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Committee on Budgetary Control

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WORKING DOCUMENT

on the reform of the Staff Regulations of Officials of the European
Communities and the Conditions of Employment of Other Servants of those
Communities

Committee on Budgetary Control

Rapporteur: Ingeborg Gräßle

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United in diversity

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Who will be affected by the proposal?

1. Summary of officials' posts in all the EU institutions and decentralised agencies (2011 budget)

Grades	Steps - amount in EUR					Number of AD/AST posts
	1	2	3	4	5	
AD 16	16919,04	17630	18370,84	18370,84	18370,84	79
AD 15	14953,61	15581,98	16236,75	16688,49	16919,04	429
AD 14	13216,49	13771,87	14350,58	14749,83	14953,61	1253
AD 13	11681,17	12172,03	12683,51	13036,39	13216,49	2606
AD 12	10324,2	10758,04	11210,11	11521,99	11681,17	4387
AST/AD 11	9124,87	9508,31	9907,86	10183,52	10324,2	2365
AST/AD 10	8064,86	8403,76	8756,9	9000,53	9124,87	2764
AST/AD 9	7127,99	7427,52	7739,63	7954,96	8064,86	3060
AST/AD 8	6299,95	6564,69	6840,54	7030,86	7127,99	3683
AST/AD 7	5568,11	5802,09	6045,9	6214,1	6299,95	5666
AST/AD 6	4921,28	5128,07	5343,56	5492,23	5568,11	5205
AST/AD 5	4349,59	4532,36	4722,82	4854,21	4921,28	6193
AST 4	3844,31	4005,85	4174,18	4290,31	4349,59	2665
AST 3	3397,73	3540,5	3689,28	3791,92	3844,31	2579
AST 2	3003,02	3129,21	3260,71	3351,42	3397,73	1617
AST 1	2654,17	2765,7	2881,92	2962,1	3003,02	2163
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According to DG Human Resources, the European institutions have 8910 contract staff and there are 1508 parliamentary assistants (categories not included in the table). In addition, the European Union employs 3108 local staff in third countries.

In December 2010 pensions were being paid to 17 585 staff members or their survivors.

Annual staff costs amount to more than EUR 5 billion.

2. Background

In the context of the 2009 discharge procedure for the Commission, Parliament called for the Staff Regulations to be modernised and their provisions brought into line with a changed working environment, something which has not been done since the European Communities were established. Indeed, the Staff Regulations still provide for perks which were introduced in the 1960s.

Paragraph 79 of the discharge resolution reads as follows: *Notes that the reputation of the Union is strongly influenced by the public perception of its civil service; notes that the last reform of the Staff Regulations did not adapt its provisions to a changed working environment nor lead to a remuneration policy that provides for equal pay for equal*

work; notes that it contains outdated perks and benefits; calls on the Commission to present proposals for a comprehensive modernisation of the Staff Regulations, including the end of outdated perks and benefits.

3. Commission proposal

The Commission published an initial proposal on the modernisation of the Staff Regulations in late June 2011. This led to negotiations with staff representatives, the Member States and the administrations of other institutions and bodies. In December 2011 the Commission published a second proposal, which is now being considered by Parliament. The committee responsible is the Committee on Legal Affairs. The vote in the JURI committee is scheduled for late April. The Lisbon Treaty has strengthened Parliament's legal position: for the first time, it is co-legislator under the codecision procedure.

The main features of the Commission proposal are as follows:

- increase in the solidarity levy from 5.5% to 6%
- annual salary adjustment to be calculated automatically on the basis of average figures for all the Member States (hitherto eight selected Member States)
- 5% cut in staffing levels in all the institutions by 2018
- increase in weekly working hours from 37.5 to 40
- retirement age raised from 63 to 65; early retirement age raised from 55 to 58; possibility of working until 67
- new career structures:
 - AST: automatic promotion to AST 9. promotion to the last two AST grades, 10 and 11 (Senior Assistants), only for officials with significant responsibilities
 - for secretarial and clerical staff: introduction of a new AST/SC function group with six grades
 - increase in the maximum period of employment for contract staff from three to six years
- halving of the annual home travelling time from up to six to up to three days

- abolition of the (currently illegal) practice of granting compensatory leave to officials in management positions (heads of unit, directors, directors-general)

Impact on the budget: savings of roughly EUR 1.04 billion over the period from 2013 to 2020, including EUR 834 million through the across-the-board 5% reduction in staffing levels, EUR 90 million through the changes to the promotions system for ASTs, EUR 97 million through the introduction of a new function group for secretarial and clerical staff and EUR 18 million through other measures.

The long-term savings can be put at some EUR 1 billion per year, although these would only be seen in 50 years' time, when the impact on pensions has reached its peak¹.

4. Your rapporteur's view of the Commission proposals

The Commission proposal falls short of meeting Parliament's calls for the Staff Regulations to be comprehensively modernised and for pressing staff-related problems to be solved. The 2004 reform did not, and the current proposals do not, amount to a proper overhaul of the Staff Regulations. The many problems arising in connection with the Staff Regulations - for example excessive red tape² - or the issue of inadequate starting salaries in some areas have simply not been addressed.

The Commission proposal under consideration here is essentially based on savings to be achieved by means of reductions in staffing levels and cuts in spending on secretarial staff. It contains little in the way of substantive changes, although some of the most glaringly outdated privileges have been abolished.

Whilst your rapporteur is happy to acknowledge this, she also wishes to point out that the civil services in the Member States are undergoing a much more radical process of change in the wake of the euro crisis. Structural shortcomings in the Staff Regulations and particularly controversial provisions should therefore be done away with in the course of Parliament's negotiations with the Council.

5. A closer look at certain issues and calls

a) Home travelling time

The new Commission proposal reduces annual home travelling time from up to six days to up to three days.

Article 7 of Annex V shall be replaced by the following:

¹ COM(2011) 890 final, financial statement.

² In the Commission's personnel departments more than 2400 people carry out the work of administering the roughly 35 000 employees covered by the Staff Regulations (Ares (2011)131302, 7.2.2011, p. 6); one example of the excessive red tape is provided by the implementing provisions on leave: they are more than 50 pages long.

'To the annual leave of officials entitled to the expatriation or foreign residence allowance shall be added travelling time based on the geographical distance between the place of employment and the place of origin, calculated as follows:

- 250 to 600 km: one day of home travelling time,
- 601 to 1200 km: two days of home travelling time,
- more than 1200 km: three days of home travelling time.'

An allowance of three days is still not consistent with the nature and ready availability of modern means of transport. EU staff serving in third countries have two days of home travelling time. If this arrangement is acceptable for people working in remoter parts of the world, it should also be acceptable for people working in Brussels.

Call:

- maximum of two days' home travelling time

b) Compensatory leave

Following the introduction of flexitime on 1 April 2007, staff who work more than 37.5 hours a week (new Commission proposal: 40 hours a week) can 'earn' two days' extra leave per month.

Under the new Commission proposal, this arrangement would no longer apply to management staff:

Article 55 '... 4. The appointing authority of each institution may introduce flexible working-time arrangements. Officials to whom the provisions of the second paragraph of Article 44 apply shall manage their working-time.'

Call:

- Article 44 lists only heads of unit, directors and directors-general. Proposal: Addition of a sentence: no compensatory leave entitlement for officials in grades AD/AST 9 and above.

Justification: Staff in grade AD 9 (head of unit) and above have management responsibilities. In this grade and above, overtime should be covered by the staff member's salary, and should not give rise to any entitlement to further compensation. There is one NEW aspect to the Commission proposal: it would introduce a LEGAL ENTITLEMENT to compensatory leave for staff in all grades below this, an arrangement which at present applies only to grades AST 1 to AST 4. If the scope for performing overtime is not restricted, the Commission would be creating a potential entitlement to up to 60 000 additional non-working days per year, the equivalent of roughly 320 posts.

c) Office closing days

At present there are 18 public holidays and office closing days. In 2012, nine of these are neither religious holidays nor statutory public holidays (in Belgium):

- 2.01. Monday after New Year's Day,
- 5.04. Maundy Thursday,
- 9.05 Europe Day,
- 18.05 Friday after Ascension Day,
- 2.11. All Souls',
- 24.12, 27.12 - 28.12 and 31.12.

Each of these additional paid non-working days costs more than EUR 24 million. Substantial periods of absence from work are the norm: annual leave (depending on age) 24-30 days, office closing days nine days, compensatory leave for overtime (at present only Commission) 24 days: giving a total of 54-63 days, or up to 12 weeks.

Call:

- reduction in the number of office closing days: taken together, the number of statutory public holidays and office closing days should not exceed 14. This would cut the number of paid non-working days by four.

d) Automatic promotions

There are five steps in every grade (AST 1-11 and AD 5-16). Every two years employees automatically advance by one step, until they are promoted or reach the final step in their grade. There are only three steps in the highest grade (AD 16). The difference in salary (upwards) may be up to EUR 740 per month (see table on the first page of this document).

Calls:

- abolition of automatic promotions, or at least a 'lengthening' of the period between promotions
- establishment of a transparent and readily understandable promotions system
- from grade AD 12 (salary: roughly EUR 10 000) upwards the performance of management duties should be a prerequisite for promotion.

e) **Annex X: Special and exceptional provisions applicable to officials serving in a third country**

Lengthy periods of absence as a result of the application of the rules on leave:

Working hours in the European External Action Service (EEAS) - as in all the EU institutions - are 37.5 hours a week. Overtime must be authorised in advance by the Personnel Department, on the basis of strict criteria¹. The EEAS thus complies with the letter of the Staff Regulations. The Commission, in contrast, also grants its staff members employed in a third country up to two days' compensatory leave per month.

The result is the following periods of absence from work for employees in third countries:

annual leave:	42 days
additional leave, depending on age: up to	6 days
Brussels office closing days ² : 18 (of which in 2011 nine were not public holidays)	9 days
home travelling time	2 days
Total: up to	53-59 days (11-12 weeks)
compensatory leave for overtime: up to	24 days
Total:	77-83 days (16-17 weeks)

Additional special leave (including two days' travelling time and a paid business-class journey to Brussels or Phuket for the official and his/her family³):

- up to 2 x 5 days for officials employed in Burundi, the Democratic Republic of the Congo, Djibouti, Guinea, Guinea-Bissau, Indonesia-Jakarta, Côte d'Ivoire, Laos, Nepal, Niger, Nigeria, the Solomon Islands, Sri Lanka and Tajikistan;

¹ EEAS, the Chief Operating Officer: Working time policy in the EEAS, p. 2.

² European Commission, decision of the College of 11. February 2004; on that basis, the 18 office closing days for Brussels also apply to delegation staff. By agreement with the seconded staff, the delegation head determines when the office closing days will be. They must include local public holidays; local staff are entitled only to local office closing days, and in most countries they have fewer non-working days than the staff seconded from Brussels.

³ Art. 20, Annex X.

- up to 3 x 5 days for officials employed in Angola, Bangladesh, the Central African Republic, Haiti, Pakistan, Papua New Guinea, Liberia and Sierra Leone;
- up to 4 x 5 days for officials employed in Afghanistan, Chad, Sudan, Timor and Yemen;
- up to 5 x 5 days for officials employed in Indonesia-Banda Aceh, Iraq and South Sudan.

Examples of periods of absence and comparison with the corresponding rules on leave applied by the German Foreign Ministry¹:

Country	EEAS/Commission	German Diplomatic Service
Sri Lanka	up to 93 days (69 days without overtime)	up to 46 days
Vietnam/USA/Kazakhstan	83 days (59 days without overtime)	up to 49 days/37 days/46 days

The offices of EU staff members are thus empty for many months of the year - a state of affairs which must be seen in the context of very high net salaries and the provision of accommodation free of charge.

Whilst on the topic of ‘absence from work’, the addition of up to 10 days’ professional training in Brussels increases the total by a further two weeks. What is more, these days can be taken in instalments - each time in conjunction with a business-class flight to Brussels and further days of travelling time.

Professional training is important: the aim should be to combine non-working days, periods of leave, professional training and other missions in order to save on travel expenses. Officials always travel business class on mission. Diplomats in most Member States are only reimbursed the cost of economy-class tickets, however.

Given the lengthy periods of absence from work for whatever reason, some posts in third countries are effectively half-time posts for which a full salary is paid. They are too important for that, however. Your rapporteur strongly advocates changes to make the EEAS more efficient.

Call:

- reductions in the periods of absence from work for officials employed in third countries by combining professional training, missions, periods of leave and special leave,

¹ In order to ensure that this document can be made available quickly, a comparison is drawn with only one Member State. Your rapporteur will submit further relevant documents. Sources: General administrative rules governing additional leave for civil servants employed by the Diplomatic Service outside Germany (ZusUrlVV); Law on the Diplomatic Service (GAD); Regulation on home leave for members of the Diplomatic Service (HUrIV); Regulation on convalescent leave for federal civil servants and judges (EUrIV).

leading to corresponding reductions in travel expenses

f) Conflicts of interest/revolving doors:

Amendments may still be tabled on the issues of conflicts of interest (Article 11a), revolving doors (Article 16) and whistle blowing (Articles 22a/22b).

g) The following Commission amendment is particularly welcome, because it points the way to the uniform, transparent application of the Staff Regulations:

‘The Court of Justice of the European Union shall administer a register of the rules adopted by the appointing authority of each institution to give effect to these Staff Regulations (...) to the extent they derogate from the rules adopted by the Commission (...). Every three years, the Commission shall present a report to the European Parliament and the Council on rules adopted by each institution to give effect to these Staff Regulations.’¹

¹ COM(2011) 890, Article 110(6).