

## 2025 annual update: +3 % Pension contribution rate increased by 1%

The 2019 sanitary crisis triggered off a period of instability, following which all the –wisely devised in the Staff Regulations– safety valves were successfully put to the test: exception clause, moderation clause, intermediate update. This period ended with the payment, in April this year, of +1.2 % carried over on account of the moderation clause.

Now, we are back again to a plain annual update for the reference period 1 Jul 2024 – 1 Jul 2025.

### *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. **Annual update** – The actual figures for the whole 1 Jul 2024 – 1 Jul 2025 period proved to be positive in both its components: **GSI** and **JBLI**.
3. **GSI** – In fact, real net salary increases for civil servants in most Member States in the sample (notably IT 3.2, PL 14.3, SE 3.7), with three exceptions, BE -0.8, -DE 4.9, NL -1.3, ended up in a weighted average of **+0,5%**.

4. **JBLI** – During the July 2024 to July 2025 reference period, the cost of living of the EU staff working in Brussels and Luxembourg –shared according to a ratio of 80.9% to 19.1%– increased by **+2.5 %** (BE 2.5 % / LU 2.4 %).
5. Therefore, the **annual update** paid in December with effect from 1 July 2025 will be:

|                                  |                  |
|----------------------------------|------------------|
| GSI                              | JBLI             |
| $\frac{100.5 \times 102.5}{100}$ | $- 100 = +3.0\%$ |

## 6. A 1% increase in 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 13.6% of the basic salary.

This year, changes to the PCR result from the combined effect of changes in financial assumptions and changes due to the contributing population.

The **Real Discount Rate (RDR)** of government bonds yield increased by 0.7%. ♦ The previous year's gain in the purchasing power of national civil servants (+3.2%) led to a 0.7% increase of the **General Salary Growth** ♦ Finally, a -0.1% is due to an increase in the **population of contributing members**. → Global change +1.3%.

| Calculated PCR (2025 vs 2024 calculated rates) |                  |
|--|------------------|
| Items  | Change breakdown |
| 2024 Assessment                                | 12.3%            |
| 2025 Assessment                                | 13.6%            |
| <b>Global change</b>                           | <b>+1.3%</b>     |
| Change due to the RDR of Gvt bonds yield       | 0.7%             |
| Change due to the General Salary Growth        | 0.7%             |
| Change due to the updated population           | -0.1%            |
| <b>Global change</b>                           | <b>+1.3%</b>     |

**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).

Therefore, the increase of the PCR will be **capped** at +1.0% → The **applied** PCR will rise from 12.1% to 13.1% in December as of July 2025.

The past **calculated** PCR was 12.3%, but the past **applied** PCR was 12.1%.

⇒ The **PCR** taking effect on 1 July 2024 shall be capped at **13.1%**.

## 7. 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 on your net remuneration will be approx. -0.7%.

**Overall average net effect on remuneration +2.3 %**

**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](#)**!

### Information unrelated to the annual update –

| Difference in the cost of living between Brussels and Luxembg |            |        |
|---|------------|--------|
| TOTAL   | LUX > BRUX | +20,1% |
| Rents   | LUX > BRUX | +72,2% |
| Total excluding rents   | LUX > BRUX | + 3,2% |

The above data for Luxembourg are purely indicative: per EU Staff Regulations, official PPP BXL = LUX = 1  
July 2025, Eurostat

**EPSU-CJ** hopes that this update will help to make your end-of-year holidays as enjoyable as possible

The **EPSU-CJ** Executive Committee



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Mari-Liis Tórs

As a union member, you are better informed and better defended

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| A trade union representative of the<br>Court of Justice staff |  | Syndicat représentatif du personnel<br>de la Cour de justice |   |