

Dear Colleagues,

I would like to inform you that the proposed changes to the Staff Regulations have been adopted by the Commission today. The proposals will now go forward to negotiation with the Council and the European Parliament in the New Year. Now that we have reached the end of the first stage of the process, I write to summarise the situation to date and to highlight current developments regarding the salary adjustment.

As I have said from the beginning of this process, it is important that the Commission shows leadership on this issue and demonstrates solidarity with member states and European citizens. In the current context of fiscal consolidation, we simply have to respond in line with what is happening in member states. At the same time, I have always had in mind the need to protect the rights of staff and to ensure that the European public administration remains an attractive work place, able to recruit and retain the best people. The proposals, although initially difficult to accept for some, should be acceptable in the end for everyone.

I believe also that the proposals contain a number of positive elements for a significant part of our workforce. For Contract Agents, I have proposed to extend the maximum duration of their employment from the current 3 years to a maximum of 6 years. In addition, I have included an option for Institutions to open Internal Competitions to Contract Agents. This gives them greater job security in the medium term and the possibility to compete for permanent posts.

For AD staff, I have proposed to run internal Commission competitions at higher grades to allow a limited number of staff, particularly those recruited after 2004, to pursue a faster career. In addition, I propose the possibility for AD8 officials to apply for AD9 Head of Unit posts and to lower the Head of Sector grade requirement to AD7.

I have also proposed that secretarial tasks should continue to be performed by officials. This will be accompanied, at the same time, by the introduction of a specific career and salary grid, directly linking career progression to job responsibilities. For AST 1 staff recruited after 2004, I have also introduced the possibility for a limited number of staff to broaden their career prospects. Based on job responsibilities, each Institution can propose to 5% of the AST community the possibility for career progression beyond the current limit of AST 7.

I am aware that some of the proposed changes require a certain sacrifice from staff but, given the current context, they simply must be implemented. The proposed increase in the weekly working hours is inextricably linked to our commitment to bring down staff numbers by 5%. It is in line with working hours in other administrations (for example, 40h in the ECB or OECD, 41h in the German Federal administration and 40h in the Polish administration). The changes surrounding the Annual Trip Home will affect some colleagues more than others - I understand that. This is the reason why I increased the initial proposal from 2 to 3 days during the social dialogue; this should really be sufficient for the majority of staff to travel to their home town.

Throughout the negotiation process, I believe that we have worked together with staff representatives in a relationship of good cooperation. I have found the majority of discussions to be very productive. Towards the end of the process, decisions needed to be taken to be able to advance the process towards approval of the proposal, but I did not break the negotiations. I am confident that this relationship will continue during the discussions of the proposal with Council and Parliament. I have been particularly pleased with the active participation of many staff in the online forum and for the messages of support from some colleagues on the proposals made.

The proposals now go forward to the Council and the Parliament and the forthcoming negotiation process will not be easy. The member states are very demanding and have particularly strong views on how we should cut costs, salaries and allowances. These will be very tough discussions.

Finally, an update on the annual adjustment of salaries and pensions. On 24 November, the Commission adopted the Proposal for a Council Regulation adjusting the salaries and pensions. The Council did not receive this proposal positively, since a number of Member States believe that the Commission should use the exception clause and freeze salaries and pensions this year.

The issue of the exception clause was analysed by the Commission, and the College concluded that strict legal conditions set by the Staff Regulations and interpreted by the Court have not been met. The Method functions well and the 1.8% loss of purchasing power in Member States that has to be applied to the EU staff is in line with the current difficult economic situation. The Council is still discussing the proposal.

As you set off for your well-deserved Christmas holidays, I would like to thank you all for your hard work, energy and commitment throughout the past 12 months. And, if you have discussions on these issues with friends and families over the holiday period, I think that you can re-assure them that we are not out of touch with what is happening with member states and that we are also addressing the same issues that they are in these difficult times. I would also encourage you to show that you are proud of the work that we are doing in the Commission and highlight the actions that we have been taking in the last 18 months to address the significant problems Europe currently faces.

I wish you happy holidays, a Merry Christmas and a very Happy New Year.

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**Vice-President of the European Commission in charge of
INTER-INSTITUTIONAL RELATIONS AND ADMINISTRATION**