

## Once more: Die Welt compares apples and pears

Die Welt<sup>1</sup> makes a comparison where the desired impact (4,000 officials earn more than Merkel) regrettably replaces the accuracy which is required for such an exercise. The table compares:

- monthly gross salaries, excluding allowances, of unmarried German politicians and officials, employed in Germany, without children, without taking into account seniority steps or bonuses for officials, and compares it with:
- monthly gross salaries, including allowances, of married EU staff, working abroad, with one child in the highest possible grade and seniority step.

The comparison does not take into account:

- 13<sup>th</sup> month' salaries ("Christmas money") paid in the German civil service;
- Pension contributions of 11.6% paid by EU staff compared to 0% paid by German officials;
- allowances like family allowances or "Ortszuschläge" paid in Germany;
- income of state secretaries/ministers from being a member of parliament at the same time;
- seniority steps or performance bonuses in the German civil service;
- the additional cost caused by an expatriation situation covered by allowances paid to EU staff (which are also covered for national German officials working abroad);
- the fact that many officials in the high grades were recruited before the 2004 reform so that they get in fact a lower salary than the one corresponding to the grade (transitional reduction factor linked to the reform).

The German chancellor's salary is around €17,000 plus a reduced MP salary of around €4,000, making €21,000/month – higher than any EU official. Throw in basic allowances (€1,000 as Chancellor, €3,000 as MP) and this rises to around €25,000/month – still higher than any EU official with all available allowances.

MEP Grässle also refers to the EU tax regime. The marginal tax rate is 45% for the top earnings. Unsurprisingly, she 'forgets' to mention that the EU tax system does not allow the tax deductions which would be available if a German EU official in Belgium paid German or Belgian income tax. She also 'forgets' to mention that EU officials pay a pension contribution of 11.6% whereas German officials pays 0%.

To say that the EU civil service is the best paid civil service in Europe is also not correct. The EU salary grid is broadly in line with the salary grids of other international organisations and diplomatic services from high-wage countries - and in fact is often lower, particularly at the lower and higher ends of the salary scale. The Commission's austerity and reform proposal of December 2011 (currently with the Council) proposes more salary cuts, including a -18% cut for starting salaries and -45% cut for end of career salaries for secretarial and clerical staff, and a -26% cut for end of career salaries for most Assistants. Administrators saw their starting salary cut by -20% during the 2004 austerity and reform package, leading to real difficulties in attracting candidates from rich Member States ever since.

Many national diplomatic services, other international organisations in Europe and in some cases even national civil services have comparable and even higher pay and benefit packages. It is interesting to note that Member States have refused point blank to share information about the pay and benefit packages for national diplomatic services in Brussels with the EU institutions. In some recent cases, national diplomats preferred employment in the national service to the EU service for financial reasons. In a few cases, EU staff left to take up better paid positions in other international organisations.

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<sup>1</sup> <http://www.welt.de/wirtschaft/article113330591/4365-EU-Beamte-verdienen-mehr-als-die-Kanzlerin.html>

There is clear link between German representation and the salary levels:

Germans in the EU: 16.27%

Germans in the AD grades: 10%.

Germans in the three lowest AD grades: 8%.

Germans in the AST career with lower salaries: 5%

Germans amongst contract agents with even lower salaries: 3%.

### German public officials (Beamte)

- Number of **German public employees**, total: **4.6 mio**
  - of those: **1.9 mio public officials (Beamte)**
- administrative costs in DE also explained by **the expansive structure of the German administration: national, regional, local levels**
- State of **Bavaria alone employs 712.000 public employees** (includes officials, employees under tariff-based contract (Tarifbeschäftigte), judges, soldiers), of **those over 300.000 officials, judges, and soldiers**
- **Berlin**: > 250.000 (of those > 95.000 officials, judges, soldiers);
- **North Rhine Westphalia**: > 900.000 (> 400.000 officials, judges, soldiers);
- **City of Cologne (1 mio inhabitants) employed 17,185 staff** (this includes part time posts, apprentices etc.) in 2011
- **City of Frankfurt (700.000 inhabitants) has over 8.912 posts** of which more than half (ca. 4.984) held by officials.
- **Personnel Costs as Percentage of Federal Budget:**
  - 2006: 10.0%
  - **2012: 7.9%** (this figure from Eurostat)

Source: "Zahlen, Daten, Fakten 2012" des Deutschen Beamtenbundes:  
[http://www.dbb.de/fileadmin/pdfs/2012/zdf\\_2012.pdf](http://www.dbb.de/fileadmin/pdfs/2012/zdf_2012.pdf)

- **Allowances for Public Officials**, federal level:
  - Federal and Bavarian public officials (Beamte) receive a **"ministerial allowance" of 12.5% of their basic** salary on top of that salary
  - Aim of ministerial allowance: "To be able to attract qualified personnel and to acknowledge the special time and work effort" made by public employees
  - **Family allowance of up to EUR 333,31 monthly per child** (for the third child and every child after that)
  - Allowance of up to **EUR 2,94/hour for work at "inconvenient hours"** (e.g. public holidays, 24<sup>th</sup>, 31<sup>st</sup> December – "Zulage für Dienst zu ungünstigen Zeiten")
  - Allowance of up to **EUR 25,18/hour for additional time** ("Mehrarbeitsvergütung") **under certain conditions** (use with caution: this concerns, e.g., doctors on night shifts)
  - **"Jubilee" allowances** to reward years worked as federal public employee: EUR 307 at 25 years, EUR 410 at 40 years, EUR 512 at 50 years ("Jubiläumzulage")
  - Yearly Allowance ("Holiday/Christmas Money"): up to 60% of a monthly salary (Bavaria: up to 70%) ("Urlaubsgeld/Weihnachtsgeld")
- German public officials (Beamte) **pay NO pension contribution**
- Want a **6.5% wage increase** from the 2013 wage negotiations
- Argue that in the light of tight public resources and an ageing population, the quality of the public administration should not be endangered by "wrong personnel politics" and that the **public sector must remain an attractive employer – OUR POINT EXACTLY!**

- Wage increases for German federal employees since 2008 (NB per calendar year, as opposed to rises calculated for the purposes of the EU Method, which are July-July):
  - 2008: + 3.1% (and increase in basic salaries by EUR 50)
  - 2009: + 2.8%
  - 2010: + 1.2%
  - 2011: + 0.9%
  - 2012: + 3.3%
  - Jan 2013 – Sep 2013: +1.2%
  - Aug 2013 – Feb 2014: +1.2%

## Changes in the purchasing power of salaries in national civil services in central government

	[1] BE	[2] DE*	[3] ES	[4] FR	[5] IT	[6] LU	[7] NL	[8] UK	[9] EU <sup>1</sup>
2004	-0.6	-0.9	-1.0	-0.9	-2.3	0.5	-3.4	-0.6	-1.5
2005	0.0	0.3	-0.7	-0.2	-0.3	-0.6	-2.9	1.4	-0.5
2006	-0.3	-1.6	-0.7	0.1	2.0	-1.5	5.0	0.6	0.0
2007	0.6	-3.7	1.5	0.5	1.7	-1.4	3.1	0.8	-0.2
2008	-0.1	-0.7	-0.4	-1.8	-2.6	-1.5	-1.1	-1.5	-1.8
2009	4.4	3.1	4.3	3.8	2.4	4.5	2.3	0.3	2.3
2010	-1.8	-0.7	-2.8	0.0	-0.9	-0.4	0.5	-1.3	-2.5
2011	0.2	-1.1	-3.5	-0.3	-3.1	-4.4	-0.5	-2.8	-3.6
2012	0.3	2.3	-4.7	-0.5	-3.5	-0.1	-4.3	-1.5	-2.8
Cumulative	2.6	-3.1	-8.0	0.6	-6.7	-5.0	-1.6	-4.6	-10.2

<sup>1</sup> Takes into account the loss in purchasing power due to the increases in the special levy and the pension contribution rate

## Annual nominal salary increases

	[1] BE	[2] DE*	[3] ES	[4] FR	[5] IT	[6] LU	[7] NL	[8] UK	[9] EU
2004	1.7	0.8	2.5	1.5	0.0	3.1	-2.0	2.4	0.4
2005	2.7	2.1	2.5	1.6	1.9	2.6	-1.4	3.4	2.2
2006	2.2	0.4	3.3	2.3	4.4	2.3	6.9	3.1	2.3
2007	1.9	-1.8	4.0	1.8	3.6	0.9	5.0	3.2	1.4
2008	5.7	2.7	4.7	2.1	1.3	3.7	1.2	2.2	3.0
2009	3.4	3.1	3.3	3.2	3.0	3.5	3.7	2.1	3.7
2010	0.9	0.1	-1.3	0.3	0.6	1.9	0.7	1.9	0.1
2011	3.6	1.3	-0.6	2.0	-0.2	-0.8	2.0	1.3	0.0
2012	2.5	4.3	-3.0	1.8	0.0	2.5	-1.9	0.9	0.0
Cumulative	27.4	13.6	16.2	17.9	15.5	21.4	14.7	22.4	13.8

\* The 2010 decrease in Germany is due to voluntary social contributions being converted into compulsory. It affected only a small number of German staff members, however, due to methodology reasons, had to be fully taken into account for EU staff