Basic information

2002/0100(CNS) CNS - Consultation procedure Regulation	Procedure completed
Staff Regulations of EC officials: amending the Regulations **Subject** 8.40.09 European officials, EU servants, staff regulations	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs and Internal Market	HARBOUR Malcolm (PPE-DE) MEDINA ORTEGA Manuel (PSE)	11/07/2002 11/07/2002

Former committee responsible	Former rapporteur	Appointed
JURI Legal Affairs and Internal Market	HARBOUR Malcolm (PPE-DE) MEDINA ORTEGA Manuel (PSE)	11/07/2002 11/07/2002

Committee for opinion	Rapporteur for opinion	Appointed
CONT Budgetary Control	DELL'ALBA Gianfranco (NI)	02/12/2003

Former committee for opinion	Former rapporteur for opinion	Appointed
BUDG Budgets	GUY-QUINT Catherine (PSE)	20/06/2002
CONT Budgetary Control	DELL'ALBA Gianfranco (NI)	07/05/2002
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
AFCO Constitutional Affairs	CORBETT Richard (PSE)	16/07/2002

Council of the European Union	

Council configuration	Meetings	Date
General Affairs	2496	2003-03-19
General Affairs	2526	2003-09-29
General Affairs	2508	2003-05-19
General Affairs	2571	2004-03-22
Economic and Financial Affairs ECOFIN	2520	2003-07-15

European Commission	

Commission DG	Commissioner
Human Resources and Security	

Key events

Date	Event	Reference	Summary
24/04/2002	Legislative proposal published	COM(2002)0213	Summary
10/06/2002	Committee referral announced in Parliament		
18/03/2003	Vote in committee		Summary
18/03/2003	Committee report tabled for plenary, 1st reading/single reading	A5-0069/2003	
19/03/2003	Debate in Council		
26/03/2003	Debate in Parliament		
27/03/2003	Decision by Parliament	T5-0125/2003	Summary
19/05/2003	Debate in Council		
19/06/2003	Decision by Parliament	T5-0290/2003	Summary
15/07/2003	Debate in Council		
18/11/2003	Amended legislative proposal for reconsultation published	COM(2003)0721	Summary
27/11/2003	Formal reconsultation of Parliament		
19/02/2004	Vote in committee		Summary
19/02/2004	Committee report tabled for plenary, reconsultation	A5-0078/2004	
26/02/2004	Decision by Parliament	T5-0111/2004	Summary
22/03/2004	Act adopted by Council after consultation of Parliament		
22/03/2004	End of procedure in Parliament		
27/04/2004	Final act published in Official Journal		

Technical information

Procedure reference	2002/0100(CNS)

Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (after Amsterdam) EC 283
Stage reached in procedure	Procedure completed
Committee dossier	JURI/5/20437 JURI/5/16217

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A5-0069/2003	18/03/2003	
Text adopted by Parliament, 1st reading/single reading		T5-0125/2003 OJ C 062 11.03.2004, p. 0020-0160 E	27/03/2003	Summary
Text adopted by Parliament, 1st reading/single reading		T5-0290/2003	19/06/2003	Summary
Committee final report tabled for plenary, reconsultation		A5-0078/2004	19/02/2004	
Text adopted by Parliament after reconsultation		T5-0111/2004 OJ C 098 23.04.2004, p. 0019-0146 E	26/02/2004	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2002)0213 OJ C 291 26.11.2002, p. 0033 E	24/04/2002	Summary
Amended legislative proposal for reconsultation	COM(2003)0721	18/11/2003	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	RCC0014/2002 OJ C 021 28.01.2003, p. 0001-0004	05/12/2002	Summary
CofA	Court of Auditors: opinion, report	RCC0001/2004 OJ C 099 23.04.2004, p. 0001-0043	12/02/2004	Summary

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act

Corrigendum to final act 32004R0723R(06)
OJ L 130 17.05.2012, p. 0024

Corrigendum to final act 32004R0723R(03)
OJ L 248 22.09.2007, p. 0026-0027

Corrigendum to final act 32004R0723R(04)
OJ L 248 22.09.2007, p. 0026

Corrigendum to final act 32004R0723R(05)
OJ L 283 29.10.2011, p. 0046

Corrigendum to final act 32004R0723R(08)
OJ L 289 25.10.2016, p. 0021

Corrigendum to final act 32004R0723R(01)
OJ L 051 24.02.2005, p. 0028

Regulation 2004/0723
OJ L 124 27.04.2004, p. 0001-0118 Summary

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 19/06/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution approving the Commission proposal as amended during its sitting of 27/03/03. The rapporteurs were Manuel MEDINA ORTEGA (PES, Spain) and Malcolm HARBOUR (EPP-ED, UK). Moreover, it should be noted that the Parliament calls on the Commission to present a revised proposal given that the Council wishes to alter the present proposal substantially. Parliament calls on the Council to consult it again on the contents of this new proposal, in particular in regard to the pension scheme.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 12/02/2004 - Court of Auditors: opinion, report

This document comprises of the opinion 1/2004 of the Court of Auditors on an amended proposal for a Council Regulation amending Staff Regulations of officials and the Conditions of Employment of other servants of the European Communities. The Court of Auditors recalls that in its opinion 14/2002 it made some observations and recommendations which have not all been taken into account. Concerning the Commission's amended proposal, as it has been transmitted, the Court notes that the transition to the amended Staff Regulations will give rise to discriminatory anomalies concerning recruitment and new grading of staff. The Commission should propose a way to deal with issues of this nature. The Court considers in general that for all the matters linked to the application of the new Staff Regulations adequate coordination must be ensured between the different institutions.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 05/12/2002 - Court of Auditors: opinion, report

The Court of Auditors, in its opinion 14/2002, approves the principles and values underlying the proposed reform of the Staff Regulations, particularly with respect to the high qualities European Union staff must possess. The Court considers that additional issues should be dealt with in the proposal, in particular: - an obligatory annual two-way dialogue in the framework of the periodical report procedure, - additional education and a broader procedure for filling management vacancies, - improving certain mechanisms of the invalidity procedure . On the following issues the Court expresses the reservations set out in the explanatory memorandum above: - as a flexible retirement scheme is already proposed, "termination-of-service" schemes are not necessary; - it should be considered whether the amended rules applicable to staff leaving the service without being entitled to an immediate or deferred retirement pension will breach legitimate expectations and therefore a temporary provision could be introduced to avoid legal problems; - the complaint system concerning alleged irregularities should be organised in a one-line-channel; - a compensation of overtime worked by officials in grades AST5 to AST11 is not justified; - the meaning and the scope of the provisions relating to certain requests and complaints submitted to the Director of OLAF or to the European Data Protection Supervisor should be clarified; - for the invalidity allowance, the same wording should be used in the main text and in the annexes of the amended Staff Regulations. Having reviewed the Commission's evaluation of the cost of the reform of the Staff

Regulations, the Court considers the forecast of a moderate increase in expenditure from 2004 to 2010 reasonable. However, the Commission's forecast of decreasing expenditure in the following years appears to be based on the assumption that the numbers and characteristics of staff and pensioners will not change over the years.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 24/04/2002 - Legislative proposal

PURPOSE : to amend the Staff Regulations of officials and the Conditions of Employment of other servants of the European Communities. CONTENT : the White Paper adopted on 01/03/2000 outlines the strategy to be followed and defines three main priorities: - thorough modernisation of financial management, control and audit and establishment of a system based on a clear allocation of responsibilities, underpinning an obligation to be accountable; - introduction of a new system of strategic planning involving activity-based management, the aim being to ensure constant coordination between the tasks to be carried out and the resources required; - modernisation of staff policy in order to ensure judicious utilisation/training /management/motivation of a highly qualified staff with a view to carrying out priority tasks. Some of the proposals (e.g. amending the internal provisions on training policy and the staff appraisal and promotion system) can be implemented under the existing Staff Regulations. Others, however, require amendments to the Staff Regulations and the Conditions of Employment of other servants. This proposal for a Regulation sets out those amendments: - agencies should specifically be included in the scope of the Staff Regulations in order to strengthen cooperation between institutions and agencies on staff policy in the interests of the smooth running of the Communities and the efficient use of human resources; - changes are required to incorporate advances and innovations in the working environment, in particular the Charter of Fundamental Rights of the European Union and the culture of service to the citizen. Those rights and obligations must be clear and easily understood and allow precise criteria to be laid down and used by the Administration as a basis for its decisions. The following points must be clarified and simplified: Impartiality is a fundamental principle of public service that is recognised by the Charter of Fundamental Rights of the European Union. A better definition is needed of the obligations of officials in situations in which there might be a conflict of interests. - experience gained in public or elected office can be useful for both the official and the institution, but clear rules must be laid down for members of staff seeking or attaining public office. - confidentiality is another principle essential to the proper functioning and the reputation of the Communities. This implies obligations for former officials, which need to be better defined. - at the same time, the institutions are determined to comply with the principle of transparency of the European civil service and to pursue a policy of openness towards the public. In order to do so, the precise boundaries of professional secrecy must be mapped out. - freedom of expression is a basic right of all officials. The Staff Regulations must lay down clear rules on prior authorisation for publications connected with Community policies. - the Commission plays a leading role in the Community policy of equal opportunities in the workplace, i.e. the fight againstdiscrimination on grounds of gender, race, religion, disability, age or sexual orientation. As an employer, it must offer its staff at least an equivalent level of protection. The Staff Regulations should be amended to ensure full compliance with that principle, for example by granting (subject to certain conditions) members of staff in a recognised partnership or a confirmed stable partnership certain advantages originally reserved for married members of staff. - a number of amendments confirm the importance of social welfare within staff policy. The Staff Regulations is to include an explicit reference to social welfare policy. New provisions on family-related leave, in particular parental leave (which sometimes involve formal recognition of arrangements that have developed in practice), the introduction of flexible working arrangements and the introduction (subject to certain conditions) of the right to work part time will help not only to reconcile work and private life, promote equal opportunities and protect the dignity of the individual but also to increase staff motivation (and therefore productivity) and make the conditions offered to candidates for recruitment more attractive. - new provisions will permit the problems of sexual and psychological harassment to be dealt with more effectively. - the current career structure should be reviewed to take account of profound changes in patterns of employment and work: lifelong learning has become the norm everywhere in Europe. The proposed amendments to the Staff Regulations are aimed at improved recognition of professional experience and lifelong learning. - the European institutions recognise the importance of external mobility. An amendment to the Staff Regulations is required to improve the conditions for external mobility and modernise the conditions for the granting of leave on personal grounds. A further amendment is required to create a suitable framework for the separate and transparent publication of vacant posts to be filled by transfer or by promotion/appointment. - as regards financial conditions, amendments have been proposed aiming at ensuring the competitiveness of the European institutions and maintaining the overall level of remuneration by incorporating into the Staff Regulations a standing method for the annual adjustment of salaries and so guarantee, in a manner similar to that of the Method of adjustment that expires in 2003, that the purchasing power of officials develops in parallel with that of national civil servants. - the major amendment involving pensions is the introduction into the Staff Regulations of an objective and systematic auditing procedure based on the strictest standards, the aim being to ensure the short-term and long-term actuarial balance of the scheme and enable pensions to be fully financed from the contributions of all the parties concerned. Other amendments are aimed at modernising the retirement, invalidity and survivor's pensions and, in particular, apply specific weightings, i.e. distinct from those applied to the remuneration of staff in active service, and at ensuring greater neutrality for the transfer of pension rights. - as regards early retirement, proposed amendments to the Staff Regulations are intended to modernise the scheme, bring it more closely into line with Community rules on the free movement oflabour, correct certain inconsistencies and introduce more flexibility. - the new provisions to improve working conditions, job satisfaction, ways of addressing professional incompetence, and staff management will have a positive impact on absenteeism. A further amendment to the Staff Regulations is, at the same time, expected to simplify procedures for monitoring absenteeism. - as the current disciplinary arrangements have a number of shortcomings, amendments to the Staff Regulations are proposed to: rationalise the way disciplinary proceedings are opened and conducted; stabilise the membership of disciplinary boards; and adjust the rules on the suspension of officials. - a new legal framework and new statutory guarantees for the legal protection of all officials who report misconduct and serious wrongdoing within the service. - amendments are necessary to harmonise the provisions applicable to officials in the scientific and technical services. Similarly, provisions on the staff of the Unified External Service must be adapted and clarified. - a special amendment of the Conditions of Employment of other servants is required to improve the provisions on unemployment applicable to members of the temporary staff on termination of their service. - a new type of servant needs to be introduced, namely contract staff. They will eventually replace staff in Category D and will be employed at all levels in Commission Offices and Representations, in Delegations and Agencies and in the executive agencies and other bodies created by specific legal act. After two fixed-term contracts, contract staff may be given a contract of indefinite duration. Finally, provision is made for transitional arrangements to enable the new measures and rules to be applied gradually and to guarantee established rights.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 27/03/2003 - Text adopted by Parliament, 1st reading/single reading

The European Parliament made several amendments to the Commission's proposals on Staff Regulations. (Please refer to the document dated 18/03 /03). The rapporteurs were Malcolm HARBOUR (EPP-ED, UK) and Manuel MEDINA ORTEGA (PES, Spain). Parliament decided to postpone the final vote and refer the proposals back to committee to enable further discussions to take place. Apart from pensions and the creation of a special category for linguists, Parliament also considered the following: - the European Communities Personnel Selection Office may be called upon to organise internal competitions as well as selection procedures for political group staff; - decisions relating to appointments, promotions, grading, transfers or disciplinary measures for officials of one institutions will not be entrusted to another institution or to an inter-institutional body; - the entry standards are raised for categories AST, AD and ADL, with Parliament insisting on formal educational qualifications and deleting the alternative of equivalent professional experience; - as well as prohibiting sexual and psychological harassment, Parliament has inserted "harassment based on gender" as a proscribed class of conduct. It made clear that a person's rejection of, or submission to, sexual harassment or harassment based on gender cannot be used as a basis for a decision affecting that person; - the institutions may compensate for loss suffered by an official who has been the subject of wilful false accusations; - political group staff may be appointed as officials, if they have passed a selection procedure and have been in service as temporary agents for more than seven years; - the institutions should recognise non-marital partnerships. This is defined as one where the couple produces a formal document or registration of a Member State attesting to their partnership. In the absence of such document, they must establish to the satisfaction of the employing institution that they have formed a household for at least two years; - certain aspects of the Staff Regulations are extended to cover parliamentary assistants. They will be paid from the section of the budget for the European Parliament; - within the institutions, contractual agents will eventually replace civil servants in category D. In the representation offices, Commission delegations, agencies, executive agencies and other bodies, contractual agencies may be recruited at all levels up to two-thirds of employees and with the exception of executive positions.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 18/11/2003 - Amended legislative proposal for reconsultation

On 19 May 2003 political agreement was reached within the Council on a compromise proposal put forward by the Presidency concerning the substance of the reform package. The Council's conclusions also encompassed modernisation of the pension scheme which had not been part of the original proposal. On 26 June 2003 the Consultation Committee (COCO), comprising staff representatives, delegates from the Member States and a representative of the administration from each institution, was convened in order to consider the Commission's proposal in the light of the Council's conclusions. Its opinion was approved by the Council on 29 September 2003. Concertations with the OSPs on an interinstitutional level were finalised on 12 November 2003 with the support of the OSPs. The Staff Regulations and Conditions of Employment should be amended as follows: - to provide a framework for the recruitment by the Communities of staff of the highest calibre in terms of productivity and integrity, drawn on the widest possible geographical basis from among citizens of the Member States, and enable such staff to carry out their duties under conditions which ensure that the service functions as smoothly as possible; - to ensure that human resources are managed as effectively as possible in a European civil service characterised by competence, independence, loyalty, impartiality and permanence, as well as by cultural diversity; - to ensure that there is a single European civil service and to apply common rules to all institutions and agencies. The availability of a single set of Staff Regulations should provide a useful tool for enhancing cooperation between the institutions and agencies on staff policy; - compliance should be observed with the principle of non-discrimination which thus necessitates the further development of a staff policy ensuring equal opportunities for all, regardless of sex, physical capacity, age, racial or ethnic identity, sexual orientation and marital status. Officials in a non-marital relationship recognised by a Member State as a stable partnership who do not have legal access to marriage should be granted the same range of benefits as married couples, while couples in the same situation with legal access to marriage should qualify for a more limited range of benefits; - provide measures of a social nature and to working conditions which meet appropriate health and safety standards; such measures are intended to help reconcile work and private life, to promote equality of opportunity, as well as to protect the health and safety of the individual; - to strengthen the principle of career development based on merit, establishing a closer link between performance and remuneration by providing greater incentives for good performance through structural changes to the careers system, whilst ensuring equivalence of average career profiles in the new and the old structure, in keeping with the establishment plan and budgetary discipline; - modernising the careers system calls for greater recognition of officials' professional experience and of the principle of life-long learning. Accordingly it is desirable to replace the existing staff categories, regrade staff in the new administrators' (AD) and assistants' (AST) function groups andfacilitate progress from a lower group to a higher, by means of a new certification mechanism; - to devise a system of ensuring the equivalence of average career profiles which, when viewed as a whole, will offset fairly and reasonably, on the one hand the increase in the number of grades altogether and, on the other, the reduction in the number of steps in each grade; - greater emphasis should, for the purposes of recruitment and promotion, be laid on linguistic proficiency and the ability to work in a third Community language; - to clarify the obligations of officials in situations where there is an actual or potential conflict of interest, both before and after leaving the service; - an improved legal framework should be set up to address issues of psychological and sexual harassment, and to that end express definitions should be formulated; - to provide for the right of freedom of expression, since this is enshrined in the Charter of Fundamental Rights and is a basic right of officials, and to set reasonable limits to its exercise. At the same time, clear rules are required to govern the publication of matters connected with the work of the Community, wherever its legitimate interests may be at risk; - a new legal framework and guarantees should be provided for the legal protection of officials who report blameworthy acts and serious wrongdoing within the service to certain clearly defined persons or bodies; - to rationalise more consistently the way in which disciplinary proceedings are opened and conducted; - procedures for monitoring absence and for the submission of medical certificates should be clarified; - it is necessary to introduce a comprehensive procedure for dealing with cases of professional incompetence which safeguards the right of defence of the officials concerned; - provision should be made for the introduction of flexible working arrangements, namely, and subject to certain conditions, the right to work part time, to take advantage of job sharing arrangements and to obtain extended leave on personal grounds. Provisions on family-related leave and, more particularly, the right to more flexible maternity leave, paternity leave, adoption and parental leave as well as leave in case of serious illness of a family member should be introduced. On the issue of salaries, in the interest of guaranteeing that the purchasing power of Community officials develops in parallel with that of civil servants in the Member States, it is essential to preserve the principle of a multi-annual adjustment mechanism for pay. This mechanism, previously known as 'the Method' and applicable until 30 June 2004, should now be broadly extended for 9 years and should be reviewed after 4 years for consistency with budgetary discipline. The advantages for officials of a multi-annual pay adjustment system should be balanced by the introduction of a special levy to reflect the costs of social policy, improved working conditions and the European Schools, which should increase by annual steps and apply to all officials for the same period as the system itself. In addition, as the costs of the correction

coefficients applied to transfers of parts of salary to other Member States have become disproportionate, transfers with correction coefficientsshould be limited to a lesser proportion of salary and to cases where the transfer is necessary to allow the official to meet expenses resulting from legal obligations to family members in other Member States. The criterion for former officials to continue to be covered by the Joint Sickness Insurance Scheme has proved uncertain in its application and should therefore be simplified. Concerning pensions, since pensions are expressed as a proportion of a final salary, it is appropriate to ensure that in future pay and pensions are adapted in parallel while safeguarding the actuarial basis of the scheme and maintaining the respective shares of contributions borne by the official and the employer and the principle that pensions are a charge on the Community budget, whose payment is guaranteed by the Member States. That objective requires the creation of a mechanism for ensuring the short and longterm actuarial balance of the scheme. Deepened integration of the European Union and the free choice of pensioners of their place of residence within the European Union has made the system of correction coefficients for pensions obsolete. This system has also created monitoring problems as regards the place of residence of pensioners which should be overcome. This system should therefore be abolished with an appropriate transition for pensioners and officials recruited before the entry into force of this regulation. The conditions underlying the current provisions on invalidity pensions and survivor's pensions have changed since those provisions were adopted and should therefore be updated and simplified. New rules on flexible retirement arrangements should take the interests of both officials and the institutions into account. The measures involved should be voluntary, and accompanied by appropriate financial conditions. A realistic choice in favour of early retirement is dependant on health insurance and family allowances being maintained; however, those advantages should be balanced by raising the minimum age to 55 and introducing the option of working beyond the current retirement age. Lastly, a new category of non-permanent staff needs to be established, namely that of contract servants. Such staff, whose responsibilities are of a more limited nature, will generally be required to work on non-core tasks under the supervision of officials or temporary staff. They will be employed with a view to eventually replacing auxiliaries and Category D officials in the institutions, Commission Offices and Representations, Delegations and Agencies and also in executive agencies and other bodies created by a specific legal act. Provision should be made for transitional arrangements to enable the new rules and measures to be applied gradually, whilst leaving intact the acquired rights of the staff and respecting their legitimate expectations.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 26/02/2004 - Text adopted by Parliament after reconsultation

The European Parliament adopted a resolution based on the report drafted by Malcolm HARBOUR (EPP-ED, UK) and Manuel MEDINA ORTEGA (PES, E). Parliament adopted the majority of the amendments tabled by the Legal Affairs Committee (please see the summary of 19/02/04) and thus decided that the Regulation shall enter into force on the 1st of May 2004 in order to coincide with the date of accession of the new Member States. Parliament also voted in favour of allowing the institutions to organise internal competitions for each function group on the basis of qualifications or tests. However it was felt that these competitions should only be open to members of the temporary staff of the institution. Parliament should organise an internal competition once every 5 years for each function group, rather than organising at least two internal competitions every 5 years, as proposed. In order to qualify for the competitions, participants will be required to have a minimum of 10 years of service in the role of temporary servants. Although Parliament backed the Commission proposal that the contracts of contract staff may be concluded for a fixed period of at least three months and not more than five years, but may be renewed, the House adopted an amendment specifying that if the cumulative duration of the initial contract and successive renewals exceed five years, any further renewal shall be for an indefinite period.

Staff Regulations of EC officials: amending the Regulations

2002/0100(CNS) - 22/03/2004 - Final act

PURPOSE: to amend the Staff Regulations of officials of the European Communities in the context of enlargement.

LEGISLATIVE ACT: Council Regulation (EC, Euratom) No 723/2004 amending the Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities.

CONTENT: since the adoption of the Staff Regulations and Conditions of Employment of other servants of the European Communities in 1962, substantial advances and innovations in society have occurred. The purpose of this Regulation is to reflect these advances and innovations in the regulatory framework applicable to the European civil service and to meet the needs of the institutions and their staff. The idea is to have 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 under conditions which ensure that the service functions as smoothly as possible. The reform of the Staff Regulations is generally intended to ensure that human resources are managed as effectively as possible in a European civil service characterised by competence, independence, loyalty, impartiality and permanence, as well as by cultural and linguistic diversity. Against this background, this Regulation amends the Staff Regulations in areas not only involving the essential principles of the European civil service but in particular its day-to-day functioning. The main innovations introduced into the Staff Regulations include amendments linked to the effectiveness of the European civil service (particularly a closer link between career development and/or officials' remuneration and performance) and to the social policy involving reform of the retirement rules. As regards remuneration, the amended Staff Regulations retain the current multiannual adjustment mechanism for pay, commonly known as 'the Method', by extending its application until 31 December 2012 with a review after four years to ensure consistency with budgetary discipline. At the same time, officials will see this system balanced by the introduction of a special levy to reflect the costs of European social policy, improved working conditions and the cost of European Schools for the institutions. This levy will increase each year and will apply to all officials. The principle of 'expatriation allowances' (transfer of parts of salary to other Member States) has also been revised as this had become disproportionate. These allowances will be limited by the application of correction coefficients to a lower proportion of the salary and to cases where the transfer is necessary to allow the official to meet family expenses in other Member States. As regards the Sickness Insurance Scheme, the criterion for former officials to continue to be covered by the Scheme has been simplified. The various allowances have therefore been rationalised in order to make the administrative rules simpler and more transparent. This mainly concerns travel and mission expenses and education allowances which have been brought more closely into line with the real cost. The system of family allowances has also been reformed to improve the situation for families and to address the problems of parents with young children. As regards the central issue of pensions, the new Staff Regulations represent a significant

change to the current scheme as pensions are now closely tied to salary. This is why these two issues have been adapted in parallel. The actuarial basis of the scheme and the respective shares of contributions borne by the official and the employer have been maintained, together with the basic principle that pensions are a charge on the Community budget. However, the actuarial balance has been reformed through the creation of a new mechanism ensuring the long-term balance of the scheme to reflect the charge on the budget and the amendment of the age pyramid. Accordingly, the pension age has been raised to 55 and the annual rate of accrual of pension rights has been reduced, subject to transitional measures for officials already in service. To smooth the entry into force of these rules, the opinions of officials and the needs of the institutions will be taken into account. These measures will also be accompanied by appropriate financial conditions. At the same time, a right to early retirement has been provided for, with the introduction of the option for officials, if they so wish, of working beyond the current retirement age. On another level and given pensioners' free choice of their place of residence, this Regulation amending the Staff Regulations abolishes the system of correction coefficients for all officials recruited after 1 May 2004. Finally, the new scheme amends two key elements of the pension scheme: updating and simplification of the provisions on invalidity pensions and survivor's pensions and amendment of the rules on the severance grant (to take into account Community rules on portability of pension rights). In addition to the social aspects of the new scheme, the revised Staff Regulations also take account of the following elements: - principle of a single European civil service and application of common rules to all institutions, including agencies, to ensure staff mobility; - principle of non-discrimination and equal opportunities for all, regardless of sex, physical capacity, age, racial or ethnic identity, sexual orientation and marital status. This principle is also valid for officials in a non-marital relationship or stable partnership; - respect for social standards and working conditions which meet appropriate health and safety standards to help reconcile work and private life; - strengthening of the rules on career development based on merit and the existing link between performance and remuneration: the idea is to provide greater incentives for good performance whilst ensuring equivalence of average career profiles between the new and the old structure, in keeping with the establishment plan and budgetary discipline; - maintenance of pay and conditions of employment at a level which attracts and retains the best applicants from all the Member States; - greater recognition of officials' professional experience and the principle of life-long learning. The current system of staff categories will be replaced with a new classification including new administrators' (AD) and assistants' (AST) function groups. It will also be possible to progress more easily from the second group to the first by means of a new certification mechanism; - introduction of a system of equivalence of average career profiles allowing the increase in the total number of grades and the reduction in the number of steps in each grade to be offset; - preservation of the multilingual character of the institutions by laying greater emphasis, for the purposes of recruitment and promotion, on linguistic proficiency and the ability to work in a third Community language; - clarification of the obligations of officials in situations where there is an actual or potential conflict of interest, both before and after leaving the service; - setting up of an improved legal framework to address issues of psychological and sexual harassment; - enshrinement of the principle of freedom of expression in the Staff Regulations of officials and setting of reasonable limits for its exercise; - provision of a new legal framework to protect officials who report illegal activity or conduct within the institutions and rationalisation of the way in which disciplinary proceedings are opened; - clarification of the procedures for monitoring absence and for the submission of medical certificates; - introduction of a new legal framework safeguarding the right of defence of officials (particularly those regarded as not having attained the expected standard of performance within a reasonable time); - introduction of flexible working arrangements by providing for the right to work part-time, to job share or to obtain extended leave on personal grounds. The provisions on family-related leave (maternity, paternity, adoption and parental leave) and on cases of serious illness of a family member have also been revised; - creation of a new category of non-permanent staff or 'contract staff', whose responsibilities will be limited and who will be required to work strictly under the supervision of permanent officials, to replace the current auxiliaries and category D staff. In principle, the rights and obligations of such contract staff will be similar to those of temporary servants.

ENTRY INTO FORCE: 01/05/2004. Some provisions (pensions, remuneration) will enter into force after a transitional period specified in the Regulation.