



8th August 2025

Circular OPS/MFI/2

Attn: All stakeholders

Re: Reimbursement of Staff Costs

In line with the new eligibility rules for the 2021-2027 Programming Period, the reimbursement of staff costs across all shared management funds will follow the methodologies set out in this Circular.

In the case of **full-time staff¹ or fixed part-time staff** working exclusively on the project, for the calculation of the methodology for the reimbursement of staff costs, the latest annual documents will be required in relation to the i) basic wage, ii) statutory bonuses, iii) social security contributions paid by the employer, and iv) any allowances associated with the position and specifically approved by the MA/IB². No other allowances are to be included in the calculation.

Moreover, as a general principle, employment entitlements that an employer is legally bound to pay can be claimed through EU Funds, unless exceptions are clearly outlined in this circular. For example, maternity leave entitlements that are legally payable to an employee can be included in the above computations.

Using this data, the Beneficiary needs to determine the value (unit cost) to be claimed for every pay period or for every set of pay periods. In the case of entities outside the public service, and/or where no collective agreement exists, and/or when a full record of 12 consecutive months is not available, the unit cost is to be determined by using, as a reference, the public service collective agreement for similar posts³, or any other available official document establishing the gross employment costs duly adjusted for a 12-month period.

Each Beneficiary is required to fill in Annex 1 (attached) for each position. In order to simplify and avoid requiring pro-rata calculation of costs, only full pay periods can be claimed.

In the case of **staff working partially on a project**, a further simplification will be applied using Article 55(2)(a) of Regulation (EU) 2021/1060. To this end, the Beneficiary needs to establish a standard hourly rate for a given position, as indicated in more details in this Circular. For administrative purposes it is recommended that each claim covers multiple pay periods e.g. quarterly basis.

In all cases of reimbursement, the latest annual staff costs recorded in the methodology template need to be supported through accounts, payroll reports, etc; and made available during on-the-spot checks and audits in order to verify the established rate. In addition, the Beneficiary should also

¹ including those working on reduced hours

² It should be noted that allowances that vary between any two persons holding the same position cannot be claimed.

³ The determination of similar posts would need to be approved by the MA/IB.

provide a copy of the CVs and signed declarations of Selection Board members in view of the obligation on Conflict of Interest checks, as specified in Circular OPS/OPM-EES/1/2025⁴ dated 14th April 2025.

Exceptions to this circular will only be accepted in cases where the MA/IB establish different unit costs specific to a particular operation or action.

Methodologies

A. Claiming costs associated to full-time employment or fixed part-time employment

As already indicated above, staff costs can include the following elements in agreement with the MA/IB:

- The basic wage (including paid leave) and statutory bonuses;
- Social Security Contributions paid by the employer;
- Allowances associated with the position and specifically approved by the MA/IB⁵. No other allowances are to be included in the calculation.

Documents that should be uploaded on the Management and Control Information System include:

At Contract level:

- The official document used to establish the gross employment costs (duly adjusted) for a 12-month period⁶
- Annex 1 - Method calculating the amount to be claimed for each pay period with the MA's endorsement.

At Payment Claim level:

- No documentation is to be uploaded in this section except the payslip in case of abnormal deductions⁷ to show the adjustment to the amount being claimed for the pay period concerned.

No documents are to be forwarded to the Payments Unit for payment since these will be verified via the applicable Management Information System.

In the case of EAFRD, soft copies of the relevant documents are to be forwarded to the Paying Agency.

⁴ https://fondi.eu/important_documentat/circular-ops-opm-ees-1-2025-conflict-of-interest-and-action-against-fraud-and-corruption/

⁵ It should be noted that allowances that vary between any two persons holding the same position cannot be claimed.

⁶ The Beneficiary should immediately inform the MA/IB should the contracted employee change the number of hours worked, thereby affecting the unit cost established.

⁷ Abnormal deductions consist of amounts deducted from the person's salary that will affect the unit cost determined on the salary methodology, such as unpaid leave.

Beneficiaries are required to ensure that any documentation uploaded should be readable and clearly labelled at all times.

B. Claiming costs associated to staff working on a funded project for a dedicated number of hours

In this case, the hourly rate is to be calculated in line with Article 55(2)(a) of (EU) 2021/1060⁸, according to the below methodology:

Latest documented annual gross employment cost for the position concerned

1720 hrs

Once, the hourly rate is established, the amount to be claimed will be determined by multiplying the identified hourly rate x number of hours worked.

Beneficiaries using the 1720hrs should take into account the following:

- The latest documented annual gross employment costs consisting of i) the basic wage, ii) statutory bonuses, iii) social security contributions paid by the employer and, iv) any allowances associated with the position and specifically approved by the MA/IB⁹. No other allowances are to be included in the calculation.
- Since the 1720 hrs equation already takes into account any pro rata normal vacation leave and sick leave, the number of hours worked should include ONLY the actual number of hours spent working on the project, which are not to exceed the 1720 hrs in a 12-month period.
- Beneficiaries must keep time records for the number of hours declared. The time records must be approved by the person/s working on the project and their supervisors, on the basis of the pay periods established for the organisation concerned. In the absence of reliable time records of the hours worked on the action, the MA/IB may accept alternative evidence supporting the number of hours declared, if it considers that it offers an adequate level of assurance.

Documents that should be uploaded on the Management and Control Information System include:

At Contract level

- The official document used to establish the gross employment costs (duly adjusted) for a 12-month period¹⁰
- Annex 1 - Method calculating the amount to be claimed for each hour worked endorsed by the MA (using the 1720hrs equation)

⁸ No other calculation method will be accepted by the MA.

⁹ It should be noted that allowances that vary between any two persons holding the same position cannot be claimed.

¹⁰ The Beneficiary should immediately inform the MA/IB should the contracted employee change the number of hours worked, thereby affecting the unit cost established.

At Payment level

- Time records, such as reliable punch records or timesheets, which are certified correct by the Project Leader

No documents are to be forwarded to the Payments Unit for payment since these will be verified via the applicable Management Information System. Beneficiaries are required to ensure that any documentation uploaded should be readable and clearly labelled at all times.

In the case of EAFRD, soft copies of the relevant documents are to be forwarded to the Paying Agency.

C. Overtime

- Reimbursement of overtime is eligible in limited and pre-defined cases and has to be specifically approved by the MA/IB.
- Overtime is to be reimbursed according to the Beneficiary's collective agreement or equivalent document.
- The necessary internal approvals need to be in place, including the endorsement of the overtime sheets by the employee's superior.

We thank you for your cooperation.

The Financial Control Unit