



Renouveau & Démocratie

Trade Union of the Staff of the European Institutions



Brussels, 2<sup>nd</sup> April 2009

## **R&D** working to make the Method work

**This year's pay rise needs to compensate for some of the losses to our purchasing power that we suffered over the past few years!**

Between 2004 and 2007, EU staff *lost 2.3% of their purchasing power* in the framework of the actual application of the 'method' for annual salary adaptations, as combined with pension contribution increases and a 'special levy' imposed by the Kinnock reform that is increased every year until 2012.

In 2008, this method brought about *one of the worst results in many years* of salary adjustments in the European institutions: last June, at the peak of the inflationary trend in Belgium at 5.8% a meagre net salary increase of 3% was further reduced by a 0.65% increase to our pension contribution rate, as well as by the special 'Kinnock' levy of 0.2% (on average). This result was attributed to unlucky 'one-off' effects.

***EU staff lost nearly 4% of their purchasing power last year alone!***

In 2009, those very 'one-off' effects that worked against us in 2008 (high energy cost, transport and housing prices) should work in our favour, provided the method is applied in a coherent way.

***We at R&D work to recuperate some of the net losses this year***

**R&D** expects a reasonable salary increase for 2009, in line with the net salaries of those Member States that are taken into account. At the same time, the harmonised Belgian inflation rate should come down around mid-year, while the Brussels International Index (used for the method) would this year run somewhat higher – just the opposite effect of what had happened last year. *All this will materialise only on the assumption that the method is applied in a correct and coherent manner!*

**R&D** will defend the principles behind the method of annual salary adjustments, while ensuring a correct application and working on its improvement, to reflect realities for staff.

***In order to improve our method, well within the limits of the Staff Regulations, R&D is demanding***

- A review of the composition of the sample of Member States whose public sector salaries are used for calculating our salary developments according to the parallelism of the method.
- A review of the weighting in the basket of goods in the Brussels International Index since the present practice leads to unrealistic spending patterns.
- **R&D** has obtained that Eurostat will carry out a 'family budget survey' in 2009, which will lead to a new set of data for the 'Brussels International Index', taking into account the spending pattern of new officials who entered the Commission after the Kinnock reform of 2004. Spending patterns of these colleagues are very likely much in line with average Belgian inflation. After all, they have had to put up with much lower starting salaries since May 2004.

***Make up your mind for the Brussels elections in June:***

***Which trade union do you want in charge of defending your purchasing power, at a time when the Council will most certainly try again to 'adapt' the method as it did so 'successfully' in 2004?***

To join R&D Bruxelles/Pour adhérer à R&D : send this stub to / envoyer ce talon à R&D, J-79 09/232.

NAME/NOM:

Adm Address/Adresse adm:

Consult our website/Consultez notre site web/ <http://www.renouveau-democratie.eu>

Political secretary/Secrétariat Politique: Domingos DIAS (68027), Helena Ferreira Ramos VLAHOPOULOS (61005)

Members of the Executive Committee: Franco IANNIELLO, Giuseppe ADURNO, Isa BIRKE, Domingos DIAS, Michael DOCHERTY Fabien DURAND, Raymond HILL, Emile KIMMAN, Raffaele NAPOLITANO, Michele OTTATI, Helena Ferreira Ramos VLAHOPOULOS, Helga VOGELMANN, Cristiano SEBASTIANI, Helen SUTCLIFFE, Bruno UGUCCIONI.