



Royal Dutch Airlines



# Cafeteria Plan KLM



Compensation &  
Benefits

AMS/HB

17 April 2024

# Contents

Options menu of employment conditions .....	4
1.1 In this brochure .....	4
1.2 Tax advantage .....	5
1.3 Special situations .....	5
The Cafeteria Plan .....	7
2.1 When .....	7
2.2 Eligible parties .....	8
2.3 Ineligible parties .....	8
2.4 Personal circumstances .....	8
2.5 Termination of employment contract .....	8
2.6 Glossary .....	9
What are the consequences? .....	10
3.1 WIA/WW .....	10
3.2 Supplements and deductions .....	11
3.3 Life-course savings scheme .....	11
3.4 Anniversary bonus .....	11
Centralised and decentralised options .....	12
4.1 Remaining transport allowance .....	12
4.1.1 Number of attendances (ground staff) .....	14
4.1.2 Number of attendances (air crew) .....	15
4.1.3 Procedure .....	15
4.1.4 Deregistration .....	15
4.1.4 Extra transport allowance .....	15
4.2 Trade union contribution .....	16
4.2.1 Starting points .....	16
4.2.2 Procedure .....	17
4.2.3 Deregistration/termination .....	17
4.3 Receiving holiday hours/days as pay (additional income) .....	17
4.3.1 Ground staff .....	17
4.3.2 Procedure for ground staff .....	18

4.3.3 Pilots .....	18
4.3.4 Procedure for pilots .....	18
4.3.5 Cabin crew .....	19
4.3.6. Procedure for cabin crew regarding untaken annual leave/holiday days (OJV days).....	20
4.3.7. Procedure for cabin crew regarding annual leave days (JV days).....	20
4.4 Purchasing extra hours/days off.....	21
4.4.1 Ground staff.....	21
4.4.2 Procedure for ground.....	21
4.4.3 Pilots .....	22
4.4.4 Procedure for pilots .....	22
4.4.5 Cabin crew .....	23
4.4.6 Procedure for Cabin Crew .....	23
Resources .....	25
5.1 Variable Income.....	25
5.2 Year-end bonus .....	25
5.3 Profit-sharing .....	<b>Error! Bookmark not defined.</b>
5.4 Non-statutory holiday hours/days .....	25
5.5 Calculation of the value of a holiday hour or day .....	26
5.5.1 The value of a holiday hour (ground staff) .....	26
5.5.2 The value of a holiday day (pilots) .....	26
5.5.3 The value of a holiday day (cabin crew).....	27
5.6 Monthly salary .....	27
5.7 Too many or too few assets? .....	27
5.8 Multiple options .....	28

# 1

## Options menu of employment conditions

- □ KLM's Cafeteria Plan provides you with greater flexibility in putting together your employment conditions. You could call it 'self-service customization'. That is because you are able to tailor parts of your employment conditions to your personal circumstances, which usually means that you also gain a tax advantage.

The Cafeteria Plan consists of a menu from which you can choose components according to your own taste, albeit within limits and under specific conditions. If you have children for example, you might want to take a few more days off. If you have just graduated, you might decide you would like to increase your income by converting any extra holiday hours or days to pay. And because KLM's transport allowance does not make use of the entire tax allowance, you can claim this via the Cafeteria Plan.

### 1.1 In this brochure

This brochure provides information about KLM's Cafeteria Plan and helps you make choices regarding your options. You will find an overview of the options provided for in the plan, the rules that apply to these and how you can go about converting your employment conditions.

For aircrew, the term 'holiday hours' should be understood as meaning holiday days. For pilots, the term 'manager' refers to the general service manager and

'holiday card' refers to the current account. Amounts and maximums generally apply to full-time positions and are calculated on a pro-rata basis for part-time positions.

## **1.2 Tax advantage**

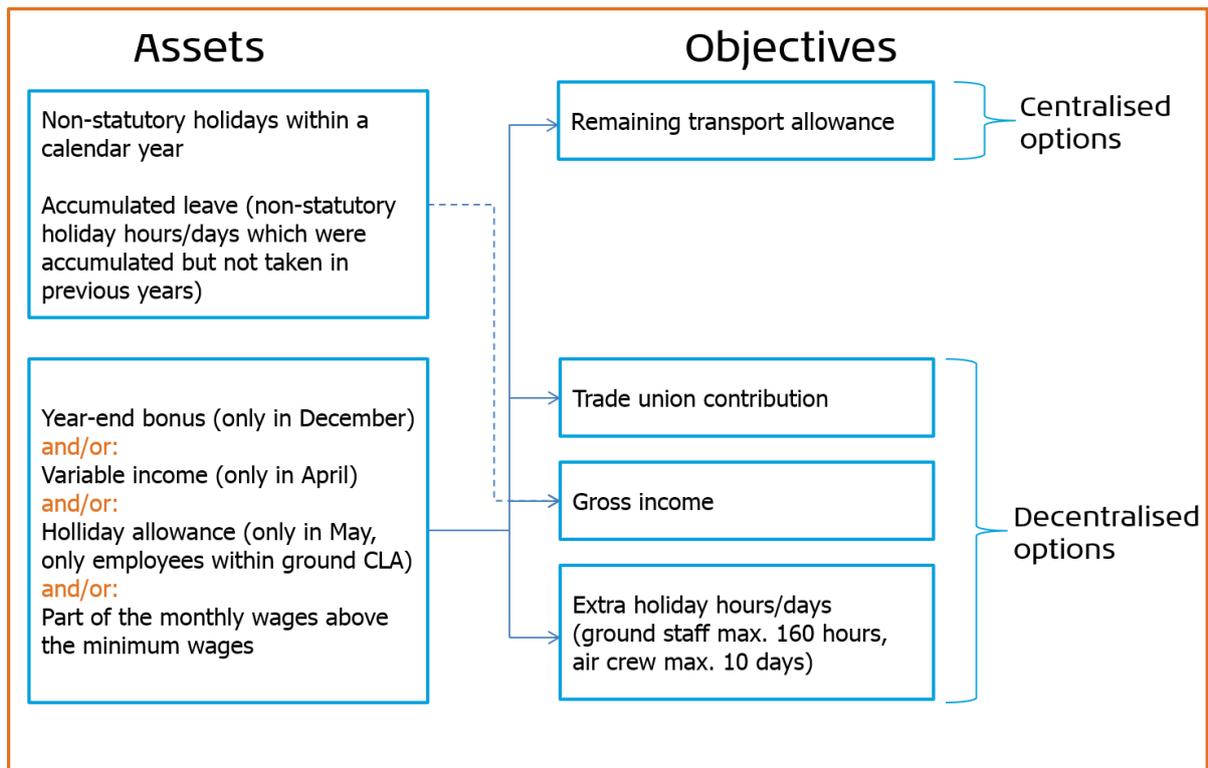
The essence of the Cafeteria Plan is that you are able to convert gross income into a tax-free allowance for a specific purpose. This can provide a tax advantage, because you will not pay payroll tax or social security contributions on the amount you convert for a specific purpose. By doing so, you reduce your gross income and end up with higher net wages.

If you decide to receive a higher gross income by selling your leave, you will pay payroll tax and social security contributions on this.

## **1.3 Special situations**

In some cases, participation in the Cafeteria Plan may be unfavorable. For that reason, please make sure you read chapter 3 carefully. You will always remain responsible for the consequences of the choices you make. This brochure also contains practical examples of the Cafeteria Plan for clarification, as well as a flowchart that describes the steps you need to take. This brochure is based on current tax legislation (2015) and the agreements made between KLM and the Tax and Customs Administration. You can find the most up-to-date amounts and information on MyKLM. KLM reserves the right to amend the Cafeteria Plan based on new tax legislation or amended agreements. You can find the forms for participation in the Cafeteria Plan, further information and more detailed explanations on MyKLM.

## Overview of assets and options



# 2

## The Cafeteria Plan

- □ The Cafeteria Plan enables you to convert your employment conditions. It differentiates between assets and options. The legislator lays down a number of criteria for converting employment conditions. In order to ensure that the Cafeteria Plan is feasible, KLM has also drawn up a number of rules.

Assets you can use. Examples of assets are: your monthly salary insofar as it exceeds the minimum wage, your variable income, year-end bonus and holiday hours. In exchange, you choose one or more options from your personal preference. Examples of options are a tax-free allowance for your trade union contribution or the tax allowance that remains after the transport allowance has been paid out by KLM, the so-called remaining transport allowance. See also the Overview of assets and options on page 6.

If you switch employment conditions, this will be reflected in your salary. The assets and options will be discussed one by one later in this brochure.

### 2.1 When

There are different times at which you can switch employment conditions: each month, in April, May and in December. The deadlines for choosing differ according to the option and asset. They are covered later in this brochure.

## 2.2 Eligible parties

The Cafeteria Plan is available for all employees who:

- are in active employment with KLM or KLM Cityhopper (KLC);
- are covered by KLM or KLC Cabin's Collective Labour Agreements;
- live and work in the Netherlands and pay income tax in the Netherlands.

If you live abroad and pay income tax in the Netherlands, the remaining transport allowance will apply up to the Dutch border.

## 2.3 Ineligible parties

The Cafeteria Plan is not available for you if:

- you are fully incapacitated for work for more than twenty-four months
- you have an attachment of earnings
- you are an Expat
- you reside abroad

Exception:

- If you have an attachment of earnings, you are only allowed to sell holiday hours of days.
- If you make use of the so-called 30% regulation, you are only allowed to the sale of holiday hours or days.

## 2.4 Personal circumstances

The extent to which you are able to or wish to convert employment conditions depends on various factors. There are a number of conditions. For example, one condition is that you have enough assets. It is also advisable to carefully map out the consequences of the choice you want to make. (See also Chapter 3)

## 2.5 Termination of employment contract

If your employment contract with KLM or KLC terminates, you can convert your final statement in part or in full. You need to specify this in advance. This also applies to the transition from KLC Cabin to KLM. If you wish to convert your trade union contribution based on a note, you are required to provide an annual statement.

If you transfer from KLC Cabin to KLM, you need to re-apply for participation in the Cafeteria Plan when you commence employment with KLM.

## 2.6 Glossary

<b>Term</b>	<b>Description</b>
Asset	<ul style="list-style-type: none"><li>• (fixed) Variable income MSG</li><li>• Year-end bonus</li><li>• Holiday hours/days</li><li>• Monthly salary insofar as it exceeds the minimum wage</li></ul>
Option	<ul style="list-style-type: none"><li>• Remaining transport allowance</li><li>• Trade union contribution</li><li>• Receiving holiday hours/days as pay (extra salary)</li><li>• The purchase of extra holiday hours/days</li></ul>
Conversion	The employee's surrendering of assets in favour of the chosen options.
Conversion month	The month in which the conversion within the framework of the Cafeteria Plan is processed in the employee's pay slip. This can be multiple months in 1 calendar year.
Reference period	1 January of each year up to and including 31 December of that year
Month of accumulation	A month, part of the reference period, in which the extent of accumulation of the option to be converted needs to be determined.

# 3

## What are the consequences?

- □ Before you convert options and assets by means of the Cafeteria Plan, it is important that you are aware of the consequences of the choices you make. The fact that your annual income ends up higher or lower can have consequences for any possible future social security payments, subsidies, mortgage applications, life-course savings schemes or anniversary bonuses. You will find a number of examples below.

In the event that the monthly salary is converted as an asset within the Cafeteria Plan, there will be a lower basis for additional benefits such as holiday pay, year-end bonus, variable income and one-off payments. In this situation, the accrual rate of these payments increases. This means that lowering of the gross wage does not affect the amount of additional benefits. Lowering of the gross wage can, however, affect tax and social security bases, such as those for unemployment benefits (WW)/incapacity for work benefits (WIA), housing benefits, childcare allowance, life-course savings schemes and anniversary bonuses. Participation in the Cafeteria Plan does not affect the accrual of your pension.

### 3.1 WIA/WW

If, for example, you wish to use your year-end bonus for conversion, this affects your income in the month of December. Every time you lower your gross income

by means of a conversion as part of the Cafeteria Plan, this leads to a lower basis for a possible payment in the event of incapacity for work and unemployment.

### **3.2 Supplements and deductions**

If you surrender your year-end bonus (in full or in part), your gross salary will be less. If you receive pay instead of your holiday hours/days, your gross salary will be higher. This type of increase or decrease to your gross salary can have consequences for income-dependent subsidies (housing benefit, study grants, childcare allowance) or deductions from your income tax return.

### **3.3 Life-course savings scheme**

If you use your year-end bonus or part of your monthly salary, this affects the amount of your annual income. This has consequences for the statutory maximum annual amount that you are able to save within the framework of the life-course savings scheme.

For monthly saving of a percentage of the salary, the lower income will be used as a basis.

### **3.4 Anniversary bonus**

Your gross payment remains the same. Participation in the Cafeteria Plan may mean that a (larger) part of your anniversary bonus is taxed when it is paid out.

# 4

## Centralised and decentralised options

- There are a number of options in KLM's Cafeteria Plan. These are listed in this chapter.

Cafeteria options	
1. Remaining transport allowance	4. Purchasing extra hours/days off
2. Trade union contribution	
3. Receiving holiday hours/days as pay	

### Cafeteria options

#### 4.1 Remaining transport allowance

Anyone who does not have 'transport through the employer' (that is to say a company car, group transport or any other type of transport organised by the employer) can be considered for a tax-free allowance of €0.21 per kilometre of his or her commute, (up to 2022 it was € 0.19). This allowance is based on the attendances and the actual commuting kilometres with a maximum of 250 kilometres one way.

In some cases, there is still some remaining tax allowance once the allowance has been paid out by KLM/KLC. In that case, you are able to claim a tax-free allowance for the remaining tax allowance. In exchange, you surrender your gross income. In many cases, this can provide a tax advantage. Your application must be filed before 16 November 5pm (CEST).

The conditions are:

- You are not entitled to a company car.
- You do not have any form of 'transport through the employer.
- You live and work in the Netherlands and pay tax in the Netherlands. If you live abroad, the remaining transport allowance applies up to the Dutch border. If you fly to your place of residence, the Dutch border is Schiphol.
- You have sufficient assets.
- You can only convert future wages. In order to be sure that you have sufficient assets for the maximum conversion in a year, register prior to 1 January of that year. You can then use all of your available assets from January.
- The basis used for this is the distance between the postcodes of your residential address and place of employment, as calculated by the website Routenet.
- The maximum number of kilometres for which the maximum tax-free allowance of €0.19 can be exchanged is capped at 250 km for a single journey.
- Applicable until the payout of September 2022: The exchange over the first 50 km is €0.10. The exchange between 51 and 250 km is €0.19.
- From the payout of October 2022, the following applies: The exchange over the first 35 km is € 0.00. The exchange between 36 and 250 km is € 0.19.
- From the payout of November 2022, the following applies: The exchange over the first 50 km is € 0.00. The exchange between 51 and 250 km is € 0.19.
- From the payment of January 2023, the following applies: The exchange over the first 50 km is € 0.02. The exchange between 51 and 250 km is € 0.21.
- In the event of absences, change of address or location in the course of the year, the calculation will be made on a pro-rata basis. Changes within the tax year automatically result in adjusted amounts on your pay slip. The Cafeteria Plan does not allow for retroactive changes, because future wages always need to be offset. Amendments that are submitted late are therefore implemented with the effective date of the 1st of the following month.
- You have a valid e-mail address.
- You are employed before 16 November of the year you want to exchange.

#### 4.1.1 Number of attendances (ground staff)

In order to calculate the remaining tax allowance, you first need to determine the actual number of attendances per year, registered in MyRoster.

In order to calculate the maximal remaining tax allowance, multiply the number of kilometres (maximum of 250 for a single journey times two) by the number of attendances per year (see MyRoster). You then multiply this number by €0.19 (up to and until 2022), the maximum amount per kilometre that can be reimbursed tax-free. You subtract the tax-free commuting allowance received from this, as stated on the pay slip. The remaining amount is the maximal remaining tax allowance.

##### Example (Ground staff) until payout September 2022

Let's assume you live 120 km from your workplace and you have had 165 attendances according to MyRoster:

Number of attendances through September (according to MyRoster)	165
Number of km (2x 120)	240
Total km	39600
Amount per kilometer	€ 0,19
Max. tax allowance	€ 7.524,00
Allowance already received 'commuting untaxed' (see pay slip example 2 x 50km x 165 x € 0,09)	€ 1.485,00 -/-
Remaining fiscal space for a tax-free allowance	€ 6.039,00

##### Example (Ground staff) from payout October 2022

Let's assume you live 120 km from your workplace and you have had 56 attendances according to MyRoster:

Number of attendances September '22 - December '22 (according to MyRoster)	56
Number of km (2x 120)	240
Total km	13440
Amount per kilometer	€ 0,19
Max. tax allowance	€ 2.553,60
Allowance already received 'commuting untaxed' (see pay slip example 2 x 50km x 56 x € 0,19)	€ 1.064,00 -/-
Remaining fiscal space for a tax-free allowance	€ 1.489,60

#### 4.1.2 Number of attendances (air crew)

In order to calculate the monthly allowance, establish the actual number of attendances, as recorded in the staff administration system. This relates to the attendances from the previous month. Therefore, for conversion in December, the reference period is December from the previous year up to and including November of the current year.

#### 4.1.3 Procedure

##### Step 1

Log into MyKLM with your user ID. Go to Human Resources > Financial arrangements > Cafeteria Plan > New Requests. Read the instructions carefully before you submit a request.

##### Step 2

Log in again with your KLM user ID. In the overview screen 'My requests', select 'Remaining transport allowance' in the 'Requests' tab.

##### Step 3

Choose the year for which you want to apply for the untaxed reimbursement on the form. Check that the e-mail address is correct and, if desired, replace it with a different e-mail address that is valid. Tick the boxes indicating the time(s) at which you wish to convert which assets.

Ensure that you have read the brochure carefully before you tick the box that indicates that you accept the general rules of the Cafeteria Plan. Click 'Send'.

##### Step 4

You will receive confirmation of receipt of your request with the details you entered by e-mail within 24 hours. Check this and keep it safe.

##### Step 5

After receipt, validation is carried out.

##### Step 6

Monthly, in April and/or December, processing is carried out in the staff administration system. You can check whether the conversion has been effected properly by consulting your pay slip. In the overview screen 'My requests' (see step 2), you can view all of your requests at any time.

#### 4.1.4 Deregistration

You cannot deregister once you have registered.

#### 4.1.5 Extra Transportation allowance

Employees, who have Schiphol Center as their work location and do not have a Schiphol parking pass, will receive an extra transport allowance in accordance with Appendix 9 of the CLA. This extra transport allowance is paid net, as much as possible for tax purposes, on a monthly base. This automatically uses the space that arises as described under 'Remaining transport allowance' (4.1).

## 4.2 Trade union contribution

If you are a member of a trade union, you can receive a tax-free allowance for your trade union contribution. If you want to make a conversion once a year based on an annual statement/declaration of paid trade union contribution, you can decide on annual conversion in December. Only members of VNV, VNC, NVLT and VKP with a monthly direct debit can decide on either monthly conversion or conversion in April and/or December.

You can only convert future wages. In order to be sure that you have sufficient assets for the maximum conversion in a year, register prior to 1 January of that year. You can then use all of your available assets from January.

The conditions are:

- You have sufficient assets and can convert these.
- The basic principle is that your entire trade union contribution is reimbursed. In the event that the total sum of your assets is insufficient, conversion will take place insofar as assets have been used.
- You have a valid e-mail address.
- You are employed before 16 November of the year you want to exchange.
- For members of De Unie, FNV Bondgenoten, CNV Vakmensen, NVLT/VKP without a monthly direct debit and FNV Cabine: you will have an annual statement or declaration from your trade union on which the trade union contribution, possibly withheld via your salary, is stated for the period of conversion.

### 4.2.1 Starting points

- Members of De Unie, FNV Bondgenoten, CNV Vakmensen, FNV Cabine and NVLT/VKP without a monthly direct debit: you will have received an annual statement or declaration from your trade union based on which you owe trade union contributions. Send the document to the HR Shared Service Center at the latest by 5 pm (CEST) on 16 November. Do not forget to include your employee number. You can do this in the following way:  
  
By e-mailing a scanned copy (JPEG or PDF) to [VBC@klm.com](mailto:VBC@klm.com)  
  
Annual statements or declarations that do not arrive on time will not be processed.
- Members of VNV, VNC, NVLT and VKP with monthly direct debits: the withheld contribution is the actual amount owed for the calendar year. For that reason, an annual statement does not need to be provided. Changes to your income with retroactive effect can lead to corrections to your trade union contribution (VNV/VNC) and cafeteria conversion. You will find this on your next pay slip.

## 4.2.2 Procedure

### Step 1

Log into MyKLM with your user ID. Go to Human Resources > Financial arrangements > Cafeteria Plan > Reimbursement of trade union contribution. Read the instructions carefully before you submit a request.

### Step 2

Log in again with your KLM user ID. In the overview screen 'My requests', select 'Trade Union Contribution' in the 'Requests' tab.

### Step 3

Choose the year for which you want to apply for the untaxed reimbursement on the form. Check that the e-mail address is correct and, if desired, replace it with a different e-mail address that is valid. Tick the boxes indicating the time(s) at which you wish to convert which assets. By doing so, you are explicitly agreeing to use the assets that are available to you. Ensure that you have read the brochure carefully before you tick the box whereby you indicate that you accept the general rules of the Cafeteria Plan.

Click 'Send'.

### Step 4

You will receive confirmation of receipt of your request with the details you entered by e-mail within 24 hours. Check this and keep it safe.

### Step 5

After receipt, validation is carried out.

### Step 6

Monthly, in April and/or December, processing is carried out in the staff administration system. You can check whether the conversion has been effected properly by consulting your pay slip. In the overview screen 'My requests', you can view all of your requests at any time.

## 4.2.3 Deregistration/termination

You cannot deregister once you have registered.

## **4.3 Receiving holiday hours/days as pay (additional income)**

### 4.3.1 Ground staff

A number of rules apply for the conversion of holiday hours into pay:

- You will receive payment for the hours in April or December with retention of wage tax and social security contributions.
- You can only sell non-statutory holiday hours for the current holiday year up to a maximum of forty hours per calendar year for a full-time position. This is determined on a pro-rata basis for part-time employees.

- Following approval from your manager, you can also sell non-statutory holiday hours that you accumulated but did not take in the previous year.

*See point 5.4 for a description of non-statutory holiday hours.*

#### 4.3.2 Procedure for ground staff

##### Step 1

Fill out the digital application on MyKLM.

Send the signed form to the HR Shared Service Center. The HR Shared Service Center must receive the form prior to 1 March or 1 November.

Make sure you keep a copy of the calculation form.

##### Step 2

The HR Shared Service Center processes the calculation form in the staff administration system. Your holiday balance will be adjusted. The adjustment is visible a month after you sell days. For example: if you sell days in April, the adjusted balance is visible on your leave card in May. Check that everything has been processed properly.

#### 4.3.3 Pilots

You can sell non-statutory old annual leave days (JV days) and/or non-statutory annual leave days (JV days) from the current holiday year (a maximum of five). A number of rules apply to this:

- You will receive payment for the days via your pay slip in April or December with retention of wage tax and social security contributions.
- Non-statutory annual leave days (JV days) will be considered as the first to have been sold. You can sell an unlimited number of non-statutory old annual leave days (JV days).
- You can only sell full annual leave days (JV days).
- The number of days sold will be reduced on the tail end of the winter leave period (October - April) in the current scheduling year; the start date shall stay the same.

#### 4.3.4 Procedure for pilots

##### Step 1

Fill out the digital application on MyKLM. You can fill out the 'Cafeteria calculation form' for your own administration. This is not mandatory.

##### Step 2

**KLM Pilots:** Your General Service Manager sends the signed form to the scheduling department.

**KLC Pilots:** The Assistant Chief Pilot sends the signed form to the scheduling department.

After their approval, they send the signed form to the HR Shared Service Center. The HR Shared Service Center needs to have received the form by 1 March or 1

September at the latest. Make sure you keep a copy of the calculation form. This enables you to check your pay slip and/or current account to make sure that the sale was carried out properly.

### Step 3

If everything is in order, the HR Shared Service Center processes the application in the staff administration system. Your current account will be adjusted by your unit. The adjustment is visible a month after you sell days. For example: if you sell days in April, the adjusted balance is visible on your leave card in May.

### Step 4

The conversion is processed in April or December's pay slip. You need to check that everything has been properly processed yourself.

#### 4.3.5 Cabin crew

A number of rules apply for the conversion of annual leave days into pay:

You can sell holiday days for various options. You can only use full days. We distinguish 2 types of holiday days:

#### 1. Non-statutory holiday allowance within a calendar year (JV)

Cabin crew, regardless of their part-time percentage, have 5 holiday days each year that you can use for this Cafeteria Plan. If you want to sell these holiday days, the following conditions apply:

- You do not have any untaken annual leave/holiday days (OJV days) or a negative holiday balance.
- If you file your application before 1 October, the number of days sold will be reduced on the tail end of the winter leave period (October - April) in the current scheduling year. If the application is submitted after 1 October, the sold days will be reduced from the winter leave of the next planning year.
- A maximum of one application form can be submitted each year.
- If you apply before 1 October, the holiday balance is immediately adjusted after your application is processed. If you apply after 1 October, your holiday balance is adjusted on 1 May, when the new holiday balance is added.

#### 2. Untaken annual leave/holiday (OJV days)

The following conditions apply if you wish to sell your non-statutory holiday allowance that you accumulated but did not take in the previous year:

- Only untaken annual leave/holiday days (OJV days) that have not already been assigned are eligible for this Cafeteria Plan.
- Each calendar year, up to and including five untaken annual leave/holiday days (OJV days) can be sold per person.

- The sale of more than five untaken annual leave/holiday days (OJV days) per person depends on production. The Planning & Assignment department tests the feasibility in the planning.
- A maximum of one application form for the sale of untaken annual leave/holiday days (OJV days) exceeding statutory requirements can be submitted each year.
- The holiday balance will be updated as soon as possible after the request is made.

**NB: The use of individual OJV days always takes precedence over the use of holiday days when it comes to selling days (JV)**

#### 4.3.6. Procedure for cabin crew regarding untaken annual leave/holiday days (OJV days)

##### Step 1

Complete the digital form on MyKLM requesting the conversion of annual leave days (JV days)/untaken annual leave/holiday days (OJV days) into pay.

Please note: ensure that you are logged in with your own employee number on MyKLM.

##### Step 2

Automatically, the form is send to the HR Shared Service Center for approval. Once it has been approved, the HR Shared Service Center forwards the request to the Planning & Assignment department for it to assess and make the appropriate changes to your annual leave balance. Once the request has been approved, payment or conversion can take place. The form will be returned to you having been approved or rejected. You must submit the application on 1 March or 1 October at the latest.

##### Step 3

After approval, you will receive a confirmation letter. The HR Shared Service Center processes the request in the staff administration system. Check your JV-days count and your pay slip to ensure everything is processed correctly.

**NB: You will receive confirmation of your request exclusively via your personal KLM e-mail account.**

#### 4.3.7. Procedure for cabin crew regarding annual leave days (JV days)

##### Step 1

Complete the digital form on MyKLM requesting the conversion of annual leave days (JV days)/untaken annual leave/holiday days (OJV days) into pay.

Please note: ensure that you are logged in with your own employee number on MyKLM.

##### Step 2

The form is automatically sent to the HR Shared Service Center for approval. Once it has been approved, the HR Shared Service Center forwards the request to the Planning & Assignment department for it to assess and make the appropriate changes to your annual leave balance. Once the request has been approved, payment or conversion can take place. The form will be returned to you having been approved or rejected. You must submit the application by 1 March or 1 October at the latest.

### Step 3

If everything is in order, the HR Shared Service Center processes the request in the staff administration system. The adjustment is visible a month after you sell days. For example: if you sell days in April, the adjusted balance is visible in May. Check that everything has been processed properly.

**NB You will receive confirmation of your request exclusively via your personal KLM e-mail account.**

## 4.4 Purchasing extra hours/days off

### 4.4.1 Ground staff

You can purchase a maximum of hundred and sixty extra hours off per calendar year, to compensate for an insufficient holiday balance in the same year. The conditions are:

- You have sufficient assets to finance the extra hours off.
- You have fewer than 25 holiday days as planned on December 31 of that year on your leave card
- You need to consult your manager prior to purchasing the extra hours.
- You take the hours off that you have purchased within 5 years (sixty months) of having purchased them. These 5 years start in January if you purchase them in December or in May if you purchase them in April.
- A maximum of hundred and sixty hours off per calendar year applies if you have a full-time position. If you work part-time, this figure will be calculated on a pro-rata basis.

### 4.4.2 Procedure for ground

#### Step 1

Fill out the digital application form on MyKLM. The HR Shared Service Center must receive the form prior on 1 March, 1 April or 1 November at the latest. Make sure you keep a copy of the calculation form. You can use this to check your pay slip from April, May or December to make sure that the deductions have been carried out properly.

#### Step 2

If everything is in order, the HR Shared Service Center processes the Calculation Form in the staff administration system. Your holiday balance will be increased. Check that everything has been processed properly. The adjustment is visible a month after you purchase days. For example: if you purchase days in April, the adjusted balance is visible on your leavecard in May.

#### 4.4.3 Pilots

You can purchase a maximum of ten extra annual leave days (JV days) per calendar year with your monthly salary and/or year-end bonus in December. These days can only be used to extend the next period of winter leave. In order to be eligible, you need to meet the following requirements:

- You have sufficient assets to finance the extra annual leave days (JV days).
- The purchase of extra annual leave days (JV days) only takes place in April (latest submission date 1 March).
- The request will be authorised as long as old annual leave plus the days to be purchased come to a maximum of 15 days (reference date is 15 April). In the event that your old balance of annual leave days (JV days) plus days to purchase is more than 15 days, your request will be rejected.
- The purchased annual leave days (JV days) are considered as the first to have been taken in the winter leave of the same year (October - April).
- In the event that you leave employment in the meantime, this figure will be recalculated.

#### 4.4.4 Procedure for pilots

##### Step 1

**KLM Pilots:** Download the 'Cafeteria Plan Calculation Form' from MyKLM, complete this and get your General Service Manager to approve it by signing it.

**KLC Pilots:** Download the 'Cafeteria Plan Calculation Form' from MyKLM, complete this and get the Assistant Chief Pilot to approve it by signing it.

Please note:

- 1) Complete the form 'online' in connection with the correct pre-programmed amounts.
- 2) Forms completed incorrectly will not be processed.

##### Step 2

**KLM Pilots:** Your General Service Manager sends the signed form to the scheduling department.

**KLC Pilots:** The Assistant Chief Pilot sends the signed form to the scheduling department.

After their approval, they send the signed form to the HR Shared Service Center. The HR Shared Service Center needs to have received the form by 1 March or 1 September at the latest. Make sure you keep a copy of the calculation form. This enables you to check your pay slip and/or current account to make sure that the purchase was carried out properly.

##### Step 3

If everything is in order, the HR Shared Service Center processes the Calculation Form in the staff administration system. Your current account will be adjusted by

your Unit. The adjustment is visible a month after you purchase days. For example: if you purchase days in April, the adjusted balance is visible in May.

#### Step 4

The conversion is processed in April's pay slip. You need to check that everything has been properly processed yourself.

#### 4.4.5 Cabin crew

- You can purchase a maximum of ten extra annual leave days (JV days) per calendar year. The conditions are:
- You have sufficient assets to finance the extra annual leave days (JV days).
- You take the days off that you have purchased within 12 months of having purchased them. These 12 months start in January (if you purchase them in December). Applications filed before 1 October, are added to the OD-counter in January. Applications filed after 1 October, are added in January of the next year.
- In the event that the purchased days have not been taken within this period because of production planning, these days will be added to the old annual leave balance once this period has ended.
- It is only possible to take days off that have been purchased in the summer/winter period after the standard allocation of holidays for this period has taken place.
- Allocation of the purchased days takes place in accordance with the principle: "If there is space available in the planning" and "first come first served." For this, you can ask questions via the web form P&A 'JV-related holidays'.
- If your contract percentage changes after purchasing the holiday days, the days purchased will be recalculated in accordance with standard holiday days. If you get fewer days because of this adjustment, these are withheld from the JZ counter, then the OD counter and finally the JV counter or taken from the breakdown. If you get more days because of this adjustment, the number of new days that arises because of Pre-Assignment will be credited to the JV counter and allocated according to the standard procedure.

#### 4.4.6 Procedure for Cabin Crew

##### Step 1

Download and complete the digital form 'Request to purchase extra At days' on MyKLM.

##### Step 2

The form is automatically sent to your HR Shared Service Center for approval. The form must be sent by 1 October or 1 March at the latest. Once it has been approved, the HR Shared Service Center will forward the request to the Planning & Assignment department for it to assess and make the appropriate changes to your At balance.

The form will be returned to you having been approved or rejected.

### Step 3

After approval, download and complete the 'Cafeteria Plan Calculation Form' on MyKLM.

On this form, indicate the number of days that have been approved for you to buy and get your manager to sign it. Send or hand in this calculation form to the HR Service Desk on the ground floor of the Crew Center opposite the Cabin Crew Service Center.

### Step 4

If everything is in order, the HR Shared Service Center will process the request in the staff administration system. Check that everything has been processed properly. The adjustment is visible a month after you purchase days. For example: if you purchase days in April, the adjusted balance is visible in May.

**NB You will receive confirmation exclusively via your personal KLM e-mail account.**

# 5

## Resources

- ■ This chapter contains the conditions and rules that apply to each asset.

### 5.1 Variable Income

You can convert variable income in full or in part for one or more options in April.

### 5.2 Year-end bonus

You can convert the year-end bonus in full or in part for one or more options in December.

### 5.3 Non-statutory holiday hours/days

Non-statutory holiday hours/days that you get on top of the legal minimum each calendar year. The legal minimum number of holiday hours/days that you are entitled to each year is four times the agreed number of working hours per week. For ground staff with a full-time employment contract, this amounts to 4 x 40 hours = 160 hours per year. The holiday hours on top of these 160 are those 'exceeding the statutory requirements'. Aircrew have 5 non-statutory annual leave days (JV days) each calendar year. They can only convert full days or a multiple thereof.

Only non-statutory annual leave days (JV days)/untaken annual leave/holiday days (OJV days) can be used for the Cafeteria Plan. Extra time off/parental leave, compensatory days, extra rest days and suchlike cannot be used as an asset.

A distinction is made between two types of non-statutory holiday hours/days that can be converted:

1. Non-statutory holiday hours/days that have been accumulated in the current calendar year. See the example on this page.

2. Non-statutory holiday hours/days that were accumulated in the previous calendar year.

You can only use holiday hours/days as an asset in the conversion times in April and December. You cannot offset them directly against a trade union contribution or remaining transport allowance. This is due to the relationship with operational planning and the decentralised administration of leave.

Before you use leave as an asset, check that you have sufficient holiday days or hours. In the event that there are not sufficient days or hours, your request cannot be processed.

#### **Example calculation for non-statutory holiday hours (Ground Staff)**

Let us assume the cla authorises 208 holiday hours for a full-time position and 124.8 hours for a part-time position (60%)

Employment contract:	100%	60%
Number of holiday hours:	208.0	124.8
From: statutory minimum number of holiday hours:		
- For a full-time employment contract: 4 x 40	160.0	
- For a part-time (60%) employment contract 4 x 24		96.0
Number of holiday hours exceeding the minimum	-----	-----
	48.0	28.8

## **5.4 Calculation of the value of a holiday hour or day**

The calculation of the value of a holiday hour or day depends on your gross salary and the part-time factor that applies to you.

### 5.4.1 The value of a holiday hour (ground staff)

In order to establish how much a holiday hour is worth in monetary terms, you divide your gross monthly salary (from the month of April and December respectively) by the average number of working hours per month.

You multiply the result by the contract percentage. The average number of working hours per month is established at 173.

Gross monthly salary
173 hours x contract

### 5.4.2 The value of a holiday day (pilots)

In order to establish how much a holiday day is worth in monetary terms, divide your gross monthly salary by thirty. This applies to both full-time and part-time employment contracts. The salary in the month of April (deadline for choosing 1 March) and the salary in the month of December (deadline for choosing 1 September) are used as a basis for this.

### 5.4.3 The value of a holiday day (cabin crew)

In order to establish how much a holiday day is worth in monetary terms, divide your gross monthly salary by thirty. This applies to both full-time and part-time employees. The salary in the month of April (deadline for choosing March) and the salary in the month of December (deadline for choosing October) are used as a basis for this.

## 5.5 Monthly salary

You can convert the part of your (gross) monthly salary that exceeds the minimum wage applicable for your age to one or more options, either in part or in full. This relates to the fixed salary for the month of April (if converting in April) or the monthly salary of the month of December (if converting in December) including fixed supplements, any shadow payment and supplements. Additional benefits are not counted. The actual amounts are listed at <https://www.rijksoverheid.nl/onderwerpen/minimumloon>.

### **For example:**

(Gross) monthly salary	€ 3.000,-
Minus: Minimum wage, e.g.:	<u>€ 1.507,80 -/-</u>
Maximum exchangeable component	€ 1.492,20

When calculating the gross monthly salary, your holiday pay, year-end bonus, shift work allowance and specific job-related allowances do not count. Any supplementary payments, outstanding surcharges for employees in the T system and shadow payments are included. The gross monthly salary of the conversion month is used for the conversion.

## 5.6 Too many or too few assets?

You can use the Cafeteria Plan Calculation Form to test whether you use sufficient assets for specific options (purchase and sale of holiday days or hours). Ensure that you complete the form in such a way that the assets you wish to convert correspond with the desired options.

If the assets are worth more than the option you wish to offset them against, you will receive the gross difference in pay. You will pay income tax on this gross amount and, if applicable, social security contributions.

If the value of your assets on the form is not sufficient to finance the option, your request will not be processed. In that case, the form will be returned to you.

If the purchase costs of the option are greater than the assets that you can or want to use, it is possible to convert the option in part. If so, the calculation form has to be completed in such a way that the amounts for 'options' and 'assets' correspond.

For the trade union contribution and the remaining transport allowance, conversion can only take place insofar as assets are available.

In the case of offsetting against trade union contributions in April or December, the following order applies to the assets:

- 1) variable income or year-end bonus;
- 2) (a part of) the monthly salary.

For employees who opted for monthly conversion via the monthly salary, the other available assets will also be used for the conversion in the months of April and December in the above order.

In the event that there are insufficient assets in a conversion month, conversion will take place insofar as assets are available. Any remaining tax allowance that is not used as a result will be passed on to the subsequent conversion month. December of each year is the last option for conversion in that tax year. Any remaining tax allowance after the December pay slip has been issued shall lapse.

## 5.7 Multiple options

If in one month you select multiple Cafeteria Plan options, the following order is applied:

1. purchase of holiday hours/days
2. trade union contribution
3. remaining transport allowance

You can only use holiday hours/days as an asset in April and December. You cannot offset holiday hours/days against a trade union contribution or remaining transport allowance due to the relationship with operational planning and the decentralised administration of holiday cards.

The sale of holiday hours or days for additional gross income can always take place, provided there are sufficient hours or days in the leave registration system and it has been approved by your manager.

### More information?

Go to [MyKLM > Human Resources > Financial Arrangements > Cafeteria Plan](#). You can find the digital application forms here. If you have any questions, contact the HR Shared Service Center via [HRSSC@klm.com](mailto:HRSSC@klm.com).