



## EUROPEAN COMMISSION

SECRETARIAT-GENERAL

The Secretary General

DIRECTORATE-GENERAL PERSONNEL AND ADMINISTRATION

Director-General

Brussels, 19 December 2009

### **Message to Commission staff**

#### **Annual salary adjustment 2009 for staff of the European Institutions and agencies**

Dear colleagues,

Many of you will have followed the discussions about this year's annual adjustment. The situation in the Council has changed nearly every day over the last weeks and the seventh COREPER meeting concluded on Friday afternoon.

Therefore, we would like to inform you about the state of play and what you can expect with regard to your salaries in January.

#### *The Council position*

A unanimous agreement (with some abstentions) was reached today in COREPER modifying the Commission proposal and providing for an increase of 1,85 % instead of 3,7 %. The Commission opposed this amendment since in substance it is in breach of the Staff Regulations and of the method for salary adjustments which is binding for the Commission and the Council.

The final decision will be taken by the Council this week.

#### *The Commission position*

As you know, under a formal agreement with the Council, since 2004 annual adjustments are made to our salaries, based on a method which is enshrined in the Staff regulations, i.e. in binding Community law adopted by the Council.

The adjustments must follow the evolution in the purchasing power of central government staff in eight specific Member States, representing 76% of the EU GDP, in a given 12-month reference period (for the adjustment 2009 the period between July 2008 and July 2009) and takes into account the inflation for international staff in Brussels. Thus, both increases and decreases in the purchasing power of national civil servants are reflected in the salary adjustments on the European level. Increases or decreases which might result from the current crisis will therefore have a direct impact on the salary adjustment, however only after the Member states have really adopted them and naturally with a certain delay, i.e. in the adjustment next year.

The data used for the application of the method are validated by the Member States and by Eurostat. For the period between July 2008 and July 2009, purchasing power rose by, e.g., 4.4 % in Belgium, 3.1 % in Germany, and 3.8 % in France. The 3.7 % annual adjustment proposed is a mathematical result and the consequence of the salary policy in the eight Member states during the reference period. You will most probably know that the proposal of 3,7 % would have meant for you a net increase of only 2.3 % taking into account inflation and the deduction of the increased pension contribution and special levy.

Even after six meetings of the COREPER, a qualified majority which is necessary for adopting the annual salary adjustment could not be reached.

Therefore, in an effort to break the stalemate, the Swedish Presidency presented on 18 December a new proposal which modifies the Commission's proposal and fails to respect the method.

Throughout the entire procedure the Commission has insisted on the strict application of the method as the Staff regulations foresee it. This has been expressed on several occasions by the President himself, by us and by our colleagues in DG ADMIN. The legal opinions given on this issue, both in the Commission and the Council confirm unambiguously the Commission's position.

The Commission considers that this is not an issue of giving staff a higher or lower salary increase; it is a matter of applying a binding method, of respecting Community law and of respecting an agreement with staff representatives in 2004 which was part of a package in the framework of the Reform.

Should the Council fail to respect the proposal - as it seems to be the case -, the Commission must look into the legal steps which can be taken against the Council.

The Commission and the staff representatives are in regular contact. In this context, we appreciate the constructive and open atmosphere of these contacts and appreciate the fact that the Commission's trade unions have not filed a strike notice against the Commission.

We can assure you that the Commission did its best to defend and explain its position in the Council and is continuing to do so in the media although it is obvious that the context is difficult.

We will keep you informed about further developments in the coming days via My Intracomm.

In view of the approaching holidays, we take this opportunity to wish you a merry Christmas, a happy New Year or simply relaxing holidays.

Catherine DAY

Irene SOUKA