

# **FY20 ATCI VARIABLE BONUS**

---

## **FREQUENTLY ASKED QUESTIONS**

## KEY TERMS

<b>Eligible earnings (EE)</b>	Total prorated base pay of an employee during a given variable bonus period, based on employee's ATCI offshore tenure in each month of the eligible period of work
<b>Prorated Base Pay</b>	Base pay for each month for the given variable bonus period employee has worked on their ATCI offshore tenure
<b>Utilization Index (UT)</b>	Measure of an employee's chargeable hours impacting the overall chargeability of ATCI's business to clients
<b>Talent Lead (TL)</b>	Responsible for the performance achievement and annual rewards decision-making activities
<b>Utilization Index (UT)</b>	Measure of an employee's chargeable hours impacting the overall chargeability of ATCI's business to clients
<b>Ethics &amp; Compliance</b>	E&C
<b>Leave of Absence</b>	LOA
<b>Global Careers Program</b>	GCP
<b>Delivery Excellence</b>	DEx

CONTENTS

<b>VARIABLE BONUS</b>	<u>6</u>
What is Variable Bonus?	<u>6</u>
What is the frequency of variable bonus payout in a given financial year?	<u>6</u>
How is Variable Bonus calculated?	<u>6</u>
What is LVB?	<u>6</u>
What is GAB?	<u>7</u>
How do I know what is my LVB/GAB amount as part of the Variable Bonus?	<u>7</u>
How are my eligible earnings calculated?	<u>7</u>
Which salary is considered for variable bonus- basic salary or gross salary?	<u>7</u>
How can I know about my Variable bonus award?	<u>7</u>
Is Variable bonus taxable?	<u>7</u>
Is individual discretion allowed for Variable Bonus?	<u>7</u>
Will the Variable bonus payout percentage be same for both November and May?	<u>7</u>
How is Variable bonus calculated for New joiners?	<u>8</u>
My base pay has increased, but my variable bonus is lower than last year. Have we reduced variable bonus for employees?	<u>8</u>
My colleague and I are at the same level and have the same Talent Outcome, however, his variable bonus % is different than mine. Why?	<u>8</u>

# CONTENTS

What are the criteria to achieve maximum percentage for an individual for Variable bonus?	<u>8</u>
How will E&C noncompliance impact rewards decisions?	<u>8</u>
If an Employee is on LOA (without pay), will the employee be eligible for the Variable bonus?	<u>8</u>
I will be proceeding on MAT leave, what will be the impact on my variable bonus?	<u>8</u>
If employee is on vacation (Paid) for the first fortnight and on LOA (without pay) in the second fortnight of the same month. Will the employee be eligible for Variable bonus?	<u>8</u>
I have changed entities; from which entity I will be eligible for Variable Bonus?	<u>8</u>
I am serving my notice period; will I receive my Variable bonus?	<u>8</u>
Will I receive pro-rated variable bonus till my last working day?	<u>9</u>
I am travelling to GCP before the variable bonus payout date, will I be eligible for variable bonus for this period?	<u>9</u>
I was on GCP and recently repatriated, when will my variable bonus get paid out?	<u>9</u>
How is Variable bonus calculated for GCP employees?	<u>9</u>
Why have I not received any variable bonus?	<u>9</u>
What should I do if I have not received the variable bonus when on GCP?	<u>9</u>
I have concern with respect to variable bonus. Is there any POC, I can reach out to discuss my variable bonus?	<u>9</u>

CONTENTS

UTILIZATION	<u>10</u>
Who is the POC for chargeability & utilization queries?	<u>10</u>
What is Utilization Index?	<u>10</u>
What is individual utilization & where can I check that?	<u>10</u>
What is the target individual utilization?	<u>10</u>
Is there any minimum or maximum utilization % considered while computing variable bonus?	<u>10</u>
Why are we linking LVB to individual utilization?	<u>10</u>
What if we have worked on DEx, Capability, etc.? Would we get default 95% individual utilization for the time charged to these functions?	<u>10</u>
What happens if people spend part of the year in Capability and another part in a client project?	<u>10</u>
How utilization is calculated for New Joiners?	<u>11</u>
How utilization is calculated for GCP employees?	<u>11</u>
How is utilization calculated for GCP repats?	<u>11</u>
I was on bench. Will that impact my utilization?	<u>11</u>

# VARIABLE BONUS

**Q. What is Variable Bonus?**

Variable Bonuses are awarded to recognize your achievements and contributions in the past year i.e. Individual’s performance determines the amount of actual payout. Additionally, in ATCI, at least a portion of the bonus pool is funded based on local business performance that guides the individual's final award.

Talent Leads have the flexibility to adjust the variable bonus award (VB) % within centrally defined guidelines. As achievements vary from year to year, bonuses are likely to vary from year to year as well.

**Q. What is the frequency of variable bonus payout in a given financial year?**

Please refer to the table below for variable bonus program ATCI for a fiscal year according to career level:

<b>Payout</b>	<b>Nov '20</b>		
<b>Career Level</b>	<b>Eligible for</b>	<b>Eligible work in ATCI</b>	<b>Eligible group</b>
<b>5-7</b>	Bonus (GAB + LVB)	Sept '19 to Aug '20	All ATCI employees who have joined until 31 Aug '20
<b>8-13</b>	Bonus (LVB)	Mar '20 to Aug '20	
<b>7* (Dec '19 Promotes)</b>	Bonus (GAB + LVB)	Dec '19 to Aug '20	

**Please Note: You must be on the rolls of the company as of the date of payout to receive the payout.**

\*Dec '19 Promotes who were CL 8 from Sep '19 to Nov '19 would have received the LVB payout for their work from Sep '19 to Nov '19 in May '20.

**Q. How is Variable Bonus calculated?**

Variable Bonus is calculated based on your eligible earnings for the payout period and the variable bonus discretion by your Talent Lead.

*Variable Bonus Amount = Eligible Earnings × Variable Bonus % by TL*

The bonus pool incorporates the LVB & GAB multiplier (as a reflection of ATCI’s local business performance, and Accenture’s global performance, respectively), before the talent lead makes the rewards decisions.

**Q. What is LVB?**

Local Variable Bonus (LVB) is dependent on the local business performance along with your performance during the previous year. All ATCI employees are eligible for LVB payout for the tenure spent in India during applicable performance period.

**Q. What is GAB?**

Global Annual Bonus (GAB) is linked to Accenture's performance globally along with your performance during the previous year. GAB is paid only for Levels 5,6, and 7 annually for the tenure spent in India during the previous performance cycle (September '19 to August '20).

**Q. How do I know what is my LVB/GAB amount as part of the Variable Bonus?**

For each employee, the TL is provided a budget and they have the discretion to make the overall variable bonus payouts. As per policy there is no bifurcation of the variable bonus payout to the employee.

**Q. How are my eligible earnings calculated?**

Eligible earnings are calculated on the prorated base pay of an employee during a given variable bonus period. It is a sum of the monthly prorated base pay, which is based on:

- Base pay for each month for the given variable bonus period
- ATCI offshore tenure during each month of the given variable bonus period excluding LOA (if any).

$$\text{Prorated Based Pay} = \text{Based Pay} \times \text{ATCI Offshore tenure (in days)}$$

For CL 8-13 employees (except in ICI and Security), the eligible earnings are further scaled by their UT Index which is a calculated metric for employee's individual utilization.

$$\text{Revised Eligible Earnings} = \text{Eligible Earnings} \times \text{UT Index}$$

Please refer to section on 'Utilization' for more details.

**Q. Which salary is considered for variable bonus- basic salary or gross salary?**

Variable Bonus % is applied on Base Pay (gross) received during the respective period and is prorated based on the ATCI offshore tenure and Leave of Absence (LOA, if any).

**Q. How can I know about my Variable bonus award?**

Eligible employees can refer to compensation statement uploaded on the performance achievement tool. Additionally, you can directly go to <https://rewards.accenture.com/> to view your compensation statement.

Offshore employees who are eligible for Variable Bonus can also refer the pay slip in the payout month.

**Q. Is Variable bonus taxable?**

Variable Bonus is a part of your total cash and is taxable.

**Q. Is individual discretion allowed for Variable Bonus?**

Yes, it is allowed for variable bonus. Talent Leads have the flexibility to adjust the variable bonus award (VB) % within centrally defined guidelines. This discretion is applied by the talent leads annually before the November payout, and applies for the subsequent payout in May as well.

**Q. Will the Variable bonus payout percentage be same for both November and May?**

Yes, it will be same for both the pay-outs percentage (except in case of Promotes and some CECP cases, if applicable) in November '20 and May '21. However, the relevant eligible earnings will be based on the respective variable bonus payout periods.

**Q. How is Variable bonus calculated for New joiners?**

Employees who have joined post 30th April in any fiscal year (New Joiners), their Variable bonus payout is based on both prorated Base Pay and standard variable bonus award% at that level for that year.

**Q. My base pay has increased, but my variable bonus is lower than last year. Have we reduced variable bonus for employees?**

Variable bonus is aligned to talent outcomes under the performance achievement construct and the underlying rewards philosophy. Hence you must not compare with the variable bonus received from last year.

**Q. My colleague and I are at the same level and have the same Talent Outcome, however, his variable bonus % is different than mine. Why?**

Variable bonus award% cannot be compared, since it is based on the talent decisions and is personalized by talent lead (reward decision maker) for every individual within centrally defined guidelines, wherever relevant and within budgets. **Please note, your compensation is strictly confidential and must not be disclosed to any Accenture employee or any third party.**

**Q. What are the criteria to achieve maximum percentage for an individual for Variable bonus?**

Variable bonus is based on the career level, budget and talent decisions. It is driven by rewards principles of meritocracy and differentiation - you will see differentiated Variable bonus based on your annual performance.

**Q. How will E&C noncompliance impact rewards decisions?**

There will be 10% reduction in the variable bonus% recommended by the TL.

**Q. If an Employee is on LOA (without pay), will the employee be eligible for the Variable bonus?**

If employee is on LOA (without pay) the entire month, he will not be eligible for the variable bonus for that month. However, once employee is back from LOA, the variable bonus will be paid out to him on prorate basis in November for the number of days worked for the applicable performance period.

**Q. I will be proceeding on MAT leave, what will be the impact on my variable bonus?**

Only the period where Loss of Pay has been availed, the utilization% will be impacted thereby impacting the variable bonus; else, it is applicable as per policy.

**Q. If employee is on vacation (Paid) for the first fortnight and on LOA (without pay) in the second fortnight of the same month. Will the employee be eligible for Variable bonus?**

Time on vacation, sick leave, fixed/floating holidays, paternity leave, and bereavement leave do not count while calculating utilization. For days on LOA, no LVB is paid.

**Q. I have changed entities; from which entity I will be eligible for Variable Bonus?**

For CECP, variable bonus guidelines will be as per the entity where employee is as on last day of the performance period.

**Q. I am serving my notice period; will I receive my Variable bonus?**

Yes, you will receive variable bonus based on your level, talent decision and your level of impact. However, you will need to be on rolls of the Company as on the payout date to receive the variable bonus.



**Q. Will I receive pro-rated variable bonus till my last working day?**

No, you will need to be on rolls of the Company as on the payout date to receive the variable bonus.

**Q. I am travelling to GCP before the variable bonus payout date, will I be eligible for variable bonus for this period?**

Yes, Variable Bonus will be prorated based on your actual tenure in ATCI offshore. The amount will be credited to India salary account in payout month. You will receive communication via comp statement uploaded on performance achievement tool.

**Q. I was on GCP and recently repatriated, when will my variable bonus get paid out?**

Variable bonus will be paid for the period spent in ATCI. You can refer to comp statement uploaded on performance achievement tool. Regarding VB for the duration spent on the GCP location, employee needs to check with Host country PA.

**Q. How is Variable bonus calculated for GCP employees?**

GCP employees (Levels 8 & below) who have ATCI offshore tenure between September – February variable bonus will be paid in May. For ATCI tenure between March – August variable bonus will be paid in November. GCP employees (Levels 7 & below) who have ATCI offshore tenure between September – August variable bonus will be paid in November.

**Q. Why have I not received any variable bonus?**

An employee may be ineligible for Variable Bonus in case:

1. Your talent action is Improve Performance
2. Your career level is not eligible for that payout period (e.g. Level 7 & above not eligible for May '20 payout)
3. You have joined/repatriated post cut – off period
4. You don't have active ATCI offshore tenure during that given period (e.g. LOA, on GCP)

**Q. What should I do if I have not received the variable bonus when on GCP?**

Regarding VB for the duration spent on the GCP location, you need to check with Host country PA (In case of US and UK People line).

**Q. I have concern with respect to variable bonus. Is there any POC, I can reach out to discuss my variable bonus?**

For any clarifications, please reach out to the ECS team. Employees can log a request by either calling the toll-free number 1-800-572-3442 / 1-800-102-9012 from anywhere in India or by raising a ticket in [support.accenture.com](https://support.accenture.com) > Human Resources and Payroll > Ask a Question > HR.

## UTILIZATION

### Q. Who is the POC for chargeability & utilization queries?

Please reach out to your supervisor for any queries related to chargeability. You can also write to [ATCI.yieldmanagement@accenture.com](mailto:ATCI.yieldmanagement@accenture.com) for any queries on utilization calculation.

### Q. What is Utilization Index?

Utilization Index =  $\frac{\text{Individual Utilization \%}}{\text{Target Utilization (95\%)}}$ ; (Utilization Index is considered for Levels 8 -13 in ATCI except ICI and security)

### Q. What is individual utilization & where can I check that?

Utilization is a measure of tracking an employee's hours charged to client facing work and MD&I relative to the standard hours for that time period. Log into Allsec Website (<https://smartpay.allsectech.com>) under utilities you can check Resource Utility Status for Individual Utilization details. For specific queries on utilization %age, please write to [ATCI.yieldmanagement@accenture.com](mailto:ATCI.yieldmanagement@accenture.com)

### Q. What is the target individual utilization?

The target individual utilization is set at 95% to allow for some time to undertake activities that do not yield individual utilization but are important to the organisation, like imparting/attending training, business development and MD&I.

### Q. Is there any minimum or maximum utilization % considered while computing variable bonus?

Yes. UT% will not be below 50% (floor protecting against loss/minimum) or above 110% (ceiling preventing against gain/maximum).

e.g. If an employee has 40% YTD individual utilization, it will be treated as 50% YTD individual utilization. Similarly, if an employee has 120% YTD individual utilization it will be considered as 110% YTD individual utilization.

### Q. Why are we linking LVB to individual utilization?

The purpose of this linkage to Local Variable Bonus is to encourage employees to charge the correct hours that they have worked; to recognize the employees who do more productive work; and hence, increase the overall chargeability of our business.

### Q. What if we have worked on DEx, Capability, etc.? Would we get default 95% individual utilization for the time charged to these functions?

We have linked all our WBSe to individual utilization. Hence if a person on a project spent time on DEx activities and charged time to the right WBSe provided by DEx team, he/she would earn the default ('at target' - 95%) individual utilization for that time.

### Q. What happens if people spend part of the year in Capability and another part in a client project?

All our employees have a YTD individual utilization % for the relevant period in consideration. If an employee charged time to certain Capabilities for some days/months and the rest to a client project, the YTD individual utilization would be a combination of default ('at target' - 95%) individual utilization for the days/months in Capability and the actual individual utilization for the remaining days/months in a client project.

**Q. How utilization is calculated for New Joiners?**

For new joiners, YTD individual utilization will be prorated for that relevant period.

**Q. How utilization is calculated for GCP employees?**

Variable bonus for GCP tenure is managed by host country. ATCI utilization% is not linked to variable bonus paid during onshore tenure.

**Q. How is utilization calculated for GCP repats?**

For people repatriating from GCP into ATCI, YTD individual utilization will be prorated for that relevant period (day they return till last day of that period). We have the systems to track individual utilization on daily basis, so in-out movements from-to groups would not be a problem to handle.

**Q. I was on bench. Will that impact my utilization?**

Yes, any non-chargeable hour's impact individual utilization thereby impacting variable bonus. If a person on bench worked on asset development with Capability/CIO and charged time to the WBS provided by Capability/CIO, he/she would earn the default ('at target' 95%) individual utilization for that time.