

Procedures

Local Bonus Payments

Part of the Global Reward Policy

December 2021 updated April 2024

Procedures relating to:	(Part of the Global Reward Policy)
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Responsible Executive:	Global Director HR
Responsible Office:	Human Resource Directorate

PROCEDURES

HERIOT-WATT UNIVERSITY
POLICY TITLE

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PROCEDURES

1. INTRODUCTION

All Heriot-Watt University colleagues receive an annual salary for performing their duties at an effective level. However, on occasion an individual will make an exceptional short-term or one-off contribution to the University that may warrant additional and timely recognition.

The Local Bonus Procedures allow Executive Deans, Directors and the equivalent to do this without requiring a full submission to the Contribution Pay Board.

A local bonus may be paid in recognition of a one-off exceptional contribution towards the University and School/Directorate objectives, which is over and above the normal expectation of the role. This exceptional performance is temporary in nature expressed in terms of significant outcomes and achievements that are beyond what might reasonably be expected.

Bonuses are paid as a one-off amount and do not count towards pensionable remuneration. Only one local bonus payment can be made to an individual in any one performance year.

2. SCOPE

All UK employees in Grades 2-9 are eligible to be considered for a payment, providing they have been an employee of the University a minimum of nine months on the date the bonus is requested.¹

Employees in Dubai in Grades 2-9 are also covered by this procedure. (Colleagues in Malaysia have their own local remuneration and bonus arrangements). Employees must have engaged with the PDR process.² Employees subject to a performance improvement plan are not eligible to receive a local bonus.

Executive Deans/Directors of Professional Services are permitted to request a local bonus payment to individual members, or small groups, of their staff. Local Bonus Payments of up to £750, (before tax), can be made. For Dubai this is up to AED 3,000. The payments can be recommended at any time of year i.e. at the time of achievement and will be recorded and processed by the Human Resources Team.

3. DEFINITION AND CRITERIA FOR LOCAL BONUSES

Local Bonus Payments should be used to recognise one-off, short term exceptional contribution towards the University and School/Directorate objectives, over and above the normal expectation of the role.

These may be awarded to any individual who:

- Has taken on additional but time limited responsibility above the normal expectations of the grade, e.g. contributing to a significant University wide project.
- Has achieved particularly challenging objectives, e.g. overcoming significant obstacles to ensure deadlines are met.
- Has successfully tackled an unplanned or unexpected event showing exceptional commitment beyond that normally required of the role.

¹ 9 months is consistent with the Contribution Pay Board guidance that you should be in post for 9 months to be eligible for a bonus.

² At a minimum set their PDR targets and a positive mid-year review even if they have not completed a full PDR cycle.

In making a recommendation, managers should consider the link of the work to the University Strategy and Values.

Local bonuses should not be used simply to recognise effort, such as working at a weekend, but for recognising an individual's significant contribution over and above what is expected of the role, delivered either within or outwith normal working patterns.

N.B. Other mechanisms such as Additional Duties and Acting Up Procedures or Regrading/Promotion, are available to reward temporary or permanent changes to roles, e.g. temporarily acting up in a higher grade would normally be rewarded by a monthly additional duties/acting up payment rather than a bonus payment.

4. LOCAL BONUS APPROVAL PROCESS

All local bonus payments must be submitted for approval and processing using the [online form](#). Human Resources will monitor the number and value of local bonuses submitted and report on these quarterly to the Contribution Pay Board and the GOE. Any unusual trends or requests will be highlighted to the Secretary of the University who will review these prior to final approval.

A small central local bonus budget is held by Finance and all local bonuses will be charged to this. This budget is capped and will be reviewed annually and the amount included in the Group Assumptions as part of the budget planning round.

The Executive Dean/Director should complete an [online form](#) for each case providing evidence of performance at an exceptionally high standard over a finite time or on a specific piece of work.

Notes:

- i) Only demonstration of outstanding performance can result in an award being made.
- ii) A recommendation from a Executive Dean/Director of Professional Service does not guarantee a successful outcome.
- iii) To ensure fairness and consistency the actual award may differ from that proposed by the Executive Dean/Director.

Award values would typically be £200, £500 or £750. (AED 1,000, AED 2,000 or AED 3,000).

Where the Executive Dean/Director wishes to make a Bonus Payment in excess of £750, a case must be made to the [Contribution Pay Board](#) Cases can only be made to this Board for grade 2-9 colleagues in the UK or those in Dubai on old terms and conditions.

Whilst most cases will be approved for processing swiftly, as part of the monitoring and reporting process the Reward team may on occasion decline a request or ask for additional information prior to approving the payment. Possible reasons include but are not limited to:

- A colleague received a local bonus in the previous 12 months
- A colleague has less than 9 months service
- A colleague is not on Heriot-Watt University terms and conditions for G2 - G9
- A significant number of local bonus cases have been submitted from a School or Directorate – further information may be requested or approval required from the Secretary of the University and the Global Director of HR before processing

Once a local bonus has been approved and added to ERP, the manager requesting the bonus will be automatically informed. The Reward Team will write out to the individual sending the correspondence via their manager so they can add in a personal thank you if they wish.

5. RECORD KEEPING

Records and information obtained under this Procedure will be kept held and reported on in line with the UK Data Protection Act 2018, the University's Records Retention Policy and in line with the Staff Privacy Notice.

A record of the case and outcome will be retained securely within HR.

General statistics are maintained and reported for equal opportunities monitoring, Athena Swan and other accrediting bodies, Freedom of Information requests and key performance indicator purposes.

Any reports produced using this information will be kept securely and confidentially with personal data removed in accordance with the Data Protection Act 2018 and the University's Records Retention Policy

6. FURTHER HELP AND ADVICE

- hrhelp@hw.ac.uk
- Helen Ovens, Reward and Wellbeing Consultant, h.c.ovens@hw.ac.uk
- Scott Monaghan, Reward and Wellbeing Senior Admin Assistant, s.monaghan@hw.ac.uk

7. POLICY VERSION AND HISTORY

Version No	Date of Approval	Approving Authority	Brief Description of Amendment
V. 01	December 2021	Global Operations Executive	(increase in maximum bonus payment; approval process via quarterly meeting of Contribution Pay Board; no longer embedded in the Contribution Pay Procedures)
V.02	7 May 2024	Global Operations Executive	Approval process directly through HRD at any time and reported quarterly to Contribution Pay Board. Introduction of Forms and a budget.