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

2013/0439(COD) - 16/04/2014 - Final act

PURPOSE: to adjust 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.

LEGISLATIVE ACT: Regulation (EU) No 423/2014 of the European Parliament and of the Council adjusting with effect from 1 July 2012 the remuneration and pensions of officials and other servants of the European Union and the correction coefficients applied thereto.

BACKGROUND: in its judgment in Case C-63/12, Commission v Council, the Court of Justice of the European Union clarified that the institutions are obliged to decide each year on the adjustment of remuneration, either by undertaking a ‘mathematical’ adjustment according to the method laid down in Article 3 of Annex XI to the Staff Regulations, or by setting aside that ‘mathematical’ calculation in accordance with Article 10 thereof.

The purpose of Article 19 of Annex XIII to the Staff Regulations, as last amended by Regulation (EU, Euratom) No 1023/2013 of the European Parliament and of the Council, is to enable the institutions to take the necessary measures to settle their disputes concerning the 2011 and 2012 adjustments of remuneration and pensions in compliance with a judgment of the Court of Justice, taking due account of the legitimate expectation of staff that the institutions are to decide each year on the adjustment of their remuneration and pensions.

In order to comply with the judgment of the Court of Justice in Case C-63/12, where the Council establishes that there is a serious and sudden deterioration in the economic and social situation within the Union, the Commission is to submit a proposal under the ordinary legislative procedure in order to involve the European Parliament in the legislative process. On 25 October 2012, the Council stated that the Commission's assessment as presented in its report on the exception clause did not reflect the serious and sudden deterioration in the economic and social situation in the Union in 2012, as the publicly available objective economic data suggested. The Council thus requested the Commission to submit an appropriate proposal for the salary adjustment for 2012.

The Court of Justice has confirmed that, under the exception clause, the European Parliament and the Council have a **wide margin of discretion** as regards the adjustment of remuneration and pensions.

On the basis of economic and social data, it has been judged necessary to adapt for 2011 and 2012 the remunerations of officials and other servants of the European Union. Those adjustments are laid out in this Regulation.

CONTENT: **with effect from 1 July 2012**, the table of basic monthly salaries applicable for the purposes of calculating remuneration and pensions shall be replaced by the table set out in this Regulation.

The correction coefficients are also laid down in the Regulation with the amended dates as regards:

- parental leave benefits,
- household allowance,
- dependent child allowance,
- education allowance,
- expatriation allowance,
- other types of compensation or unemployment including kilometric allowance.

Global approach as regards the adjustment of remunerations: during a period of five years (2010-2014), the adjustment of remuneration and pensions of officials and other servants of the European Union should be as follows:

- in 2010, the application of the method laid down in Article 3 of Annex XI to the Staff Regulations resulted in an adjustment of 0.1%;
- in 2011, the result of the global approach to settle the disputes regarding the 2011 adjustments of remuneration and pensions leads to an adjustment of **0%**;
- and in **2012** this leads to an adjustment of 0.8%;
- 2013 to 2014, furthermore, as part of the political compromise on the reform of the Staff Regulations and of the Conditions of Employment of Other Servants, it was decided to freeze remuneration and pensions for these years.

ENTRY INTO FORCE: 01.05.2014.