

## **Utrecht University Transition costs deduction scheme**

1. Under Article 8:5 of the Collective Labour Agreement for Dutch Universities (CAO NU) and Section 7:673 (6) of the Civil Code, the following transition costs will be deducted from the transition allowance to be paid:
  - the costs of internal or external education/training that have been incurred in the final year of employment, aimed at the work-to-work supervision of the employee;
  - the costs of outplacement, unless a reorganisation has taken place within the meaning of Chapter 9 of the CAO NU;
  - costs related to the observance of a longer notice period than that of the employer, provided that the employee was exempted from work during that longer period, to give them the opportunity to seek other work from their place of work.
  
2. The following conditions shall apply:
  - the costs were actually incurred. If the employee is entitled to a particular provision but does not use it, nothing can be deducted.
  - only costs that relate to an individual employee can be deducted from the transition allowance.
  - the costs should not relate to the employee's wages. As such, labour costs for a period during which the employee attended a course, for example, may not be deducted.
  - the costs should have been incurred in the period over which the transition allowance is calculated.
  - the employee should be informed in advance that the transition costs to be incurred will be deducted from the transition allowance.
  
3. The deduction of any transition costs will take place in the calculation of the level of the transition allowance and the employee will be notified by means of a transition allowance decision.
  
4. If the transition costs are higher than the transition allowance to which the employee is entitled, the amount of the transition allowance will be fixed at €0.

These regulations, as amended in consultation with the University Labour Representation Board on 4 December 2019, shall come into force on 31 December 2019 and will replace the previous regulations.

### **Explanatory notes**

#### **Transition allowance**

Employees are entitled to a transition allowance in the event of voluntary resignation. This also applies in the following circumstances:

- termination of employment by the employer (including in the case of illness)
- discontinuation of a temporary employment contract.
- structural decrease of working hours after granting of a WGA benefit allowance
- structural decrease of working hours due to commercial circumstances

An employer may deduct any transition and employability costs from the transition allowance under certain circumstances.

Transition costs are the costs of measures that were incurred for activities and efforts in relation to imminent dismissal or regarding the discontinuation of the employment relationship, aimed at preventing unemployment or shortening the period of unemployment. Examples of transition costs include:

- the costs of internal or external education/training that have been incurred in the final year of employment, aimed at the work-to-work supervision of the employee;
- outplacement costs
- costs related to the observance of a longer notice period than that of the employer, provided that the employee was exempted from work during that longer period, to give them the opportunity to seek other work from their place of work.

Employability costs are costs that are incurred by the employer during the employment relationship in relation to activities (courses or training) to advance the broader employability of the employee outside of the employer's organisation. As such, the acquired knowledge or skills are not aimed at more effective performance of the employee's responsibilities at the current employer.

Transition and employability costs can only be deducted from the transition allowance if collective agreements have been made with the University Labour Representation Board in this regard or if the individual employee has agreed to this in writing prior to the specified costs having been incurred.

### **Agreement with Utrecht University Labour Representation Board**

Transition costs can be divided into the collective Work2Work programme on the one hand, and individual tailored agreements on the other.

- the costs of the W2W programme are not deducted from the transition allowance, given that this is a statutory obligation in the context of excess bearer status under the Unemployment Insurance Act (WW).
- the costs of individual, tailored agreements (such as training/education aimed at transition, outplacement and a longer notice period) will, however, be deducted from the transition allowance, given that these costs are clearly related to the transition to a new job for individual employees.

Employability costs are not deducted from the transition allowance by default, given that Utrecht University is committed to the continuous development and advancement of the sustainable employability of its employees.

In a number of exceptional situations, agreements can be reached with individual employees regarding the deduction of employability costs from the transition allowance. In such cases, the employee must agree to this in writing.