

Press Release Dr. Inge Gräßle:

Table on the media debate: *Who* earns more: EU Officials or the German Chancellor?

The European public service needs more efficiency and incentives. In the following, some critical remarks on the European Commission's statements on their willingness to save money in the context of the reform of the EU Staff Regulation.

EU working time:

37.5 hours per week. The European Commission suggested extending the working hours to 40 hours per week. At the same time the Commission wants to cut down the staff by 5 %. This offer to cut down the staff does not even cover the posts which are gained by extending the working time. Both (examples) prove that the EU has too many posts. A particular willingness to save money is not visible.

Leave as compensation for overtime

Since 2007 the Commission offers the possibility to use the family-friendly Flexitime system. Linked to this was the possibility to accumulate up to 2 days a month (24 days per year) as additional leave in compensation for overtime worked. This programme is a real success: in 2010 there was an accumulation of more than 90.000 free days – this corresponds to about 400 posts (costs per year: about EUR 40m). Even the highest level officials, the Directors-General, apply flexitime. In 2010 they (AD 16; up to EUR 18.370 monthly salary per person) took on average 6.2 days of additional compensatory leave. My conclusion: Somebody who earns more than EUR 10.000 per month has to consider overtime compensation as a part of the salary. The Commission wants to ban the compensatory time only for a few hundred managers. It would be fairer to tie it to the size of the salary.

Special holidays through office closing days:

In the EU institutions there are 17 so-called office closing days in addition to the annual leave (between 24 and 30 days) – of which in 2013 7 days are neither official public nor religious holidays. In 2012 there were 18 office closing days – of which 9 days were neither official public nor religious holidays. These almost two additional weeks of leave have to be reduced. The costs of these days are: EUR 168m. So far the Commission does not show any willingness for cuts.

Long service awards:

As of the 20th year of service the person celebrating the jubilee receives for each following 5th year of service, each time 5 days of special holidays. In 2011, approximately 6.835 such leave days were granted to Commission officials. This corresponds to 30 posts. The costs are: EUR 3m per year. There is no proposal from the Commission on that.

Promotions:

Every two years an EU official advances up to the next step of their grade and receives automatically every two years up to 740,84 EUR as pay raise, additionally to the yearly increase in pay rates. I plead for the extension of this promotion period to 3 years, and from a certain grade upwards the promotion should depend on performance indicators. However, there is no proposal in this direction.

Increase of the retirement age from 63 to 65:

The Commission proposal foresees this to take effect only from 2036 onwards.

Conclusion:

The Commission has proposed very few savings and no proposals to increase the service's efficiency.

	Remuneration of a German Chancellor (as MP)	Remuneration of a German Chancellor (not MP)		*married, no children
Basic Salary	15.916,38	15.916,38		
General Allowance	30,68	30,68		
Residence Allowance 50% of usual Residence Allowance	867,69	867,69		
Entertainment Allowance	69,23	69,23		
Remuneration as MP	1.022,58	1.022,58		tax free
Gross	22.021,26	17.906,56		
Income Tax (Category III)	7.316,16	5.587,83		
Solidarity Levy	402,38	307,33		
Church Tax	658,45	502,90		
Net	13.644,27	11.508,50		
	EU Official* <u>AD 16.3</u>	EU Official * <u>AD 15.4</u>	EU Official * <u>AD 14.1</u>	*married, no children
Basic Salary	18.370,84	16.688,49	13.771,87	
Management Allowance	771,97	701,27	578,72	
Household Allowance	553,38	518,32	457,53	tax free
Expatriation Allowance 16%	3.151,39	2.865,29	2369,3	tax free
EU Gross	22.847,58	20.773,37	17.177,42	
Pension Contribution 11,6%	2.220,57	2.017,21	1.664,67	
Sickness Insurance 1,7 %	325,43	295,63	243,96	
Invalidity Insurance 0,1%	19,14	17,39	14,35	
Income Tax	4.768,78	4.164,5	3.116,9	
Special Levy	503,5	453,24	366,1	
EU Net	15.010,16	13.825,4	11.771,44	

Table to the current press debate: Who earns more: EU officials or a German Chancellor?

GROSS: A married, childless EU-official in the highest grade (AD16.3) earns a higher gross income than a German Chancellor with a mandate in the German Bundestag.

NET: At least 79 EU-officials in the EU-Institutions (thereof 29 in the Commission) would earn a higher net salary than a German Chancellor with a mandate in the German Bundestag – given that they have the same conditions (married, no children).
At least 1761 EU-officials in the EU-Institutions (thereof 917 in the Commission) would earn a higher net salary than a German Chancellor without a mandate in the German Bundestag – given that they have the same conditions (married, no children).