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## 2022 Intermediate salary update by +2.4%

Due to an exceptionally high inflation measured over the 2<sup>nd</sup> semester of 2021, an intermediate update of the remuneration and pensions is required as from the 1<sup>st</sup> of January 2022

### *When is an intermediate update required?*

**Annual updates** of remuneration and pensions take place every year, covering a 12-month period going from 1 July of the previous year to 1 July of the current year.

By contrast, an **intermediate update** is only triggered, halfway in this reference period, if inflation crosses a certain sensitivity threshold.

**The 2014 Reform** of the Staff Regulations brought significant improvements to [Annex XI](#), namely

(a) the update is no longer submitted for a decision to the Council; it is calculated by Eurostat and rubber-stamped by the Commission;

(b) the new Method does not allow for subjective interpretations; the possibility of triggering a [moderation or an exception clause](#) (Articles 10 and 11) or an [intermediate update](#) (Articles 4 to 7) purely depends on fixed mathematical parameters applied by Eurostat.

No more vague general clauses, no bad surprises [the way things happened with the pay adjustment for 2011 and 2012](#).

### **GLOSSARY**

Global [Specific Indicator](#) (GSI) – Changes in the purchasing power of salaries of national civil servants in central government (calculated on a sample of 10 Member States), after deducting the respective country's inflation.

GDP – Gross Domestic Product.

[Joint Index](#) (JBLI) – Changes in the cost of living in **Belgium** and **Luxembourg**, rate of inflation (or deflation).

### *Why an intermediate update?*

1. The “sensitivity threshold” –considered to reflect “a substantial change in the cost of living between June and December” is set at  $\pm 3\%$ .
2. For the period 1 July 2021 – 1 January 2022, the Joint Index was found to be +3.5%. This *does* exceed the specified threshold. Therefore, an intermediate update *is* required as from 1 January 2022.

### How is it calculated?

3. It covers a *half*-year (instead of a whole year) period. For the rest, the same formula is used as for an annual update.
4. The GSI (see above) forecast for the whole year round (July 2021 – July 2022) is estimated at -2.3% (a *loss* of purchasing power of national civil servants). As this is negative, *half* of it has to be taken into account for any intermediate update, i.e. **-1.1%**.
5. The –economically disputable concept of **JBLI** is based on the ratio between active staff in Brussels and Luxembourg, which is

80.5 : 19.5

**Over the 6-month period ending 1 January 2022**, the respective inflation rates in the two countries were: HICP Belgium 3.7% – CPI Luxembourg 2.8%.

⇒ The Joint Index rose by **+3.5%** (thus triggering the intermediate update).

6. ⇒ By combining the above figures, pay and pension will be adjusted, with effect from 1 January 2022, as follows:

$$\frac{98.9 \times 103.5}{100} - 100 = +2.4\%$$

### 7. What should we expect next?

The **annual** salary update (covering a 12-month period ending on 1 July 2022) will, of course, be calculated according to the usual timeline. The present **intermediate** update will be deducted from the annual update.

It is reminded that the steep recession of the EU economy, which occurred in 2020 due to the sanitary crisis, triggered the exception clause. As a result, the +2.5% gained in purchasing power by national civil servants was not reflected on our salaries but was frozen until the GDP of the Union reaches its pre-crisis level.

It now seems likely that the suspension of that amount should be lifted as part of the 2022 exercise.

8. **The Luxembourg minimum social wage (SSM)** – Following an agreement with our trade union, the Court of justice grants a pay supplement to staff whose basic salary is below the Luxembourg minimum social wage, which is subject to indexation every time the sliding wage scale rises by 2.5%. The latest indexation occurred on 1 April 2022.

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