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Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending the Staff Regulations of Officials and the Conditions of Employment of Other  
Servants of the European Union**

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

The Staff Regulations constitute the legal framework for employment and working conditions for the approximately 55 000 officials and other agents employed by more than fifty institutions and agencies located in different places of employment in the European Union and in third countries.

Given the historic challenges the EU is facing today, the quality, commitment, independence and loyalty of its staff are more important than ever. At the same time, these challenges require a particular effort by each and every public administration and each and every member of its staff to improve efficiency and to adjust to the changing economic and social context in Europe.

Recent events in the global economy as well as the subsequent need to consolidate public finances cannot fail to have an impact on the European civil service and the administrations of all EU institutions, bodies and agencies. Administrative expenditure of the EU is a mere 5.8% of the multi-annual financial framework for 2007 – 2013 which itself represents around 1% of the EU's GDP. Nevertheless, it is important to demonstrate that all EU institutions and their staff continue their drive for efficiency and economy and to reflect the fiscal constraints which many public administrations in Europe experience.

Given that the EU and its institutions face great challenges, the proposal must strike a balance between the necessary drive for further efficiency and economies and the ability of the institutions to carry out their policies. This includes the needs of EU institutions as employers to attract and retain staff of the highest professional competence in various fields of expertise. The institutions recruit on a market for highly qualified persons who are able to work in a multicultural and multilingual environment and who are ready to move and stay abroad with their families. In the light of upcoming retirements in EU institutions, which will mainly affect staff from the 15 Member States of the Union before 2004, it will be a particular challenge to maintain the geographical balance of all Member States among staff. Given the demographic changes in Europe, attracting and retaining excellent staff from all Member States will be even more difficult in the future.

The proposal has to be seen in the context of the major reform of the Staff Regulations which entered into force on 1 May 2004. This reform overhauled the entire European civil service law and brought significant changes to all areas of the European civil service. The entire career system was revised. A new category of staff, contract agents, was introduced, with generally lower salaries. The salary grid for officials and temporary agents was revised, by allowing recruitment of staff at lower grades and, consequently, with lower starting salaries. The reform also introduced more flexible and family-friendly working conditions by extending the maximum duration of leave on personal grounds and introducing parental leave.

As regards the pension scheme, the retirement age was increased from 60 to 63 with transitional measures for staff members already in place, the pension accrual rate for newcomers was reduced from 2 % to 1.9 %, and the pension rights acquired after 1

May 2004 are no longer subject to correction coefficients for higher cost of living. The method for keeping the pension scheme in actuarial balance was laid down in Annex XII to the Staff Regulations. Lastly, a new method for adjusting the remuneration and pensions of EU civil servants was adopted.

All these changes taken together have brought significant savings to the EU budget and their annual impact continues to increase: the reform has produced 3 billion Euros of savings so far and will produce another 5 billion Euros of savings until 2020. The Eurostat study on the long-term budgetary implications of pension costs showed that, in the long run, annual savings of the 2004 reform on pension costs, leaving aside the impacts on other areas, will exceed 1 billion Euros.

A method for adjusting salaries and pensions has existed since 1972 and proved to be a helpful tool for avoiding annual discussions on salary adjustments and possible strikes that are linked to such discussions. Through the years the method has been modified on several occasions, for the last time in 2004. Given that the current method expires at the end of 2012, the Commission is now proposing a new method, which reflects the political decisions adopted by Member States as regards the salary adjustments of their civil servants, whilst addressing the shortcomings that have become apparent during and after the discussions on the 2009 annual adjustment. The computation system for the pension contribution rate expires on 30 June 2013, and the Commission is proposing a new system in line with a common actuarial practice.

This proposal also takes account of the Council's conclusions and the requests made in accordance with Article 241 TFEU: on the application of the exception clause for the method, on the pension scheme of EU civil servants, including the early retirement scheme, and the career structure in order to link closer the salary and responsibilities. Moreover, it takes account of the criticism expressed on some outdated elements of the Staff Regulations to the extent that criticism is justified.

The Commission proposal strikes the balance between cost-efficiency and the needs of the institutions in the field of human resource management. The European Commission considers that, if this proposal is adopted, the EU institutions will continue to be assisted by an independent, efficient and modern European civil service that will allow them to fulfil the tasks which they have been entrusted with by the treaties.

## **2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS**

This proposal has been discussed with the staff representatives in accordance with the appropriate procedures and takes into account the outcome of those discussions.

Before the adoption, the proposal has been subject to consultations with the Staff Regulations Committee and the Staff Committee of the European Commission.

### **Collection and use of expertise**

There was no need for external expertise.

### **3. MAIN ELEMENTS OF THE PROPOSAL**

#### **Reducing staff by 5%**

It is proposed to reduce the staff of each institution and agency by 5%, and this would be done by not replacing a certain number of departures, i.e. those who retire and those whose contracts come to an end. Without prejudice to future decisions of the budgetary authority, the obligation for the institutions and agencies to respect their commitment to reduce the number of staff is to be reflected in Article 6 of the Staff Regulations.

#### **Method for adjusting salaries and pensions**

The new method would preserve the principle of parallelism between the evolution of salaries of national officials and that of the EU officials, and would address the shortcomings of the current method:

- The new method would reflect nominal salary changes (instead of real salary changes) in all Member States. In this way the method will precisely follow salary changes in all Member States of the European Union and not only in a limited sample;
- In order to reduce the time lag in an extraordinary situation, the new exception clause would be automatically applied in case two conditions are met: 1) a decrease in the EU's GDP, and 2) the gap between the adjustment value of the remuneration and pensions of EU staff and the change in the EU's GDP exceeds two percentage points. If both conditions are fulfilled, half of the adjustment value would be postponed to the next year. For instance, this clause would have been triggered in 2009.
- The Brussels International Index would be suppressed. The differences in the increase in the cost of living between each place of employment and that of the Member States would be calculated and reflected in correction coefficients. A new joint correction coefficient would be introduced for Belgium and Luxemburg, considering these Member States as a single place of employment. It will be fixed at 100 for the first year.

As is the case for the current method, the proposed method is not an indexation based on inflation, as it simply follows the evolution of the purchasing power of national civil servants, as decided by each Member State at the national level.

#### **Solidarity levy**

Since 1982, the method has been linked to an additional tax on salaries, due to the effects of the oil crisis. Despite the improvement in the economic situation, this additional tax has not been phased out, but has become a measure linked to the automatic application of the method. It is suggested that, for the duration of the proposed method, the solidarity levy be increased at the rate of 6%.

#### **Modifications to the pension system in order to keep pace with demographic developments**

### *Increasing the normal retirement age to 65 years*

Currently, the normal retirement age is 63 years for officials recruited after 1 May 2004. Officials recruited before 1 May 2004 are subject to transitional provisions according to which the retirement age varies from 60 years to 63 years.

It is proposed to increase the normal retirement age for officials recruited as of 1 January 2013 at 65 years. Similar transitional rules as those applied in 2004 would be implemented, i.e. the retirement age of officials recruited before 1 May 2013 would vary from 60 to 65 years.

Furthermore, it will no longer be only on an exceptional basis that the possibility to continue working until 67 years would be granted.

Additional measures would be provided in order to take due account of the acquired pension rights and the obligation to maintain the pension scheme in actuarial balance.

### *Raising the age for early retirement to 58 years and reducing the number of officials benefiting from early retirement*

Currently, the minimum early retirement age is set at 55 years. Under the new proposal, the minimum early retirement age would be set at 58 years. In addition, the maximum number of officials retiring in a given year without a reduction of their pension rights would be fixed at 5 % of the officials in all institutions who retired during the previous year (as opposed to 10% in the current system). This scheme is maintained since it has proven useful for all institutions as a HR management tool in the course of the last enlargement exercise.

### *Aligning the methodology for calculating the pension contribution rate to international actuarial practice*

The computation system for the pension contribution rate expires on 30 June 2013. It is proposed to keep the same methodology, but to increase the moving average for interest rates and salary growth to 30 years. A transitional period of eight years would apply.

As a result of this amendment, the pension contribution rate would become more stable and less sensitive to short-term variations in the interest rates, and thus less subject to debates. It would put the computation system in line with common actuarial practice, suggesting that past observations ranging between 20 and 40 years be used for ensuring the balance of pension schemes.

## **Adapting the conditions of employment**

### *Introducing a minimum number of weekly working hours*

The 5 % staff cut would require that every staff member take a share of the additional work burden, if the same policy objectives are to be achieved.

It is therefore proposed to introduce in the Staff Regulations a minimum number of working hours per week, i.e. 40.

### *Maintaining flexitime working-time arrangements*

Flexible working-time arrangements allow reconciling work and private life and facilitate suitable gender balance within the Institutions while respecting the mandatory working time obligations. It is therefore appropriate to introduce a clear reference to these arrangements in the Staff Regulations. Managers would not be subject to these general arrangements for staff, as managers are empowered by the institutions to manage time of their staff and their own time.

### *Allowances and entitlements: reducing the annual travelling time, the annual travelling allowance and adaptation of the rules on the reimbursement of removal costs and on missions*

Staff members are currently entitled to a maximum of six days per year of travelling time to their place of origin. It is proposed to limit the annual travelling time to a maximum of three days.

The annual travel allowance is based on kilometric distance by railway, which is often not the most habitual route to travel to the place of origin. Therefore, the distance would be calculated as a great circle distance, which would have an effect of decreasing individual allowances. Furthermore, the payment of annual travel expenses would be limited to territories of the Member States of the EU.

In order to reduce the administrative burden both for the staff members concerned and the administration, the rules on the reimbursement of removal costs should be simplified. It is therefore proposed to introduce cost ceilings which take account of the official's or agent's family situation and of the average cost of removal and associated insurance.

The rules on mission should be adapted in order to take account of the specific need of an institution whose staff members must frequently go on mission to the principal places of work of their institution. It is proposed to allow in such cases the reimbursement of accommodation costs on the basis of a flat-rate sum.

### **Transparency measures for Institutions and agencies**

The Staff Regulations are implemented through a series of measures adopted by the Institutions and agencies. In order to ensure coherent and harmonised implementation of the Staff Regulations and for reasons of simplification, the Commission implementing rules would apply by analogy to agencies.

However, in order to take account of the specific situation of agencies, they will be able, after receiving an authorisation from the Commission, either to adopt different implementing rules or to decide, where appropriate, not to apply any implementing rules.

For the sake of transparency, the Court of Justice would establish a register containing the implementing rules of all the institutions.

### **Career of assistants, new career stream for secretaries and more flexibility in recruiting contract staff**

### *Reserving the highest grades for staff with the high level of responsibilities*

In order to establish a clear link between responsibilities and grade, the career stream in the assistants' function group would be restructured in such a way to reserve the two highest grades (AST 10 and 11) only for officials and temporary agents who exercise significant responsibilities for staff management, budget implementation and/or coordination.

### *New function group "AST/SC" for secretaries and clerical staff*

In the current domains of AST staff, career structures need to be adjusted further to different levels of responsibility, so as to establish a suitably nuanced spectrum of career streams in the European civil service and to limit administrative expenses, as envisaged in the multi-annual financial framework. To this end, a new function group "AST/SC" for secretarial and clerical staff should be introduced. Salaries and promotion rates proposed for this new function group establish a suitable correspondence between the level of responsibility and the level of remuneration. In this way it will be possible to preserve a stable, comprehensive and well-balanced European civil service, as considered necessary by many institutions.

### *Recruitment of contract staff*

In order to give more flexibility to the institutions, the maximum length of contracts for auxiliary contract staff would be extended from 3 to 6 years.

In addition, while the vast majority of officials will continue to be recruited on the basis of open competitions, the institutions would be authorised to organise internal competitions which are also open to contract staff.

### **Addressing unjustified geographical imbalances**

The Staff Regulations stipulate that European Union officials are to be recruited on the broadest possible geographical basis. However, the statistical data show that, while some nationalities are overrepresented in comparison with the relative weight of their population in the European Union, others are largely under-represented. These imbalances are particularly noticeable in certain grades.

Therefore, Article 27 of the Staff Regulations should be amended in order to allow the institutions to take measures correcting long lasting and significant geographical imbalances, while preserving the principle of recruitment based upon the highest standard of ability, efficiency and integrity. This measure shall be adopted by way of general implementing measures and shall be subject to a report after five years.

### **Increasing efficiency in staff management for the agencies**

European agencies have become an important part of the institutional landscape of the European Union. Today there are 45 structures (32 regulatory agencies, 7 joint undertakings and 6 executive agencies). In total, they employ almost 8 000 members of staff, mostly engaged as temporary agents. However, the provisions of the Staff Regulations and the Conditions of Employment of Other Servants are not fully adapted to the needs of small structures such as agencies.

For this reason the Commission suggests introducing a new category of temporary staff for agencies. They would be recruited following a transparent and objective selection procedure and could be engaged for an indefinite period of time. If necessary, agencies would be able to second them in the interests of the service. Also, temporary staff in agencies could take unpaid leave up to a maximum of 15 years throughout their entire career. The mobility within the agency and between the agencies would be facilitated, because grade and step would be maintained in case they decide to apply for a new post, provided that the range of grades for the new posts includes their grade.

Agencies would have a certain flexibility when setting up a series of committees that shape the social dialogue or must be consulted before a decision is taken.

#### **4. BUDGETARY IMPLICATIONS**

The proposal would have a budgetary impact on the expenditure and revenue of the European Union. Due to transitional provisions, the financial impact of certain provisions would gradually increase and would reach its full effect only in the long term. The savings over the next multiannual financial framework are estimated to exceed 1 billion Euros. In the long run, the savings from the proposed amendments would be 1 billion Euros per year. More details are provided in the financial statement, which is annexed to this proposal.



Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**amending the Staff Regulations of Officials and the Conditions of Employment of Other**  
**Servants of the European Union**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 336 thereof,

Having regard to the Protocol on the Privileges and Immunities of the European Union, and in particular Article 12 thereof,

Having regard to the proposal from the European Commission, submitted following consultation with the Staff Regulations Committee,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the Court of Justice,

Having regard to the opinion of the Court of Auditors,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) The European Union and its more than 50 institutions and agencies should be equipped with a high-quality European public administration, so as to enable it to perform its tasks to the highest possible standard in accordance with the Treaties and to meet the challenges, both internal and external, that it will face in the future.
- (2) Consequently, it is necessary to provide a framework for the recruitment of high calibre staff in terms of productivity and integrity, drawn on the widest possible geographical basis from among citizens of the Member States, and to enable such staff to carry out their duties as effectively and efficiently as possible.
- (3) A broader aim should be to optimise the management of human resources in a European civil service characterised by competence, independence, loyalty, impartiality and stability, as well as by cultural and linguistic diversity.
- (4) In the interest of guaranteeing that the purchasing power of European Union officials and other servants develop in parallel with that of national civil servants in central governments of the Member States, it is essential to preserve the principle of a multi-annual mechanism for pay, known as 'the method', by extending its application until the end of 2022 with a review at the end of the fifth year. The discrepancy between the mechanism of the method which has always been administrative in nature and the adoption by the Council alone of the result of the method led to difficulties in the past and is not in line with the Treaty of Lisbon.

It is therefore appropriate to let the legislators decide in adopting these amendments to the Staff Regulations upon a method that would update annually all salaries, pensions and allowances in an automatic manner. This update will be based upon the political decisions taken by each Member States for salary adjustment of its civil servants at the national level.

- (5) It is important to ensure the quality of statistical data used for updating remuneration and pensions. In accordance with the principle of impartiality, national statistical offices should collect the data at national level and transmit them to Eurostat.
- (6) The potential advantages for officials and other servants of the European Union of the application of the method should be balanced by the continuation of the system of special levy, to be renamed as 'solidarity levy'. While the rate of the special levy in force during the period from 2004 to 2012 increased gradually over time and averaged at 4.23 %, it seems appropriate in the present circumstances to increase the solidarity levy at the uniform rate of 6%, so as to take account of a difficult economic context and its ramifications for public finances throughout the European Union. Such a solidarity levy should apply to all officials and other servants of the European Union for the same period as the 'method' itself.
- (7) Demographic changes and the changing age structure of the population concerned require that the pension age be increased, subject however to transitional measures for officials and other servant of the European Union already in service. These transitional measures are necessary to respect acquired rights of officials already in service who have contributed to the notional pension fund for European Union officials.
- (8) Since the European Union pension scheme is in actuarial balance and this balance has to be maintained in the short and in the long term, staff employed before 1 January 2013 should be compensated for their pension contribution by transitional measures, such as a higher accrual rate for the years of service after the statutory retirement age (Barcelona incentive) and by applying half of the reduction for early retirement between the age of 60 and the statutory retirement age.
- (9) The commonly accepted actuarial practice requires that a period of past observations between 20 and 40 years be used for interest rates and salary growth with a view to ensuring the balance of pension schemes. The moving averages for interest rates and salary growth should therefore be extended to 30 years with a transitional period of 8 years.
- (10) The Council requested from the Commission a study and the submission of appropriate proposals on Article 5(4), Annex I.A and Article 45(1) of the Staff Regulations with a view to establishing a clear link between responsibilities and grade in the AST function group and in order to ensure a greater emphasis on the level of responsibility when comparing merits in the context of promotion.
- (11) Taking this request into account, it is appropriate that promotion to a higher grade should be made conditional on performing duties whose importance justifies the official's appointment to that higher grade.
- (12) The career stream in the AST function group should be restructured in such a way that the top grades will be reserved for a limited number of officials exercising the highest level of responsibilities with regard to staff management, budget implementation or coordination in this function group.
- (13) With a view to adjusting career structures in the current domains of AST staff even further to different levels of responsibility and as an indispensable contribution to limiting

administrative expenses, a new function group "AST/SC" for secretarial and clerical staff should be introduced. Salaries and promotion rates establish a suitable correspondence between the level of responsibility and the level of remuneration. In this way it will be possible to preserve a stable and comprehensive European civil service.

- (14) Working hours applied in the institutions should be aligned to those in force in certain of the Member States of the European Union to compensate for the reduction of staff in the institutions. The introduction of a minimum number of weekly working hours will ensure that the staff employed by the institutions is able to carry out the work-load resulting from the European Union's policy objectives while, at the same time, harmonising working conditions in the institutions, in the interest of solidarity throughout the European Union's civil service.
- (15) Flexible working-time arrangements are an essential element of a modern and efficient public administration allowing for family-friendly working conditions and enabling a suitable gender balance within the institutions. It is therefore necessary to introduce an explicit reference to these arrangements in the Staff Regulations.
- (16) The rules on annual travelling time and annual payment of travel expense between the place of employment and the place of origin should be modernised, rationalised and linked with the expatriate status, in order to make their application simpler and more transparent. In particular, the annual travelling time should be limited to a maximum of three days.
- (17) Likewise, the rules on the reimbursement of removal costs should be simplified, in order to facilitate their application both for the administration and the staff members concerned. To this end, cost ceilings which take account of the official's or agent's family situation and of the average cost of removal and associated insurance should be introduced.
- (18) Some staff members must frequently go on mission to the other principal places of work of their institution. These situations are at present not adequately taken into account in the rules on missions. These rules should therefore be adapted, in order to allow in such cases the reimbursement of accommodation costs on the basis of a flat-rate sum.
- (19) It is appropriate to provide a more flexible framework for the employment of contract staff. The institutions of the European Union should therefore be enabled to engage contract staff for a maximum period of six years in order to perform tasks under the supervision of officials or temporary staff. In addition, while the vast majority of officials will continue to be recruited on the basis of open competitions, the institutions should be authorised to organise internal competitions which are also open to contract staff.
- (20) Transitional arrangements should be provided to enable the new rules and measures to be applied gradually, whilst respecting the acquired rights and legitimate expectations of the staff employed before the entry into force of these amendments to the Staff Regulations.
- (21) In the interest of simplification and of a consistent staff policy, the rules adopted by the Commission to implement the Staff Regulations should apply by analogy to the agencies. However, in order to ensure that the specific situation of agencies may, if necessary, be taken into account, agencies should be entitled to request the Commission's authorisation to adopt implementing rules which derogate from those adopted by the Commission, or not to apply the Commission's rules at all.
- (22) A register of all of the rules adopted to give effect to the Staff Regulations should be set up and administered within the Court of Justice of the European Union. This register, which

can be consulted by all institutions and agencies, will allow for transparency and promote a cohesive application of the Staff Regulations.

- (23) In order to harmonise and clarify the rules on the adoption of implementing provisions and having regard to their internal and administrative nature, it is appropriate to confer the relevant decision-making powers on the appointing authority and the authority authorised to conclude contracts.
- (24) Taking into account the high number of temporary staff within agencies and the need to define a consistent staff policy, it is necessary to create a new category of temporary staff and to lay down specific rules for this category.
- (25) In order to achieve the objectives set out in the Staff Regulations, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission notably in respect of certain aspects of working conditions.
- (26) The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council,

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

The Staff Regulations of Officials of the European Union shall be amended as follows:

1. In Article 1d(3), the word ‘institutions’ shall be replaced by ‘appointing authorities of the institutions’;
2. Article 5 shall be amended as follows:
  - (a) Paragraph 1 and 2 shall be replaced by the following:

'1. The posts covered by the Staff Regulations shall be classified, according to the nature and importance of the duties to which they relate, in an administrators' function group (hereinafter ‘AD’), an assistants' function group (hereinafter ‘AST’) and a secretaries and clerks' function group (hereinafter 'AST/SC').
  2. Function group AD shall comprise twelve grades, corresponding to managerial, conceptual and analytical as well as to linguistic and scientific duties. Function group AST shall comprise eleven grades, corresponding to executive and technical duties. Function group AST/SC shall comprise six grades, corresponding to clerical and secretarial duties.';
  - (b) In point (a) of paragraph 3 the words 'and function group AST/SC' shall be inserted after the words 'in function group AST';
  - (c) Paragraph 4 shall be replaced by the following:

'4. A table showing types of posts is given in Annex I, Section A. By reference to this table, the appointing authority of each institution may define in more detail the duties and powers attaching to each type of post after consulting the Staff Regulations Committee.';
3. Article 6 shall be replaced by the following:

*'Article 6*

1. The establishment plan appended to the section of the budget related to each institution shall indicate the number of posts in each grade and function group.

Each institution's establishment plan shall reflect the obligations set out in the multi-annual financial framework and the inter-institutional agreement on its implementation.

2. Without prejudice to the principle of promotion based on merit as laid down in Article 45, this plan shall ensure that for each institution, the number of vacant positions at every grade of the establishment plan on 1 January of each year corresponds to the number of officials in the lower grade in active employment on 1 January of the preceding year, multiplied by the rates laid down in Annex I, Section B, for that grade. These rates shall be applied on a five-year average basis as from 1 January 2013.

3. The rates laid down in Annex I, Section B, shall be reviewed at the end of a five-year period starting on 1 January 2013 on the basis of a report, submitted by the Commission to the European Parliament and the Council, and a proposal by the Commission.

The European Parliament and the Council shall decide in accordance with Article 336 of the Treaty on the Functioning of the European Union.

4. After the same five-year period, the Commission shall report to the European Parliament and to the Council on the implementation of the provisions on the function group AST/SC and of the transitional provisions laid down in Article 30 of Annex XIII, taking into account the evolution of the need for staff carrying out secretarial and clerical tasks in all institutions and the evolution of permanent and temporary posts in function group AST and of the number of contract agents in function group II.';

4. Article 9 shall be amended as follows:

(a) Paragraph 1 shall be replaced by the following:

'1. Without prejudice to paragraph 1a, there shall be set up within each institution:

- a Staff Committee, which may be organised in sections for the different places of employment;
- one or more Joint Committees, as appropriate for the number of officials at the places of employment;
- one or more Disciplinary Boards, as appropriate for the number of officials at the places of employment;
- one or more Joint Advisory Committees on professional incompetence, as appropriate for the number of officials at the places of employment;
- a Reports Committee, if required;
- an Invalidity Committee,

which shall perform the functions assigned to them by these Staff Regulations.';

(b) Paragraph 1a shall be replaced by the following:

'For the application of certain provisions of these Staff Regulations, a common Joint Committee may be established for two or more institutions. The other Committees referred to in paragraph 1 and the Disciplinary Board may be established as common bodies by two or more agencies.';

(c) In paragraph 2, the following subparagraph shall be inserted after the first subparagraph:

'The agencies may derogate from the provisions of Article 1 of Annex II regarding membership of Staff Committees to take into account the composition of their personnel. The agencies may decide not to appoint alternate members in the Joint Committee or Committees provided for in Article 2 of Annex II.';

5. In the second sentence of the first subparagraph of Article 10, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';

6. Article 18(1) shall be replaced by the following:

'1. All rights in any writings or other work done by any official in the performance of his duties shall be the property of the European Union or, where such writings or work relate to the European Atomic Energy Community, property of that Community. The Union or, where applicable, the European Atomic Energy Community shall have the right to acquire compulsorily the copyright in such works.';

7. In Article 26a, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';

8. Article 27 shall be replaced by the following:

*'Article 27*

Recruitment shall be directed to securing for the institution the services of officials of the highest standard of ability, efficiency and integrity, recruited on the broadest possible geographical basis from among nationals of Member States of the European Union. No posts shall be reserved for nationals of any specific Member State.

The principle of the equality of Union's citizens shall allow each institution to adopt corrective measures following the observation of a long lasting and significant imbalance between nationalities among officials which is not justified by objective criteria. These corrective measures shall never result in recruitment criteria other than those based on merit. Before such corrective measures are adopted, the appointing authority of the institution concerned shall adopt general provisions for giving effect to this paragraph in accordance with Article 110.

After a five-year period starting on 1 January 2013, the Commission shall report to the European Parliament and to the Council on the implementation of the preceding paragraph.';

9. In Article 29, the following subparagraph shall be added to paragraph 1:

'While maintaining the principle that the vast majority of officials shall be recruited on the basis of open competitions, the appointing authority may decide, by way of derogation from point (b), to hold a competition internal to the institution which shall also be open to

contract staff as defined in Articles 3a and 3b of the Conditions of Employment of Other Servants of the European Union.';

10. The first sentence of Article 31 (2) shall be replaced by the following:  

'Without prejudice to Article 29(2), officials shall be recruited only at grades SC 1, AST 1 to AST 4 or AD 5 to AD 8.'
11. In the third paragraph of Article 32, the word 'institution' shall be replaced by 'appointing authority of each institution';
12. In the second indent of point (b) of Article 37, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';
13. Article 42a shall be amended as follows:
  - (a) In the second sentence of the first paragraph, the word 'institutions' shall be replaced by 'appointing authority of each institution';
  - (b) In the last sentence of the third paragraph, the word 'adapted' shall be replaced by 'updated';
14. Article 43 shall be amended as follows:
  - (a) In the first sentence of the first paragraph, the words 'each institution' shall be replaced by 'the appointing authority of each institution';
  - (b) In the second sentence of the first paragraph, the words 'Each institution' shall be replaced by 'The appointing authority of each institution';
15. Article 45 shall be amended as follows:
  - (a) In paragraph 1, the following sentence shall be inserted after the second sentence:  

'Unless the procedure laid down in Articles 4 and 29(1) is applied, officials may only be promoted if they occupy a post which corresponds to one of the types of post set out in Annex I, Section A, for the next higher grade.';
  - (b) In the first sentence of paragraph 2, the words 'Article 55 of the Treaty on European Union' shall be replaced by 'Article 55(1) of the Treaty on European Union';
  - (c) In the second sentence of paragraph 2, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';
16. In paragraph 5 of Article 45a, the word 'institutions' shall be replaced by 'appointing authority of each institution';
17. In the third paragraph of Article 48, the words 'function group AST' shall be replaced by 'function groups AST and AST/SC';
18. In the last paragraph of Article 50, the words 'fifty-five' shall be replaced by 'fifty-eight';
19. Article 51 shall be amended as follows:

- (a) In the first sentence of paragraph 1, the words 'Each institution' shall be replaced by 'The appointing authority of each institution';
- (b) In the first and in the last sentences of the first subparagraph of paragraph 6, the words 'grade 1' shall be replaced by the words 'grade AST 1';

20. Article 52(b) shall be replaced by the following:

'(b) at his own request on the last day of the month in respect of which the request was submitted where he is between 58 and 65 years of age and satisfies the requirements for immediate payment of a pension in accordance with Article 9 of Annex VIII. The second sentence of the second paragraph of Article 48 shall apply by analogy.

However, an official may at his own request and where the appointing authority considers it justified in the interest of the service, carry on working until the age of 67, in which case he shall be retired automatically on the last day of the month in which he reaches that age.';

21. Article 55 shall be amended as follows:

(a) The paragraphs shall be numbered;

(b) The first sentence of paragraph 2 shall be replaced by the following:

'The normal working week shall range from 40 to 42 hours, the hours of the working day to be determined by the appointing authority';

(c) In the second sentence of the third paragraph, the word 'institution' shall be replaced by 'appointing authority of each institution';

(d) The following paragraph shall be added:

'4. The appointing authority of each institution may introduce flexible working-time arrangements. Officials to whom the provisions of the second paragraph of Article 44 apply shall manage their working-time without resorting to such arrangements.';

22. Article 55a shall be amended as follows:

(a) Point (e) of the first subparagraph of paragraph 2 shall be replaced by the following:

'(e) during the last three years before he reaches retirement age, but not before the age of 58';

(b) In the second subparagraph of paragraph 2, the words ', or as of the age of 55' shall be replaced by ', or during the last three years before reaching retirement age, but not before the age of 58';

23. The third paragraph of Article 56 shall be replaced by the following:

'As provided in Annex VI, overtime worked by officials in grades SC 1 to SC 6 and grades AST 1 to AST 4 shall entitle them either to compensatory leave or to remuneration where requirements of the service do not allow compensatory leave during the month following that in which the overtime was worked.';



24. The second paragraph of Article 56a and the second paragraph of Article 56b shall be replaced by the following:
- 'After consulting the Staff Regulations Committee, the Commission shall determine, by means of delegated acts in accordance with Articles 110a and 110b, the categories of officials entitled to such allowances, the conditions for granting the allowances and the rates thereof.';
25. The second paragraph of Article 56c shall be replaced by the following:
- 'After consulting the Staff Regulations Committee, the Commission shall determine, by means of delegated acts in accordance with Articles 110a and 110b, the categories of officials entitled to the special allowances, the conditions for granting such allowances and the rates thereof.';
26. In the first paragraph of Article 57, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';
27. In Article 61, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';
28. Article 63 shall be amended as follows:
- (a) The second paragraph shall be replaced by the following:
- 'Remuneration paid in a currency other than euros shall be calculated on the basis of the exchange rates used for the implementation of the general budget of the European Union on 1 July of that year.';
- (b) The third paragraph shall be replaced by the following:
- 'Every year the exchange rates shall be updated retroactively at the time of the annual update of remuneration provided for in Article 65.';
- (c) The fourth paragraph shall be deleted;
29. Article 64 shall be replaced by the following:
- 'An official's remuneration expressed in euros shall, after the compulsory deductions set out in these Staff Regulations or in any implementing regulations have been made, be weighted at a rate above, below or equal to 100 %, depending on living conditions in the various places of employment.
- The correction coefficients shall be updated annually in accordance with Annex XI. The updated values shall be published by the appointing authority of each institution two weeks after the update in order to inform the staff of the institution.';
30. Article 65 shall be replaced as follows:
- '1. The remuneration of the officials and other servants of the European Union shall be updated every year in accordance with Annex XI. This update shall take place before the end of each year in the light of a report by the Commission based on statistical data prepared by the Statistical Office of the European Union in agreement with the national

statistical offices of the Member States; the statistical data shall reflect the situation as at 1 July in each of the Member States.

The amounts in the second and third paragraphs of Article 42a, Articles 66 and 69, Articles 1(1), 2(1), 3(1) and (2), 4(1), 7(2), 8(2), 10(1) of Annex VII and Article 8(2) of Annex XIII, the amounts in the former Article 4a of Annex VII to be updated in accordance with Article 18(1) of Annex XIII, the amounts in Article 24(3), the second subparagraph of Article 28a(3), Articles 28a(7), 93, 94, the second subparagraph of Article 96(3), Articles 96(7), 133, 134 and 136 of the Conditions of Employment of Other Servants, the amounts in the first subparagraph of Article 1(1) of Council Regulation (ECSC, EEC, Euratom) No 300/76, the coefficient for the amounts in Article 4 of Council Regulation (EEC, Euratom, ECSC) No 260/68 shall be updated annually in accordance with Annex XI. The updated amounts shall be published by the appointing authority of each institution two weeks after the update in order to inform the staff of the institution.

2. In the event of a substantial change in the cost of living, the amounts referred to in paragraph 1 and the weightings referred to in Article 64 shall be updated in accordance with Annex XI. The updated amounts and the weightings shall be published by the appointing authority of each institution two weeks after the update in order to inform the staff of the institution.';

31. Article 66 shall be amended as follows:

(a) The introductory sentence shall be replaced by the following:

'Basic monthly salaries are for each grade and step in function groups AD and AST as provided in the following table:'

(b) The following shall be added:

'Basic monthly salaries are for each grade and step in function group AST/SC as provided in the following table:

Grade	Step				
	1	2	3	4	5
SC 6	3.844,31	4.005,85	4174,78	4290,31	4349,59
SC 5	3.397,73	3.540,50	3.689,28	3.791,92	3.844,31
SC 4	3.003,02	3.129,21	3.260,71	3.351,42	3.397,73
SC 3	2.654,17	2.765,70	2.881,92	2.962,10	3.003,02
SC 2	2.345,84	2.444,41	2.547,14	2.617,99	2.654,17
SC 1	2.160,45	2.251,24	2.313,87	2.345,84	

';

32. Article 66a shall be modified as follows:

(a) Paragraphs 1 and 2 shall be replaced by the following:

'1. By way of derogation from Article 3(1) of Council Regulation (EEC, Euratom, ECSC) No 260/68<sup>1</sup> and in order to take account of the application of the method for updating the remuneration and pensions of officials, a temporary measure regarding remuneration paid by the Union to staff in active employment, to be known as the 'solidarity levy', shall be applied from 1 January 2013 to 31 December 2022.

2. The rate of this solidarity levy, which shall apply to the base defined in paragraph 3, shall be 6 %.';

(b) Paragraph 3 shall be amended as follows:

(i) In the introductory sentence and in sub-point (i) of point (a) and in point (b), the words 'special levy' shall be replaced by the words 'solidarity levy';

(ii) In point (a)(ii), the words 'grade 1, step 1' shall be replaced by the words 'grade AST 1, step 1';

(c) In paragraph 4, the words 'special levy' shall be replaced by the words 'solidarity levy';

33. Article 72 shall be amended as follows:

(a) In the first sentence of the first subparagraph of paragraph 1 and in the third subparagraph of paragraph 1, the word 'institutions' shall be replaced by 'appointing authorities of each institution';

(b) In paragraphs 2 and 2a the number '63' shall be replaced by '65';

(c) In paragraph 2b, the words 'grade 1' shall be replaced by the words 'grade AST 1';

34. In Article 73(1), the word 'Institutions' shall be replaced by 'appointing authorities of the institutions';

35. In the second sentence of Article 76a, the word 'institutions' shall be replaced by 'appointing authorities of the institutions';

36. In the first and fifth paragraphs of Article 77, in the sixth paragraph of Article 80 and in Article 81a(1)(d), the number '63' shall be replaced by '65';

37. Paragraph 2 of Article 82 shall be replaced by the following:

'2. Where remuneration is updated in accordance with Article 65(1), the same update shall be applied to pensions.';

38. The second subparagraph of Article 83(1) shall be deleted.;

39. Article 83a shall be amended as follows:

(a) Paragraph 2 shall be replaced by the following:

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<sup>1</sup> Regulation (EEC, Euratom, ECSC) No 260/68 of the Council of 29 February 1968 laying down the conditions and procedure for applying the tax for the benefit of the European Communities, OJ L 56, 4.3.1968, p. 8.

'Agencies which do not receive a subsidy from the general budget of the European Union shall pay into that budget the entire amount of the contributions needed to finance the scheme. Agencies which are partially financed from that budget shall pay the part of the employers' contributions which corresponds to the proportion between the agency's revenues without the subsidy from the general budget of the European Union and its total revenues.';

(b) In paragraph 3, the word 'Council' shall be replaced by 'Commission';

(c) Paragraph 4 shall be replaced by the following:

'4. Each year the Commission shall present an updated version of the actuarial assessment, in accordance with Article 1(2) of Annex XII. Where it is shown that there is a gap of at least 0,25 points between the rate of contribution currently applied and the rate required to maintain actuarial balance, the Commission shall adjust the rate, in accordance with the arrangements laid down in Annex XII.';

(d) Paragraph 5 shall be replaced by the following:

'5. For the purposes of paragraphs 3 and 4 of this Article, the Commission shall act by means of delegated acts in accordance with Articles 110a and 110b, after consulting the Staff Regulations Committee.';

40. Title VIII 'Special provisions applicable to officials in the scientific or technical services of the Union' shall be deleted;

41. Article 110 shall be replaced by the following:

*Article 110*

1. The general provisions implementing these Staff Regulations shall be adopted by the appointing authority of each institution after consulting the Staff Committee and the Staff Regulations Committee.

2. Implementing rules adopted by the Commission to give effect to these Staff Regulations, including the general implementing provisions referred to in paragraph 1, shall apply by analogy to the agencies. To this end, the Commission shall inform the agencies of any such implementing rule without delay after adoption.

Such implementing rules shall enter into force at the agencies nine months after their entry into force at the Commission or nine months after the date on which the Commission informed the agencies of the adoption of the respective implementing rule, whichever is later. Notwithstanding the foregoing, an agency may also decide that such implementing rules will enter into force at an earlier date.

By way of derogation, an agency may, before the expiry of the nine-month period referred to above and after consulting its Staff Committee, submit to the Commission for its agreement implementing rules which are different from those adopted by the Commission. Under the same conditions, an agency may request the agreement of the Commission for not applying certain of these implementing rules. In the latter case, the Commission may, instead of accepting or rejecting the request, require the agency to submit for its agreement implementing rules which are different from those adopted by the Commission.

The nine-month period referred to in the previous subparagraphs shall be suspended from the date on which the agency has requested the Commission's agreement until the date on which the Commission has expressed its position.

An agency may also, after consulting its Staff Committee, submit to the Commission for its agreement implementing rules which concern other subjects than the implementing rules adopted by the Commission.

For the purpose of the adoption of implementing rules, the agencies shall be represented by the management board or the equivalent body referred to in the European Union act establishing them.

3. For the purpose of the adoption of rules by agreement between the institutions, the agencies shall not be treated as institutions. However, the Commission shall consult the agencies before the adoption of these rules.

4. Rules giving effect to these Staff Regulations, including the general implementing provisions referred to in paragraph 1, and rules adopted by agreement between the appointing authorities of the institutions, shall be brought to the attention of the staff.

5. The administrative departments of the institutions and the agencies shall consult each other regularly concerning the application of these Staff Regulations. Agencies shall be jointly represented in these consultations in accordance with rules to be fixed by agreement between them.

6. The Court of Justice of the European Union shall administer a register of the rules adopted by the appointing authority of each institution to give effect to these Staff Regulations, and those rules adopted by the agencies to the extent they derogate from the rules adopted by the Commission, in accordance with the procedure provided in paragraph 2. Institutions and agencies shall have direct access to this register and full right to amend their own rules. Every three years, the Commission shall present a report to the European Parliament and the Council on rules adopted by each institution to give effect to these Staff Regulations.';

42. The following Articles shall be inserted after Article 110:

*Article 110a*

The Commission shall be empowered to adopt delegated acts in accordance with Article 110b concerning certain aspects of working conditions and certain aspects of the implementation of the rules on remuneration and expenses.

*Article 110b*

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The delegation of power referred to in Articles 56a, 56b, 56c, 83a of the Staff Regulations, Article 13 of Annex VII, Article 13 of Annex X and Article 12 of Annex XII to the Staff Regulations and Articles 28a and 96 of the Conditions of Employment of Other Servants shall be conferred on the Commission for an indeterminate period of time as of 1 January 2013.

The delegation of power referred to in Articles 9 and 10 of Annex XI shall be conferred on the Commission for a period of 10 years as of 1 January 2013.

3. The delegation of power referred to in Articles 56a, 56b, 56c, 83a of the Staff Regulations, Article 13 of Annex VII, Article 13 of Annex X, Articles 9 and 10 of Annex XI and Article 12 of Annex XII of the Staff Regulations and Articles 28a and 96 of the Conditions of Employment of Other Servants may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Articles 56a, 56b, 56c, 83a of the Staff Regulations and Article 13 of Annex VII, Article 13 of Annex X, Articles 9 and 10 of Annex XI and Article 12 of Annex XII of the Staff Regulations and Articles 28a and 96 of the Conditions of Employment of Other Servants shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or the Council.';

43. Annex I shall be amended as follows:

(a) Section A shall be replaced by the following:

**'A. TYPES OF POSTS IN EACH FUNCTION GROUP, AS PROVIDED FOR IN ARTICLE 5(4)**

**1. Function Group AD**

<b>Director-General</b>	AD 16
<b>Director-General</b> <b>Director</b>	AD 15
<b>Director</b> <b>Administrator</b> , <i>working for example as:</i> Head of unit/ Adviser linguistic expert; economic expert; legal expert; medical expert; veterinary expert; scientific expert; research expert; financial expert,	AD 14

audit expert	
<b>Administrator</b> , <i>working for example as:</i> Head of Unit/ Adviser/ linguistic expert; economic expert; legal expert; medical expert; veterinary expert; scientific expert; research expert; financial expert, audit expert	AD 13
<b>Administrator</b> , <i>working for example as:</i> Head of Unit/ principal translator, principal interpreter, principal economist; principal lawyer; principal medical officer; principal veterinary inspector; principal scientist; principal researcher; principal financial officer, principal audit officer	AD 12
<b>Administrator</b> , <i>working for example as:</i> Head of Unit/ principal translator, principal interpreter, principal economist; principal lawyer; principal medical officer; principal veterinary inspector; principal scientist; principal researcher; principal financial officer, principal audit officer	AD 11
<b>Administrator</b> , <i>working for example as:</i> Head of Unit/ senior translator; senior interpreter; senior economist; senior lawyer; senior medical officer; senior veterinary inspector; senior scientist; senior researcher; senior financial officer, senior audit officer	AD 10
<b>Administrator</b> , <i>working for example as:</i> Head of Unit/ senior translator;	AD 9

<p>senior interpreter; senior economist; senior lawyer; senior medical officer; senior veterinary inspector; senior scientist; senior researcher; senior financial officer, senior audit officer</p>	
<p><b>Administrator</b>, <i>working for example as:</i> Translator; interpreter; economist; lawyer; medical officer; veterinary inspector; scientist; researcher; financial officer, auditor</p>	AD 8
<p><b>Administrator</b>, <i>working for example as:</i> Translator; interpreter; economist; lawyer; medical officer; veterinary inspector; scientist; researcher; financial officer, auditor</p>	AD 7
<p><b>Administrator</b>, <i>working for example as:</i> Junior translator; junior interpreter; junior economist; junior lawyer; junior medical officer; junior veterinary inspector; junior scientist; junior researcher; junior financial officer, junior auditor</p>	AD 6
<p><b>Administrator</b>, <i>working for example as:</i> Junior translator; junior interpreter; junior economist; junior lawyer; junior medical officer; junior veterinary inspector; junior scientist; junior researcher; junior financial officer,</p>	AD 5



junior auditor	
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## 2. Function Group AST

<p><b>Senior Assistant<sup>2</sup></b></p> <p>Carrying out administrative, technical or training activities requiring a high degree of autonomy and carrying significant responsibilities in terms of staff management, budget implementation or political coordination</p>	AST 10 – AST 11
<p><b>Assistant<sup>3</sup></b></p> <p>Carrying out administrative, technical or training activities requiring a certain degree of autonomy, notably with regard to the implementation of rules and regulations or general instructions or as personal assistant of a Member of the institution, of the Head of a Member's private office or of a (Deputy) Director-General or an equivalent senior manager</p>	AST 1 – AST 9

## 3. Function Group AST/SC

<p><b>Secretary/Clerk</b></p> <p>Carrying out clerical and secretarial tasks, office management and other equivalent tasks requiring a certain degree of autonomy<sup>4</sup></p>	SC 1 – SC 6
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(b) Section B shall be amended as follow:

(i) The following shall be inserted after the title:

'1. Multiplication rates for guiding average career equivalence in function groups AST and AD:';

(ii) In point 1, the term '20 %' set out in the table for grade 9 of function group AST shall be replaced by '8%'.

(iii) The following shall be added:

<sup>2</sup> The first assignment of an official to a post of Senior Assistant may only take place in accordance with the procedure laid down in Articles 4 and 29(1) of the Staff Regulations.

<sup>3</sup> The first assignment of an official to a post of Assistant may only take place in accordance with the procedure laid down in Articles 4 and 29(1) of the Staff Regulations.

<sup>4</sup> The number of posts of Parliamentary ushers in the European Parliament shall not exceed 85.

'2. Multiplication rates for guiding average career equivalence in function group AST/SC:

Grade	Secretaries / Clerks
SC 6	-
SC 5	12%
SC 4	15%
SC 3	17%
SC 2	20%
SC 1	25%

44. Annex II shall be amended as follows:
- (a) In the second sentence of the first subparagraph of Article 1, the word 'institution' shall be replaced by 'appointing authority of each institution';
  - (b) In the second sentence of the second subparagraph of Article 1, the word 'institution' shall be replaced by 'appointing authority of each institution';
  - (c) In the fourth subparagraph of Article 1, the words 'both function groups' shall be replaced by 'the three function groups';
  - (d) In the first indent of the second paragraph of Article 2, the words 'the third subparagraph of' shall be deleted;
45. The Sole Article of Annex IV shall be modified as follows:
- (a) In the second subparagraph of paragraph 1 and the fourth subparagraph of paragraph 4, the number '63' shall be replaced by '65';
  - (b) The third subparagraph of paragraph 1 shall be deleted;
46. In the first paragraph of Article 4 of Annex IVa, the words 'officials aged over 55 authorised to work half time in preparation of retirement' shall be replaced by 'officials authorised, in accordance with Article 55a(2)(e) of the Staff Regulations, to work half time';
47. Article 7 of Annex V shall be replaced by the following:
- 'Article 7*
- To the annual leave of officials entitled to the expatriation or foreign residence allowance shall be added travelling time based on the geographical distance between the place of employment and the place of origin, calculated as follows:
- 250 to 600 km: one day of home travelling time,
  - 601 to 1200 km: two days of home travelling time,

- more than 1200 km: three days of home travelling time.

The preceding provisions shall apply to officials whose place of employment is within the territories of the Member States. If the place of employment is outside these territories, the travelling time shall be fixed by special decision taking into account particular needs.

Where special leave is granted in pursuance of Section 2 above, any home travelling time shall be fixed by special decision taking into account particular needs.';

48. Annex VI shall be amended as follow:

- (a) The introductory sentence of Article 1 shall be replaced by the following:

'Within the limits laid down in Article 56 of the Staff Regulations, overtime worked by an official in grade SC 1 to SC 6 or grade AST 1 to AST 4 shall entitle him to compensatory leave or to remuneration as follows:';

- (b) Article 3 shall be replaced by the following:

'Notwithstanding the foregoing provisions of this Annex remuneration for overtime worked by certain groups of officials in grades SC 1 to SC 6 and grades AST 1 to AST 4 in special conditions may be paid in the form of a fixed allowance the amount and terms of which shall be determined by the appointing authority after consulting the Joint Committee.';

49. Annex VII shall be amended as follows:

- (a) In Article 1(3), the words 'grade 3' shall be replaced by 'grade AST 3';

- (b) Article 7 shall be replaced by the following:

'1. An official shall be entitled to a flat-rate payment corresponding to the cost of travel for himself, his spouse and his dependents actually living in his household:

- (a) on taking up his appointment, from the place where he was recruited to the place where he is employed;
- (b) on termination of service within the meaning of Article 47 of the Staff Regulations, from the place where he is employed to the place of origin as defined in paragraph 3 below;
- (c) on any transfer involving a change in the place where he is employed.

In the event of the death of an official, the surviving spouse and the dependants shall be entitled to the flat rate payment under the same conditions.

Travel expenses for children aged less than two years during the entire calendar year shall not be reimbursed.

2. The flat-rate payment shall be based on an allowance per kilometre of geographical distance between the places referred to in paragraph 1.

The kilometric allowance shall be:

EUR 0 for every km from	0 to 200 km
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EUR 0,1895 for every km from	201 to 1000 km
EUR 0,3158 for every km from	1001 to 2000 km
EUR 0,1895 for every km from	2001 to 3000 km
EUR 0,0631 for every km from	3001 to 4000 km
EUR 0,0305 for every km from	4001 to 10000 km
EUR 0 for every km over	10000 km.

To the above kilometric allowance shall be added a flat-rate supplement amounting to:

- EUR 94,74 if the geographical distance between the places referred to in paragraph 1 is between 600 km and 1200 km,
- EUR 189,46 if the geographical distance between the places referred to in paragraph 1 is greater than 1200 km.

The above kilometric allowances and flat-rate supplements shall be updated every year in the same proportion as remuneration.

2a. By way of derogation from paragraph 2, travel expenses which relate to a transfer involving a change between a place of employment within the territories of the Member States of the European Union and a place of employment outside these territories or to a transfer involving a change between places of employment outside these territories shall be reimbursed in the form of a flat-rate payment based on the cost of air travel in the class immediately superior to economy class.

3. An official's place of origin shall be determined when he takes up his appointment, account being taken in principle of where he was recruited or, upon express and motivated request, the centre of his interests. The place of origin as so determined may by special decision of the appointing authority be changed while the official is in service or when he leaves the service. While he is in the service, however, such decision shall be taken only exceptionally and on production by the official of appropriate supporting evidence.

The effect of such a change shall not, however, be such as to recognise as the centre of the official's interests, a place which is outside the territories of the Member States of the Union as well as outside the countries and territories listed in Annex II to the Treaty on the Functioning of the European Union and the territories of the Member States of the European Free Trade Association.';

- (c) Article 8 shall be replaced by the following:

*'Article 8*

'1. Officials entitled to the expatriation or foreign residence allowance shall be entitled, within the limit set out in paragraph 2, in each calendar year to a flat-rate

payment corresponding to the cost of travel from the place of employment to the place of origin as defined in Article 7 for themselves and, if they are entitled to the household allowance, for the spouse and dependants within the meaning of Article 2.

Where a husband and wife are both officials of the European Union, each has the right in respect of himself or herself and in respect of dependants to the flat-rate payment of travelling expenses, in accordance with the above provisions; each dependant shall be entitled to one payment only. The payment in respect of dependent children is fixed at the request of the husband or wife, on the basis of the place of origin of one or other of them.

Where an official marries during a given year and thereby becomes entitled to the household allowance, the travel expenses payable for the spouse shall be calculated in proportion to the period from the date of the marriage to the end of the year.

Any alteration to the basis of calculation which may arise from changes in family status after the date of payment of the sums in question shall not render the official concerned liable to make repayment.

Travel expenses for children aged less than two years during the entire calendar year shall not be reimbursed.

2. The flat-rate payment shall be based on an allowance per kilometre of geographical distance between the official's place of employment and his place of origin.

Where the place of origin as defined in Article 7 is outside the territories of the Member States of the Union as well as outside the countries and territories listed in Annex II to the Treaty on the Functioning of the European Union and the territories of the Member States of the European Free Trade Association, the flat-rate payment shall be based on an allowance per kilometre of geographical distance between the official's place of employment and the capital city of the Member State whose nationality he holds. Officials whose place of origin is outside the territories of the Member States of the European Union as well as outside the countries and territories listed in Annex II to the Treaty on the Functioning of the European Union and the territories of the Member States of the European Free Trade Association and who are not nationals of one of the Member States shall not be entitled to the flat-rate payment.

The kilometric allowance shall be:

EUR 0 for every km from	0 to 200 km
EUR 0,3790 for every km from	201 to 1000 km
EUR 0,6316 for every km from	1001 to 2000 km
EUR 0,3790 for every km from	2001 to 3000 km
EUR 0,1262 for every km from	3001 to 4000 km
EUR 0,0609 for every km from	4001 to 10000 km

EUR 0 for every km over	10000 km.
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To the above kilometric allowance a flat-rate supplement shall be added, amounting to:

- EUR 189,48 if the geographical distance between the place of employment and the place of origin is between 600 km and 1200 km,
- EUR 378,93 if the geographical distance between the place of employment and the place of origin is greater than 1200 km.

The above kilometric allowances and flat-rate supplements shall be updated every year in the same proportion as remuneration.

3. An official whose service is terminated in the course of a calendar year for any reason other than death or who is on leave on personal grounds during part of the year shall, if he is in active employment in the service of an institution of the European Union for less than nine months of that year, be entitled only to part of the flat-rate payment provided for in paragraphs 1 and 2, calculated in proportion to the time spent in active employment.

4. The preceding provisions shall apply to officials whose place of employment is within the territories of the Member States. Officials whose place of employment is outside the territory of the Member States shall be entitled for themselves and, if they are entitled to receive the household allowance, for their spouse and other dependants within the meaning of Article 2, in each calendar year, to repayment of travel expenses to their place of origin, or to repayment of travel expenses to another place not exceeding the expense of travel to the place of origin. However, if the spouse and the persons referred to in Article 2(2) do not live with the official at the place of employment, they shall be entitled each calendar year to reimbursement of travel expenses from the place of origin to the place of employment or to another place not exceeding the cost of the former journey.

These travel expenses shall be reimbursed in the form of a flat-rate payment based on the cost of air travel in the class immediately superior to economy class.';

- (d) Article 9 shall be replaced by the following:

*'Article 9*

1. Within the limits of costs ceilings, officials obliged to change the place of residence in order to comply with Article 20 of the Staff Regulations upon entry into service or on a subsequent change of place of employment while in service and who have not been reimbursed in respect of the same expenses from another source, shall be entitled to the reimbursement of expenses incurred in respect of the removal of furniture and personal effects, including the cost of insurance against ordinary risks (notably breakage, theft, fire).

The ceilings shall take into account the official's family situation at the time of the removal, and the average costs of removal and associated insurance.

General implementing provisions shall be adopted by the appointing authority of each institution to give effect to this paragraph.

2. On termination of service or on death of an official, the expenses incurred in respect of removal from the place where he was employed to his place of origin shall be reimbursed within the limits defined in paragraph 1. Where the deceased official was unmarried, the expenses shall be reimbursed to those entitled under him.

3. In the case of an established official, removal shall be effected within one year of the end of his probationary period. On termination of service, removal shall be effected within three years as provided in the second subparagraph of Article 6 (4). Removals effected after the expiry of the time limits set out above shall be reimbursed only in exceptional cases and by special decision of the appointing authority.'

(e) Article 13 shall be amended as follows:

(i) Paragraph 3 shall be replaced by the following:

'3. The Commission shall review every two years the rates set out in paragraph 2(a). This review shall take place in the light of a report on the prices of hotels, restaurants and catering services, and shall be based on the indexes on the evolution of such prices. For the purpose of this review, the Commission shall act by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations.';

(ii) The following paragraph 4 shall be added:

'4. By way of derogation from paragraph 1, accommodation costs incurred by officials for missions to the principal places of work of their institution as referred to in Protocol N°6 to the treaty may be reimbursed on the basis of a flat-rate sum which shall not exceed the maximum fixed for the Member States in question.'

(f) In Article 13a, the words 'various institutions' shall be replaced by the 'appointing authorities of the various institutions';

(g) Article 17 shall be modified as follows:

(i) In paragraph 1 the words 'at the place' shall be replaced by 'into a bank within the European Union';

(ii) The first subparagraph of paragraph 2 shall be replaced by the following:

'Under the conditions laid down in rules fixed by the appointing authorities of each institution by common consent after consulting the Staff Regulations Committee, officials may apply for special regular transfer of part of their remuneration.';

(iii) In the first sentence of paragraph 3, after the words 'shall be made', the words 'in the currency of the relevant Member State' shall be inserted.

(iv) In the first sentence of paragraph 4, after the words 'to another Member State', the words 'in local currency' shall be inserted;

50. Annex VIII shall be amended as follows:

- (a) In Article 5, the number '63' shall be replaced by '65';
- (b) In Article 6, the words 'at the first step of grade 1' shall be replaced by 'the first step of grade AST 1';
- (c) Article 9 shall be amended as follows:
  - (i) The number '63' shall be replaced by '65';
  - (ii) In point (b) of paragraph 1, the number '55' shall be replaced by '58';
  - (iii) Paragraph 2 shall be replaced by the following:
 

'The appointing authority may decide, in the interests of the service on the basis of objective criteria and transparent procedures introduced by means of general implementing provisions, not to apply the above reduction to the officials concerned. The total number of officials and temporary servants who retire without any reduction of their pension each year shall not be higher than 5 % of the officials in all institutions who retired the previous year. The annual percentage may vary from 4 % to 6 %, subject to a maximum of 5 % over two years and the principle of budget neutrality.';
- (d) In the second subparagraph of Article 11(2), the word 'institution' shall be replaced by 'appointing authority of each institution';
- (e) In Article 12(1) and (2), the number '63' shall be replaced by '65';
- (f) In Articles 15 and 18a, the number '63' shall be replaced by '65';
- (g) In the second paragraph of Article 27, the word 'adjusted' shall be replaced by 'updated';
- (h) Article 45 shall be modified as follows:
  - (i) In the third paragraph, the words 'Member State of residence' shall be replaced by 'European Union';
  - (ii) In the first sentence of the fourth paragraph, the words 'in the European Union or' shall be inserted after the word 'bank';
  - (iii) In the second sentence of the fourth paragraph, the words 'in euro into a bank in the country where the institution has its headquarters, or' shall be deleted;

51. Annex IX shall be amended as follows:

- (a) In Article 2(3), the word 'institutions' shall be replaced by 'appointing authority of each institution';
- (b) the first sentence of Article 5(1) shall be replaced by the following:

'A Disciplinary Board, hereinafter referred to as 'the Board', shall be established in each institution, unless two or more agencies decide, in accordance with paragraph 1a of Article 9 of the Staff Regulations, to set up a common Board.';



(c) Article 30 shall be replaced by the following:

'Without prejudice to Article 2(3), the appointing authority of each institution shall, if it sees fit, adopt implementing arrangements for this Annex after consulting the Staff Committee';

52. Annex X shall be amended as follows:

(a) In the first sentence of Article 11, the word 'Belgium' shall be replaced by 'the European Union';

(b) Article 13 shall be replaced by the following:

*'Article 13*

In order to ensure as far as possible that officials enjoy equivalent purchasing power irrespective of their place of employment, the Commission shall determine the weighting referred to in Article 12 once a year. The Commission shall act by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations.

Where however, in the case of a given country, the variation in the cost of living measured on the basis of the weighting and the corresponding exchange rate is found to have exceeded 5 % since the last adjustment, the Commission shall decide on interim measures for adjusting the weighting in accordance with the procedure laid down in the first paragraph.';

53. Annex XI shall be replaced by the following:

'Annex XI

Rules for implementing Articles 64 and 65 of the Staff Regulations

## **CHAPTER 1**

### **ANNUAL UPDATE OF REMUNERATION PROVIDED FOR IN ARTICLE 65(1) OF THE STAFF REGULATIONS**

#### **SECTION 1**

#### **FACTORS DETERMINING ANNUAL UPDATES**

*Article 1*

1. *Report from the Statistical Office of the European Union (Eurostat)*

For the purposes of the update provided for in Article 65(1) of the Staff Regulations, Eurostat shall draw up every year before the end of October a report on the nominal changes of salaries in national civil services in central government and changes in the cost of living in Member States.

## 2. *European Index of Consumer Prices*

- (a) Eurostat shall use the European Index of Consumer Prices to measure changes in the cost of living in the European Union.
- (b) This index shall take into account the changes between June of the previous year and June of the current year.

## 3. *Changes in the cost of living in Member States*

- (a) Eurostat shall draw up the economic parities to establish the equivalence of purchasing power for salaries and pensions of officials. The economic parities shall refer to the month of June each year.
- (b) On 1 January 2013 the economic parity for each country or place of employment shall be the purchasing power parity as established by Eurostat on 1 July 2012 for salaries and pensions. Every year the economic parity shall be updated by the ratio between the inflation in the corresponding country and the European Index of Consumer Prices.
- (c) However, one joint economic parity shall be calculated for Belgium and Luxembourg. For this purpose, the inflation in those countries shall be weighted according to the distribution of the staff serving in those countries. On 1 January 2013 the purchasing power parity for Belgium and Luxembourg shall be 1.
- (d) The economic parities shall be calculated in such a way that each basic component can be updated twice per year.
- (e) Before 1 July 2017 the Commission shall, on the basis of data collected by Eurostat, submit a report to the European Parliament and the Council on the cost of living for European Union officials in the places of employment not referred to in point (c).

## 4. *Changes in the remuneration of national civil servants in central government*

- (a) Eurostat shall, on the basis of information supplied before the end of August by the national statistical offices, calculate salary indicators for each of the Member States reflecting either upward or downward changes in the nominal remuneration of civil servants in central government, between the month of July of the previous year and the month of July of the current year. The two should include one twelfth of all annually-paid elements.

The salary indicators shall take two forms:

- (i) one indicator for each of the function groups as defined by Eurostat,
- (ii) an average indicator weighted to reflect the number of national civil servants corresponding to each function group.

To establish the global salary indicator for the European Union total, the results per country shall be weighted in proportion to its national GDP measured using purchasing power parities as shown in the most recent statistics published in accordance with the national accounts definitions in the European System of Accounts currently in force.

Each of these indicators shall be established in nominal gross terms. Eurostat shall establish a definition of gross remuneration for each of the reference Member States after consulting their statistical offices.

- (b) At the request of Eurostat, the national statistical offices shall supply it with the additional information which it considers necessary in order to draw up a salary indicator accurately measuring changes in the remuneration of national civil servants.

If, after further consultation of the national statistical offices, Eurostat finds statistical anomalies in the information obtained or finds it impossible to draw up indicators which measure with statistical accuracy the changes in the nominal income of civil servants in a given Member State, it shall report to the Commission and provide it with all the material it needs to make an assessment.

- (c) In addition to the salary indicators, Eurostat shall establish and calculate appropriate control indicators.

The Eurostat report on the salary indicators shall be accompanied by comments on the differences between these indicators and the above-mentioned control indicators.

#### *Article 2*

The Commission shall produce a comprehensive report every three years on the recruitment requirements of the institutions and transmit it to the European Parliament and the Council. On the basis of this report the Commission shall, if necessary, present proposals based on all relevant factors to the European Parliament and the Council after consulting the other institutions within the framework of the Staff Regulations.

### **SECTION 2**

#### **ARRANGEMENTS FOR THE ANNUAL UPDATE OF REMUNERATION AND PENSIONS**

#### *Article 3*

1. Under Article 65 of the Staff Regulations, on the basis of the criteria set out in Section 1 of this Annex, the remuneration and pensions shall be updated before the end of each year, with effect from 1 July.

2. The amount of the update shall be the global value of the salary indicators. The update shall be in gross terms as a uniform across-the-board percentage.

3. The amount of the update thus fixed shall be incorporated in the basic salary tables appearing in Article 66 of the Staff Regulations and in Annex XIII to the Staff Regulations and in Articles 20 and 93 of the Conditions of Employment of other servants.

4. For the purposes of applying Regulation (EEC, Euratom, ECSC) No 260/68, the amounts in Article 4 of that Regulation shall be multiplied by a factor composed of:

- (a) the factor resulting from the previous update, and

(b) the factor of update of remuneration referred to in paragraph 2.

5. The correction coefficients shall be determined on the basis of the ratios between the corresponding economic parities referred to in Article 1 of this Annex and the exchange rates specified in Article 63 of the Staff Regulations for the relevant countries. They shall be applicable:

(a) to the salaries of officials of the European Union serving in each of the Member States and in certain other places of employment,

(b) by way of derogation from Article 82(1) of the Staff Regulations, to European Union pensions paid in each of the Member States for the part corresponding to the rights acquired before 1 May 2004. European Union pensions paid for the part corresponding to the rights acquired as of 1 May 2004 shall be subject to the economic parity referred to in point (c) of Article 1(3) of this Annex.

The procedures laid down in Article 8 of this Annex concerning the retrospective application of correction coefficients in places of employment with a high rate of inflation shall apply.

6. The institutions shall make the corresponding positive or negative update to the remuneration and pensions of the officials, former officials and other persons concerned with retroactive effect for the period between the effective date and the date of entry into force of the next update.

If this retroactive update necessitates the recovery of sums overpaid, such recovery may be spread over a period of not more than twelve months from the date of entry into force of the next annual update.

## **CHAPTER 2**

### **INTERMEDIATE UPDATES OF REMUNERATION AND PENSIONS (ARTICLE 65(2) OF THE STAFF REGULATIONS)**

#### *Article 4*

1. Intermediate update of remuneration and pensions pursuant to Article 65(2) of the Staff Regulations, taking effect on 1 January, shall be made in the event of a substantial change in the cost of living between June and December (by reference to the sensitivity threshold defined in Article 6 of this Annex).

2. These intermediate updates shall be taken into account in the annual salary update.

#### *Article 5*

The change in the cost of living shall be measured by the Harmonised Index of Consumer Prices for the period from June to December of the previous calendar year. However, for Belgium and Luxembourg the change in the cost of living shall be measured by the inflation in those countries weighted as laid down in point (c) of Article 1(3).

### *Article 6*

The sensitivity threshold for the six-month period mentioned in Article 5 of this Annex shall be the percentage corresponding to 5 % for a 12 month period. If the sensitivity threshold is reached or exceeded in a Member State, the remuneration and pensions for all places of employment in that country shall be updated.

### *Article 7*

For the purposes of Article 6 of this Annex, correction coefficients shall be updated to take into account the changes in the cost of living as referred to in Article 5.

## **CHAPTER 3**

### **DATE ON WHICH A CORRECTION COEFFICIENT COMES INTO EFFECT (PLACES OF EMPLOYMENT WITH A HIGH COST-OF-LIVING INCREASE)**

### *Article 8*

1. For places with a high cost-of-living increase, the correction coefficient shall come into effect before 1 January in the case of the intermediate update, or 1 July in the case of the annual update. This is so as to bring the loss in purchasing power into line with what it would be in a place of employment where the change in the cost of living corresponded to the sensitivity threshold.

2. The effective dates for the annual update shall be as follows:

- (a) 16 May for places of employment having an inflation higher than 5 %, and
- (b) 1 May for places of employment having an inflation higher than 10 %.

3. The effective dates for the intermediate update shall be as follows:

- (a) 16 November for places of employment having an inflation higher than 5 %, and
- (b) 1 November for places of employment having an inflation higher than 10 %.

## **CHAPTER 4**

### **CREATION AND WITHDRAWAL OF CORRECTION COEFFICIENTS (ARTICLE 64 OF THE STAFF REGULATIONS)**

### *Article 9*

1. The appropriate authorities of the Member States concerned, the administration of an institution of the European Union or the representatives of officials of the European Union

in a given place of employment can request the creation of a correction coefficient specific to that place.

This request should be supported by objective factors revealing an appreciable difference over some years in the cost of living between that place of employment and the capital of the Member State concerned (except for the Netherlands where The Hague is used instead of Amsterdam). If Eurostat confirms that the difference is appreciable (more than 5 %) and sustainable, the Commission shall enact, by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations, a correction coefficient for that place.

2. Likewise the Commission shall decide to withdraw the application of a correction coefficient specific to a certain place. In that case the proposal shall be based on one of the following:

- (a) a request by the appropriate authorities of the Member State concerned, the administration of an institution of the European Union or the representatives of officials of the European Union in a given place of employment showing that the cost of living in that place is no longer significantly different (less than 2 %) than that of the capital of the Member State concerned. This convergence should be sustainable and validated by Eurostat,
- (b) the fact that there are no longer any officials and temporary staff of the European Union employed in that place.

3. Eurostat shall establish the purchasing power parity between the place of employment and the capital city of the Member State concerned. The economic parity for the place of employment shall be the product of the purchasing power parity and the correction coefficient applicable to the capital city.

## **CHAPTER 5**

### **EXCEPTION CLAUSE**

#### *Article 10*

If there is a decrease in the gross domestic product of the European Union for the current year, forecast by the Commission's directorate-general for economic and financial affairs, and the annual update value exceeds the forecasted change in the gross domestic product of the European Union by two percentage points, the update value, in case it is positive, shall be divided into two equal parts. The Commission shall act by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations, according to which the first half of the update value shall come into effect from 1 July of the current year and the second half shall come into effect from 1 July of the following year.

## CHAPTER 6

### ROLE OF EUROSTAT AND RELATIONS WITH THE STATISTICAL OFFICES OF THE MEMBER STATES

#### *Article 11*

It shall be the task of Eurostat to monitor the quality of basic data and statistical methods used to work out the factors taken into account for the update of remuneration. In particular, it shall make any assessments or carry out any studies required for such monitoring.

National statistical offices shall carry out their tasks in accordance with the principle of impartiality and supply Eurostat with all necessary data and explanations.

#### *Article 12*

In March each year Eurostat shall convene a working group composed of experts from the statistical offices of the Member States to be known as the ‘Working Group on Article 65 of the Staff Regulations’.

At this meeting, the statistical methodology and its implementation concerning specific and control indicators shall be examined.

The information required to produce a forecast of changes in nominal salaries for the purposes of the update of remuneration shall also be provided, together with the data on working hours in central government departments.

#### *Article 13*

At the request of Eurostat, Member States shall inform Eurostat of any factors having a direct or indirect impact on the composition and changes in the remuneration of central government civil servants.

## CHAPTER 7

### FINAL PROVISION AND REVIEW CLAUSE

#### *Article 14*

1. The provisions of this Annex shall apply from 1 January 2013 to 31 December 2022.
2. They may be reviewed at the end of the fifth year particularly in the light of their budgetary implications. To this end, the Commission shall submit a report to the European Parliament and the Council and, where appropriate, a proposal to amend this Annex on the basis of Article 336 of the Treaty on the Functioning of the European Union.’;

54. Annex XII shall be amended as follows:

(a) Article 2 shall be amended as follows:

(i) In paragraph 1, the word 'adjustment' shall be replaced by 'update';

(ii) Paragraph 2 shall be deleted and paragraph 3 shall become paragraph 2;

(b) In Article 4(6), the words '12-year' shall be replaced by '30-year';

(c) In Articles 10(2) and 11(2) the words '12 years' shall be replaced by '30 years';

(d) Article 11(1) shall be replaced by the following:

'1. The annual change in the salary scales of officials to be taken into consideration for the actuarial calculations shall be based, for the period until 2012, on the specific indicators referred to in Article 1(4) of Annex XI as in force in 2012 and, for the period starting in 2013, on specific indicators corresponding each year to the ratio between the global salary indicator referred to in Article 1(4) of Annex XI and the European Index of Consumer Prices';

(e) After Article 11 the following Article shall be inserted:

*'Article 11a*

Until 2020, for the application of Articles 4(6), 10(2) and 11(2) of this Annex, the moving average shall be calculated on the basis of the following time scale:

In 2013 – 14 years	In 2017 – 22 years
In 2014 – 16 years	In 2018 – 24 years
In 2015 – 18 years	In 2019 – 26 years
In 2016 – 20 years	In 2020 – 28 years.';

(f) The following sentence shall be added to Article 12:

'For that purpose, the Commission shall act by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations.';

(g) Article 14 shall be replaced by the following:

'On the occasion of the five-yearly actuarial assessment, this Annex may be reconsidered by the European Parliament and the Council, particularly in the light of its budgetary implications and actuarial balance, on the basis of a report together with, if appropriate, a proposal from the Commission made after securing the opinion of the Staff Regulations Committee. The European Parliament and the Council shall act on this proposal on the basis of Article 336 of the Treaty on the Functioning of the European Union.';

55. Annex XIII shall be amended as follows:

(a) In the third subparagraph of Article 7(2), the word 'adjustment' shall be replaced by 'update';



- (b) Articles 10, 14 to 17, 18(2) and 19 shall be deleted;
- (c) In Article 18(1), the word 'adjusted' shall be replaced by 'updated' and the word 'adjustment' shall be replaced by 'update';
- (d) Article 20 shall be amended as follows:
- (i) Paragraph 2 shall be deleted;
- (ii) The second subparagraph of paragraph 3 shall be replaced by the following:
- 'Their pensions shall be subject to the correction coefficient only if the residence of the official coincides with their last place of employment or with the country of their place of origin within the meaning of Article 7(3) of Annex VII. However, for family or medical reasons, officials receiving a pension may request the appointing authority to change their place of origin; this decision shall be taken on production by the official concerned of appropriate supporting evidence.';
- (iii) The following subparagraph shall be inserted after the second subparagraph of paragraph 3:
- 'The minimum economic parity referred to in point (b) of Article 3(5) of Annex XI shall be 1.';
- (iv) After paragraph 3, the following paragraph shall be inserted:
- '3a. For officials recruited before 1 January 2013 the third subparagraph of paragraph 3 shall apply.';
- (v) The last sentence of paragraph 4 shall be deleted.;
- (e) Article 22 shall be replaced by the following:

*Article 22*

1. Officials with 20 or more years' service on 1 May 2004 shall become entitled to a retirement pension when they reach the age of 60.

Officials aged 30 years or more on 1 May 2013 and who entered the service before 1 January 2013 shall become entitled to a retirement pension at the age shown in the table below:

Age on 1 May 2013	Pensionable age	Age on 1 May 2013	Pensionable age
59 years and above	60 years 0 months	44 years	62 years 8 months
58 years	60 years 2 months	43 years	62 years 11 months
57 years	60 years 4 months	42 years	63 years 1 months
56 years	60 years 6 months	41 years	63 years 3 months
55 years	60 years 8 months	40 years	63 years 5 months

54 years	60 years 10 months	39 years	63 years 7 months
53 years	61 years 0 months	38 years	64 years 0 months
52 years	61 years 2 months	37 years	64 years 1 months
51 years	61 years 4 months	36 years	64 years 2 months
50 years	61 years 6 months	35 years	64 years 3 months
49 years	61 years 9 months	34 years	64 years 4 months
48 years	62 years 0 months	33 years	64 years 5 months
47 years	62 years 2 months	32 years	64 years 6 months
46 years	62 years 4 months	31 years	64 years 7 months
45 years	62 years 6 months	30 years	64 years 8 months

Officials aged less than 30 years on 1 May 2013 shall become entitled to a retirement pension at the age of 65 years.

However, for officials aged 43 years or more on 1 May 2013 who entered the service between 1 May 2004 and 31 December 2012, the retirement age shall remain 63 years.

For officials in service before 1 January 2013 the pensionable age to be taken into consideration for all references to the pensionable age in these Staff Regulations shall be determined in accordance with the above provisions, save as otherwise provided in these Staff Regulations.

2. Notwithstanding Article 2 of Annex VIII, officials who enter the service before 1 January 2013 and remain in service after the age at which they would have become entitled to a retirement pension shall be entitled to an additional increase of 3 % of their final basic salary for each year worked after that age, provided that their total pension does not exceed 70 % of final basic salary within the meaning of the second or third paragraph of Article 77 of the Staff Regulations, as the case may be.

However, for officials aged 50 years or over or with 20 or more years' service on 1 May 2004, the increase in pension provided for in the previous subparagraph shall not be less than 5 % of the amount of the pension rights acquired at the age of 60.

The increase shall also be granted in the event of death, if the official has remained in service beyond the age at which he became entitled to a retirement pension.

If, pursuant to Annex IVa, an official who enters the service before 1 January 2013 and working part-time contributes to the pension scheme in proportion to the time worked, the increase in pension entitlements provided for in this Article shall be applied only in the same proportion.

3. If the official retires before reaching the retirement age as laid down in this Article, only half of the reduction laid down in Article 9(1)(b) of Annex VIII, shall be applied for the period between the age of 60 and the statutory retirement age.

4. By way of derogation from the second subparagraph of paragraph 1 of the Sole Article of Annex IV, an official to whom a retirement age of less than 65 years applies in accordance with paragraph 1 shall receive the allowance provided for in that Annex under the conditions laid down therein until the day on which the official reaches the age of 63 years or his retirement age, if the latter is higher than 63 years.

However, above that age and up to the age of 65 years the official shall continue to receive the allowance until he reaches the maximum retirement pension.';

(f) Article 23 shall be amended as follows:

(i) Paragraph 1 shall be replaced by the following:

'1. Notwithstanding Article 52 of the Staff Regulations, officials who enter the service before 1 January 2013 and who leave the service before the age at which they would have become entitled to a retirement pension in accordance with Article 22 of this Annex may request the second subparagraph of point (b) of Article 9(1) of Annex VIII to be applied from the age determined in accordance with the table below:

Date	Age when drawing an immediate pension
Until 31 December 2013	55 years 6 months
Until 31 December 2014	56 years
Until 31 December 2015	56 years 6 months
Until 31 December 2016	57 years
Until 31 December 2017	57 years 6 months

(ii) Paragraph 2 shall be deleted;

(g) After Article 24, the following article shall be inserted:

*'Article 24a*

In the case of a pension determined before 1 January 2013, the recipient's pension entitlement shall continue to be determined after that date in accordance with the rules applied when the entitlement was initially determined. The same applies to the cover under the joint sickness insurance scheme.';

(h) Article 28 shall be replaced by the following:

*'Article 28*

1. The servants referred to in Article 2 of the Conditions of Employment of Other Servants who were under contract on 1 May 2004 and who are appointed as officials after that date and before 1 January 2013 shall, on retirement, be entitled to an actuarial adjustment of the pension rights they acquired as temporary servants which takes into account the change in their pensionable age within the meaning of Article 77 of the Staff Regulations.

2. The servants referred to in Article 2 and Articles 3a and 3b of the Conditions of Employment of Other Servants who are under contract on 1 January 2013 and are appointed as officials after that date shall, on retirement, be entitled to an actuarial adjustment of the pension rights they acquired as temporary or contract staff which takes into account the change in their pensionable age referred to in Article 77 of the Staff Regulations, in case they are at least 30 years old on 1 May 2013.;

- (i) After Section 4, the following Section shall be added:

'Section 5

*Article 30*

1. By way of derogation from Annex I, Section A, point 2, the following table of types of posts in function group AST shall apply to officials in service on 31 December 2012:

<p><b>Senior Assistant<sup>5</sup></b></p> <p>Carrying out administrative, technical or training activities requiring a high degree of autonomy and carrying significant responsibilities in terms of staff management, budget implementation or political coordination</p>	<p>AST 10 – AST 11</p>
<p><b>Assistant<sup>6</sup></b></p> <p>Carrying out administrative, technical or training activities requiring a certain degree of autonomy, notably with regard to the implementation of rules and regulations or general instructions or as personal assistant of a Member of the institution, of the Head of a Member's private office or of a (Deputy) Director-General or an equivalent senior manager</p>	<p>AST 1 – AST 9</p>

<sup>5</sup> Without prejudice to paragraph 2 point (a), the first assignment of an official to a post of Senior Assistant may only take place in accordance with the procedure laid down in Articles 4 and 29(1).

<sup>6</sup> Without prejudice to paragraph 2 point (b) and (e), the first assignment of an official to a post of Assistant may only take place in accordance with the procedure laid down in Articles 4 and 29(1).

<p><b>Administrative Assistant in transition</b></p> <p>Working for example as: (junior) clerk, (junior) documentalist, (junior) technician, (junior) IT operative, Parliamentary usher<sup>7</sup></p>	<p>AST 1 – AST 7</p>
<p><b>Support Agent in transition</b></p> <p>Carrying out simple manual or administrative support activities</p>	<p>AST 1 – AST 5</p>

2. With effect from 1 January 2013, the appointing authority shall classify officials in service on 31 December 2012 in function group AST in types of posts as follows, notwithstanding the descriptions given in paragraph 1:

- (a) Officials who were in grade AST 10 or AST 11 on 31 December 2012 shall be classified as Senior Assistant.
- (b) Officials not covered by point (a) who were before 1 May 2004 in the former category B or who were before 1 May 2004 in the former category C or D and have become member of function group AST without restriction shall be classified as Assistant.
- (c) Officials not covered by points (a) and (b) who were before 1 May 2004 in the former category C shall be classified as Administrative Assistant in transition.
- (d) Officials not covered by points (a) and (b) who were before 1 May 2004 in the former category D shall be classified as Support Agent in transition.
- (e) Officials not covered by points (a) to (d) shall be classified on the basis of the grade of the competition that resulted in the list of suitable candidates from which they were recruited. Officials who passed a competition of grade AST3 or higher shall be classified as Assistants, all other officials shall be classified as Administrative Assistants in transition. The correlation table in Article 13(1) of this Annex shall apply by analogy, irrespective of the date on which the official was recruited.

3. By derogation to paragraph 2, point (e), officials recruited on the basis of a competition at a grade lower than AST 3 may be classified by the appointing authority before 31 December 2015 as Assistants in the interest of the service and upon the basis of the post occupied on 31 December 2012. Each appointing authority shall lay down provisions to give effect to this Article in accordance with Article 110 of the Staff Regulations.

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<sup>7</sup> The number of posts of Parliamentary ushers in the European Parliament shall not exceed 85.

However, the total number of Administrative Assistants in transition benefiting from this provision shall not exceed 5% of the Administrative Assistants in transition on 1 January 2013.

4. Without prejudice to Article 86 and Annex IX of the Staff Regulations, officials shall keep their initial classification until they are assigned to a post of a superior type. Promotion shall only be allowed within the career streams corresponding to each type of post indicated in paragraph 1.

5. By way of derogation from Article 6(1) of the Staff Regulations and from Annex I, Section B, the number of vacant positions in the next higher grade required for promotion purposes shall be calculated separately for Support Agents in transition. The following multiplication rates shall apply:

	Grade	Rate
Support Agents in transition	5	-
	4	10 %
	3	22 %
	2	22 %
	1	-

As far as Support Agents in transition are concerned, comparative merits for the purposes of promotion (Article 45(1) of the Staff Regulations) shall be considered between eligible officials of the same grade and classification.

6. Administrative Assistants in transition and Support Agents in transition who were before 1 May 2004 in the former category C or D shall continue to be entitled either to compensatory leave or to remuneration, where the requirements of the service do not allow compensatory leave during the month following that in which the overtime was worked, as provided for in Annex VI.

7. Officials who were authorised, on the basis of Article 55(2)(e) of the Staff Regulations and Article 4 of Annex IVa to the Staff Regulations, to work part time for a period starting before 1 January 2013 and extending beyond that date may continue to work part time under the same conditions during a maximum overall period of five years.

#### *Article 31*

By way of derogation from the first sentence of the fourth subparagraph of Article 1 of Annex II to the Staff Regulations, the representation of the function group AST/SC need not to be ensured in the Staff Committee until 1 January 2017.;

#### *Article 2*

The Conditions of Employment of Other Servants of the European Union shall be amended as follows:

1. The second indent of Article 1 shall be deleted.;

2. The following point shall be added to Article 2:

'(f) staff engaged to fill a post which is included in the list of posts appended to the section of the budget relating to an agency as referred to in Article 1a(2) of the Staff Regulations and which the budgetary authorities have classified as temporary, except heads of agencies and deputy heads of agencies as referred to in the European Union act establishing the agency.';

3. Article 3 shall be deleted.;

4. In point (b) of Article 3b, point (i) shall be replaced by the following:

'Officials or temporary staff in function groups AST/SC and AST';

5. In the first paragraph of Article 8, the terms 'Article 2(a)' shall be replaced by 'Article 2(a) or Article 2(f)';

6. Article 10(4) shall be deleted;

7. Article 11 shall be amended as follows:

(a) In the first sentence of the first paragraph, the number '26' shall be replaced by '26a';

(b) In the third paragraph, the word 'second' shall be replaced by 'third';

8. Article 12 shall be amended as follows:

(a) The following sentence shall be added to paragraph 1:

'No posts shall be reserved for nationals of any specific Member State. However, the principle of the equality of European Union's citizens shall allow each institution to adopt corrective measures following the observation of a long lasting and significant imbalance between nationalities among temporary staff which is not justified by objective criteria. These corrective measures shall never result in recruitment criteria other than those based on merit. Before such corrective measures are adopted, the authority referred to in the first paragraph of Article 6 shall adopt general provisions for giving effect to this paragraph in accordance with Article 110 of the Staff Regulations.'

After a five-year period starting on 1 January 2013 the Commission shall report to the European Parliament and to the Council on the implementation of the preceding paragraph.';

(b) In paragraph 5, the word 'Each institution' shall be replaced by 'The authority referred to in the first paragraph of Article 6';

9. The first and second paragraphs of Article 14 shall be replaced by the following:

'A member of the temporary staff shall serve a nine month probationary period.'

Where, during his probationary period, a member of the temporary staff is prevented, by sickness, maternity leave under Article 58 of the Staff Regulations, or accident, from performing his duties for a continuous period of at least one month, the authority referred to in the first paragraph of Article 6 may extend his probationary period by the corresponding length of time.';

10. In paragraph 1 of Article 15, the following sentence shall be added to the first subparagraph:

'Members of the temporary staff graded in accordance with the grading criteria adopted by the authority referred to in the first paragraph of Article 6 shall retain the seniority in the step acquired in that capacity if they are engaged as temporary staff in the same grade immediately following the preceding period of temporary service.';
11. The second paragraph of Article 17 shall be replaced by the following:

'Any period of leave granted in accordance with the preceding paragraph shall not count for the purposes of the application of the first paragraph of Article 44 of the Staff Regulations.';
12. Article 20 shall be amended as follows:
  - (a) In paragraph 3, the words 'special levy' shall be replaced by 'solidarity levy';
  - (b) Paragraph 4 shall be replaced by the following:

'Article 44 of the Staff Regulations shall apply by analogy to temporary staff.';
13. Article 28a shall be amended as follows:
  - (a) In paragraph 10 the word 'Institutions' shall be replaced by 'authorities referred to in the first paragraph of Article 6 of the Institutions';
  - (b) Paragraph 11 shall be replaced by the following:

'Every two years the Commission shall present a report on the financial situation of the unemployment insurance scheme. Independently of this report, the Commission may, by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations, adjust the contributions provided for in paragraph 7 if this is necessary in the interests of the balance of the scheme.';
14. Article 34 shall be amended as follows:
  - (a) In the second and third paragraphs, the number '63' shall be replaced by '65';
  - (b) In the second subparagraph, the words 'Article 2 (a), (c) or (d)' shall be replaced by 'Article 2 (a), (c), (d), (e) or (f)';
15. In the third sentence of Article 36, the words 'Article 2(a), (c) or (d)' shall be replaced by 'Article 2 (a), (c), (d), (e) or (f)';
16. In the fourth paragraph of Article 37, the number '63' shall be replaced by '65', and the words 'Article 2(a), (c) or (d)' shall be replaced by 'Article 2 (a), (c), (d), (e) or (f)';
17. Article 39(1) shall be replaced by the following:

'1. On leaving the service, a servant within the meaning of Article 2 shall be entitled to a retirement pension, transfer of the actuarial equivalent or the payment of the severance grant in accordance with Chapter 3 of Title V of, and Annex VIII to, the Staff Regulations.'



Where the servant is entitled to a retirement pension his pension rights shall be reduced in proportion to the amounts paid under Article 42.

Article 9(2) of Annex VIII to the Staff Regulations shall apply under the following conditions: the authority referred to in the first paragraph of Article 6 may decide, in the interests of the service on the basis of objective criteria and transparent procedures introduced by means of general implementing provisions, not to apply any reduction to the pension of a temporary servant, up to a maximum of four temporary servants in all institutions in any one year. The annual number may vary, subject to a maximum of six every two years and the principle of budget neutrality.';

18. In the first paragraph of Article 42, the word 'institution' shall be replaced by 'authority referred to in the first paragraph of Article 6';
19. Point (a) of Article 47 shall be replaced by the following:  
  
'at the end of the month in which the servant reaches the age of 65, or, on an exceptional basis, at the date fixed in accordance with the second subparagraph of Article 52(b) of the Staff Regulations; or';
20. Article 50c(2) shall be deleted;
21. The following Chapter shall be added to Title II:

'Chapter 11

**Special provisions for members of temporary staff referred to in Article 2(f)**

*Article 51*

Article 37, with the exception of point (b) of the first paragraph, and Article 38 of the Staff Regulations shall apply by analogy to members of the temporary staff referred to in Article 2(f).

*Article 52*

'By way of derogation from the second sentence of the first paragraph of Article 17, members of temporary staff referred to in Article 2(f) with a contract for an indefinite period may, irrespective of their seniority, be granted unpaid leave for periods not exceeding one year.

The total length of such leave may not exceed 15 years in the course of the staff member's entire career.

Another person may be engaged to the post occupied by the member of the temporary staff.

On the expiry of his leave a member of the temporary staff must be reinstated in the first post corresponding to his grade which falls vacant in his function group, provided that he satisfies the requirements for that post. If he declines the post offered to him, he shall retain his right to reinstatement when the next vacancy corresponding to his grade occurs in his function group subject to the same provisions; if he declines a second time, employment

may be terminated by the institution without notice. Until effectively reinstated or placed on secondment he shall remain on unpaid leave on personal grounds.

#### *Article 53*

Temporary staff referred to in Article 2(f) shall be engaged on the basis of a selection procedure organised by one or more agencies. The European Personnel Selection Office shall, at the request of the agency or agencies concerned, provide assistance to the agencies, in particular by defining the contents of the tests and organising the selection procedures. The Office shall ensure the transparency of the selection procedures.

In case of an external selection procedure, temporary staff referred to in Article 2(f) shall be engaged only at grades SC1, AST 1 to AST 4 or AD 5 to AD 8. However, the agency may, where appropriate, authorise the engagement at grade AD 9, AD 10, AD 11 or, on an exceptional basis, at grade AD 12. The total number of engagements at grades AD 9 to AD 12 in an agency shall not exceed 20 % of the total number of engagements of temporary staff to the function group AD, calculated over a five-year rolling period.

#### *Article 54*

In the case of temporary staff referred to in Article 2(f), classification in the next higher grade shall be exclusively by selection from among staff members who have completed a minimum period of two years in their grade, after consideration of the comparative merits of such temporary staff and of the reports on them. The last sentence of Article 45(1) and Article 45(2) of the Staff Regulations shall apply by analogy. The multiplication rates for guiding average career equivalence, as set out for officials in Section B of Annex I to the Staff Regulations, may not be exceeded.

In accordance with Article 110 of the Staff Regulations, each agency shall adopt general provisions for the implementation of this Article.

#### *Article 55*

Where a member of the temporary staff referred to in Article 2(f) moves, following an internal publication of a post, to a new post within his function group, he shall not be classified in a lower grade or step than in his former post, provided that his grade is one of the grades set out in the vacancy notice.

The same provisions shall apply by analogy where the member of such temporary staff concludes a new contract with an agency immediately following a preceding contract for such temporary staff with another agency.

#### *Article 56*

In accordance with Article 110(2) of the Staff Regulations, each agency shall adopt general provisions on the procedures governing the engagement and use of temporary staff referred to in Article 2(f).';

22. Title III 'Auxiliary staff' shall be deleted;

23. In Article 79(2), the word 'Each institution' shall be replaced by 'The authority referred to in the first paragraph of Article 6';
24. Paragraphs 3 and 4 of Article 80 shall be replaced by the following:
- '3. Based on this table the authority referred to in the first paragraph of Article 6 or body referred to in Article 3a may, after consulting the Staff Regulations Committee, define in more detail the powers attaching to each type of duties.
4. Articles 1d and 1e of the Staff Regulations shall apply by analogy.';
25. In Article 82(6), the word 'Each institution' shall be replaced by 'The authority referred to in the first paragraph of Article 6';
26. Paragraph 2 of Article 84 shall be replaced by the following:
- 'Where, during his probationary period, a member of the contract staff is prevented, by sickness, maternity leave under Article 58 of the Staff Regulations, or accident, from performing his duties for a continuous period of at least one month, the authority referred to in the first paragraph of Article 6 may extend his probationary period by the corresponding length of time.';
27. In Article 85(3), the words 'Article 314 of the EC Treaty' shall be replaced by 'Article 55(1) of the Treaty on European Union';
28. In paragraph 1 of Article 86, the following subparagraph shall be inserted after the first subparagraph:
- "For function group I Article 32 (2) of the Staff Regulations shall apply by analogy. General implementing provisions shall be adopted to give effect to this Article in accordance with Article 110 of the Staff Regulations.';
29. In point (b) of the first subparagraph of Article 88, the terms 'three years' shall be replaced by the terms 'six years';
30. In paragraph 1 of Article 89, the following subparagraph shall be inserted after the first subparagraph:
- 'For function group I Article 32 (2) of the Staff Regulations shall apply by analogy. General implementing provisions shall be adopted to give effect to this Article in accordance with Article 110 of the Staff Regulations.';
31. In Article 95, Article 103(2) and (3) and in Article 106(4), the number '63' shall be replaced by '65';
32. Paragraph 11 of Article 96 shall be replaced by the following:
- 'Every two years the Commission shall present a report on the financial situation of the unemployment insurance scheme. Independently of this report, the Commission may, by means of delegated acts in accordance with Articles 110a and 110b of the Staff Regulations, adjust the contributions provided for in paragraph 7 if this is necessary in the interests of the balance of the scheme.';

33. In Article 120, the word 'each institution' shall be replaced by 'the authority referred to in the first paragraph of Article 6';
34. In Article 141, the word 'each institution' shall be replaced by 'the authority referred to in the first paragraph of Article 6';
35. The Annex shall be amended as follows:

(a) The following sentences shall be added to Article 1(1):

'Articles 22, with the exception of paragraph 4, Article 23, Article 24a and paragraph 7 of Article 30 of that Annex shall apply by analogy to other servants employed on 31 December 2012. Paragraphs 1, 2, 3, 4 and 6 of Article 30 of that Annex shall apply by analogy to temporary staff employed on 31 December 2012.';

(b) The following Article shall be added:

*'Article 6*

With effect from 1 January 2013, contracts of temporary staff to whom Article 2(a) of the Conditions of Employment of Other Servants applies and who are in service on 31 December 2012 in an agency shall be transformed, without selection procedure, into contracts under point (f) of these Conditions of Employment. The conditions of the contract shall remain unchanged for the rest. This paragraph does not apply to contracts of temporary staff engaged as heads of agencies or deputy heads of agencies as referred to in the European Union act establishing the agency.';

### *Article 3*

This Regulation shall enter into force on 1 January 2013.

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

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## **LEGISLATIVE FINANCIAL STATEMENT**

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

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## LEGISLATIVE FINANCIAL STATEMENT

### **1. FRAMEWORK OF THE PROPOSAL/INITIATIVE**

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

Proposal for a Regulation of the European Parliament and of the Council amending the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Union.

#### **1.2. Policy area(s) concerned in the ABM/ABB structure<sup>8</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*

Optimising human resources management in the EU Institutions by providing appropriate legal framework.

#### **1.4. Duration and financial impact**

Proposal/initiative of **unlimited duration**

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

#### **1.5. Management mode(s) envisaged<sup>9</sup>**

**Centralised direct management** by the EU institutions

### **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 relating to staff expenditure in all Institutions and Agencies, i.e. it concerns expenditure for salaries of staff in headquarters and in delegations, contract agents, staff in the administrative offices, Members, parliamentary assistants, research staff, staff financed under BA-lines, staff paid under the provisions of early termination of service, pensions.

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<sup>8</sup> ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

<sup>9</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)

## 2.2. Estimated impact on expenditure

### 2.2.1. Summary of estimated impact on administrative expenditure under all headings

- The proposal/initiative requires the use of administrative appropriations, as explained below:

EUR million in 2011 prices (to 3 decimal places)

Budget lines as defined in 2.1		Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	Total 2013-2020	In long term <sup>10</sup>
<b>TOTAL appropriations under HEADING 5</b> of the multiannual financial framework	(Total commitments = Total payments)	-33,120	-63,057	-94,666	-127,501	-163,021	-174,092	-186,388	-199,399	-1041,245 <sup>11</sup>	-1022,4
<b>TOTAL appropriations outside HEADING 5</b> of the multiannual financial framework	(Total commitments = Total payments)	-8,280	-15,758	-23,644	-31,800	-40,579	-43,210	-46,074	-49,015	-258,360	-106.28
		EUR million in 2011 prices (to 3 decimal places)									
<b>TOTAL appropriations under HEADINGS 1 to 5</b> of the multiannual financial framework	(Total commitments = Total payments)	-41,400	-78,815	-118,310	-159,301	-203,600	-217,302	-232,462	-248,414	-1299,605	-1128,7

<sup>10</sup> The column "long term" gives the amount of the annual savings when the effects of the 2013 review of the Staff Regulations reach their cruising speed. This would correspond to the 2060's, i.e. when the impact on pension expenditure is the highest.

<sup>11</sup> The cumulative impact in Heading V over the next Multi Annual Financial Framework 2014-2020 is estimated at -1008 billion.

2.2.2. *Estimated impact on operational appropriations*

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

2.2.2.1. Estimated requirements of human resources

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

2.2.3. *Compatibility with the multiannual financial framework*

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

2.2.4. *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.
- Proposal/initiative has the following financial impact:
  - on own resources
  - on miscellaneous revenue

EUR million (to 3 decimal places)

Budget revenue line:	Appropriations forecasted in DB2012 (in 2011 prices)	Impact of the proposal/initiative								
		Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Year 2020	In long term
Article 410 Pension contribution	461,746	-12,359	-20,730	-28,496	-35,909	-42,897	-44,258	-45,596	-46,859	-60,161
Article 400 Tax	615,079	-7,239	-11,797	-16,218	-20,628	-24,988	-26,461	-28,042	-29,669	-103,331
Article 404 Special levy	63,344	+5,847	+5,147	+4,458	+3,762	+3,082	+2,799	+2,514	+2,236	-4,643

Specify the method for calculating the impact on revenue.

The impact on revenue is based on changes in the changes in basic salaries, allowances and pensions to which these deductions apply.