

2024 Intermediate salary update by +3.0%

For a third year in a row, due to high inflation measured over the 2nd semester of 2023, an intermediate update of the remuneration and pensions is required as from the 1st of January 2024.

When is an intermediate update required?

An *annual* update of remuneration and pensions takes 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 <u>a</u> <u>moderation or an exception clause</u> (Articles 10 and 11) or an <u>intermediate update</u> (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 <u>Specific Indicator</u> (**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.

<u>Joint Index</u> (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 + 3%.
- **2.** For the period 1 July 2023 1 January 2024, the Joint Index was found to be +**3.0**%. This **reaches** the specified threshold. Therefore, an intermediate update *is* required as from 1 January 2023.

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 (1 July 2023 1 July 2024) is estimated at +3.3% (a *gain* of purchasing power of national civil servants). However, unlike in the two previous years 2022 and 2023, where the change was negative, this year the change is **positive** and does not have to be taken into account for any *intermediate* update. It will come into play in the *annual* update.
- **5.** The –<u>economically disputable</u> concept of– **JBLI** is based on the ratio between active staff in Brussels and Luxembourg:

	Staff numbers	%
Brussels	39 169	80.4
Luxembourg	9 566	19.6

- **6.** Over the 6-month period ending 1 January 2024, the respective inflation rates in the two countries were: HICP Belgium 3.6% CPI Luxembourg 0.5%.
 - ⇒ The Joint Index was calculated at +3.0% (thus triggering the intermediate update).
- 7.

 ⇒ The JBLI being the *only* parameter taken into account, pay and pension is adjusted, with effect from 1 January 2024, as follows:

8. What should we expect next?

The **annual** salary update (covering a 12-month period ending on 1 July 2024) will, of course, be calculated according to the usual timeline. The present *intermediate* update will be deducted from *the annual* update.

Since the outbreak of the sanitary crisis in 2020, the 2014 Method, by relying on clear mathematical rules and wiping aside expressions such as "serious and sudden deterioration", has coped with crises in a fair manner.

The challenge lying before us now is how to defend and consolidate this Method, in an uncertain social and political environment. To do so, we will all need strong, representative and trustworthy staff unions.

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