Basic information

2013/0438(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto **Subject** 8.40.09 European officials, EU servants, staff regulations	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs	ROTH-BEHRENDT Dagmar (S&D)	16/12/2013
	Shadow rapporteur LEHNE Klaus-Heiner (PPE) BALDASSARRE Raffaele (PPE) WIKSTRÖM Cecilia (ALDE) LICHTENBERGER Eva (Verts/ALE) KARIM Sajjad (ECR) MAŠTÁLKA Jiří (GUE/NGL) SPERONI Francesco Enrico (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	The committee decided not to give an opinion.	
CONT Budgetary Control	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Agriculture and Fisheries	3308	2014-04-14

European Commission	Commission DG	Commissioner
	Secretariat-General	ŠEFČOVIČ Maroš

Key events

Date	Event	Reference	Summary
10/12/2013	Legislative proposal published	COM(2013)0895	Summary
12/12/2013	Committee referral announced in Parliament, 1st reading		
10/03/2014	Vote in committee, 1st reading		
10/03/2014	Committee report tabled for plenary, 1st reading	A7-0165/2014	Summary
11/03/2014	Decision by Parliament, 1st reading	T7-0186/2014	Summary
11/03/2014	Results of vote in Parliament		
14/04/2014	Act adopted by Council after Parliament's 1st reading		
16/04/2014	Final act signed		
16/04/2014	End of procedure in Parliament		
30/04/2014	Final act published in Official Journal		

Technical information

Procedure reference	2013/0438(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 336
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	JURI/7/14815

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE530.037	07/03/2014	
Committee report tabled for plenary, 1st reading/single reading		A7-0165/2014	10/03/2014	Summary
Text adopted by Parliament, 1st reading/single reading		T7-0186/2014	11/03/2014	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00056/2014/LEX	16/04/2014	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2013)0895	10/12/2013	Summary
Commission response to text adopted in plenary	SP(2014)455	10/06/2014	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0019/2014 OJ C 094 31.03.2014, p. 0003	03/03/2014	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Corrigendum to final act 32014R0422R(01) OJ L 140 14.05.2014, p. 0178	Summary
Regulation 2014/0422 OJ L 129 30.04.2014, p. 0005	Summary

Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto

2013/0438(COD) - 10/03/2014 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Legal Affairs adopted the report by Dagmar ROTH-BEHRENDT (S&D, DE) on the proposal for a regulation of the European Parliament and of the Council adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto.

It recommended that the European Parliament's position adopted at first reading following the ordinary legislative procedure should amend the Commission proposal.

Remuneration adjustments: it is recalled that the Court of Justice 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. Economic and social data for the period from 1 July 2010 to 31 December 2011, such as the financial and economic crisis affecting a number of Member States in autumn 2011 which caused an immediate deterioration in the economic and social situation in the Union and resulted in substantial macro-economic adjustments, the high level of

unemployment and the high level of public deficit and debt in the Union, make it appropriate to set the adjustment of remuneration and pensions in Belgium and Luxembourg to **0% for 2011**. That adjustment is part of a global approach to settle the disputes regarding the 2011 and 2012 adjustments of remuneration and pensions, which also involves an adjustment of 0.8% for 2012

Impact of the global approach for the 2010- 2014 period: the text stated that consequently, 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%;
- **for 2011 and 2012**, the result of the global approach to settle the disputes regarding the 2011 and 2012 adjustments of remuneration and pensions leads to an adjustment of 0% and **0.8%,** respectively;
- **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.

Technical modifications: a series of technical amendments have been made to the text of the Commission proposal including the amount of allowances, emoluments and reimbursements due to officials and other servants of the Union covered by the measure, to take account of the global approach defined above.

Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto

2013/0438(COD) - 11/03/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 530 votes to 115, with 30 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto.

Parliament adopted its position at first reading following the ordinary legislative procedure. The amendments adopted in plenary are the result of a compromise reached between the European Parliament and the Council. They amended the proposal as follows:

Remuneration adjustments: it is recalled that the Court of Justice 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. Economic and social data for the period from 1 July 2010 to 31 December 2011, such as the financial and economic crisis affecting a number of Member States in autumn 2011 which caused an immediate deterioration in the economic and social situation in the Union and resulted in substantial macro-economic adjustments, the high level of unemployment and the high level of public deficit and debt in the Union, make it appropriate to set the adjustment of remuneration and pensions in Belgium and Luxembourg to **0% for 2011**. That adjustment is part of a global approach to settle the disputes regarding the 2011 and 2012 adjustments of remuneration and pensions, which also involves an adjustment of 0.8% for 2012

Impact of the global approach for the 2010- 2014 period: the text stated that consequently, 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%;
- **for 2011 and 2012**, the result of the global approach to settle the disputes regarding the 2011 and 2012 adjustments of remuneration and pensions leads to an adjustment of 0% and **0.8%,** respectively;
- **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.

Technical modifications adapting salaries: a series of technical amendments have been made to the text of the Commission proposal including the amount of allowances, emoluments and reimbursements due to officials and other servants of the Union covered by the measure, to take account of the global approach defined above.

Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto

2013/0438(COD) - 10/12/2013 - Legislative proposal

PURPOSE: to adjust with the effect from 1 July 2011 the remuneration and pensions of the officials and other servants of the European Union and the correction coefficients applied thereto.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: in order to comply with the **Judgment of the Court of Justice in Case C-63/12**, when the Council establishes that at this stage of the procedure there is a serious and sudden deterioration in the economic and social situation within the Union, the Commission must submit a **Proposal under Article 336 in order to involve the European Parliament in the legislative process**. Equally the Council and the European Parliament shall decide upon the Commission proposal having regard to the criteria set in Article 65 of the Staff Regulations respecting the rules set in Annex XI with the exception of its Article 3(2).

The Court has confirmed that the Commission has a margin of appraisal that should be based on Article 65 of the Staff Regulations, as regards the content of appropriate proposals. The review of remuneration may, where appropriate, take into account other factors, such as the human resources management and in particular the needs of recruitment. Within this margin of appraisal, **the Commission may base its decision upon economic and social data such as the 2011 stagnation and the ongoing crisis** as well as the high level of unemployment rate and the high level of public deficit and debt in the European Union. The Commission has taken into account as well developments since 2011 such as the reform of the Staff Regulations and especially **the two years freeze imposed to EU officials and the increase of weekly working time to 40 hours**.

According to the data supplied by Eurostat in agreement with the national statistical offices of the Member States, **national civil servants lost 1.8% of their purchasing power**, the same loss in purchasing power should have been applied to the EU officials and other servants for the period 1 July 2011 – 30 June 2012 if the Commission would have followed the normal application of the method.

The Commission considered however as appropriate to **reduce the proposed adjustment to remuneration and pensions in Belgium and Luxembourg to 0.9% instead of 1.7%** with regard to the economic crisis and the efforts already consented by EU officials.

The same approach would lead in 2012 to an adjustment of 0.9% instead of 1.7%. The total adjustment for both years would be therefore 47% lower than under the normal application of the method in force in 2011 and 2012.

The Commission has proposed the above measures in order to involve the European Parliament in the legislative procedure and to allow the co-legislators to decide on the appropriate measures in accordance with Article 336 TFEU.

Under Article 65 of the Staff Regulations the remuneration and pensions shall be updated before the end of each year, which is the purpose of this proposal.

CONTENT: under this proposal, with effect from 1 July 2011, the table of basic monthly salaries applicable for the purposes of calculating remuneration and pensions shall be replaced by the proposed amendments in this proposal.

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

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

BUDGETARY IMPLICATIONS: 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.

In 2013, the budgetary impact of this change would be EUR 129 million and EUR 51.6 million/year in 2014 and subsequent years.

Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto

2013/0438(COD) - 16/04/2014 - Corrigendum to final act

Corrigendum to Regulation (EU) No 422/2014 of the European Parliament and of the Council of 16 April 2014 adjusting with effect from 1 July 2011 the remuneration and pensions of officials and other servants of the European Union and the correction coefficients applied thereto

(Official Journal of the European Union L 129 of 30 April 2014)

On page 7, Article 3, in the table, column 5 ‘Remuneration', entry for ‘United Kingdom':

for: ‘120,8',

read: ‘128,0'.

Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto

2013/0438(COD) - 16/04/2014 - Final act

PURPOSE: to adjust with the effect from 1 July 2011, 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 422/2014 of the European Parliament and of the Council adjusting with effect from 1 July 2011 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 4 November 2011, the Council stated that the financial and economic crisis taking place within the Union, and resulting in substantial fiscal adjustments in most Member States, constituted a serious and sudden deterioration of the economic and social situation within the Union. The Council thus requested the Commission to implement Article 10 of Annex XI to the Staff Regulations and to submit an appropriate remuneration adjustment proposal.

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 2011**, 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.

Adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto

2013/0438(COD) - 03/03/2014 - Court of Auditors: opinion, report

Opinion of the Court of Auditors concerning a proposal for a regulation of the European Parliament and of the Council adjusting with the effect from 1 July 2011 the remuneration and pension of the officials and other servants of the European Union and the correction coefficients applied thereto and concerning a 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.

Background: pursuant to Article 65 of the Staff Regulations, the remuneration of the officials and other servants of the European Union shall be updated every year, taking into account the economic and social policy of the European Union.

In its Judgment in Case C-63/12 relating to the 2011 adjustment, the Court of Justice emphasised that where the Council determines, on the basis of objective data supplied by the Commission, that there is a serious and sudden deterioration in the economic and financial situation within the Union within the meaning of Article 10 of Annex XI to the Staff Regulations, the Commission is obliged to submit to the European Parliament and to the Council appropriate proposals on the basis of that Article. In that situation, the Commission has, however, a **margin of discretion** of its own as regards the content of those proposals, namely which measures it deems to be appropriate, taking into account the given economic and social situation and, where necessary, other factors to be taken into consideration, such as those relating to management of human resources, and in particular the **needs of recruitment**.

Case C-86/13 relating to the 2012 adjustment is still pending.

The Commission considers as appropriate to propose an adjustment to remuneration and pensions in Belgium and Luxembourg of 0.9% with effect from 1 July 2011 and of another 0.9% with effect from 1 July 2012. The Commission refers, as a basis for its proposals, to the provisions of the 'exception clause' (former Article 10 of Annex XI to the Staff Regulations) and to its margin of appraisal under this clause.

Court of Auditor's opinion: the Court notes that the Commission refers to its margin of appraisal as regards the content of appropriate proposals for adjusting remunerations and pensions. It states that **the wording of the recital 3 in both proposals might give rise to misunderstandings** as it **does not clearly distinguish between a loss of purchasing power and a nominal adjustment** to remuneration and pensions. Furthermore, there is insufficient clarity as to the basis for the computation of the proposed adjustments of 0.9%.

The Court draws attention to the fact that the '**exception clause'** as a basis for the Commission's proposals is **no longer in force**. It suggests considering whether the current rules set out in Annex XI to the Staff Regulations, and, if necessary, the rules of the moderation and exception clauses therein, could be used to deal with the outstanding annual updates for 2011 and 2012. These rules provide a procedure which is based on verified and objective data.

The Court notes that the proposed adjustments will require **budgetary appropriations to be made available**.

Lastly, it states that amendments to the Staff Regulations concerning the procedure for annual remuneration updates have been adopted and entered into force six weeks before the Commission submitted the proposals which are the subject of this opinion.