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COM(2013) 771 final

2013/0379 (NLE)

Proposal for a

**COUNCIL REGULATION**

**adjusting with effect from 1 July 2013 the correction coefficients applied to the remuneration and pensions of officials and other servants of the European Union**

{SWD(2013) 453 final}

## **EXPLANATORY MEMORANDUM**

### **CONTEXT OF THE PROPOSAL**

#### **Grounds for and objectives of the proposal**

As is the case each year, under Article 64 of the Staff Regulations, the Council acting on a Commission proposal based on the Eurostat report must take a decision before the end of the year adjusting the correction coefficients applicable to the remuneration and pensions of EU staff.

#### **General context**

The economic parities for remuneration establish the purchasing power equivalence of the remuneration paid in Brussels, as the reference city, with that paid in the other places of employment. The economic parities for pensions establish the purchasing power equivalence of the pension paid in Belgium, as the reference country, with that paid in the other countries of residence. Eurostat has calculated those parities in agreement with the national statistical bodies.

Due to the suspension of the application of certain provisions in Article 65 of the Staff Regulations in 2013 and 2014, this Commission proposal does not include the annual adjustment to remuneration and pensions, but is limited to the adjustment of the correction coefficients and updating the reference date for the exchange rates.

#### **Existing provisions in the area of the proposal**

A proposal is presented each year in accordance with the Staff Regulations.

### **CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

#### **Consultation of interested parties**

##### *Methods of consultation used, main sectors covered and general profile of respondents*

The elements of the proposal have been discussed with the staff representatives in accordance with the appropriate procedures.

##### *Summary of replies received and the way in which they have been taken into account*

The proposal takes account of the opinions of the parties consulted.

#### **Impact assessment**

The purpose of the proposal is to adjust the correction coefficients applied to remuneration and pensions in accordance with the legislation in force. The legislation in force permits no alternative.

### **LEGAL ELEMENTS OF THE PROPOSAL**

#### **Summary of the proposed action**

Eurostat has drawn up a report on changes in the cost of living in Belgium and the economic parities from which the various weightings derive.

## **ADJUSTMENT TO REMUNERATION AND PENSIONS OUTSIDE BELGIUM AND LUXEMBOURG**

The weightings applicable to remuneration, pensions and transfers of part of remuneration as set out in the Regulation have been calculated as follows:

- Weightings for REMUNERATION of officials outside Belgium and Luxembourg:

Eurostat has calculated, in agreement with the national statistical bodies, the economic parities which establish the purchasing power equivalence of the remuneration paid in Brussels with that paid in the other places of employment as at 1 July.

The weightings applicable to the remuneration of officials and other servants employed in the Member States other than Belgium and Luxembourg are determined by the ratios between these economic parities and the exchange rates applicable as at 1 July.

- Weightings for PENSIONS outside Belgium and Luxembourg and weightings for TRANSFERS:

Eurostat has calculated, in agreement with the national statistical bodies, the economic parities which establish the purchasing power equivalence of the pension paid in Belgium with that paid in the other countries of residence as at 1 July.

The weightings calculated for the pensions of individuals living outside Belgium and Luxembourg in the various countries are determined by the ratios between these economic parities and the exchange rates applicable as at 1 July.

Under Article 17(3) of Annex VII to the Staff Regulations, these weightings are directly applicable to certain transfers made by officials and other servants.

Under Article 20 of Annex XIII to the Staff Regulations, the weightings apply only to the part of the pension corresponding to pension rights acquired before 1 May 2004.

### **Legal basis**

The Staff Regulations, and in particular Articles 63 and 64 thereof constitute the legal basis.

### **Principles of Subsidiarity and Proportionality**

The proposal is compliant with the principles of subsidiarity and proportionality for the following reasons:

- The proposal concerns an area that falls within the exclusive competence of the Union;
- Article 64 of the Staff Regulations provide for a Council Regulation;
- The financial burden results directly from the application of the provisions of the

Staff Regulations.

**BUDGETARY IMPLICATIONS**

The impact of the adjustment of correction coefficients on administrative expenditure is detailed in the financial statement annexed hereto.

Proposal for a

## COUNCIL REGULATION

**adjusting with effect from 1 July 2013 the correction coefficients applied to the remuneration and pensions of officials and other servants of the European Union**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union laid down by Regulation (EEC, Euratom, ECSC) No 259/68<sup>1</sup>, and in particular Articles 63 and 64 of the Staff Regulations and Annex XIII thereto, and Articles 20 (first paragraph), 64, 92 and 132 of the Conditions of Employment of Other Servants,

Having regard to the proposal from the European Commission,

Whereas:

- (1) According to the amended Staff Regulations there should be no update of the remuneration and pensions of Union officials and other servants in 2013 and 2014, the annual adjustment should be limited to maintaining the same purchasing power in various places of employment.
- (2) In order to guarantee that Union officials and other servants enjoy the same purchasing power regardless of their place of employment, the correction coefficients applied to the remuneration and pensions of officials and other servants of the European Union should be adjusted under the 2013 annual review,

HAS ADOPTED THIS REGULATION:

### *Article 1*

With effect from 1 July 2013, the date ‘1 July 2010’ in the second paragraph of Article 63 of the Staff Regulations shall be replaced by ‘1 July 2013’.

### *Article 2*

With effect from 1 July 2013, the correction coefficients applicable to the remuneration of officials and other servants under Article 64 of the Staff Regulations shall be as indicated in column 2 of the following table.

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<sup>1</sup> OJ L 56, 4.3.1968, p.1.

With effect from 1 January 2014, the correction coefficients applicable under Article 17(3) of Annex VII to the Staff Regulations to transfers by officials and other servants shall be as indicated in column 3 of the following table.

With effect from 1 July 2013, the correction coefficients applicable to pensions under Article 20(1) of Annex XIII to the Staff Regulations shall be as indicated in column 4 of the following table.

1	2	3	4
<b>Country / Place</b>	<b>Remuneration 1.7.2013</b>	<b>Transfer 1.1.2014</b>	<b>Pension 1.7.2013</b>
Bulgaria	57.5	56.8	100.0
Czech Rep.	80.0	74.8	100.0
Denmark	134.8	132.2	132.2
Germany	96.8	96.5	100.0
Bonn	94.9		
Karlsruhe	92.8		
Munich	108.2		
Estonia	78.9	79.2	100.0
Ireland	113.0	105.8	105.8
Greece	91.2	91.7	100.0
Spain	96.3	91.3	100.0
France	117.4	109.2	109.2
Croatia	80.0	75.0	100.0
Italy	104.4	97.9	100.0
Varese	92.8		
Cyprus	83.7	86.9	100.0
Latvia	76.1	73.7	100.0
Lithuania	71.9	71.1	100.0
Hungary	76.1	67.0	100.0
Malta	84.4	84.5	100.0
Netherlands	108.9	105.6	105.6
Austria	108.3	104.8	104.8
Poland	73.0	66.0	100.0
Portugal	83.1	85.1	100.0
Romania	69.8	62.4	100.0
Slovenia	85.4	80.6	100.0
Slovakia	80.2	73.2	100.0
Finland	123.7	114.9	114.9
Sweden	132.9	124.4	124.4
United Kingdom	139.2	113.5	113.5
Culham	107.6		

### Article 3

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Council  
The President*

## LEGISLATIVE FINANCIAL STATEMENT FOR PROPOSALS

### 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

#### 1.1. Title of the proposal/initiative

Proposal for a Council Regulation adjusting with the effect from 1 July 2013 the correction coefficients applied to the remuneration and pensions of the officials and other servants of the European Union

#### 1.2. Policy area(s) concerned in the ABM/ABB structure<sup>2</sup>

All areas and activities are potentially concerned.

#### 1.3. Grounds for the proposal/initiative

##### 1.3.1. Requirement(s) to be met in the short or long term

To ensure the same purchasing power of EU officials and other civil servants regardless of their place of employment

#### 1.4. Duration and financial impact

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from 1 July 2013,
- followed by full-scale operation.

#### 1.5. Management mode(s) envisaged<sup>3</sup>

**Centralised direct management** by the Commission: PMO

### 2. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 2.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- The proposal has a financial impact on all budgetary lines related to staff expenditure in all Institutions and Agencies.

In order of multiannual financial framework headings and budget lines.

Heading of multiannual	Budget line	Type of expenditure	Contribution
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<sup>2</sup> ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

<sup>3</sup> Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: [http://www.cc.cec/budg/man/budgmanag/budgmanag\\_en.html](http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html)



financial framework	Number [Description.....]	DA/NDA <sup>(4)</sup>	from EFTA <sup>5</sup> countries	from candidate countries <sup>6</sup>	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	XX.01.01.01 and Chapter 11, Chapter 42	NDA	NO	NO	NO	NO

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<sup>4</sup> DA= Differentiated appropriations / NDA= Non-Differentiated Appropriations

<sup>5</sup> EFTA: European Free Trade Association.

<sup>6</sup> Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

## 2.2. Estimated impact on expenditure

### 2.2.1. Summary of estimated impact on expenditure

EUR million (to 3 decimal places)

<b>Heading of multiannual financial framework:</b>	5	" Administrative expenditure " XX.01.01.01 and Chapter 11, Chapter 42
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EUR million (to 3 decimal places)

		Year 2013	Year 2014	Year 2015	Year 2016	Subsequent years			TOTAL
DG: <.....>									
• Human resources									
• Other administrative expenditure									
<b>TOTAL DG &lt;.....&gt;</b>	Appropriations								

<b>TOTAL appropriations under HEADING 5 of the multiannual financial framework</b>	(Total commitments = Total payments)	6.351	12.701	12.701	12.701	12.701	12.701	12.701	<b>Not available</b>
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EUR million (to 3 decimal places)

		Year 2013	Year 2014	Year 2015	Year 2016	Subsequent years			TOTAL
<b>TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework</b>	Commitments	6.351	12.701	12.701	12.701	12.701	12.701	12.701	<b>Not available</b>
	Payments	6.351	12.701	12.701	12.701	12.701	12.701	12.701	<b>Not available</b>

2.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations.

2.2.3. *Estimated impact on appropriations of an administrative nature*

2.2.3.1. Summary

- The proposal/initiative requires the use of administrative appropriations.

2.2.3.2. Estimated requirements of human resources

- The proposal/initiative does not require the use of human resources.

2.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the current multiannual financial framework.

2.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.

**2.3. Estimated impact on revenue**

- Proposal/initiative has no financial impact on revenue.