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Subject: Proposal for a Regulation of the European Parliament and of the Council
amending the Staff Regulations of Officials and the Conditions of Employment of
Other Servants of the European Union
- Recommendations from the Working Party on the Staff Regulations
(partial mandate)

Delegations will find in Annex the text as agreed in COREPER on 8 May 2013.

A. PENSIONS¹

Article 52

Without prejudice to the provisions of Article 50, an official shall be retired:

- (a) either automatically on the last day of the month in which he reaches the age of 67, or
- (b) at his own request on the last day of the month in respect of which the request was submitted where he is between 58 and 67 years of age and satisfies the requirements for immediate payment of a pension in accordance with Article 9 of Annex VIII. The second sentence of the second paragraph of Article 48 shall apply by analogy.

However, an official may at his own request and where the appointing authority considers it justified in the interest of the service, carry on working until the age of 70, in which case he shall be retired automatically on the last day of the month in which he reaches that age.

Article 77

An official who has completed at least ten year's service shall be entitled to a retirement pension. He shall, however, be entitled to such pension, irrespective of length of service, if he is over 67 years, if it has not been possible to reinstate him during a period of non-active status or in the event of retirement in the interests of the service.

The maximum retirement pension shall be 70 % of the final basic salary carried by the last grade in which the official was classified for at least one year. 1,67 % of the final basic salary shall be payable to an official for each year of service reckoned in accordance with Article 3 of Annex VIII.

¹ Articles 50, 55a, 72, 78, 80, 81a, Annex IV, IVa, VIII and Annex XIII should be adapted accordingly.

By way of derogation from paragraph 2, the accrual rate shall be² :

In the year 2014, 1.9 %;

In the year 2015, 1.85 %;

In the year 2016, 1.8 %;

In the year 2017, 1.75 %;

In the year 2018, 1.7 %;

in the year 2019, 1.67 %.

The pensionable age shall be 67 years.

Article 83 (second paragraph)

2. Officials shall contribute 45 % of the cost of the pension scheme. The contribution shall be [x] % of the official's basic salary, the weightings provided for in Article 64 not being taken into account. It shall be deducted monthly from the salary of officials. The contribution shall be adjusted in accordance with the rules laid down in Annex XII.

By way of derogation from the previous paragraph the contribution shall be:

from 1.1.2015 to 31.12.2015	35 %
from 1.1.2016 to 31.12.2016	37 %
from 1.1.2017 to 31.12.2017	39 %
from 1.1.2018 to 31.12.2018	41 %
from 1.1.2019 to 31.12.2019	43 %

² Annex XIII, Article 21 should be adapted accordingly.

Article 83a (paragraphs 3,4 and 5)³

3. On the occasion of the five-yearly actuarial assessment in accordance with Annex XII and in order to ensure the balance of the scheme, the Council and the European Parliament shall decide on the rate of contribution and any change to the pensionable age.
4. Each year the Commission shall present to the Council an updated version of the actuarial assessment, in accordance with Article 1(2) of Annex XII. Where it is shown that there is a gap of at least 0,25 points between the rate of contribution currently applied and the rate required to maintain actuarial balance, the Council and the European Parliament shall adjust the rate in accordance with the arrangements laid down in Annex XII.
5. For the purposes of paragraphs 3 and 4 of this Article, a regulation shall be adopted pursuant to Article 336 TFEU and after consultation of the Staff Regulations Committee.

Annex VIII, Article 5 (Barcelona incentive)

Notwithstanding the provisions of Article 2 of this Annex, officials who remain in service after the age of 63 shall be entitled to an increase of their pension equal to 2 % of the basic salary in 2014, 1.8 % in 2015, 1.6 % in 2016, 1.4 % in 2017, 1.2 % in 2018, 1 % in 2019, 0.8 % in 2020, 0.6 % in 2021, 0.4 % in 2022, 0.2 % in 2023, 0% after 2023 taken into account for the calculation of their pension per year worked after that age, with the proviso that the total of their pension plus the increase does not exceed 70 % of their final basic salary as referred to in the second or third paragraph, as the case may be, of Article 77 of the Staff Regulations.

³ Reproduced exactly from the CY Presidency progress report (ST 17431/12, p. 11-12)

Annex VIII, Article 9 (early retirement schemes, second paragraph)

Article 9 paragraph 2 shall be deleted.

Annex XIII, Article 22

1. Officials with 20 or more years' service on 1 May 2004 shall become entitled to a retirement pension when they reach the age of 60.

Officials aged 40 years or more on [the entry into force] and who entered the service before [the entry into force] shall become entitled to a retirement pension at the age shown in the table below:

Age on 1 May 2013	Pensionable age
59 years and above	60 years 0 months
58 years	60 years 2 months
57 years	60 years 4 months
56 years	60 years 6 months
55 years	60 years 9 months
54 years	61 years 0 months
53 years	61 years 3 months
52 years	61 years 6 months
51 years	61 years 9 months
50 years	62 years 0 months
49 years	62 years 4 months
48 years	62 years 8 months
47 years	62 years 11 months
46 years	63 years 2 months
45 years	63 years 5 months
44 years	63 years 9 months
43 years	64 years 0 months
42 years	64 years 3 months
41 years	64 years 6 months
40 years	64 years 9 months

Officials aged under 40 years [the entry into force] and who entered the service before [the entry into force] shall become entitled to a retirement pension at the age of 65.

B. METHOD - SALARY FREEZE - SOLIDARITY LEVY

Article 64 SR (second subparagraph)

The correction coefficients shall be reviewed each year.

Article 65 SR

Without prejudice to the third sentence of Article 3(2) of Annex XI, the remuneration of the officials and other servants of the European Union shall be reviewed each year.

Article 66a SR

1. By way of derogation from Article 3(1) of Council Regulation (EEC, Euratom, ECSC) No 260/68, a temporary measure regarding remuneration and pensions paid by the Union, to be known as the 'solidarity levy', shall be applied from [1 July] 2013 to 31 December 2020.
2. The rate of this solidarity levy, which shall apply to the base defined in paragraph 3, shall be 6 %.
3. (a) For remuneration paid by the Union to active staff: The base for the solidarity levy shall be the basic salary and allowances used to calculate remuneration, minus:
 - (i) social security and pension contributions and the tax, before solidarity levy, payable by an official in the same grade and step without dependants within the meaning of Article 2 of Annex VII, and
 - (ii) an amount equal to the basic salary of an official in grade AST 1, step 1.

The amount to be deducted under (ii) will be phased out as follows:

from 1.1.2015 to 31.12.2015	100 % of the basic salary of an official in grade AST 1, step 1
from 1.1.2016 to 31.12.2016	80 % of the basic salary of an official in grade AST 1, step 1
from 1.1.2017 to 31.12.2017	60 % of the basic salary of an official in grade AST 1, step 1
from 1.1.2018 to 31.12.2018	40 % of the basic salary of an official in grade AST 1, step 1
from 1.1.2019 to 31.12.2019	20 % of the basic salary of an official in grade AST 1, step 1
from 1.1.2020	0 % of the basic salary of an official in grade AST 1, step 1

(b) For pensions and invalidity allowances paid by the Union: The base for the solidarity levy shall be the pension paid and allowances, minus:

(i) social security and pension contributions and the tax, before solidarity levy, payable by the person concerned without dependants within the meaning of Article 2 of Annex VII, and

(ii) an amount equal to the basic salary of an official in grade AST 1, step 1.

(c) The components used to determine the base for the solidarity levy shall be expressed in euro and weighted at 100.

4. By way of derogation from paragraph 2, the rate of the solidarity levy on pensions and invalidity allowances and allowances shall apply as follows:

from 1.1.2015 to 31.12.2015	1 %
from 1.1.2016 to 31.12.2016	2 %
from 1.1.2017 to 31.12.2017	3 %
from 1.1.2018 to 31.12.2018	4 %
from 1.1.2019 to 31.12.2019	5 %

5. The solidarity levy shall be deducted monthly at source; the proceeds shall be entered as revenue in the general budget of the European Union.

ANNEX XI

Rules for implementing Articles 64 and 65 of the Staff Regulations

Chapter 1

Annual review of remuneration provided for in article 65 of the Staff Regulations

Section 1

Factors determining annual updates

Article 1

1. Report from the Statistical Office of the European Union (Eurostat) to the Council and the EP

For the purposes of the review provided for in Article 65 of the Staff Regulations, to be conducted by way of update, Eurostat shall draw up every year before the end of October a report on changes in the cost of living in Brussels, the economic parities between Brussels and certain places in the Member States, and changes in the purchasing power of salaries in national civil services in central government.

2. Changes in the cost of living for Brussels

Eurostat shall use the Belgian Harmonised Index of Consumer Prices to measure changes in the cost of living for officials of the Union in Brussels. This index shall take into account the changes between June of the previous year and June of the current year.

3. Changes in the cost of living outside Brussels (economic parities)

(a) Eurostat shall, in agreement with national statistical institutes or other appropriate authorities in the Member States, calculate the economic parities which establish the equivalence of purchasing power:

(i) of the salaries of officials of the Union serving in the capitals of the Member States, except for the Netherlands where The Hague is used instead of Amsterdam, and in certain other places of employment with reference to Brussels,

(ii) of the pensions of officials paid in the Member States with reference to Belgium.

(b) The economic parities shall refer to the month of June each year.

(c) The economic parities shall be calculated in such a way that each basic component can be updated twice per year and checked by a direct survey at least once every five years. Eurostat shall update the economic parities using the change in the Harmonised Index of Consumer Prices of the Member States.

4. Changes in the purchasing power of salaries of national civil servants in central government (specific indicators).

(a) For the purpose of measuring the percentage change, either upward or downward, in the purchasing power of salaries in the national civil services, Eurostat shall, on the basis of information supplied before the end of September by the national statistical institutes or other appropriate authorities in the Member States as defined in the Regulation (EC) No 223/2009 on European Statistics (hereinafter “statistical institutes or other appropriate authorities in the Member States”), calculate specific indicators reflecting changes in the real remuneration of civil servants in central government, between the month of July of the previous year and the month of July of the current year. The two should include one twelfth of all annually-paid elements.

The specific indicators shall take two forms:

(i) one indicator for each of the function groups, as they are defined in the Staff Regulations.

(ii) an average indicator weighted to reflect the number of national civil servants corresponding to each function group. For the purpose of weighting the results of the previous year and the current year the same weights shall be used.

Each of these indicators shall be established in real gross and real net terms. For the transition from gross to net, account shall be taken of statutory deductions and general taxation factors. For the transition from the nominal to real terms the national Harmonised Index of Consumer Prices shall be taken into account.

To establish the gross and net indicators for the European Union total, Eurostat shall use a sample composed by the following Member States: Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and United Kingdom. The European Parliament and the Council, acting on a Commission proposal under Article 65 of the Staff Regulations, may adopt a new sample which represents at least 70 % of the European Union GDP and which will apply from the year following its adoption. The results per country shall be weighted in proportion to its national GDP measured using purchasing power parities as shown in the most recent statistics published in accordance with the national accounts definitions in the European System of Accounts currently in force.’

(b) At the request of Eurostat, the national statistical institutes or other appropriate authorities in the Member States shall supply it with the additional information which it considers necessary in order to draw up a specific indicator accurately measuring changes in the purchasing power of national civil servants.

If, after further consultation of the national statistical offices institutes or other appropriate authorities in the Member States, Eurostat finds statistical anomalies in the information obtained or finds it impossible to draw up indicators which measure with statistical accuracy the changes in the real income of civil servants in a given Member State, it shall report to the Commission and provide it with all the material it needs to make an assessment.

(c) Besides the specific indicators, Eurostat shall calculate appropriate control indicators.

The Eurostat report on the specific indicators shall be accompanied by comments on the differences between these indicators and the above-mentioned control indicators.

Article 2 is deleted

Section 2

Arrangements for the annual update of remuneration and pensions and correction coefficients

Article 3

1. Under Article 65 of the Staff Regulations, on the basis of the criteria set out in Section 1 of this Annex, the review of remuneration and pensions shall be conducted by way of annual update. The remuneration and pensions shall be updated before the end of each year, with effect from 1 July, as well as the amounts in the second and third paragraphs of Article 42a, Articles 66 and 69, Articles 1(1), 2(1), 3(1) and (2), 4(1), 7(2), 8(2), 10(1) of Annex VII and Article 8(2) of Annex XIII, the amounts in the former Article 4a of Annex VII to be updated in accordance with Article 18(1) of Annex XIII, the amounts in Article 24(3), the second subparagraph of Article 28a(3), Articles 28a(7), 93, 94, the second subparagraph of Article 96(3), Articles 96(7), 133, 134 and 136 of the Conditions of Employment of Other Servants, the amounts in the first subparagraph of Article 1(1) of Council Regulation (ECSC, EEC, Euratom) No 300/76, the coefficient for the amounts in Article 4 of Council Regulation (EEC, Euratom, ECSC) No 260/68. The updated amounts shall be published by the appointing authority of each institution two weeks after the update in order to inform the staff of the institution.

2. The amount of the update shall be obtained by multiplying the changes in the Belgian Harmonised Index of Consumer Prices by the specific indicator minus 0.5 percentage points. The amount of the update shall not exceed 2 % to the upside and 0 % to the downside and shall be in net terms as a uniform across the board percentage. There shall be no such update for the years of 2013 and 2014.

3. The amount of the update thus fixed shall be incorporated, in accordance with the following method, in the basic salary tables appearing in Article 66 of the Staff Regulations and in Annex XIII to the Staff Regulations and in Articles 20 and 93 of the Conditions of Employment of other servants:

(a) the net remuneration and net pension without correction coefficient shall be increased or reduced by the annual update referred to above,

(b) the new table of basic salaries shall be drawn up by calculating the gross amount which, after deduction of tax having regard to paragraph 4 and compulsory deductions for social security and pension contributions, corresponds to the net amount,

(c) the conversion of net amounts into gross amounts shall be based on the situation of an unmarried official who does not receive the allowances provided for in the Staff Regulations.

4. The update shall take place before the end of each year in the light of a report by the Commission based on statistical data prepared by the Statistical Office of the European Union in agreement with the national statistical offices of the Member States; the statistical data shall reflect the situation as at 1 July in each of the Member States.

5. The review of the correction coefficients, referred to in Article 64 of the Staff Regulations, shall be conducted by way of annual update. The updated values shall be published by the appointing authority of each institution two weeks after the update in order to inform the staff of the institution.

6. No correction coefficient shall be applicable in Belgium and Luxembourg. The correction coefficients applicable:

(a) to the salaries of officials of the European Union serving in the other Member States and in certain other places of employment,

(b) by derogation from Article 82(1) of the Staff Regulations, to Union pensions paid in the other Member States for the part corresponding to the acquired rights acquired before 1 May 2004, shall be determined on the basis of the ratios between the corresponding economic parities referred to in Article 1 of this Annex and the exchange rates specified in Article 63 of the Staff Regulations for the relevant countries.

The procedures laid down in Article 4 of this Annex concerning the retrospective application of correction coefficients in places of employment with a high rate of inflation shall apply.

7. The institutions shall make the corresponding update to the remuneration and pensions of the officials, former officials and other persons concerned with retroactive effect for the period between the effective date and the date of entry into force of the decision on the next update.

If this retroactive update necessitates the recovery of sums overpaid, such recovery may be spread over a period of not more than twelve months from the date of entry into force of the decision on the next annual update.

Articles 4 - 7 are deleted

New Article 4

1. For places with a high cost-of-living increase the correction coefficient shall come into effect before 1 July.
2. The effective dates for the annual update shall be as follows:
 - (a) 16 May for places of employment in the Member States having an increase in Harmonised Index of Consumer Prices higher than 6,3 %, and
 - (b) 1 May for places of employment in the Member States having an increase in Harmonised Index of Consumer Prices higher than 12,6 %.

New Chapter 2: Creation and withdrawal of correction coefficients (article 64 of the Staff Regulations)

New Article 5

1. The appropriate authorities of the Member States concerned, the administration of an institution of the European Union or the representatives of officials of the European Union in a given place of employment can request the creation of a correction coefficient specific to that place.

This request should be supported by objective factors revealing an appreciable difference over some years in the cost of living between that place of employment and the capital of the Member State concerned (except for the Netherlands where The Hague is used instead of Amsterdam). If Eurostat confirms that the difference is appreciable (more than 5 %) and sustainable, the Commission shall enact, by way of update, a correction coefficient for that place.

2. Likewise the Commission shall decide, to withdraw the application of a correction coefficient specific to a certain place. In that case the proposal shall be based on one of the following:

(a) a request by the appropriate authorities of the Member State concerned, the administration of an institution of the European Union or the representatives of officials of the European Union in a given place of employment showing that the cost of living in that place is no longer significantly different (less than 2 %) than that of the capital of the Member State concerned. This convergence should be sustainable and validated by Eurostat,

(b) the fact that there are no longer any officials and temporary staff of the European Union employed in that place.

New Article 6

The amount of the update referred to in Article 3(2) shall be 0 % when the growth rate of EU real GDP has been 0 % or negative in the year preceding the update referred to in Article 1.

New Chapter 3: Role of Eurostat and relations with the national statistical institutes or other appropriate authorities in the Member States

New Article 7

It shall be the task of Eurostat to monitor the quality of basic data and statistical methods used to work out the factors taken into account for the update of remuneration. In particular, it shall make any assessments or carry out any studies required for such monitoring.

The nominal and real changing rates as well as the considered Harmonised Index of Consumer Prices for all Member States shall be published no later than 6 months after the reference period.

New Article 8

At least once a year and no later than March Eurostat shall convene a working group composed of experts from the national statistical institutes or other appropriate authorities in the Member States to be known as the 'Working Group on Article 64 and 65 of the Staff Regulations'.

At this meeting, the statistical methodology and its implementation concerning specific and control indicators shall be examined.

The information required for the purposes of the update of remuneration shall be provided, together with the data on working hours in central government departments.

This working group will also examine the statistical methodology and its implementation concerning the establishment of the economic parities.

Article 13 shall be deleted

New Article 9

At the request of Eurostat, Member States shall inform Eurostat of any factors having a direct or indirect impact on the composition and changes in the remuneration of central government civil servants.

New Article 10

1. The provisions of this Annex shall apply from [1 July] 2013 to 31 December 2020.

C. CAREER STRUCTURE

Article 5 (fifth paragraph)

5. Until 31 December 2017, the table of posts given in Annex I, Section C will be used for those officials in the function group AD who are in the grade AD 9 or above and do not hold management positions at the date of entrance into force of this Regulation.

Article 6

Without prejudice to the principle of promotion based on merit as laid down in Article 45, this plan shall ensure that for each institution, the number of vacant positions at every grade of the establishment plan on 1 January of each year corresponds to the number of officials in the lower grade in active employment on 1 January of the preceding year, multiplied by the rates laid down in Annex I, Section B, for that grade. These rates shall be applied on a five-year average basis as from 1 January 2013.

Article 43

The ability, efficient and conduct in the service of each official shall be the subject of a report every year as provided for by the appointing authority of each institution in accordance with Article 110. The appointing authority of each institution shall lay down provisions conferring the right to lodge an appeal within the reporting procedure, which has to be exercised before lodging a complaint as referred to in Article 90(2).

Article 44 (first paragraph)

An official advances to the next step in his grade, provided that he has two consecutive satisfactory annual reports referred to in Article 43.

Article 45

Promotion shall be by decision of the Appointing Authority in the light of Article 6(2). It shall be effected by appointment of the official to the next higher grade in the function group to which he belongs. Unless the procedure laid down in Articles 4 and 29(1) is applied, officials may only be promoted if they occupy a post which corresponds to one of the types of post set out in Annex I, Section A, for the next higher grade. Officials may only progress as far as AD11 unless applying for a specific post above that grade. The grades of AD 12 and AD 13 should be reserved for those staff whose roles entail significant responsibilities.

Promotion shall be exclusively by selection from among officials who have completed a minimum of three years in their grade after consideration of the comparative merits of the officials eligible for promotion. When considering comparative merits, the Appointing Authority shall in particular take account of the reports on the officials, the use of languages in the execution of their duties other than the language for which they have produced evidence of thorough knowledge in accordance with Article 28(f) and, the level of responsibilities exercised by them.

Article 45a (new paragraphs)

1 (new). By way of derogation from the first subparagraph of Article 45 (1) appointments to grades AD 12 and AD 13 shall be also open to applicants from the three grades below as long as they fulfil criteria of experience and specific skills.

1a. By way of derogation from the first subparagraph of Article 45 (1), an official may be appointed to a higher grade on the condition that they successfully pass an internal competition. The institutions should agree on minimum standards to apply to such internal competitions and their frequency. The total number of staff at grades AD 12 to AD 13 in each institution, body and agency shall not exceed [15 %] of the total number of staff in the function group AD.

Annex 1

A. TYPES OF POSTS IN EACH FUNCTION GROUP, AS PROVIDED FOR IN ARTICLE 5(4)⁴

1. Function Group AD

(...)

AD 14

Administrator working as: Director/Adviser⁵

AD 13

Administrator working as:

Head of Unit/Adviser

AD 12

Administrator working as:

Head of Unit/Adviser/Deputy Head of Unit or equivalent

AD 11

Administrator working as for example:

Head of Unit/Deputy Head of Unit or equivalent

AD 10

Administrator working as for example:

Head of Unit/Deputy Head of Unit or equivalent

⁴ Annex 1A – Officials occupying after the end of the transitional period the type of post not corresponding to the required type post may remain in that post.

⁵ These appointments will be limited to former Heads of Delegations based in the EEAS headquarters.

AD 9

Administrator working for example as:

Head of Unit/Deputy Head of Unit or equivalent

AD 8

Administrator working for example as:

Head of Unit/Deputy Head of Unit or equivalent

B. MULTIPLICATION RATES FOR GUIDING AVERAGE CAREER EQUIVALENCE

1. Multiplication rates for guiding average career equivalence in function groups AST and AD:

Grade	Assistants	Administrators
13		-
12		-
11	-	-
10	20 %	20 %
9	8 %	20 %
8	25 %	25 %
7	25 %	25 %
6	25 %	25 %
5	25 %	25 %
4	25 %	-
3	25 %	-
2	25 %	-
1	25 %	-

C. TABLES APPLICABLE TO OFFICIALS REFERRED TO IN ART. 5 (5)

Table A contained in the current version of the Staff Regulations as amended by the Commission's proposal.