

Luxembourg, 22 Nov 2019

EN

2019 Salaries update +2.0%

1. Civil servants in central government in the 11-Member-States sample taken as a whole gained **+0.5%** in terms of purchasing power (*global specific indicator, GSI*).

Losses were recorded in FR, IT, PL. The eight other countries in the sample had a positive evolution, notably BE 2.1%, DE 1.3%, ES 2.3%, LU 1.5%, SV 2.2%.

2. The –economically disputable– device of a **Joint Belgium-Luxembourg Index (JBLI)** (inflation) results in **+1.5%**.

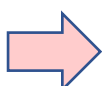
Its calculation is based on the ratio between active staff in Brussels and Luxembourg, which is 81.1 : 18.9

Inflation rates in the two countries were: HICP Belgium 1.3% – CPI Luxembourg 2.3%

For the first time since its inception, Luxembourg is having a positive influence on the Joint Index (+0.2%). Thus, the cumulative loss over time is reduced to -0.3%.

	BE HICP	LU CPI	Joint Index JBLI	LU impact on JBLI
1-Jul-15	1.3%	0.7%	1.2%	-0.1%
1-Jul-16	1.8%	0.0%	1.4%	-0.4%
1-Jul-17	1.1%	1.3%	1.1%	0.0%
1-Jul-18	2.1%	1.6%	2.1%	0.0%
1-Jul-19	1.3%	2.3%	1.5%	0.2%

total impact
in 5 yrs
-0.3%



3. The combined effect of the above calculations is **+2.0%** and this is what we will get this December with a back-pay from 1-July-2019.

4. Pension contribution rate going down to 9,7%

With effect from 1 July 2019 as well, the rate of **contribution to the pension scheme** is dropping from 10.0% to 9.7%.

This is the **pension contribution rate (PCR)** necessary to finance $\frac{1}{3}$ of your future pension. It results from complex calculations of the evolution of financial and demographic assumptions.

The combined effect of the yearly update of the actuarial assumptions and of PSEO contributing members results in a global change of our PCR of **-0.3%**.

This was partly due to the fact that, according to transitional arrangements, the observation period of the moving average of the values used to calculate the **General Salary Growth (GSG)** was increased from 24 to 26 years.




⇒ The impact of this decrease on our remuneration will be +0.21%.

5. It is reminded that, as from 1 January 2019, the [rate for calculation of compound interest](#) (Article 12, Annex XII Staff Regs) was reduced from 3.1% to 2.9%, thus affecting the value of pension rights **transferred** in and out.

6. Conclusion

The Method, enshrined in Annex XI to the Staff Regulations – which, since 2014, does no longer allow any room for arbitrary interference from the Council – works properly. The **USF**, which has played a leading role in shaping and defending the Method, is once again ready to defend it from any challenge or misuse. Defending the Method also means applying it rigorously.



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 **USPE** for the European Parliament
 **USF-Lux** for the Commission and all other Institutions, Agencies, European Schools in Luxembourg