in the conditions of employment or in the internal regulations.

5.1 Recurring bonuses

Recurring bonuses are bonuses that are granted collectively and on a regular basis.

5.1.1 *Length of service*

After three years' service, all employees will be awarded a monthly bonus of 5% from the month in which they reach that length of service.

This premium will be increased by 2% after each additional two-year period, up to a maximum limit of 15 years, i.e., 17%.

The percentage granted applies to the basic salary. Please note that length of service does not apply to bonuses, including the 13th month, but it does apply to overtime if that is paid rather than taken as time-off in lieu.

Length of service does not mean in the same occupation. It refers to **length of service in the mission regardless of the occupations held**. Length of service is calculated on the basic salary of the month in which the length of service is reached.

It should be noted that for fixed-term contracts, **length of service is systematically included when the gap between two different contracts is less than six months**.

Example of how length of service is taken into account and how it is calculated:

The example below is based on the salary scale presented on page 9 in paragraph 3.3. The Excel sheet of the table below is annexed to this document:

1st year	2nd year	3rd year	On the first day of 4th year	5th year	On the first day of 6th year	7th year	On first day of 8th year	9th year	On first day of 10th year	11th year	On first day of 12th year	13th year	On first day of 14th year	15th year	On first day of 16th year	17th year	18th year	19th year and later (*)
			5%		7%		9%		11%		13%		15%		17%			

Example 1 :

100,00	100,00	100,00	105,00	105,00	107,00	107,00	109,00	109,00	111,00	111,00	113,00	113,00	115,00	115,00	117,00	117,00	117,00	117,00
Basic salary (cat.1 lev.A)	<i>Detailed calculations:</i>		100×1.05		100×1.07		100×1.09		100×1.11		100×1.13		100×1.15		100×1.17			

length of service is calculated on the basis of the basic salary as given in the grid for a specific employee. The error here may consist of taking the salary from the previous month, for example, applying the 7% length of service bonus to the 6th year on a salary of 105, while the basic salary is actually still 100.

Example 2, the salary grid is revised on the basis of inflation in year 2 (+2%) and in year 7 (+3%)

100,00	100,00	102,00	107,10	107,10	109,14	112,41	114,52	114,52	116,62	116,62	118,72	118,72	120,82	120,82	122,92	122,92	122,92	122,92
Basic salary (cat.1 lev.A)	New basic salary (cat.1 lev.A) = 102		New basic salary (cat.1 lev.A) = 105.06			New basic salary (cat.1 lev.A) = 105.06			New basic salary (cat.1 lev.A) = 105.06			New basic salary (cat.1 lev.A) = 105.06			New basic salary (cat.1 lev.A) = 105.06			
<i>Detailed calculations:</i>		102×1.05		102×1.07	105.06×1.07	105.06×1.09		105.06×1.11		105.06×1.13		105.06×1.15		105.06×1.17				

All revisions of the salary grid have an impact on the basic salary and are therefore taken into account in calculating length of service.

Example 3, the employee is promoted to a new occupation in a higher category in year 7 and moves to Level B of this occupation in year 11.

100,00	100,00	100,00	105,00	105,00	107,00	128,40	130,80	130,80	133,20	141,19	143,74	143,74	146,28	146,28	148,82	148,82	148,82	148,82
Basic salary (cat.1 lev.A)	New basic salary (cat.2 lev.A) = 120					New basic salary (cat.2 lev.B) = 127.20					New basic salary (cat.2 lev.B) = 127.20							
<i>Detailed calculations:</i>		100×1.05		100×1.07	120×1.07	120×1.09		120×1.11	127.2×1.11	127.2×1.13		127.2×1.15		127.2×1.17				

All changes in where the employee is positioned in the salary scale (change of category or level) have an impact on the calculation. The length of service applies when the new basic salary comes into force. The length of service refers to length of service in the organisation, not in the occupation.

Example 4, the employee moves to a higher level within their occupation in the third year, changes occupation in the ninth year and moves up a level in this new occupation in the 13th and 18th years. The salary scale is revised on the basis of inflation in year 5 (+2%).

100,00	100,00	106,00	111,30	113,53	115,69	115,69	117,85	133,42	135,86	135,86	138,31	146,61	149,21	149,21	151,80	151,80	162,43	162,43
Basic salary (cat.1 lev.A)	New basic salary (cat.1 lev.B) = 106		New basic salary (cat.1 lev.B) = 108.12			New basic salary (cat.2 lev.A) = 122.4			New basic salary (cat.2 lev.B) = 129.74			New basic salary (cat.2 lev.C) = 138.83						
<i>Detailed calculations:</i>		106×1.05	108.12×1.05	108.12×1.07		108.12×1.09	122.4×1.09	122.4×1.11		122.4×1.13	129.74×1.13	129.74×1.15		129.74×1.17			138.83×1.17	

Example 4 demonstrates the cumulative aspect of the preceding examples and the need to pay attention when applying the calculation formulae.

To summarise, it is the basic salary, and therefore the position at time T in the salary scale which is used to calculate length of service.

(*) This does not mean that the salary does not change, but that length of service is capped. The basic salary may, however, continue to change after the 16th year, in line with individual promotion (Change of level and/or category) and/or overall revision of the scale (inflation, for example), while the calculation of length of service is adjusted to the new basic salary where applicable.

5.1.2 Travel

Unless legal provisions exist that are lower or contrary to the following, 50% of the employee's travel costs to and from the employee's place of employment shall be covered.

The address of domicile and place of employment as stated in the contract of employment are used as reference. If the employee relocates during the course of the contract, a sworn statement will be requested. A change of assignment must be the subject of an amendment to the employment contract.

Each mission will be required to conduct a study of both the available public transport and its cost. If functional public transport is available, this should be used as a reference in establishing the amount of the bonus. If there is no public transport, a flat rate per kilometre will have to be established. However, it is not a question of individualising the travel bonus to the point of making it more difficult to manage. The definition of two or three areas (e.g., city-centre and outside the city) is recommended. The bonus will differ only depending on the area and the employee will receive the bonus corresponding to the area their home address is in.

In order to simplify management, this bonus will be flat-rate and identical each month for the employee. In other words, this bonus is not calculated on a pro-rata basis according to the employee's presence in the workplace and remains due in the event of absence (leave, illness) of less than one month. Only if the employee has not worked on any day of the month can the bonus be suspended for the month of absence only.

It is understood that the travel bonus is not payable if the employee is transported by the mission or if the journey to the place of assignment does not entail any cost for the employee.

5.1.3 Lunch

Unless otherwise provided by law, Médecins du Monde will cover 50% of employees' lunch costs.

A quick survey of restaurants close to the workplace should make it possible to define the daily cost to be covered. If there are no major disparities between the different mission sites, it is recommended that the lunch bonus be identical for the entire mission in order to simplify payroll management.

The lunch bonus should be calculated on a pro-rata basis according to actual days the employee is present. Absences (holidays, illness, etc.) do not entitle the employee to the payment of a lunch bonus.

Teleworking entitles employees to the payment of the lunch bonus.

Care should be taken with regard to business travel. If this gives rise to a per diem which is supposed to cover the costs of lunch, then it will be necessary to avoid duplication. Either the lunch bonus is replaced by the part of the per diem that is supposed to cover the same costs, or the lunch bonus is deducted from the per diem. The second option is recommended, i.e., to maintain the lunch bonus since the trip constitutes a working day, and the per diem can be adjusted to cover any remaining costs.

This bonus in no way obliges the employee to have lunch in the pre-identified restaurants and they can use it as they wish.

Specific cases If the mission employs a cook who prepares meals and manages the lunch service (purchase of foodstuffs, washing dishes, etc.), then this is considered to be equivalent to the lunch bonus.

In other words, there will be no 50% participation in the cost of meals incurred (in particular via the shared fund) and if the employee chooses to eat outside the mission, this is at their own expense.

5.1.4 13th month

Any employee with more than six months' service is entitled to a bonus known as a the "13th month".

In principle, this bonus is paid in two instalments. The timing of the two payments must be agreed with the employees in accordance with local customs (Christmas, Ramadan, Eid, end of the year, summer holidays, etc.), and must be written into the conditions of employment or internal regulations.

That said, the 13th month bonus can be spread out over different timescales (in a single instalment, two instalments, every quarter, etc.). This should be decided with all staff and in accordance with legal provisions.

On a recommendation to pay the bonus in two instalments here is the method by which it is applied to employees under French law: The bonus is calculated on the basis of the basic salary, i.e., the gross salary excluding remuneration variables (bonuses in particular). For example, in the case of a payment in June and December, each employee receives :

- In June, 1/12th of the basic salary received from 1 January to 30 June
- In December, 1/12th of the basic salary received from 1 July to 31 December.
- If the employee is hired in April, they are not eligible for the bonus in June. They will reach six months of service in September and will then receive 1/12th of the six basic months of salary received since they were hired. Then in December they will receive 1/12th of the remaining three months to cover the end of the year. For this period, over a nine-month length of service, the employee will receive a total of 9/12th of the bonus. The following year starts again on the normal cycle.

Similarly, in the event of departure during the year (end of fixed-term contract, dismissal, resignation), and provided the employee has reached six months' service, the 13th month bonus will be allocated pro rata in relation to the length of employment.

Some legislation provides for granting a single end-of-year bonus in the form of a 13th month or a percentage of the monthly salary, so it will be a matter of complying with this and adapting the above rule, but without combining the two systems. The 13th month bonus only supplements the legal framework up to the equivalent of a 13th month. If the legal bonus goes beyond that, then it will be considered equivalent to the 13th month bonus.

5.2 Exceptional bonuses and allowances

Exceptional bonuses are individual bonuses linked to particular circumstances.

As a reminder, the length of service conditions set out in the following paragraphs do not relate to an occupation but to the mission. And for fixed-term contracts, length of service is systematically included when the gap between two contracts is less than six months.

5.2.1 End of contract

The rules defining the terms and conditions of termination of a contract (resignation, dismissal, notice, allowances, etc.) must be set out in the terms and conditions of employment or the mission's internal rules and regulations.

If the contract is a permanent contract, it can come to an end as the result of:

- either resignation, which does not entitle the employee to severance pay;
- or dismissal (for whatever reason), in which case severance pay, the rules of which are set out in the following paragraph (5.2.2), acts as an end-of-contract bonus.

If the contract is a fixed-term contract, it can come to an end as the result of:

- Either dismissal for misconduct, in which case the severance pay, the rules of which are set out in the following paragraph (5.2.2), acts as an end-of-contract allowance.
- Or the non-renewal of a contract that has come to an end. In reality, the use of fixed-term contracts offers management flexibility that meets our way of operating and our constraints (one-year funding contracts, programme planning for a limited period of time, etc.), but this is achieved at the price of a certain amount of occupation insecurity for our employees. This lack of stability must be compensated for by the allocation of end-of-contract pay equivalent to half a month's basic salary per full year and/or on a pro rata basis for an incomplete year.
- Or the termination of the contract before its term. Although potentially very complicated and legally delicate (in particular the obligation to pay salaries until the end of the contract even in the event of early termination), some legislations may allow resignation and/or mutually-agreed termination in which case it will be necessary to apply the legal provisions. If the legislation does not allow for this, this option should be avoided.

However, the law may sometimes impose the payment of an end-of-contract allowance which, in most cases, is calculated on the basis of length of service.

This type of bonus raises difficulties when it comes to ensuring the cost is covered by donor funding. Please note that if and only if this is possible, the end-of-contract bonus can be paid annually or at the end of the donor contract (if the date of the employee's employment contract is aligned with the funding contract). But it is **imperative to** be sure that this is permitted by legislation. It is often stipulated that end-of-contract bonus can only be paid at the actual end of the contract, or even upon the definitive departure of the employee (i.e., the end of the contract is understood to mean beyond the renewal of several fixed-term contracts). The legal and financial risk would then be an obligation to repay a bonus when the employee actually leaves, even though it had been paid at another time.

5.2.2 Dismissal

It would be very risky to enact a binding framework for dismissal. **The statements below must be read in the light of the law in force on each mission and by a professional (expert consultant/lawyer in labour law, Ministry of Labour).** While this rule applies to the entire salary policy document and its appendices, it is particularly important in this respect, as the potential for litigation poses a financial and reputational risk for the mission.

Therefore, although they vary greatly depending on the legislation, the grounds for dismissal can be divided into two categories: dismissal for misconduct and dismissal for a reason other than misconduct. Subject to compliance with local law:

- Dismissal for misconduct (serious and/or gross) must be part of a disciplinary process that must be set out in the internal regulations or conditions of employment. Here, we will confine ourselves to strict compliance with the legal framework.

- If the dismissal is not due to misconduct by the employee and:
 - if the reason is “economic” (e.g., closure of a programme), and if the law does not provide for the payment of an allowance, or if the allowance is lower (in this case it will be supplemented upwards), the severance pay will correspond to ½ month of the last basic salary per full year of service and a pro rata of this rule for the current year.
 - If the reason is personal (inaptitude, professional incompetence, etc.), and if the law does not provide for the payment of an allowance or if it is lower (in this case it will be supplemented upwards), the severance pay will correspond to ¼ month of the last basic salary per full year of service and a pro rata payment for the current year.

5.2.3 Retirement

The terms and conditions for terminating the employment contract due to retirement must be recorded in the terms and conditions of employment or the internal regulations and be in accordance with local legislation.

The local legislation determine the age which employees are able to exercise their right to retirement.

The retirement allowance, if not provided for by law or if it is lower (in which case it will be supplemented upwards) is set at ½ a month of the last basic salary per year of service for employees with less than five years of service. Beyond that, the retirement allowance is set at one month of the last basic salary per year of service.

The retirement allowance is nevertheless capped at the equivalent of one year’s salary, i.e., 12 times the last basic salary received.

In addition, it replaces the severance pay or end of contract indemnity. There is no accumulation between the end of contract and the retirement indemnities.

Each mission must also assess the possibility of an additional covering thru occupational pension insurance, the contribution of which must be shared between MdM and the employee. Nevertheless, we must remain vigilant on the effectiveness of such a system and its potential cost, which may make this option irrelevant.

5.2.4 Death / Disability

It is strongly recommended to cover the risks of death and disability through insurance and a pension contract.

The rules for treatment (medical expenses) and compensation for the death or disability of an employee must be mentioned in the conditions of employment or internal regulations, in the section on social and/or medical cover. The medical policy reference framework document can be found in **Appendix 3**.

If no insurance cover is chosen or if this proves insufficient, MdM will cover up to:

- 24 months of the last basic wage in the event of death or permanent disability of the employee, due to an accident at work
- three months of the last basic salary in the event of death other than an accident at work
- Disability due to something other than an accident at work is not covered by Médecins du Monde

Even if this is not an element of remuneration per se, it is important to take into account customs and habits. In particular, it may be expected that the employer will contribute to funeral expenses. This is a discretionary practice.

5.2.5 Acting

Whenever an employee is required to cover the duties of a vacant position with greater responsibility and for a period of more than one month, an acting bonus must be put in place.

The conditions of eligibility and the terms and conditions of the acting bonus are defined in **appendix 4**.

5.2.6 Relocation

When an employee is hired to work permanently outside their place of residence or place of recruitment (check the legal definition in the country), the introduction of a relocation bonus may be considered.

This may be a one-off relocation bonus payable at the time of relocation to cover the moving costs of the employee and their family, **or** a flat-rate monthly bonus to compensate for the additional costs incurred by the relocation (accommodation, transport back to the family's place of residence).

The framework for covering relocation must be drawn up for each mission using it, in accordance with legal provisions and appended to the conditions of employment or internal regulations.

Relocation should only be considered when it is problematic to recruit in the area of intervention (lack of competent candidates, safety issues, etc.) or in the context of an employee's mobility (reclassification, promotion, etc.).

5.3 Overtime

Where the needs of the project so require, staff may, at the request of the employer, and without this constituting a common practice, be called upon to work overtime.

Overtime is considered to be any hour worked in excess of the threshold defined in the terms and conditions of employment and/or internal regulations and in accordance with local labour legislation. Working hours are fixed weekly and are common to all employees.

Unless otherwise provided by law, overtime is not paid but is compensated for by time-off in lieu, as part of a time-off in lieu schedule approved by the line manager.

When it comes to operational shifts (guards, drivers, care staff, etc.), working hours may be longer than those defined for all employees. Therefore, hours worked beyond this must be considered as overtime. The implementation of a time-off in lieu schedule can potentially make it more difficult to organise a shift rota, in which case, overtime payments may be considered.

Although working time is most commonly defined on a weekly basis, shifts are organised on a monthly basis, which should make it possible to spread and manage working hours (and therefore potential overtime) on a monthly basis.

In order to prevent work-related psycho-social risks, the organisation of a shift system must guarantee sufficient rest for each employee, except where more favourable legal provisions apply; at least 11 hours between each shift and with a weekly rest period of 48 consecutive hours.

It is important to find **out about and apply the legal regime for overtime (limits, night, weekend or public holiday bonuses, etc.)**. Please note that increased rates also apply to time-off in lieu.

To be taken into account when justifying expenditure to donors

1 - Keep all the documents that allow you to trace individual payments in order to justify this to the donor.

Whether for bonuses or overtime, remember that you must be able to document these expenses (e.g., an article in the internal regulations or conditions of employment explaining the payment of a particular bonus, a record of hours signed by the employee for overtime, attendance sheets, etc.)

2 - Take into account the fact that:

The expenses charged correspond to the dates approved by the donor. For example:

the donor contract runs from 1 July 2020 to 31 December 2021

monthly salary of July 2020 = total possible allocation

the end-of-year bonus with regard to the employee's presence under contract for all of 2020 paid in December 2020 = allocation of a maximum of 50% as the donor only covers half of 2020.



6 Advances and loans

6.1 Advances

Unless otherwise provided by law, salaries are paid monthly and on a fixed date.

Salary advances are possible in the following framework:

- Only one advance may be requested per month
- The amount of the advance must correspond to the salary already effectively earned. In other words, it is entirely possible to request an advance of 50% of the salary from the 15th of the month, this will not be possible before the 15th and it must be consistent with the time already worked.
- A management system will have to be put in place to limit the administrative burden and accounting errors (centralisation of requests for advances by the 15th of the month, monitoring of advances, recording in the accounts, balance, etc.)

6.2 Loans

Médecins du Monde is not a lending agency. Consequently, under no circumstances will loans be granted.



7 Appendices

The appendices are an integral part of the salary policy. They have been included to allow them to evolve without calling into question the general principles of the policy presented in this document.

- Appendix 1: The occupation grid
- Appendix 2: Weighting tool
- Appendix 3: Medical policy for national staff in international missions
- Appendix 4: The acting policy

Guides have also been developed to provide guidance on the subjects concerned. Here is a non-exhaustive list:

- Benchmarking Guide
- Guide to setting up a “household basket” monitoring system
- Guidance on closing a mission
- Excel sheet of the example on p.14 on how to calculate length of service.

Feel free to consult them on the HRD intranet!



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