



Intermediate update

HR & You recently informed us that ‘pursuant to the Staff Regulations and based on data from Eurostat, an intermediate indexation of salaries of 2.4% will take effect as from 1 January 2022.’

It should first be noted that – unfortunately for us – this is not an indexation, but in fact an update, since our salaries are not ‘indexed’ – they are aligned with changes in the purchasing power of national civil servants. Indexation would keep our purchasing power the same. However, the ‘method’ of updating our salaries and pensions, which was devised by Union Syndicale and introduced as a result of battles fought over more than 40 years by the staff of the institutions, in particular those of the Council, does not allow us to maintain our purchasing power, but ensures that our salaries develop in parallel with those of national civil servants. It is critical to make this distinction, since any austerity or cost-cutting measures taken by the Member States are automatically applied to us, which would not be the case if our salaries were indexed.

Let’s take a look at the adjustment.

In December every year, our salaries and pensions are updated on the basis of Eurostat calculations, which combine changes in the purchasing power of national civil servants in a so-called ‘basket’ of ten Member States (eleven before Brexit) and the evolution of prices in Brussels and Luxembourg. The update is applied retroactively to 1 July of the year in question.

However, in the event of high inflation, Articles 4 to 7 of Annex XI to the Staff Regulations provide for an intermediate update, and every spring, Eurostat examines the changes in prices that took place between July and December of the previous year in both Brussels and Luxembourg, as well as in the other places of employment. If inflation exceeds 3% in certain places of employment over the six-month period in question, the correction coefficients for those places of employment are updated. If the Brussels-Luxembourg index has increased by more than 3%, an update is made to the remuneration table as well as to all allowances, grants and weightings.

Eurostat established that, in the period from July to December 2021, prices in our ‘shopping basket’ in Belgium increased by 4.1%, while they rose by 2.1% in Luxembourg. After applying the weightings that correspond to our consumption habits to the various headings of these indices, and weighting them for staff numbers in Brussels and Luxembourg, Eurostat arrived at a joint index of 3.5%.

However, Article 5 of Annex XI provides that if the forecast of changes to national civil servants' purchasing power is negative, half of that forecast is to be taken into account in the intermediate update. It is currently expected that national civil servants in the ten Member States in the so-called 'basket' will experience a loss in purchasing power of 2.3% between July 2021 and June 2022. Indeed, the sharp price rises that have occurred in most countries have not (or not yet) been offset by an increase in salaries.

It should also be noted that these are only initial forecasts. Every year, Member States provide Eurostat with their forecasts and then, in the autumn, they provide their definitive figures, which are subject to meticulous examination by Eurostat; there are often significant differences between the forecasts made in the spring and the final figures.

However, regardless of the accuracy of the forecasts concerning purchasing power, half (-1.1%) must be taken into account in the intermediate update, giving a figure of 2.4%.

Why only 2.4% when inflation in Belgium is significantly higher?

Our 'method' does not apply the rates of inflation recorded in Belgium directly, but adapts them based on our consumption; this is regularly surveyed by means of the 'household budget surveys', which we would invite you to complete. Some expenses, such as heating, account for a smaller share of our overall expenditure than for the majority of the population. The surge in fuel prices is therefore more painful for the typical Belgian household – 'on average' – than it is for us.

Unfortunately, averages do not take account of specific situations and we know that many colleagues are currently in a very difficult situation (contract agents, AST/SC officials, and even all officials and temporary agents in the lowest grades) because their lower salaries no longer allow them to cope with a level of inflation that we have not seen for decades. The intermediate update will provide a modicum of relief, but it will not be sufficient. Together with the other trade unions, Union Syndicale has called for consultations to be opened so that the administration can take measures to help these colleagues.

How will the intermediate update be applied?

In the same way as annual updates, the 2.4% increase will be applied to the salary scale and to pensions, allowances and grants (expatriation allowance, foreign residence allowance, allowance for dependent children, education allowance, travel expenses, etc.), as well as to our tax scale. It will therefore mean a 2.4% increase in net salary.

What will happen in December?

Just like every year, before the end of October Eurostat will draw up a report on changes in the purchasing power of national civil servants and on price changes in Brussels and Luxembourg over the period July 2021-June 2022. However, the 2.4% update we will already have received in the middle of the year will of course be deducted from the annual result of the 'method'

What about the exception clause that triggered the freezing of 2.5% at the end of 2020?

It is likely that the EU's GDP for 2022 will be higher than it was in 2019. This is the condition for the 'frozen' 2.5% to be added to the 2022 update. This 2.5% corresponded to the 'purchasing power of national civil servants' component, i.e. the specific indicator. As long as GDP develops as expected, the 2.5 % will be added to this year's specific indicator (which is likely to be negative). If the result is

above 2%, the moderation clause will be applied and the part above 2% will remain frozen until April 2023.

The Executive Committee

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