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2024 residual annual update: 4.1% as from July 2024, 1.2% in April 2025 Pension contribution rate increasing by 1%

For a third year in a row, an [intermediate update](#) was triggered halfway through the July 2023 – July 2024 reference period.

It is now time to calculate the update for the whole year, then the residual amount after deducting the intermediate update.

A fair automatic Method for us to defend

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 2014 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) depends purely on fixed mathematical parameters applied by Eurostat.

This is an achievement to be safeguarded by all means!

GLOSSARY

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

[Joint Index \(JBLI\)](#) – Represents a weighted average of changes in the cost of living in **Belgium and Luxembourg**, rate of inflation (or deflation).

PCR – Pension contribution rate

PSEO – Pension Scheme for European Officials

1. Every update of pay and pension necessarily involves a combination of two variables: The **GSI** and the **JBLI**.
2. For the six-month period 1 Jul 2023 – 1 Jan 2024, **JBLI** was 103.0% (+3.0%). By **reaching** the $\pm 3\%$ threshold, it triggered an **intermediate update** by 1 Jan 2024. For the period 1 Jul 2023 – 1 Jul 2024, the **forecast GSI** was positive. Therefore, it did not have to be considered for an intermediate update. The GSI is taken into account in its entirety for the annual update.
3. Therefore, the **intermediate update** amounted to **+3.0%**.

- 4. Annual update (total)** – The actual figures for the whole 1 Jul 2023 – 1 Jul 2024 period proved to be positive in both its components: **GSI** and **JBLI**.
- 5. GSI** – In fact, real net salary increases for civil servants in most Member States in the sample (notably AT 5.8, DE 5.6, NL 7.2, PL 10.2) ended up in a weighted average of **+3,2%**.
- 6. JBLI** – During the July 2023 to July 2024 reference period, the cost of living of the EU staff working in Brussels and Luxembourg –shared according to a ratio of 80.4 to 19.6– has increased on average by **+5.1 %** (BE 5.9 % / LU 1.8 %).
- 7. Summary of intermediate update, annual update and residual update for 2024**

	[1] Intermediate		[2] Annual (total)		[3] = [2] / [1] Annual (residual)	
GSI 2024	100.0	+0.0 % (50 %) *	103.2	+3.2 %	103.2	+3.2 %
JBLI 2024	103.0	+3.0 %	105.1	+5.1 %	102.0	+2.0 %
→ nominal update 2024	103.0	+3.0 %	108.5	+8.5%	105.3	+5.3 %

* For the intermediate adjustment, GSI (50%) is only applicable if negative

6 months

12 months

6 months

- 8.** As the calculated residual **GSI** for 2024 exceeds the specified ± 2.0 % threshold, the **moderation clause** (see Art. 10 of Annex XI of the StaffRegs) applies – for the first time since its inception in the 2014 reform – for the current exercise. In consequence, only 2.0 % of the residual update is payable from July 2024, with the balance payable from April 2025.
- 9. Residual update for 2024, showing impact of the moderation clause**

	[1] Annual (residual)		[2] 1 st instalment		[3] 2 nd instalment	
GSI 2024	103.2	+3.2 %	102.0	+2.0 %	101.2	+1.2 %
JBLI 2024	102.0	+2.0 %	102.0	+2.0 %		
→ nominal update 2024	105.3	+5.3 %	104.1	+4.1 %	101.2	+1.2 %

From 1.7.2024 From 1.4.2025

- 10.** Therefore, the sum of the **residual annual update** which you are to receive in two instalments, with effect from July 2024 and April 2025 respectively, will be:

$$\frac{\text{GSI} \quad \text{JBLI}}{100} \quad \frac{103.2 \times 102.0}{100} - 100 = +5.3 \%$$

11.A 1% increase of the PCR

In order to guarantee the equilibrium of the PSEO, the yearly PCR necessary to finance 1/3 of the benefits payable would be 12.3% of the basic salary.

Changes to the PCR result from the combined effect of changes in the population structure and in actuarial assumptions.

The update of the financial assumptions led to an increase of the PCR by +0.6 pp (almost entirely due to the decrease of the Real Discount Rate, which moved the PCR up by +0.7 pp).

HOWEVER, “Any update shall not lead to a contribution being more than one percentage point above or below the valid rate of the previous year” (Art. 2 (1) Annex XII Staff Regs).

The past calculated PCR was 11.7%. The past applied PCR was 11.1%.

⇒ The **PCR** taking effect on 1 July 2024 shall be capped at **12.1%**.

Items	Change breakdown
2023 Assessment	11.7%
2024 Assessment	12.3%
Global change	0.6%
Change due to the amended financial assumptions	0.7%
Change due to the amended demographic assumptions	0.0%
Changes due to the updated population	-0.1%
Global change	0.6%

12. Impact on net salary

For contributing members of the PSEO, the 1% increase to the PCR **only** applies to the basic salary. Its real impact will be ca -0.7% of your net salary.

This year's outcome of applying the Method leads to practically catching up the loss in purchasing power we had suffered since 2003.

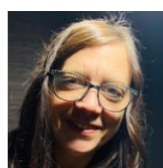
The Method was largely achieved and defended, through negotiation and struggle, by our union family, the **USF**. Find out more ➤ [Ludwig Schubert 1935-2018 The Method \(FR-EN-DE\)](#).

The challenge lying before us now is how to defend – in an uncertain social and political environment – and consolidate the binding character of this Method. To do so, we will all need strong, representative and trustworthy staff unions. Your membership matters! [Join EPSU-CJ!](#)

The **EPSU-CJ** Executive Committee



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