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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Proposal for a Regulation of the European Parliament and of the Council adjusting with the effect from 1 July 2012 the remuneration and pensions of the officials and other servants of the European Union and the correction coefficients applied thereto **(first reading)**
- Adoption of the legislative act (LA + S)
= Statements

Statement by the Commission

Having regard to the figure for the annual adjustment for 2012 and taking into account the concerns as to budget neutrality, **the Commission commits to:**

- covering all additional expenditure corresponding to the adjustment of remuneration and pension of 0,8% for 2012 (EUR 116 million) through redeployment of appropriations available to EU Institutions in the 2014 **budget without any additional contribution from Member States; any related amendment to the 2014 budget shall not increase administrative expenditure under Heading 5 of the multiannual financial framework;**

- taking into account the 2012 adjustment for the years 2015-2020, for which the estimate of net additional expenditure amounts to EUR 31 million per year. The Commission has taken note of the conclusions of the Council on budget guidelines of 18 February 2014 and commits to presenting budgets for administrative expenditure (Heading 5) between 2015 and 2020 that will remain well below the ceilings of the 2014-2020 multiannual financial framework (MFF);
- desisting from cases C-86/13 and C-248/13 before the Court of Justice regarding the adjustment of remuneration and pension in 2012.

It is recalled that the redeployment of appropriations within the approved 2014 budget is made possible following the transfer of appropriations originally available in the 2012 budget for remuneration and pension that were used instead to frontload other administrative expenditure. It is thus estimated that in total an amount of EUR 115 million for all Institutions is available for redeployment under heading 5 and could be used to pay additional expenditure for salaries and pensions in 2014. In addition, it cannot be excluded at this stage that the Institutions will be able to identify further possibilities for redeployment, thus further reducing the need for re-deployment of appropriations in 2014.

The ceilings of Heading 5 of the 2014-2020 MFF adopted in 2013 took into account statistical adjustments of 1.7% in 2011 and 1.7% in 2012. The revised adjustment of remuneration and pension by 0% for 2011 and 0.8% for 2012 would lead to savings over the 2014-2020 period of around EUR 1.5 billion in terms of expenditure for remuneration and pension larger than anticipated, thus leaving significant unallocated margins under the expenditure ceilings. The additional savings will come on top of the savings of around EUR 2.8 billion already factored in the 2014-2020 MFF.

Statement by the Netherlands

“Taking into account the serious and sudden deterioration in the economic and social situation within the European Union during 2012, and referring to the "exception clause" of Article 10 of Annex XI to the Staff Regulations, the Netherlands deems a correction coefficient of 0.8% for the year 2012 to be inappropriate. The Netherlands maintains the position that a zero percent increase in the salaries of European officials for the year 2012 would have been the only appropriate application of the exception clause. Furthermore, the Netherlands regrets the suspension of the proceedings before the European Court of Justice as regards the adjustment of salaries in 2012 (Case C-86/13 and Case C-248/13).

Taking the foregoing into account, the Netherlands cannot support the proposal and votes against its adoption.”