



No Luxembourg correction coefficient is possible without revising the Staff Regulations

>The 'slide' links are to our presentation 'Correction coefficient made simple' (20/06/2022), whose reading we recommend.

1.– The creation of a weighting for Luxembourg is a demand hammered home by another Luxembourg-based trade union.

2.– Our experience has shown that *a reform of the Staff Regulations* is a daunting operation for the EU staff. The major reform of 2004 and, even more so, that of 2014 brought *deep cuts* in staff salaries and pensions.

There is no reason to believe that the trend would now be reversed and that a new reform of the Staff Regulations would be favourable to us. Far from it.

3.– By misrepresenting the legal framework, that union¹ seeks to **reassure** staff that a Luxembourg correction coefficient (cc) can well be introduced by a sleight of hand of **the Commission, bypassing the ordinary legislative procedure** (Commission proposal \rightarrow co-decision by European Parliament + Council, see <u>slide 14</u>).

This long-standing demand of the 'USL' proceeds on the wrong assumption that its creation does not require revising the Staff Regulations but that the Commission has the power to decide alone to create a cc by a "<u>delegated act</u>".

Implicitly, that union tries to ward off the 'evil' of "**opening**" the Staff Regulation, which would be tantamount to opening the Pandora's box.²

'Opening' the Staff Regulations: word-to-word translation from French Communityjargon, which means that, once a Commission proposal to amend the Staff Regulations

¹ Whose name causes confusion with ours.

² Just to get an idea of the intentions of the Council, see the <u>drafts</u> that have been kept in its drawers since 2013, waiting for the next round...

is on the Council's table, the latter can ask the Commission to re-examine its draft and to extend its proposal to other provisions (<u>Article 293 TFEU</u>).

4.- We would simply recall the legal framework in force:

- 1. What the Commission can do "by means of delegated acts": It may create a cc (Article 9 (1) of Annex XI to the Staff Regulations) that is specific to "a given place of employment", in which the cost of living is appreciably and persistently different from the cost of living in "the capital of the Member State concerned (except for the Netherlands, where the Hague is used instead of Amsterdam)" (see slide 6).
- 2. What the Commission cannot *do* "by means of delegated acts":
 - a. To create a cc for the capital city of a Member State (or for the Hague); that is, moreover, devoid of purpose, since a cc already exists under the Staff Regulations. The cc calculated on the capital is applied by default to the entire territory of the country.
 - b. To create a cc for "a given place of employment" in Belgium or Luxembourg, as this is explicitly excluded by two Staff Regulations provisions (see <u>slides 9</u>, <u>10</u>). Since they are set out in the negative ('No correction coefficient shall be applicable in Belgium and Luxembourg'), they are not open to derogation, the part (capital city) being included in the whole (country).
 - **c.** More generally, the Commission cannot have recourse to delegated acts outside the matters expressly provided for in <u>Article 112 of the Staff Regulations</u>.

 \Rightarrow For these reasons, the Commission *cannot* create a cc neither for Luxembourg (country) (without repealing Staff Regulations' provisions <u>slide 10</u>) nor for Luxembourg capital-city.

- **3.** Furthermore, the exercise of the Commission's power to use a delegated act to create a cc is subject to strict safeguards (<u>Article 112 of the Staff Regulations</u>):
- A delegated act may not enter into force if, within a period of two months, the European Parliament and the Council express **objections** (Art. 112(5));
- The European Parliament or the Council may revoke the delegation of power (Art. 112(3)).

⇒ No cc can be created for Luxembourg without revising the Staff Regulations, by way of an ordinary legislative procedure.