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Note: Working translation

### Update: Elements for the modernisation of the EU staff regulation

#### Preface:

The EU staff regulation - the regulation covering all benefits of the EU' s staff, was in the exclusive domain of the Council until the entry into force of the Lisbon Treaty. EP was merely consulted on this. In the future, EP is co-legislator, and thus co-responsible for the results. The staff regulations underwent their last reform in 2004 together with the enlargement to the east: Entry-level salaries were reduced, savings made were reallocated to the upper salary grades. It now becomes evident that these conditions do not permit the recruitment of qualified workforce in certain areas. There are other provisions, too, which show the need for reform of the staff regulations and their adaptation to the changing role of the EU. By the end of 2011, seven years following the last reform, the Commission will submit a proposal for amendments. It is this proposal that will be subject to Parliament's influence.

#### What is it about?

In comparison to the benefits for national public service staff, the EU staff regulations are rather generous. When, in the 1950s, the European public service came into existence, the world was a different place: Aircraft transportation was scarce and expensive, working abroad was rather unusual, proficiency in foreign languages limited - and mobility or globalisation were unknown concepts. Accordingly, officials were granted privileges which do no longer match today's world.

The most obvious example relates to (Article 7, annex V staff regulations) the pay for an annual journey home for each staff member and their families – the EU pays a first class train ticket for this plus additional leave days for the annual journey home; 6 travel days (off) are being granted for journeys in excess of 2000 km, for as long as the staff member is working in Brussels. Travel cost and additional leave are being granted on a flat rate basis i.e. notwithstanding whether and by what means of transportation the journey is made - there is not even need for an application. In 2009, a total of 100.402 working days were lost for Commission, i.e. almost 4 days per staff member<sup>1</sup> equating 530 posts / full time equivalents. – and this just because the EU still persists in times of the steam engine and EU staff needs to be subsidised return to his country of origin once a year for his entire life.

In addition to this, EU staff receive a 16% expatriation allowance - which creates the impression that living in Brussels was a permanent particular hardship; Or as if work in

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<sup>1</sup> officials: 3,8 days, temporary agents 4,7, others: 3,7. All numbers from mail DG Personnel & Administration to me dated 19. March 2010.

Brussels was foreseen for a limited term only, and the centre of living still remained with the place of origin, far abroad. These 16 % are also granted to staff working in Luxemburg and living in Germany. For a married staff member with two children, this additional allowance results in a 25% increase of the net salary.<sup>2</sup>

Commission has not been touching these privileges which date from mid-last-century; they are, however, prepared to introduce changes to the benefit of the workforce. Thus, on 1st January 2007 the flexitime-scheme has been introduced in order to grant to all workforce better work life balance – which for particularly 'industrious' staff - i.e. staff working in excess of 37.5 hours - allows earning additional two days off per every four weeks. In 2009 **46.6%** AD 12 to AD 16 staff (heads of units, directors, directors general - earnings: 10.324 Euro to 18.370 Euro) had registered for flexitime and made use of taking days off. **The scheme proves a success: 2010 already 50% of all AD 12 to AD 16 staff had registered, 19,185 leave days accumulated in these grades.**<sup>3</sup> This equates 96 posts.

It is hard to understand why high-paid officials graded AD 12 and above receive overtime compensation, the more so since Article 56 of the staff regulations provides that "overtime worked by officials in function group AD, and in function group AST 5 to 11 shall carry no right to compensation or remuneration". This is therefore a **voluntary benefit** granted by Commission to its staff which has **no legal basis**.

#### Long periods off the workplace result in high cost

On the whole, these provisions result in long times off the workplace. Totalling for a staff member of the EU Commission:

|  |         |                              |
|--|---------|------------------------------|
| Overtime compensation                          | maximal | 24 days p.a. <sup>4</sup>    |
| Bank holidays (not including ecclesial feasts) |         | 9 in 2011 <sup>5</sup>       |
| Recreational annual leave (depending on age)   |         | 24-30 days p.a. <sup>6</sup> |
|  | total:  | 57-63 days p.a.              |

In addition to an average of 4 travel days off for the annual return journey, junior Commission staff can attain up to 61 days off work in 2011 (equating 12.2 weeks), senior staff up to 67 days off (equating 13.4 weeks).

Each day off in Commission totals to 17 mio. EUR, equating 170 to 180 posts / full time equivalents.

Should we thus be able to convince Commission to decreasing the number of days off, this would result in a gain of posts free for other tasks. (altogether, benefits not including the recreational annual leave, total to at least 5.500 posts / full time equivalents in view of 34.000

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<sup>2</sup> Number: Evidence of payslips.

<sup>3</sup> Written answer of Commission secretary general Day, to the budgetary control committee: 24.1.2011, S. 3f. Here Commission rectifies its initial data for 2009 from 42,9% to 46,6%.

<sup>4</sup> flexitime guidelines, No. 62-2006 vom 21.12.2006

<sup>5</sup> notice of DG Personnel & Administration, No. 59-2009, 24.9.2009

<sup>6</sup> staff regulation

posts in Commission). This is feasible: We can, and must, adapt the staff regulations to the changing role of the EU in the world: The world has changed dramatically since 1958, the EU has evolved into a permanent institution, the staff regulations must now come to terms with this. Benefits, which the EU had granted to its employees in the 1950's with an intention to make it possible for them to keep up their ties with their 'old home', have become outdated.

The following are urgent items for reform:

- stronger diversification (splitting) of entry level salaries with an upward perspective for certain professions (e.g. Court of Auditors, technical vocations...)
- abolish the annual return journey
- abolish overtime compensation for staff graded AD 12 and above
- adjust weekly working time (37,5 hours) and lifelong-working time (pension qualification age 63 years)
- adapt the EU's public service to its changing role within the EU, modernise it and reduce outdated privileges, also in order to demonstrate to the Member States that the austerity signals have been picked up by the EU;

For information: Current salaries per grading - basic salary:

| 1.7.2010 | ÉCHELONS  |           |           |           |           |
|----------|-----------|-----------|-----------|-----------|-----------|
| GRADE    | 1         | 2         | 3         | 4         | 5         |
| 16       | 16 919,04 | 17 630,00 | 18 370,84 |           |           |
| 15       | 14 953,61 | 15 581,98 | 16 236,75 | 16 688,49 | 16 919,04 |
| 14       | 13 216,49 | 13 771,87 | 14 350,58 | 14 749,83 | 14 953,61 |
| 13       | 11 681,17 | 12 172,03 | 12 683,51 | 13 036,39 | 13 216,49 |
| 12       | 10 324,20 | 10 758,04 | 11 210,11 | 11 521,99 | 11 681,17 |
| 11       | 9 124,87  | 9 508,31  | 9 907,86  | 10 183,52 | 10 324,20 |
| 10       | 8 064,86  | 8 403,76  | 8 756,90  | 9 000,53  | 9 124,87  |
| 9        | 7 127,99  | 7 427,52  | 7 739,63  | 7 954,96  | 8 064,86  |
| 8        | 6 299,95  | 6 564,69  | 6 840,54  | 7 030,86  | 7 127,99  |
| 7        | 5 568,11  | 5 802,09  | 6 045,90  | 6 214,10  | 6 299,95  |
| 6        | 4 921,28  | 5 128,07  | 5 343,56  | 5 492,23  | 5 568,11  |
| 5        | 4 349,59  | 4 532,36  | 4 722,82  | 4 854,21  | 4 921,28  |
| 4        | 3 844,31  | 4 005,85  | 4 174,18  | 4 290,31  | 4 349,59  |
| 3        | 3 397,73  | 3 540,50  | 3 689,28  | 3 791,92  | 3 844,31  |
| 2        | 3 003,02  | 3 129,21  | 3 260,71  | 3 351,42  | 3 397,73  |
| 1        | 2 654,17  | 2 765,70  | 2 881,92  | 2 962,10  | 3 003,02  |