European
Commission

Summary document on changes related to Staff Regulations review

Measures included in the compromise text agreed by COREPER on 28 June 2013 and voted in plenary session of the European Parliament on 2 July 2013

Human Resources and Security

1. Background

Several informal 'trilogue' meetings have taken place in order to reach a political agreement between the three Institutions involved in the ordinary legislative procedure. On 27 June, the JURI Committee of the European Parliament (EP) voted on the compromise text and endorsed it by a very large majority. The COREPER - in the wake of the European Council's agreement on the next Multiannual Financial Framework - finally reached agreement on the compromise text on 28 June 2013, also by a large qualified majority of 274 votes in favour and 71 against. The EP adopted its position on the compromise text in the plenary session on 2 July 2013, with a majority of 552 votes in favour, 150 against and 39 abstentions. The text will now become definitive in first reading when the Council approves formally the position adopted by the EP.

In context with the Multiannual Financial Framework (MFF) 2014-2020, an Interinstitutional Agreement on cooperation in budgetary matters and on sound financial management will be adopted. As proposed by the Commission in 2011, the EP, the Council and the Commission agree to a progressive reduction of staff by 5% between 2013 and 2018. This reduction should apply to all EU institutions, bodies and agencies.

2. Main elements of the compromise text

The compromise includes the following elements:

Method, levy and the pension contribution

The agreement on the method for adjusting salaries and pensions fully maintains the principle of parallelism. The new method will use a sample increased to 11 Member States, by adding Austria, Poland and Sweden to the eight Member States used in the past. To take account of the changes in the cost of living, national price indices for Belgium and Luxembourg will be used, instead of the much-criticised Brussels International Index based on the cost of living for expatriates. The method contains both moderation and crisis clauses. The moderation clause prevents the immediate impact of an increase or decrease in purchasing power of more than 2% per year (e.g. if the inflation is 1% and the gain in purchasing above +2% then the salary update would be above 3%). If this occurs, then the remaining part over 2% would be postponed for nine months (in our example the part of salary update above 3%). The crisis clause would address the situation if there is a drop in the EU GDP under 0%. If this is the case then, depending on the magnitude of the recession, a part of the gain in purchasing power would be postponed to the following year. If the EU GDP drops by more than 3%, then this gain in purchasing power would be granted only when GDP reaches the pre-recession level (recovery clause).

In line with the conclusions of the European Council of February 2013 and to respond to the exceptional need to show solidarity to face the economic challenges of the European Union, the method to review salaries, pensions and allowances will be suspended for two years, i.e. in 2013 and 2014.

The salary and pension updates would take place automatically on the basis of values calculated by Eurostat.

The method would apply until 2023, with an interim review before the end of 2018. It will provisionally remain in force until the co-legislators have agreed to amend it on the basis of a Commission proposal to be made in 2022.

As from 1 January 2014, the solidarity levy will apply on the same basis as that used until the end of 2012. However, the rate will be increased to 6% (as proposed by the Commission) and for staff in grades AD15 step 2 and above, the rate will be 7%. As before, the levy will not apply to pensions or allowances.

Pensions

The new pensionable age for all staff recruited after 1 January 2014 will be 66 years.

The pensionable age for staff recruited after 1 May 2004 is 63 unless the pensionable age indicated in the table below is higher.

Staff in place before 1 January 2014 will be subject to transitional provisions depending on their age:

Age on 1 May 2014	Pensionable age	Age on 1 May 2014	Pensionable age
60 years and above	60 years	47 years	62 years 6 months
59 years	60 years 2 months	46 years	62 years 8 months
58 years	60 years 4 months	45 years	62 years 10 months
57 years	60 years 6 months	44 years	63 years 2 months
56 years	60 years 8 months	43 years	63 years 4 months

55 years	61 years	42 years	63 years 6 months
54 years	61 years 2 months	41 years	63 years 8 months
53 years	61 years 4 months	40 years	63 years 10 months
52 years	61 years 6 months	39 years	64 years 3 months
51 years	61 years 8 months	38 years	64 years 4 months
50 years	61 years 11 months	37 years	64 years 5 months
49 years	62 years 2 months	36 years	64 years 6 months
48 years	62 years 4 months	35 years	64 years 8 months

Staff members who continue working after their own individual pensionable age will maintain their right to supplementary (higher) pension benefits:

Pension bonus for staff recruited before 01/01/2014 AND aged 50 years or over or with 20 or more years' service on 1 May 2004	
Age	From 60
Pension bonus	**5%** increase of **pension rights** acquired at 60
Pension bonus for staff recruited before 01/01/2014	
Age	From the individual pensionable age in force before 01/01/2014
Pension bonus	Pension increase by **2.5%** of the **final basic salary**
Pension bonus for staff recruited from 01/01/2014	
Age	From 66
Pension bonus	Pension increase by **1.5%** of the **final basic salary**

Staff will also be able to continue working until the age of 67, if it is in the interests of the service. In exceptional circumstances, they may continue to work in the interests of the service until the age of 70, with an annual approval by the Appointing Authority beyond the age of 66.

In the context of a regular monitoring of the overall cost generated by pensions in the short and in the long term, the Commission will assess the evolution of pensionable age for staff in the civil services of the Member States and the evolution of the life expectancy of officials of the European Institutions every five years. Where appropriate, a change to the pensionable age for EU staff will be proposed while respecting staff legitimate expectations.

The accrual rate (the rate at which an entitlement to a pension is built) will be fixed at 1.8% per year of service for officials recruited after 1 January 2014. It will remain at 1.9% for staff recruited between 1 May 2004 and 31 December 2013 and 2% for those recruited earlier.

Early retirement will be possible as from the age of 58 (currently 55) with a reduction of pension rights of 3.5% for each year that staff would have been expected to work. Transition provisions will apply to staff in place:

Reduction of pension rights for staff recruited before 01/01/2014						
Period	From 01/01/**2014** to 31/12/**2015**		From 01/01/**2016** to 31/12/2016		From 01/01/**2017**	
Age	Between **55** and 60	Between 60 and the individual pensionable age	Between **57** and 60	Between 60 and the individual pensionable age	Between **58** and 60	Between 60 and the individual pensionable age
Rate of reduction	-3,50%	-1,75%	-3,50%	-1,75%	-3,50%	-1,75%
Reduction of pension rights for staff recruited from 01/01/2014 **(for each year below the individual pensionable age)**						
Period	From 01/01/2014					
Age	Between 58 and 66					
Rate of reduction	-3,50%					

Early retirement without reduction of pension rights will no longer be possible.

As with the updates of salaries and pensions, the pension contribution rate will also be updated according to the same automatic procedure, on the basis of the Eurostat calculation of the rate necessary to ensure the actuarial balance of the scheme. In order to avoid volatility of the pension contribution rate, the periods of past observation used to simulate future salary developments of EU staff and interest rates of public debt of the Member States will be gradually prolonged to reach 30 years in 2021. The application of these provisions will be reviewed in 2018 and 2022.

Career structure

Heads of Unit, advisers and staff member in equivalent positions will be able to progress until AD 14. Other administrators will be able to progress to AD 12 via the normal promotion exercises.

In order to reinforce the link between grade and function, access to the higher grades AD13 and AD14 will be possible via selection procedure leading to appointment to a function of Head of Unit or equivalent, or Adviser or equivalent.

This means that grades AD 13 and AD 14 remain accessible for non-management staff. The maximum rate for promotions to these grades will be 15% per year.

Transitional measures will be introduced with effect from 1 January 2014 for officials in service on 31 December 2013 in function group AD. Those measures will concern, amongst others, the creation of two new post types: "Senior Administrator in transition" and "Administrator in transition". By derogation, officials in grades AD 9 to AD 14 holding special responsibilities may be assigned before 31 December 2015 to the type of post "Head of Unit or equivalent" or "Adviser or equivalent". The number of officials benefiting from this provision should not exceed 5% of the total officials in function group AD on 31 December 2013.

For administrators in place, two notional steps will be added in grades AD 12 and AD 13, as from 1 January 2016, to allow further advancement within the same grade.

Promotion rates for AD staff in entry grades AD5, AD6 and AD7 will be increased from 33% to 36% for each grade, in order to foster the careers of newcomers recruited after 2004 and as a part of the overall restructuring of the AD career.

The career structure for AST staff has also been revised in order to create a stronger link between grade and function. Officials in grade AST 9 will have access to AST 10 and 11 grades only after passing a selection procedure for a post that requires the highest level of expertise and responsibility in this category. This is in line with the changes introduced to the AD career.

Transitional measures, with effect from 1 January 2014, will be put in place for AST staff recruited before 1 January 2014: except for "ex-C" or "ex-D" officials recruited before 1 May 2004 who have not been attested, AST staff in place can be promoted to grade AST 9 and will be placed in the Assistant in transition or Senior Assistant in transition category depending on their current grade.

<table>
<tr><th>Grade</th><th>ex-D
non attested</th><th>ex-C
non attested</th><th>Other
(ex-B, attested AST post 2004)</th></tr>
<tr><td>11</td><td rowspan="2"></td><td rowspan="2"></td><td rowspan="2">Senior Assistant in transition</td></tr>
<tr><td>10</td></tr>
<tr><td>9</td><td rowspan="4"></td><td rowspan="2"></td><td rowspan="9">Assistant in transition</td></tr>
<tr><td>8</td></tr>
<tr><td>7</td><td rowspan="7">Administrative assistant in transition</td></tr>
<tr><td>6</td></tr>
<tr><td>5</td><td rowspan="5">Support agent in transition</td></tr>
<tr><td>4</td></tr>
<tr><td>3</td></tr>
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A new function group "AST/SC" (comprising six grades) for secretarial and clerical staff will be established.

The requirement for a minimum of two years in the grade before promotion of an official to the next higher grade is maintained.

Leave on personal grounds will be limited to 12 years (instead of the current 15 years).

An additional administrative status 'Leave in the interests of the service' has been introduced.

Performance Management

An extension of the normal probationary period will be limited to a total of additional 6 months related to sickness, accident or maternity leave. The possibility to exceptionally assign the probationer to another department has been removed.

When comparing merits in the promotion process, the level of responsibility exercised by staff will be systematically taken into account, in the same way as the evaluation reports and use of languages (currently the level of responsibility is only considered "when appropriate").

Explicit reference to the annual evaluation and report on the performance of staff will be enshrined in the Staff Regulations. The report shall include a statement on whether the performance of the official has been satisfactory.

An official who receives three consecutive unsatisfactory reports will be downgraded by one grade. If the following two annual reports still show unsatisfactory performance, the official will be dismissed. This is broadly in line with current rules and practices.

Contract staff and temporary staff in agencies

The maximum duration of employment of Contract Agents (3b) with contracts of limited duration is extended from the current 3 years to a maximum of 6 years.

Contract staff in function groups II, III and IV may be allowed to take part in internal competition, subject to two conditions: they would be eligible after three years of service in the Institution and the total number of appointed laureates from contract staff will not exceed 5% of total appointments in that grade of that function group that year.

A new category of temporary staff (TA2f) for agencies has been introduced and specific rules for this category have been defined to address the agencies' needs and to ensure a more consistent staff policy in these bodies.

In order to ensure a coherent and harmonised implementation of the Staff Regulations, the Commission's implementing rules shall apply by analogy also to the agencies. However, to take account of their particular circumstances, agencies will be entitled to request the Commission's authorisation to adopt implementing rules which deviate from those of the Commission.

To give the agencies greater flexibility as regards the various committees that shape the social dialogue or that must be consulted before a decision is taken, common committees for two or more agencies can be set up.

Working time, allowances and other conditions

Working hours will be increased to 40 hours per week, without compensation.

Explicit reference to flexitime arrangements will be, for the first time, enshrined in the Staff Regulations. Flexitime recovery will not be granted in full working days for officials in grades AD/AST9 or higher. Recovery of half days remains possible. The general arrangements for staff will not be applicable to senior and middle managers, who will manage their working time in agreement with their superiors.

The annual travelling time will be replaced by an allocation of "home leave", limited to a maximum of two and a half days for every expatriate official (instead of the current allowance of up to 6 days based on distance). Annual payment of travel expenses will be rationalised by basing it on geographical distance between the official's place of employment and his/her place of origin within the Union (before it was based on railway kilometres).

Staff in Delegations will be entitled to annual leave of 2 working days for each month of service (like officials in Headquarters), instead of the current 3.5 days. There are transitional rules for 2014 and 2015. The possibility for additional rest leave to take account of particularly difficult living conditions is maintained. There will be a possibility to use a wider range of parameters to fix the allowance for living conditions. The conditions for granting the accommodation allowance will take better account of local situations. Depending on a list of countries to be defined by the Appointing Authority (EEAS), either a flat-rate allowance will be paid or a reimbursement of rent will be provided. Annual flat rate payment for travel expenses to the place of origin will be based on cost of air travel in economy class instead of business class.

Rules on the reimbursement of removal costs will be simplified: the cost ceilings which take account of the official's or agent's family situation and of the average cost of removal and associated insurance will be introduced.

Parental leave may be extended for a further 6 months period in addition to the current 6 months with an allowance reduced by 50%. The periods are doubled for single parents or parents of children with disabilities or serious illness.

Ethics, rights and obligations

Before recruiting an official, the Appointing Authority will examine whether the candidate has any personal interest such as to impair his independence or any other conflict of interest. The candidate will inform the Appointing Authority, using a specific form, of any actual or potential conflict of interest. If necessary, the Appointing Authority shall take any appropriate measures. This will also apply to officials returning after leave on personal grounds.

There will be explicit prohibition for senior officials, in the twelve months after leaving the service, to engage in lobbying or advocacy vis-à-vis the staff of their former Institution on matters for which they were responsible during the last three years in the service. Similar rules will apply "*mutatis mutandis*" for leave on personal grounds.

Geographical balance

In order to address a significant imbalance between nationalities among officials which is not justified by objective criteria, each Institution will be given the possibility to adopt justified and appropriate measures.

With regard to the sensitivity and the importance of geographical balance within the institutions, all measures to be taken must be based on a thorough analysis which includes a reliable statistical assessment and a forecast on the likely evolution of geographical balance.

All measures must be proportionate, take into account the principle of equal access to the European civil service and the respect of multilingualism and should never result in recruitment criteria other than those based on merit.

After three years, the Commission will report to the EP and to the Council on the implementation of the appropriate measures by the Institutions.