



The Union for Staff of the European Institutions
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Brussels, 18th April 2013

R&D keeping you up-to-date

What has happened to the annual changes to salaries and pension contributions in 2011 and 2012?

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R&D is following these issues closely and wishes to inform you about the present position

Changes in 2011

December 2011

The Commission proposed a salary and pension rise of +1.7% on 1 July 2011. This adaptation, calculated according to a method defined in the Staff Regulations, ensures that our purchasing power keeps pace with that of national civil servants during the period from July 2010 to July 2011. You will remember that this adaptation results in a loss of purchasing power of 1.8%, given that inflation during that period was 3.5%, a loss that was identical to that experienced by national civil servants. The Council contested this figure and attacked the Commission at the Court of Justice. The Commission, in response, started legal proceedings on grounds of violation of the Staff Regulations.

The Commission proposed a change to our pension contributions of 11.0% (instead of 11.6%) on 1 July 2011, that is to say a reduction of 0.6%. These pension contributions, calculated according to a method defined in the Statute (Annex XII) take various demographic and financial parameters into account (such as life expectation, average annual interest rates for national debt in the Members States). This is adjusted in such a way that the personnel's contribution is sufficient to finance one third of the cost of pensions, the

two other thirds being financed by the Member States. Although a reduction in our pension contributions means a saving that is **2 times greater** for the Member States, the Council did not adopt this change and the Commission appealed on grounds of 'failure to act' in October 2012.

Changes in 2012

December 2012

According to the principles mentioned above, the Commission proposed a salary rise of salary of +1.7% on 1 July 2012 (corresponding to a loss of purchasing power of 1.1% in relation to the period July 2011 to July 2012, when taking inflation into account) and **a reduction of pension contributions** of 10.6% (instead of 11.6% still in force). This figure of 10.6% may be adjusted (downward) if the Court of Justice finds in favour of the Commission in the case that has gone to appeal on grounds of 'failure to act'.

Where do we stand ?

Salary adaptation in 2011: the written stage of the procedure has been closed and the Court of Justice must now decide a date for the hearing. If the hearing takes place before the summer, **we can hope that a ruling will be made before the end of 2013.**

Pension contributions 2011: the written phase has not yet been closed and it isn't possible to predict when a ruling will be given. However, it would be surprising if the ruling is made before the end of 2013 given that the average length of time to process a case is 2 years.

Salary adaptation 2012: the Council has not yet made a decision and the Commission sent a warning letter in January 2013. If the Council doesn't act before the deadline, the Commission should appeal to the Court on grounds of 'failure to act', if it follows the same logic as last year. If the Council refuses to adopt the proposed adaptation, the Commission should then start legal proceedings once again for violation of the Staff Regulations.

Pension contributions 2012: once again, the Council has not reacted to the Commission's proposition, and the Commission should therefore **send a warning letter.**

Given the importance of these matters, **R&D** will keep you up-to-date about developments on a regular basis.

R&D - always there for you:

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