



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.11.2003  
COM(2003) 721 final

2002/0100(CNS)

Amended proposal for a

**COUNCIL REGULATION**

**amending the Staff Regulations of officials and the Conditions of Employment of other  
servants of the European Communities**

(presented by the Commission pursuant to Article 250 (2) of the EC-Treaty)

## **EXPLANATORY MEMORANDUM**

The White Paper of 5 April 2000 on reforming the Commission set in motion a far-reaching programme to modernise the institution.

The programme sought to ensure that the quality of the European public administration would be such as to enable it to continue to perform the tasks conferred on it by the Treaties with maximum efficiency and effectiveness and to cope with the forthcoming challenges of globalisation and enlargement.

On 24 April 2002 the Commission accordingly adopted, and submitted to the Council and the European Parliament, a comprehensive and ambitious proposal for an amending regulation designed to overhaul the Staff Regulations of officials and the Conditions of Employment of other servants of the European Communities.

This proposal for a regulation, on which the Commission consulted the other institutions concerned under Article 283 of the EC Treaty and which incorporates the results of concertation with the staff representatives, constitutes one of the Commission's principal initiatives aimed at modernising the European civil service as a whole.

On 5 December 2002 the Court of Auditors delivered its opinion on the proposal, the European Court of Justice had no comment to make on the proposal at that stage.

On 19 May 2003 political agreement was reached within the Council on a compromise proposal put forward by the Presidency concerning the substance of the reform package. The Council's conclusions also encompassed modernisation of the pension scheme which had not been part of the original proposal.

On 19 June 2003 the European Parliament sitting in plenary session formally adopted its legislative resolution on the proposal.

On 26 June 2003 the Consultation Committee (COCO), comprising staff representatives, delegates from the Member States and a representative of the administration from each institution, was convened in order to consider the Commission's proposal in the light of the Council's conclusions. Its opinion was approved by the Council on 29 September 2003. The Commission has taken COCO's report into account in the revised proposal, comprising the above elements, which is attached hereto.

On 27 October 2003 the interinstitutional Staff Committee adopted a favourable opinion.

Concertations with the OSPs on an interinstitutional level were finalised on 12 November 2003 with the support of the OSPs.

Amended proposal for a

**COUNCIL REGULATION**

**amending the Staff Regulations of officials and the Conditions of Employment of other servants of the European Communities**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 283 thereof,

Having regard to the Protocol on the Privileges and Immunities of the European Communities, and in particular Article 13 thereof,

Having regard to the proposal presented by the Commission after consulting the Staff Regulations Committee<sup>1</sup>,

Having regard to the opinion of the European Parliament<sup>2</sup>,

Having regard to the opinion of the Court of Justice<sup>3</sup>,

Having regard to the opinion of the Court of Auditors<sup>4</sup>,

Whereas:

- (1) Since the initial adoption of the Staff Regulations and Conditions of Employment in 1962, substantial advances and innovations in society have occurred. Those advances and innovations should be reflected in the regulatory framework applicable to the European civil service in order to meet the changing needs of the institutions and their staff, whilst respecting a Community administrative culture and tradition based on the principle of service to the citizen.
- (2) The European Communities should thus be equipped with a high-quality European public administration, so as to enable it to perform its tasks to the highest possible standard in accordance with the Treaties and to meet the challenges, both internal and external, that it will face in the future.
- (3) Consequently, it is necessary to provide a framework for the recruitment by the Communities of staff of the highest calibre in terms of productivity and integrity, drawn on the widest possible geographical basis from among citizens of the Member

---

<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

<sup>3</sup> OJ C , , p. .

<sup>4</sup> OJ C , , p. .

States, and enable such staff to carry out their duties under conditions which ensure that the service functions as smoothly as possible.

- (4) The broader aim should be to ensure that human resources are managed as effectively as possible in a European civil service characterised by competence, independence, loyalty, impartiality and permanence, as well as by cultural diversity.
- (5) It is appropriate to ensure that there is a single European civil service and to apply common rules to all institutions and agencies. The availability of a single set of Staff Regulations should provide a useful tool for enhancing cooperation between the institutions and agencies on staff policy, in the interests of the smooth running of the Communities and the efficient use of human resources.
- (6) Agencies are included within the scope of the rules relating to staff, in order to safeguard the harmonious application of the rules and in particular to ensure staff mobility.
- (7) Compliance should be observed with the principle of non-discrimination as enshrined in the Treaty, which thus necessitates the further development of a staff policy ensuring equal opportunities for all, regardless of sex, physical capacity, age, racial or ethnic identity, sexual orientation and marital status.
- (8) Officials in a non-marital relationship recognised by a Member State as a stable partnership who do not have legal access to marriage should be granted the same range of benefits as married couples, while couples in the same situation with legal access to marriage should qualify for a more limited range of benefits.
- (9) Express reference should be made to measures of a social nature and to working conditions which meet appropriate health and safety standards; such measures are intended to help reconcile work and private life, to promote equality of opportunity, as well as to protect the health and safety of the individual.
- (10) There is a clear need to strengthen the principle of career development based on merit, establishing a closer link between performance and remuneration by providing greater incentives for good performance through structural changes to the careers system, whilst ensuring equivalence of average career profiles in the new and the old structure, in keeping with the establishment plan and budgetary discipline.
- (11) Modernising the careers system calls for greater recognition of officials' professional experience and of the principle of life-long learning. Accordingly it is desirable to replace the existing staff categories, regrade staff in the new administrators' (AD) and assistants' (AST) function groups and facilitate progress from a lower group to a higher, by means of a new certification mechanism.
- (12) The need has arisen to devise a system of ensuring the equivalence of average career profiles which, when viewed as a whole, will offset fairly and reasonably, on the one hand the increase in the number of grades altogether and, on the other, the reduction in the number of steps in each grade.
- (13) In order to preserve the multilingual character of the institutions, greater emphasis should, for the purposes of recruitment and promotion, be laid on linguistic proficiency and the ability to work in a third Community language.

- (14) Impartiality is a fundamental principle of public service which is recognised by the Charter of Fundamental Rights of the European Union. It is therefore vital to clarify the obligations of officials in situations where there is an actual or potential conflict of interest, both before and after leaving the service.
- (15) An improved legal framework should be set up to address issues of psychological and sexual harassment, and to that end express definitions should be formulated.
- (16) It is appropriate to provide for the right of freedom of expression, since this is enshrined in the Charter of Fundamental Rights and is a basic right of officials, and to set reasonable limits to its exercise. At the same time, clear rules are required to govern the publication of matters connected with the work of the Community, wherever its legitimate interests may be at risk.
- (17) A new legal framework and guarantees should be provided for the legal protection of officials who report blameworthy acts and serious wrongdoing within the service to certain clearly defined persons or bodies.
- (18) It is appropriate to rationalise more consistently the way in which disciplinary proceedings are opened and conducted. There should also be greater stability in the membership of Disciplinary Boards, and amendments to the rules regarding the suspension of officials.
- (19) Procedures for monitoring absence and for the submission of medical certificates should be clarified.
- (20) It is necessary to introduce a comprehensive procedure for dealing with cases of professional incompetence which safeguards the right of defence of the officials concerned. Cases of officials who are unable to attain the expected standard of performance within a reasonable time should be dealt with within this new legal framework.
- (21) Provision should be made for the introduction of flexible working arrangements, namely, and subject to certain conditions, the right to work part time, to take advantage of job sharing arrangements and to obtain extended leave on personal grounds. Similarly, it is appropriate to introduce provisions on family-related leave and, more particularly, the right to more flexible maternity leave, paternity leave, adoption and parental leave as well as leave in case of serious illness of a family member.
- (22) In the interest of guaranteeing that the purchasing power of Community officials develops in parallel with that of civil servants in the Member States, it is essential to preserve the principle of a multi-annual adjustment mechanism for pay. This mechanism, previously known as 'the Method' and applicable until 30 June 2004, should now be broadly extended for nine years and should be reviewed after four years for consistency with budgetary discipline.
- (23) The advantages for officials of a multi-annual pay adjustment system should be balanced by the introduction of a special levy to reflect the costs of social policy, improved working conditions and the European Schools, which should increase by annual steps and apply to all officials for the same period as the system itself.

- (24) As the costs of the correction coefficients applied to transfers of parts of salary to other Member States have become disproportionate, transfers with correction coefficients should be limited to a lesser proportion of salary and to cases where the transfer is necessary to allow the official to meet expenses resulting from legal obligations to family members in other Member States.
- (25) The criterion for former officials to continue to be covered by the Joint Sickness Insurance Scheme has proved uncertain in its application and should therefore be simplified.
- (26) The various allowances should be thoroughly rationalised, through an overhaul of some and the discontinuation of others, in order to make the administrative rules simpler and more transparent. The reimbursement of travel and mission expenses should thus be brought more closely into line with the real cost, and the administration should be simplified. The education allowance should likewise be aligned more closely, in future, on actual expenditure.
- (27) The system of family allowances needs to be reformed so as to bring about improvements for families and in particular address the problems of parents with young children.
- (28) Since pensions are expressed as a proportion of a final salary, it is appropriate to ensure that in future pay and pensions are adapted in parallel while safeguarding the actuarial basis of the scheme and maintaining the respective shares of contributions borne by the official and the employer and the principle that pensions are a charge on the Community budget, whose payment is guaranteed by the Member States.
- (29) That objective requires the creation of a mechanism for ensuring the short and long-term actuarial balance of the scheme.
- (30) However, demographic changes and the changing age structure of the population concerned are imposing ever-increasing burdens upon the Community pension scheme and require that the pension age be increased and the annual rate of accrual of pension rights be marginally reduced, subject however to transitional measures for officials already in service.
- (31) Deepened integration of the European Union and the free choice of pensioners of their place of residence within the European Union has made the system of correction coefficients for pensions obsolete. This system has also created monitoring problems as regards the place of residence of pensioners which should be overcome. This system should therefore be abolished with an appropriate transition for pensioners and officials recruited before the entry into force of this regulation.
- (32) The conditions underlying the current provisions on invalidity pensions and survivor's pensions have changed since those provisions were adopted and should therefore be updated and simplified.
- (33) Officials' conditions of employment should be reformed so as to conform more closely with Community rules on the free movement of workers and the protection of migrant workers: this should be achieved by correcting a number of inconsistencies and introducing greater flexibility.

- (34) New rules on flexible retirement arrangements should take the interests of both officials and the institutions into account. The measures involved should be voluntary, and accompanied by appropriate financial conditions. A realistic choice in favour of early retirement is dependant on health insurance and family allowances being maintained; however, those advantages should be balanced by raising the minimum age to 55 and introducing the option of working beyond the current retirement age.
- (35) The overall level of pay and pensions for officials and other servants should be such that it continues to attract and retain the best applicants from all the Member States in an independent and permanent European civil service.
- (36) The provisions applicable to officials in the scientific and technical services and to officials serving in third countries should be adapted, clarified and brought into line with the general provisions.
- (37) A new category of non-permanent staff needs to be established, namely that of contract servants. Such staff, whose responsibilities are of a more limited nature, will generally be required to work on non-core tasks under the supervision of officials or temporary staff. They will be employed with a view to eventually replacing auxiliaries and Category D officials in the institutions, Commission Offices and Representations, Delegations and Agencies and also in executive agencies and other bodies created by a specific legal act. The rights and obligations of such contract staff should be defined by analogy with those of temporary servants, particularly as regards social security, allowances and working conditions.
- (38) Provision should be made for transitional arrangements to enable the new rules and measures to be applied gradually, whilst leaving intact the acquired rights of the staff and respecting their legitimate expectations.
- (39) The Staff Regulations and Conditions of Employment should therefore be amended accordingly.

HAS ADOPTED THIS REGULATION:

#### *Article 1*

The Staff Regulations of officials and the Conditions of Employment of other servants of the European Communities are amended as set out in Annex I (as regards the Staff Regulations of officials) and Annex II (as regards the Conditions of Employment of other servants).

#### *Article 2*

This Regulation shall enter into force on [...].

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [...] 2002

*For the Council*  
*The President*



**Annex I**  
**Amendments to the Staff Regulations of officials of the European Communities**

The Staff Regulations of officials of the European Communities are amended as follows:

1. Article 1 is replaced by the following:

*"Article 1*

*These Staff Regulations shall apply to officials of the Communities."*

Article 1a is replaced by the following:

*"Article 1a*

*1. For the purposes of these Staff Regulations, "official of the Communities" means any person who has been appointed, as provided for in these Staff Regulations, to an established post on the staff of one of the institutions of the Communities by an instrument issued by the Appointing Authority of that institution.*

*2. This definition shall also apply to persons appointed by Community bodies to whom these Staff Regulations apply under the Community acts establishing them (hereinafter "agencies"). Any references to institutions in these Staff Regulations shall apply to agencies, save as otherwise provided in these Staff Regulations."*

2. The following article is inserted:

*"Article 1b*

*Save as otherwise provided in these Staff Regulations,*

- the Economic and Social Committee,*
- the Committee of the Regions,*
- the European Ombudsman and*
- the European Data Protection Supervisor*

*shall, for the purposes of these Staff Regulations, be treated as institutions of the Communities.*

3. The following articles are inserted:

*"Article 1d*

*Any reference in these Staff Regulations to a person of the male sex shall be deemed also to constitute a reference to a person of the female sex, and vice-versa, unless the context clearly indicates otherwise."*

4. The former Article 1a becomes Article 1e and is amended as follows:

(a) Paragraph 1 is replaced by the following:

*“1. In the application of these Staff Regulations, any discrimination based on grounds such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, wealth, birth, age, disability or sexual orientation shall be prohibited.*

*For the purposes of these Staff Regulations, non-marital partnerships shall be treated as marriage provided that all the conditions listed in Article 1(2)(c) of Annex VII are fulfilled.”*

(b) In paragraph 2 the following phrase is inserted after “women in working life”:

*“ which shall be an essential element to be considered in the implementation of all aspects of these Staff Regulations,”*

(c) The following paragraphs 4, 5 and 6 are added:

*“4. For the purposes of paragraph 1, a person has a disability if he has a physical or mental impairment that is permanent or likely to be so. The impairment shall be determined under the procedure set out in Article 33.*

*A person with a disability meets the conditions laid down in Article 28(e) if he can perform the essential functions of the job when reasonable accommodation is made.*

*Reasonable accommodation, in relation to the essential functions of the job, shall mean appropriate measures, where needed, to enable a person with a disability to have access to, participate in, or advance in employment, or to undergo training, unless such measures would impose a disproportionate burden on the employer.*

*5. Where persons covered by these Staff Regulations, who consider themselves wronged because the principle of equal treatment as set out above has not been applied to them, establish facts from which it may be presumed that there has been direct or indirect discrimination, the onus shall be on the institution to prove that there has been no breach of the principle of equal treatment. This provision shall not apply in disciplinary proceedings.*

*6. While respecting the principle of non-discrimination and the principle of proportionality, any limitation of their application must be justified on objective and reasonable grounds and must be aimed at legitimate objectives in the general interest in the framework of staff policy. Such objectives may in particular justify stipulating a mandatory retirement age and a minimum age for drawing a retirement pension.”*

5. The following article is inserted:

*“Article 1f*

*1. Officials in active employment shall have access to measures of a social nature adopted by the institutions and to services provided by the social welfare bodies referred to in Article 9. Former officials may have access to limited specific measures of a social nature.*

*2. Officials in active employment shall be entitled to working conditions complying with appropriate health and safety standards at least equivalent to the minimum requirements applicable under measures adopted in these areas pursuant to the Treaty.*

*3. Measures of a social nature adopted in accordance with this article shall be implemented by each institution in close co-operation with the Staff Committee, on the basis of multi-annual proposed actions. These proposed actions shall be transmitted each year to the budgetary authority in the framework of the budget procedure.”*

6. Article 2 is amended as follows:

- (a) The current text of the first paragraph becomes paragraph 1.
- (b) The second and third paragraphs are deleted.
- (c) The following paragraph 2 is added:

*“2. However, one or more institutions may entrust to any one of them or to an inter-institutional body the exercise of some or all of the powers conferred on the Appointing Authority, other than decisions relating to appointments, promotions or transfers of officials.”*

(7a) Article 4 is amended as follows:

In the third paragraph, “*transfer, promotion or an internal competition*” is replaced by “*transfer, appointment to a post in accordance with Article 45a or promotion*” and “*three European Communities*” is replaced by “*other institutions, and/or an internal competition shall be organised*”

7. Articles 5 and 6 are replaced by the following:

#### *“Article 5*

*1. The posts covered by the Staff Regulations shall be classified, according to the nature and importance of the duties to which they relate, in an administrators' function group (hereinafter “AD”) and an assistants' function group (hereinafter “AST”).*

*2. Function group AD shall comprise twelve grades, corresponding to administrative, advisory, linguistic and scientific duties. Function group AST shall comprise eleven grades, corresponding to executive, technical and clerical duties.*

*3. Appointment shall require at least*

*(a) in function group AST*

- *a level of post-secondary education attested by a diploma, or*
- *a level of secondary education attested by a diploma giving access to post-secondary education, and appropriate professional experience of at least three years, or*
- *where justified in the interests of the service, professional training or professional experience of an equivalent level.*

*(b) in function group AD for grades 5 and 6*

- *a level of education which corresponds to completed university studies of at least three years attested by a diploma, or*
- *where justified in the interest of the service, professional training of an equivalent level.*

*(c) in function group AD for grades 7 to 16*

- a level of education which corresponds to completed university studies attested by a diploma when the normal period of university education is four years or more, or*
- a level of education which corresponds to completed university studies attested by a diploma and appropriate professional experience of at least one year when the normal period of university education is less than four years, or*
- where justified in the interests of the service, professional training of an equivalent level.*

*4. A table showing types of posts is given in Annex I, point A. By reference to this table, each institution shall define the duties and powers attaching to each type of post after consulting the Staff Regulations Committee.*

*5. Identical conditions of recruitment and service career shall apply to all officials belonging to the same function group.*

*6. By way of derogation from paragraphs 1 and 2 and up to an overall maximum of 90 posts, the European Parliament may create a function group for its ushers comprising four grades equivalent to AST 1 to 4.*

#### *Article 6*

*1. The establishment plan appended to the section of the budget related to each institution shall indicate the number of posts in each grade and function group.*

*2. To ensure equivalence of the average career in the career structure before 1 May 2004 (old career structure) and after 1 May 2004 (new career structure) and without prejudice to the principle of promotion based on merit as laid down in Article 45 of the Staff Regulations, this plan shall ensure that for each institution, the number of vacant positions at every grade of the establishment plan on January 1 corresponds to the number of officials in the lower grade in active employment on 1 January of the preceding year, multiplied by the rates laid down in Annex I, point B, for that grade. These rates shall be applied on a five-year average basis as from [1 May 2004].*

*3. The Commission shall, on the basis of the methodology defined in paragraph 5, submit a report to the budgetary authority each year on the evolution of average careers in the two function groups in all institutions, which shall state whether the principle of equivalence has been respected and, if not, to what extent it has been breached. If it has not been respected, the budgetary authority may take such corrective safeguard measures as are appropriate to re-establish equivalence.*

*4. To ensure that this system remains consistent with the establishment plan, the equivalence between the old and the new career structure, and budgetary discipline, the rates laid down in Annex I, point B, shall be reviewed at the end of the five-year period starting on 1 May 2004 on the basis of a report submitted by the Commission to the Council and of a proposal by the Commission.*

*The Council shall decide in accordance with Article 283 of the EC Treaty.*

*5. Equivalence shall be assessed as a result of promotion and seniority over a given reference period on the assumption staff numbers remain unchanged, between the average career before 1 May 2004 and the average career of officials recruited thereafter."*

*8. Article 7 is amended as follows:*

(a) In paragraph 1, “*category or service*” is replaced by “*function group*”.

(b) In the second sentence of paragraph 2, “*post in a career bracket in his category or service which is higher than his substantive career bracket*”

is replaced by

“*post in a grade in his function group which is higher than his substantive grade*”.

(c) In the second sentence of paragraph 2, “*in the starting grade*” is deleted.

(d) In the second sentence of paragraph 2, “*career bracket*” is replaced by “*grade*”.

9. Article 9 is amended as follows:

(a) In paragraph 1, point (a), the following indent is inserted after the third indent:

“- *one or more Joint Advisory Committees on professional incompetence, as appropriate for the number of officials at the places of employment;*”.

(b) The second subparagraph of paragraph 2 is replaced by the following:

“*The staff of the institution shall be notified of the list of members of these bodies.*”

(c) In paragraph 5, point

(b) “*on dismissals for incompetence;*”

and

“*The Committee shall ensure that the periodic reports on staff members are made in a uniform manner within any one institution.*”

are deleted.

Point (c) becomes point (b), and the following sentence is added at the end of paragraph 5: “*It may be instructed by the Appointing Authority to ensure that the periodic reports on staff members are made in a uniform manner within the institution.*”

(d) The following paragraph is added:

“*6. The opinion of the Joint Advisory Committee on professional incompetence shall be sought for the application of Article 51.*”

10. In the first paragraph of Article 10, the following sentence is inserted after the first sentence:

“*The agencies shall be jointly represented in accordance with rules to be fixed by agreement between them and the Commission.*”

The second paragraph is replaced by the following:

“*The Committee shall be consulted by the Commission on all proposals to revise the Staff Regulations; it shall deliver its opinion within the time set by the Commission. In addition to the functions conferred upon the Committee by these Staff Regulations, it may put forward suggestions*

*for revising the Staff Regulations. The Committee shall meet at the request of its Chairman, of an institution or of the staff committee of an institution.*

(11a) The following Articles 10b and 10c are inserted:

*"Article 10b*

*The trade unions and staff associations referred to in Article 24b shall act in the general interest of the staff, without prejudice to the statutory powers of the staff committees.*

*The Commission proposals referred to in Article 10 may be the subject of consultations by representative trade unions and staff associations.*

*Article 10c*

*Each institution may conclude agreements concerning its staff with its representative trade unions and staff associations. Such agreements may not entail amendment of the Staff Regulations or any budgetary commitments, nor may they affect the working of the institution concerned. The representative trade unions and staff associations which are signatories shall operate in each institution subject to the statutory powers of the staff committee."*

11. The following sentence is added to the first paragraph of Article 11:

*"He shall carry out the duties assigned to him objectively, impartially and in keeping with his duty of loyalty to the Communities."*

12. The following article is inserted after Article 11:

*"Article 11a*

*1. An official shall not, in the performance of his duties and save as hereinafter provided, deal with a matter in which, directly or indirectly, he has any personal interest such as to impair his independence, and, in particular, family and financial interests.*

*2. Any official to whom it falls, in the performance of his duties, to deal with a matter referred to above shall immediately inform the Appointing Authority. The Appointing Authority shall take any appropriate measure, and may in particular relieve the official from responsibility in this matter.*

*3. An official may neither keep nor acquire, directly or indirectly, in undertakings which are subject to the authority of the institution to which he belongs or which have dealings with that institution, any interest of such kind or magnitude as might impair his independence in the performance of his duties."*

13. Article 12 is replaced by the following:

*"Article 12*

*"An official shall refrain from any action or behaviour which might reflect adversely upon his position.*

14. The following articles are inserted:

#### *“Article 12a*

- 1. Officials shall refrain from any form of psychological or sexual harassment.*
- 2. An official who has been the victim of psychological or sexual harassment shall not suffer any prejudicial effects on the part of the institution. An official who has given evidence on psychological or sexual harassment shall not suffer any prejudicial effects on the part of the institution, provided the official has acted honestly.*
- 3. “Psychological harassment” means any improper conduct that takes place over a period, is repetitive or systematic and involves physical behaviour, spoken or written language, gestures or other acts that are intentional and that may undermine the personality, dignity or physical or psychological integrity of any person.*
- 4. “Sexual harassment” means conduct relating to sex which is unwanted by the person to whom it is directed and which has the purpose or effect of offending that person or creating an intimidating, hostile, offensive or disturbing environment. Sexual harassment shall be treated as discrimination based on gender.*

#### *Article 12b*

- 1. Subject to Article 15, an official wishing to engage in an outside activity, whether paid or unpaid, or to carry out any assignment outside the Communities, shall first obtain the permission of the Appointing Authority. Permission shall be refused only if the activity or assignment in question is such as to interfere with the performance of the official's duties or is incompatible with the interests of the institution.*
  - 2. An official shall notify the Appointing Authority of any changes in a permitted outside activity or assignment, which occur after the official has sought the permission of the Appointing Authority under paragraph 1. Permission may be withdrawn if the activity or assignment no longer meets the conditions referred to in the last sentence of paragraph 1.”*
15. In Article 13 “*continue in his post, be transferred to another post or be required to resign*” is replaced by “*continue in his post or be transferred to another post.*”
  16. Article 14 is deleted.
  17. Article 15 is replaced by the following:

#### *“Article 15*

- 1. An official who intends to stand for public office shall notify the Appointing Authority. The Appointing Authority shall decide, in the light of the interests of the service, whether the official concerned:*
  - should be required to apply for leave on personal grounds, or*
  - should be granted annual leave, or*
  - may be authorised to discharge his duties on a part-time basis, or*
  - may continue to discharge his duties as before.*

2. *An official elected or appointed to public office shall immediately inform the Appointing Authority. The Appointing Authority shall, having regard to the interests of the service, the importance of the office, the duties it entails and the remuneration and reimbursement of expenses incurred in carrying out those duties, take one of the foregoing decisions. If the official is required to take leave on personal grounds or is authorised to discharge his duties on a part-time basis, the period of such leave or part-time working shall correspond to the official's term of office.*

18. The second, third and fourth paragraphs of Article 16 are replaced by the following paragraph:

*"Officials intending to engage in an occupational activity, whether gainful or not, within two years of leaving the service shall inform their institution thereof. If that activity is related to the work carried out by the official during the last three years of service and could lead to a conflict with the legitimate interests of the institution, the Appointing Authority may, having regard to the interests of the service, either forbid him from undertaking it or give its approval subject to any conditions it thinks fit. The institution shall, after consulting the Joint Committee, notify its decision within 30 working days of being so informed. If no such notification has been made by the end of that period, this shall be deemed to constitute implicit acceptance. "*

19. Article 17 is replaced by the following:

*"Article 17*

*1. An official shall refrain from any unauthorised disclosure of information received in the course of or in connection with his duty, unless that information has already been made public or is accessible to the public.*

*2. An official shall continue to be bound by this obligation after leaving the service."*

20. The following article is inserted:

*"Article 17a*

*1. An official has the right to freedom of expression, subject to his obligation to observe the requirements of loyalty and impartiality.*

*2. Without prejudice to Articles 12 and 17, an official who intends to publish or cause to be published, whether alone or with others, any matter dealing with the work of the Communities shall inform the Appointing Authority in advance.*

*Where the Appointing Authority is able to demonstrate that the matter is liable seriously to prejudice the legitimate interests of the Communities, the Appointing Authority shall inform the official of its decision in writing within 30 working days of receipt of the information. If no such decision is notified within the specified period, the Appointing Authority shall be deemed to have had no objections. "*

21. Article 18 is amended as follows:

(a) The current text becomes paragraph 1.

(b) In paragraph 1 the following sentence is added:

*"The Communities shall have the right to acquire compulsorily the copyright in such works."*

(c) The following paragraphs are added:



*“2. Any invention made by an official in the course of or in connection with the performance of his duties shall be the undisputed property of the Communities. The institution may, at its own expense and on behalf of the Communities, apply for and obtain patents therefor in all countries. Any invention relating to the work of the Communities made by an official during the year following the expiration of his term of duty shall, unless proved otherwise, be deemed to have been made in the course of or in connection with the performance of his duties. Where inventions are the subject of patents, the name of the inventor or inventors shall be stated.*

*3. The institution may in appropriate cases award a bonus, the amount of which shall be determined by the institution, to an official who is the author of a patented invention.”*

22. In Article 20 the following sentence is added:

*“The official shall notify the Appointing Authority of his address and inform it immediately of any change of address.”*

23. The last paragraph of Article 21 is deleted.

24. The following article is inserted:

*“Article 21a*

*1. An official who receives orders which he considers to be irregular or likely to give rise to serious difficulties shall inform his immediate superior, who shall, if the information is given in writing, reply in writing. Subject to paragraph 2, if the immediate superior confirms the orders and the official believes that such confirmation does not constitute a reasonable response to the grounds of his concern, the official shall refer the question in writing to the hierarchical authority immediately above. If the latter confirms the orders in writing, the official shall carry them out unless they are manifestly illegal or constitute a breach of the relevant safety standards.*

*2. If the immediate superior considers that the orders must be executed promptly, the official shall carry them out unless they are manifestly illegal or constitute a breach of the relevant safety standards. At the request of the official, the immediate superior shall be obliged to give such orders in writing.”*

25. The following articles are inserted:

*“Article 22a*

*1. Any official who, in the course of or in connection with the performance of his duties, becomes aware of facts which gives rise to a presumption of the existence of possible illegal activity, including fraud or corruption, detrimental to the interests of the Communities, or of conduct relating to the discharge of professional duties which may constitute a serious failure to comply with the obligations of Community officials shall without delay inform either his immediate superior or his Director-General or, if he considers it useful, the Secretary-General, or the persons in equivalent positions, or the European Anti-Fraud Office direct.*

*Information on the presumption of possible illegal activities shall be given in writing.*

*This shall also apply in the event of serious failure to comply with a similar obligation on the part of a Member of an institution or any other person in the service of or carrying out work for an institution.*

2. Any official receiving such information shall without delay transmit to the European Anti-Fraud Office any evidence of which he is aware from which the existence of the irregularities referred to in paragraph 1 may be presumed.

3. An official shall not suffer any prejudicial effects on the part of the institution as a result of having communicated the information referred to in paragraphs 1 and 2, provided that he acted reasonably and honestly.

4. Paragraphs 1 to 3 shall not apply to documents, deeds, reports, notes or information in any form whatsoever held for the purposes of, or created or disclosed to the official in the course of, proceedings in legal cases, whether pending or closed.

#### Article 22b

1. An official who further discloses information as defined in Article 22a to the President of the Commission or of the Court of Auditors or of the Council of Ministers or of the European Parliament, or to the European Ombudsman, shall not suffer any prejudicial effects on the part of the institution to which he belongs provided that both of the following conditions are met:

(a) the official honestly and reasonably believes that the information disclosed, and any allegation contained in it, are substantially true; and

(b) the official has previously disclosed the same information to the European Anti-Fraud Office or to his own institution and has allowed the Office or that institution the period of time set by the Office or the institution, given the complexity of the case, to take appropriate action. The official shall be duly informed of that period of time.

2. The period referred to in the above paragraph shall not apply where the official can demonstrate that it is unreasonable having regard to all the circumstances of the case.

3. Paragraphs 1 and 2 shall not apply to documents, deeds, reports, notes or information in any form whatsoever held for the purposes of, or created or disclosed to the official in the course of, proceedings in legal cases, whether pending or closed.

26. In Article 23, “grade A 1 to A 4” is replaced by “grade AD 12 to AD 16”.

27. Articles 24 and 24a are amended as follows:

a) The third and fourth paragraphs of Article 24 become Article 24a.

b) In the new first paragraph “It” is replaced by “The Communities”.

28. The former Article 24a becomes Article 24b.

29. Article 25 is amended as follows:

a) In the first paragraph “concerning issues covered by these Staff Regulations” is inserted after “requests”.

b) In the third paragraph “shall at once be posted in the premises of the institution to which the official belongs and shall be published in the Monthly Staff Bulletin of the Communities” is replaced by “shall be published in the institution to which the official belongs. The publication shall be accessible to all staff for an appropriate period of time.”

30. Article 26 is amended as follows:

(a) In the third paragraph, the following is added after “letter”:

*“to the last address communicated by the official.”*

(b) The fourth paragraph is replaced by the following:

*“ An official's personal file shall contain no reference to his political, trade union, philosophical or religious activities and views, or to his racial or ethnic origin or sexual orientation.*

*The fourth paragraph shall not however prohibit the insertion in the file of administrative acts and documents known to the official which are necessary for the application of these Staff Regulations..”*

(c) In the sixth paragraph “*and to take copies of them*” is inserted after “*file*”.

(d) In the seventh paragraph, “*or on a secure electronic medium*” is inserted after “*administration*”.

At the end of the seventh paragraph, “*before the Court*” is deleted.

31. The following article is inserted after Article 26:

*“Article 26a*

*Officials shall have the right to acquaint themselves with their medical files, in accordance with arrangements to be laid down by the institutions.”*

32. The second paragraph of Article 27 is deleted.

33. Article 29 is amended as follows:

(a) Points (a), (b) and (c) of paragraph 1 are replaced by the following:

*“(a) whether the post can be filled by*

*(i) transfer or*

*(ii) appointment in accordance with Article 45a or*

*(iii) promotion*

*within the institution;*

*(b) whether requests for transfer have been received from officials of the same grade in other institutions, and/or whether to hold a competition internal to the institution, which shall be open only to officials and temporary staff as defined in Article 2 of the Conditions of Employment of other servants of the European Communities;”*

(b) In paragraph 2, “*grade A 1 or A 2 officials*” is replaced by the following:

*“senior officials (Directors-General or their equivalent in grade AD 16 or AD 15 and Directors or their equivalent in grade AD 15 or AD 14)”*

(c) The following paragraphs are added:

*“(3) The institutions may organise internal competitions for each function group on the basis of qualifications or tests or both tests and qualifications for the institution concerned which shall be at least at AST 6-level or higher and at AD 9-level or higher.*

*These competitions will be open to members of the temporary staff of that institution engaged in accordance with Article 2 of the Conditions of Employment of other Servants of the European Communities. The institutions shall require as minimum qualifications for these competitions at least ten years of service as a temporary servant and having been recruited as a temporary servant on the basis of a selection procedure which ensured the application of the same standards as for the selection of officials in conformity with Article 12 (3a) of these Conditions of Employment. By derogation from Article 29 (1) (a), the Appointing Authorities of the institution that engaged the temporary servant shall, before filling a vacant post in that institution, consider transfers of officials in parallel with successful candidates from these internal competitions.*

*(4) The European Parliament shall organise at least two internal competitions on the basis of qualifications every five years for each function group which shall be at least at AST 6-level or higher and at AD 9-level or higher, in accordance with the second subparagraph of paragraph 3.”*

34. Article 31 is replaced by the following:

#### *“Article 31*

*1. Candidates selected shall be appointed to the grade of the function group set out in the notice of the competition they have passed.*

*2. Without prejudice to Article 29(2), officials shall be recruited only at grades AST 1 to AST 4 or AD 5 to AD 8. The grade of the competition notice shall be determined by the institution in accordance with the following criteria:*

- the objective of recruiting officials of the highest standard as defined in Article 27;*
- the quality of the professional experience required.*

*To address specific needs of the institutions, labour market conditions prevailing in the Community may also be taken into account in recruiting officials.*

*3. Notwithstanding paragraph (2), the institution may, where appropriate, authorise the organisation of a competition at grade AD9, AD 10, AD 11 or, on an exceptional basis, at grade AD 12. The total number of candidates appointed to vacant posts at these grades shall not exceed 20% of the total number of appointments to the AD function group made per year in accordance with the second paragraph of Article 30.”*

35. In Article 32, the second paragraph is replaced by:

*“The Appointing Authority may allow additional seniority up to a maximum of 24 months to take account of his professional experience. General implementing provisions shall be adopted to give effect to this article.”*

36. The first subparagraph of Article 34(1) is replaced by the following:

*“Officials shall serve a nine-month probationary period before they can be established.”*

37. In Article 35 the following point (f) is added:

*“(f) parental leave or family leave”.*

38. Article 37 is amended as follows:

(a) In the second indent of point (a) of paragraph 1, *“or with an elected President of one of the institutions or organs of the Communities or the elected Chairman of one of the political groups in the European Parliament”* is replaced by *“or the elected President of one of the institutions or organs of the Communities, or one of the political groups in the European Parliament or the Committee of the Regions, or a group in the Economic and Social Committee”*.

(b) The following paragraph is added after the final paragraph: *“Any official in active employment or on leave on personal grounds may apply for or be offered secondment in the interests of the service. Once the official is seconded, the leave on personal grounds shall be terminated.”*

39. Article 39 is amended as follows:

(a) In point (d), second subparagraph, *“the invalidity or the survivor's pension”* is replaced by *“the invalidity allowance or survivor's pension”*.

(b) Point (e) becomes point (f) and *“category or service”* is replaced by *“function group”*.

(c) The following new point is inserted:

*“(e) During the period of secondment, the official shall retain his right to advancement to a higher step;”*

40. Article 40 is amended as follows:

(a) In the second subparagraph of paragraph 2, *“two”* is deleted.

(b) In the second subparagraph of paragraph 2 the words *“of one year each”* are deleted. The following is added:

*“Extensions may be for periods not exceeding one year. The total length of leave on personal grounds may not exceed 15 years in the course of the official's entire career.*

*If, however, an official applies for such leave in order to be able:*

*- to bring up a child considered as a dependant of the official within the meaning of Article 2(2) of Annex VII and who suffers from a serious mental or physical handicap recognised by the medical officer of the institution and who requires constant care or supervision; or*

*- to follow his spouse, the latter also being an official or other servant of the Communities required in the course of his duties to establish his habitual residence at such a distance from the place of*

*employment of the applicant official that the establishment of their conjugal home in such a place would inconvenience the applicant official in the performance of his duties,*

*the leave may be extended without limits, provided that, at the time of each extension, the conditions which warranted the grant of the leave continue to be fulfilled."*

(c) The third and fourth subparagraphs of paragraph 2 are deleted.

(d) In the second subparagraph of paragraph 3, the first sentence is replaced by the following:

*"However, an official who is not engaged in a gainful activity may, not later than one month following that in which the leave on personal grounds begins, apply to continue to be covered in accordance with those articles, provided that he bears half the cost of the contributions required to cover the risks referred to in Articles 72(1) and 73(1) for the first year of the leave on personal grounds and the full cost during the remainder of such leave. Cover in accordance with Article 73 shall be available only if cover has been obtained in accordance with Article 72. The contributions shall be calculated by reference to the official's last basic salary."*

(e) In point (d) of paragraph 4, "*category or service*" is replaced by "*function group*" and "*or placed on secondment*" is inserted after "*effectively reinstated*".

41. Article 41(3) is amended as follows:

(a) In the second subparagraph, "*category or service*" is replaced by "*function group*".

(b) The sixth, seventh, eighth and ninth subparagraphs are replaced by the following subparagraphs: "*No correction coefficient shall be applicable to the allowance.*

*However, the allowance and the total remuneration last received, as referred to in the fourth subparagraph, shall be subject to the weighting referred to in the first subparagraph of Article 3(5) of Annex XI, at the rate fixed for the country inside the Communities where the recipient proves he has his residence, provided that country was the recipient's last place of employment. In such cases, if the currency of the country is not the euro, this allowance is calculated on the basis of the exchange rates foreseen in Article 63 of these Staff Regulations."*

42. A new Section 6 entitled "*Parental or family leave*" is inserted after Article 42, and the following Articles 42a and 42b are inserted:

#### *"Article 42a*

*An official shall be entitled to up to six months of parental leave without basic salary for every child, to be taken during the first twelve years after the birth or adoption of the child. The duration of the leave may be doubled for single parents recognised under general implementing provisions adopted by the institutions. The minimum leave taken at any one time shall not be less than one month.*

*During parental leave, the official's membership of the social security scheme shall continue; the acquisition of pension rights, dependent child allowance and education allowance shall be maintained. The official shall retain his post, and continue to be entitled to advancement to a higher step or promotion in grade. The leave may be taken as full-time or half-time leave. Where parental leave is taken in the form of half-time leave, the maximum period provided for in the first paragraph*

*shall be doubled. During parental leave, the official shall be entitled to an allowance of [€750]<sup>5</sup> per month or 50% of such sum if on half-time leave but may not engage in any other gainful employment. The full contribution to the social security scheme provided for in Articles 72 and 73 shall be borne by the institution and calculated on the basis of the basic salary of the official. However, in the case of half-time leave this provision shall apply only to the difference between the full basic salary and the proportionally reduced basic salary. For the part of the basic salary actually received, the official's contribution shall be calculated by using the same percentages as if he were in full-time employment.*

*The allowance shall be [€1 000]<sup>6</sup> per month, or 50% of such sum if the official is on half-time leave, for the single parents referred to in the first paragraph and during the first three months of parental leave where such leave is taken by the father during maternity leave or by either parent immediately after maternity leave or during or immediately after adoption leave. The above amounts shall be adapted in line with remuneration.*

#### *Article 42b*

*In the case of medically certified serious illness or handicap of an official's spouse, relative in the ascending line, relative in the descending line, brother or sister, the official shall be entitled to a period of family leave without basic salary. The total period of such leave shall not exceed nine months over the official's entire career.*

*The second paragraph of Article 42a shall apply.*

43. Article 43 is amended as follows:

(a) In the first paragraph, “*with the exception of those in grades A1 and A2,*” is deleted and the following is added after the first sentence: “*The institutions shall lay down provisions conferring the right to lodge an appeal within the reporting procedure, which has to be exercised before lodging a complaint as referred to in Article 90(2).*”.

(b) The following paragraph is inserted as the second paragraph:

*“As of grade 4, for officials in function group AST, the report may also contain an opinion as to whether, on the basis of performance, he has the potential to carry out an administrator's function.”*

44. In Article 44 the following paragraph is added:

*“If an official is appointed head of unit, director or director-general in the same grade, and provided that he has performed his new duties satisfactorily during the first nine months, he shall benefit from advancement by one step in that grade at the time the appointment comes into effect. This advancement shall lead to an increase in his basic monthly salary corresponding to the percentage between the first and the second step in each grade. If the increase is less or if the official at that time is already in the last step of his grade, he shall receive an increase in basic salary ensuring the increase between the first and second step until his next promotion comes into effect.”*

45. Articles 45 and 46 are replaced by the following:

---

<sup>5</sup> See footnote 7.

<sup>6</sup> See footnote 7.

*“Article 45*

*1. Promotion shall be by decision of the Appointing Authority in the light of Article 6(2). It shall be effected by appointment of the official to the next higher grade in the function group to which he belongs. Promotion shall be exclusively by selection from among officials who have completed a minimum of two years in their grade after consideration of the comparative merits of the officials eligible for promotion. When considering comparative merits, the Appointing Authority shall in particular take account of the reports on the officials, the use of languages other than the language for which they have produced evidence of thorough knowledge in accordance with Article 28 (f) and, where appropriate, the level of responsibilities exercised by them.*

*2. Officials shall be required to demonstrate before their first promotion after recruitment the ability to work in a third language among those referred to in Article 314 of the EC Treaty. Each institution shall adopt general provisions for implementing this paragraph in accordance with Article 110 which shall require access to training for officials in a third language and lay down the procedures for verifying ability to work in a third language.*

*“Article 45a*

*“(1) By way of derogation from Article 5 (3) (b) and (c), an official in function group AST may, from grade 5, be appointed to a post in function group AD, on condition that*

*(a) he has been selected in accordance with the procedure laid down in paragraph (3) to take part in a compulsory training programme as set out in (b) below,*

*(b) he has completed a training programme defined by the Appointing Authority comprising a set of compulsory training modules, and*

*(c) he is on a list drawn up by the Appointing Authority of suitable candidates who have passed an oral and written examination demonstrating that he has successfully taken part in the training programme mentioned under (b) above. The contents of this examination shall be determined in accordance with Article 7 (2) (c) of Annex III.*

*(2) The Appointing Authority shall draw up a draft list of AST officials selected to take part in the aforesaid training programme on the basis of their periodical reports referred to in Article 43 and their level of education and training and taking account of the needs of the services. This draft shall be submitted to a joint committee for its opinion.*

*This committee may hear officials who have applied to take part in the aforesaid training programme, and representatives of the Appointing Authority. It shall, by a majority vote, deliver a reasoned opinion on the draft list proposed by the Appointing Authority. The Appointing Authority shall adopt the list of officials who are entitled to take part in the aforesaid training programme.*

*(3) Appointment to a post in function group AD shall not affect the grade and step occupied by the official at the moment of appointment.*

*(4) The number of appointments to posts in function group AD as laid down in paragraphs (1) to (4) above shall not exceed 20% of the total number of appointments made per year in accordance with the second paragraph of Article 30.*

*(5) The institutions shall adopt general provisions for implementing this article in accordance with Article 110.”*



## Article 46

*An official appointed to a higher grade in accordance with Article 45 shall be placed in the initial step in that grade. However, officials in grades AD 9 to AD 13 carrying out the duties of head of unit who are appointed to a higher grade in accordance with Article 45 shall be placed in the second step of the new grade. The same arrangement shall apply to any official:*

*- who upon promotion is appointed director or director-general or*

*- who is director or director-general and to whom the last sentence of the second paragraph of Article 44 applies.”*

46. Article 48 is amended as follows:

(a) In the third paragraph, “*category A and in the Language Service*” is replaced by “*function group AD*”

(b) In the third paragraph, “*the other categories*” is replaced by “*function group AST*”.

47. In the first paragraph of Article 49, the reference to Article 13 is deleted.

48. Article 50 is amended as follows:

(a) In the first paragraph the phrase “*An official holding a post in grades A 1 or A 2*” is replaced by “*A senior official as defined in Article 29(2)*”. (b) In the third paragraph, “*in his category or service*” is deleted.

(b) The fifth paragraph is replaced by the following paragraphs:

*"The person concerned shall be required to provide on request written proof and to notify his or her institution of any factor that may affect entitlement to the benefit.*

*The allowance shall not be subject to a correction coefficient.*

49. *Article 45, third to fifth paragraphs, of Annex VIII shall apply by analogy.* "The title of Section 4, “*Dismissal for incompetence*”, is replaced by “*Procedures for dealing with incompetence*”.

50. Article 51 is replaced by the following:

## “Article 51

*1. Each institution shall define procedures to identify, deal with and remedy cases of incompetence in a timely and positive fashion. Once these procedures have been exhausted, an official who, on the basis of consecutive career development reports, still proves incompetent in the performance of his duties may be dismissed, downgraded or classified in a lower function group at the same grade or a lower grade.*

*2. Any proposal to dismiss, downgrade or classify an official in a lower function group shall set out the reasons on which it is based and shall be communicated to the official concerned. The proposal from the Appointing Authority shall be referred to the Joint Advisory Committee referred to in Article 9(6).*

3. *The official shall have the right to obtain his complete personal file and to take copies of all documents relating to the procedure. He shall have at least fifteen days from the date of receipt of the proposal to prepare a defence. He may be assisted by a person of his choice. The official may submit written comments. He shall be heard by the Joint Advisory Committee. The official may also call witnesses.*

4. *The institution shall be represented before the Joint Advisory Committee by an official designated for that purpose by the Appointing Authority. That official shall have the same rights as the official concerned.*

5. *In the light of the proposal and any written and verbal statements from the official concerned or from witnesses, the Joint Advisory Committee shall deliver by a majority a reasoned opinion stating the measure which it considers appropriate in the light of the facts established at its request. It shall forward that opinion to the Appointing Authority and to the official concerned within two months of the date on which the matter is referred to it. The chairman shall not vote on decisions of the Joint Advisory Committee, except in procedural matters and where votes are tied.*

*The Appointing Authority shall take a decision within two months of receipt of the Joint Advisory Committee's opinion, after hearing the official. The decision shall be substantiated. It shall indicate the date on which it takes effect.*

6. *An official dismissed for incompetence shall, for the period defined in paragraph 7, be entitled to a monthly dismissal allowance equal to the basic monthly salary of an official in the first step of grade 1. The official shall also be entitled during the same period to the family allowances provided for in Article 67 of the Staff Regulations. The household allowance shall be calculated on the basis of the basic monthly salary of an official in grade 1 in accordance with Article 1 of Annex VII.*

*The allowance shall not be paid if the official resigns after the start of the procedure referred to in paragraphs 1, 2 and 3 or if he is entitled to the immediate payment of a full pension. If he is entitled to unemployment benefit under a national unemployment scheme, the amount of that benefit shall be deducted from the above allowance.*

7. *The period during which the payments referred to in paragraph 6 are to be made shall be:*

- three months where the official has completed less than five years' service at the date on which the dismissal decision is taken;*
- six months where the official has completed at least five years' service but less than ten;*
- nine months where the official has completed at least 10 years' service but less than 20;*
- 12 months where the official has completed over 20 years' service.*

8. *Officials who are downgraded or classified in a lower function group on grounds of incompetence may after a period of six years ask for all references to that measure to be deleted from their personal files.*

9. *Officials shall be entitled to reimbursement of reasonable expenses incurred on their initiative in the course of the proceedings, including fees payable to a defending adviser not belonging to the institution, where the proceedings provided for in this article end without any decision being taken to dismiss, downgrade or classify the official in a lower function group."*

51. The first paragraph of Article 52 is amended as follows:

(a) In the second indent, "*at least 60*" shall be replaced by "*at least 63*", and "*between 50 and 60*" shall be replaced by "*between 55 and 63*".

(b) The second paragraph shall be added as the last sentence to the first paragraph, second indent.

(c) The following new second paragraph is added:

"However, an official may at his own request and provided that the appointing authority considers that the request is in the interest of the service, carry on working until the age of 67 in which case he shall be retired automatically on the last day of the month in which he reaches that age".

52. In Article 54, "*career bracket or the next higher bracket*" is replaced by

*"grade or the next higher grade".3]*

53. Article 55a is replaced by the following:

*"Article 55a*

*1. An official may request authorisation to work part time.*

*The Appointing Authority may grant such authorisation if this is compatible with the interests of the service.*

*2. The official shall be entitled to authorisation in the following cases:*

*- to care for a child under 9 years of age,*

*- to care for a child aged between 9 and 12, if the reduction in working time is no more than 20 % of normal working time,*

*- to care for a seriously ill or handicapped spouse, relative in the ascending line, relative in the descending line, brother or sister,*

*- to take part in further training, or*

*- as of the age of 55.*

*Where part-time is requested in order to take part in further training, or as of the age of 55, the Appointing Authority may refuse authorisation or postpone its date of effect only in exceptional circumstances and for overriding service-related reasons.*

*Where such entitlement to authorisation is exercised to care for a seriously ill spouse, relative in the ascending line, relative in the descending line, brother or sister, or to take part in further training, the total of all such periods shall not exceed five years over the official's career."*

*3. The Appointing Authority shall reply to the official's request within 60 days.*

*4. The rules governing part-time work and the procedure for granting authorisation are laid down in Annex IVa."*

54. The following Article is inserted after Article 55a:

*“Article 55b*

*An official may request authorisation to work half-time in the form of job-sharing in a post identified by the Appointing Authority as appropriate for that purpose. The authorisation to work half-time by job-sharing shall not be limited in time. It may, however, be withdrawn by the Appointing Authority in the interests of the service giving the official six months' notice. Likewise, the Appointing Authority may, on application of the official concerned and giving at least six months' notice, withdraw the authorisation. In this case, the official may be transferred to a different post.*

*Article 59a and, except for the third sentence of paragraph 2, Article 3 of Annex IVa shall apply.*

*The Appointing Authority may lay down detailed rules for the application of these provisions.”*

55. Article 56 is amended as follows:

(a) In the second paragraph, “*Categories A and B and in the Language Service*” is replaced by “*function group AD, and in function group AST 5 to 11*”.

(b) In the third paragraph, “*Categories C and D*” is replaced by “*grade AST 1 to AST 4*”.

56. The following article is inserted after Article 56b:

*“Article 56c*

*Special allowances may be granted to certain officials to compensate for particularly arduous working conditions.*

*The Council shall, on a proposal from the Commission presented after seeking the opinion of the Staff Regulations Committee, determine the categories of beneficiaries, and the rates and conditions of such special allowances.”*

57. Article 58 is replaced by the following:

*“Article 58*

*Pregnant women shall, in addition to the leave provided for in Article 57, be entitled on production of a medical certificate to twenty weeks of leave. The leave shall start not earlier than six weeks before the expected date of confinement shown in the certificate and end not earlier than 14 weeks after the date of confinement. In the case of multiple or premature birth or the birth of a handicapped child, the duration shall be of 24 weeks. Premature birth for the purposes of this provision is a birth taking place before the end of the 34th week of pregnancy.”*

58. Article 59 is replaced by the following:

*“1. An official who provides evidence of being unable to carry out his duties by reason of illness or accident shall be entitled to sick leave.*

*The official concerned shall notify his institution of his incapacity as soon as possible and at the same time state his current address. He shall produce a medical certificate if he is absent for more than three days. This certificate must be sent on the fifth day of absence at the latest, as evidenced*

*by the date as postmarked. Failing this, and unless failure to send the certificate is due to reasons beyond his control, the official's absence shall be considered as unauthorised. He may at any time be required to undergo a medical examination arranged by the institution. If the examination cannot take place for reasons attributable to the official, his absence shall be considered as unauthorised as from the date that the examination is due to take place. If the finding made in the examination is that the official is able to carry out his duties, his absence shall, subject to the following sub-paragraph, be regarded as unjustified from the date of the examination.*

*If the official considers the conclusions of the medical examination arranged by the Appointing Authority to be unjustified on medical grounds, he or a doctor acting on his behalf may within two days submit to the institution a request that the matter be referred to an independent doctor for an opinion. The institution shall immediately transmit the request to another doctor agreed upon by the official's doctor and the institution's medical officer. Failing such agreement within five days of the request, the institution shall select a person from a list of independent doctors to be established for this purpose each year by common consent of the Appointing Authority and the Staff Committee. The official may within two working days object to the institution's choice, whereupon the institution shall choose another person from the list, which choice shall be final. The independent doctor's opinion given after consultation of the official's doctor and the institution's medical officer shall be binding. Where the independent doctor's opinion confirms the conclusion of the examination arranged by the institution, the absence shall be treated as unjustified from the date of that examination. Where the independent doctor's opinion does not confirm the conclusion of that examination, the absence shall be treated for all purposes as having been justified.*

*2. If, over a period of 12 months, an official is absent for up to three days because of sickness for a total of more than 12 days, he shall produce a medical certificate for any further absence because of sickness. His absence shall be considered to be unjustified as from the thirteenth day of absence on account of sickness without a medical certificate.*

*3. Without prejudice to the application of the rules on disciplinary proceedings, where appropriate, any absence considered to be unjustified under paragraphs 1 and 2 shall be deducted from the annual leave of the official concerned. In the event that the official has no outstanding leave entitlement, he shall lose the benefit of his remuneration for the corresponding period.*

*4. The Appointing Authority may refer to the Invalidity Committee the case of any official whose sick leave totals more than 12 months in any period of three years.*

*5. An official may be required to take leave after examination by the institution's medical officer if his state of health so requires or if a member of his household is suffering from a contagious disease.*

*In cases of dispute, the procedure laid down in the third subparagraph of paragraph 1 shall apply.*

*6. Officials shall undergo a medical check-up every year either by the institution's medical officer or by a medical practitioner chosen by them.*

*In the latter case, the practitioner's fees shall be payable by the institution up to a maximum fixed for a period of no more than three years by the Appointing Authority after consulting the Staff Regulations Committee.*

59. Article 59a is replaced by the following:

*“Article 59a*

*The annual leave of an official who is authorised to work part time shall, for as long as he is so authorised, be reduced proportionally.”*

59a In Article 66 the table is replaced by the following<sup>7</sup>:

Grade	Step				
	1	2	3	4	5
<b>16</b>	13 917.93	14 502.78	15 112.21		
<b>15</b>	12 301.13	12 818.04	13 356.67	13 728.27	13 917.93
<b>14</b>	10 872.14	11 329.00	11 805.06	12 133.50	12 301.13
<b>13</b>	9 609.16	10 012.95	10 433.70	10 723.99	10 872.14
<b>12</b>	8 492.89	8 849.77	9 221.65	9 478.21	9 609.16
<b>11</b>	7 506.29	7 821.72	8 150.40	8 377.16	8 492.89
<b>10</b>	6 634.31	6 913.09	7 203.59	7 404.01	7 506.29
<b>9</b>	5 863.62	6 110.02	6 366.77	6 543.90	6 634.31
<b>8</b>	5 182.46	5 400.24	5 627.16	5 783.72	5 863.62
<b>7</b>	4 580.43	4 772.91	4 973.47	5 111.84	5 182.46
<b>6</b>	4 048.34	4 218.45	4 395.72	4 518.01	4 580.43
<b>5</b>	3 578.05	3 728.41	3 885.08	3 993.17	4 048.34
<b>4</b>	3 162.40	3 295.29	3 433.76	3 529.29	3 578.05
<b>3</b>	2 795.03	2 912.48	3 034.87	3 119.31	3 162.40
<b>2</b>	2 470.34	2 574.15	2 682.32	2 756.95	2 795.03
<b>1</b>	2 183.37	2 275.12	2 370.72	2 436.68	2 470.34

60. Article 66a is replaced by the following

1. By way of derogation from Article 3(1) of Regulation (EEC, Euratom, ECSC) No 260/68, a temporary measure regarding remuneration paid by the Communities to staff in active employment, to be known as the *"special levy"*, shall be applied from [1 May 2004] to [31 December 2012].

---

<sup>7</sup> The amounts concerning remuneration in Annexes I and II are based on the amounts specified in the Staff Regulations in [July 2001] and shall be updated automatically on the basis of the adjustments of those amounts decided by the Council between [July 2001] and the date of entry into force of this Regulation.

2. (a) The rate of this special levy, which shall apply to the base defined in paragraph 3, shall be *as follows*:

*From 1.5.2004 to 31.12.2004*                      2.50%

*From 1.1.2005 to 31.12.2005*                      2.93%

*From 1.1.2006 to 31.12.2006*                      3.36%

*From 1.1.2007 to 31.12.2007*                      3.79%

*From 1.1.2008 to 31.12.2008*                      4.21%

*From 1.1.2009 to 31.12.2009*                      4.64%

*From 1.1.2010 to 31.12.2010*                      5.07%

*From 1.1.2011 to 31.12. 2012*                      5.50%

(b) The Council, acting in accordance with the procedure laid down in *Article 283 of the EC Treaty* after consulting the other institutions concerned, may, if appropriate, in the context of the review provided for in Article 15(2) of Annex XI to the Staff Regulations, alter the rate of the *special levy* referred to in point (a) on the basis of a report and a proposal from the Commission.

3. (a) The base for the *special levy* shall be the basic salary used to calculate remuneration, minus:

– social security and pension contributions and the tax, before *special levy*, payable by an official in the same grade and step without dependants within the meaning of Article 2 of Annex VII to the Staff Regulations

and

– an amount equal to the basic salary of an official in grade 1, step 1.

(b) The components used to determine the base for the *special levy* shall be expressed in euro and weighted at 100.

4. The *special levy* shall be deducted monthly at source; the proceeds shall be entered as revenue in the general budget of the Communities.

61. In Article 68a, “*half-time*” is replaced by “*part time*”.

62. Article 70 is amended as follows:

(a) In the second paragraph, “*or an invalidity allowance*”

is inserted after

“*pension*”.

(b) In the second paragraph, “*or allowance* “ is inserted after “*in respect of the deceased's pension* “.

63. Article 70a is deleted.

64. Article 72 is amended as follows:

(a) The following subparagraphs are inserted after the first subparagraph of paragraph 1:

*“The unmarried partner of an official shall be treated as the spouse under the sickness insurance scheme, where the first three conditions in Article 1(2)(c) of Annex VII are met.*

*The institutions may, under the Rules referred to in the first subparagraph, confer on one of their number the power to lay down the rules governing the reimbursement of expenses in accordance with the procedure laid down in Article 110.”*

(b) In paragraph 1a, first sentence,

*“he cannot be covered by any other public scheme of sickness insurance” is replaced by: “he is not in gainful employment”.*

(c) In paragraph 1b,

*“he or she cannot be covered by any other public scheme of sickness insurance”*

is replaced by:

*“he or she is not in gainful employment”.*

(d) Paragraph 2 is amended as follows:

- *“invalidity pension” is replaced by “invalidity allowance”.*
- *“60” is replaced by “63”*

(e) Paragraph 2a is replaced by the following:

*“2a. The following shall likewise be entitled to the benefits provided for in paragraph 1, on condition that they are not in gainful employment:*

*- former officials entitled to retirement pensions who leave the service of the Communities before reaching the age of 63,*

*- persons entitled to a survivor's pension as a result of the death of a former official who left the service of the Communities before reaching the age of 63.*

*The contribution referred to in paragraph 1 shall be calculated by reference to the former official's pension before application, where appropriate, of the reduction coefficient provided for in Article 9 of Annex VIII to the Staff Regulations.*

*However, persons entitled to an orphan's pension shall not receive the benefit provided for in paragraph 1 unless they apply for it. The contribution shall be calculated by reference to the orphan's pension.”*

(f) The following paragraphs are inserted after paragraph 2a:

*2b. In the case of persons entitled to a retirement pension or a survivor's pension, the contribution referred to in paragraphs 2 and 2a may not be less than that calculated by reference to the basic salary corresponding to the first step in grade 1.*



2c. *Officials dismissed in accordance with Article 51 and not entitled to a retirement pension shall likewise be entitled to the benefits provided for in paragraph 1, on condition that they are not gainfully employed and that they bear half the contribution calculated by reference to their last basic salary.*"

64a. In Article 76 "*a disability* or" is inserted after "*reason of*".

64b. The following new article is inserted after Article 76:

*"Article 76a*

*A surviving spouse who has a serious or protracted illness or who is disabled may receive financial aid increasing the pension from the institution for the duration of the illness or disability on the basis of an examination of the social and medical circumstances of the person concerned. Rules implementing this article shall be fixed by common accord between the institutions, after consulting the Staff Regulations Committee."*

65. The heading of Chapter 3 in Title V is replaced by "*Pensions and invalidity allowance*".

65a Article 77 is amended as follows:

(a) In the first paragraph, "*60*" is replaced by "*63*".

(b) In the second paragraph, the second and third sentences are replaced by the following sentence: "*1.90% of this final basic salary shall be payable to an official for each year of service reckoned in accordance with Article 3 of Annex VIII*".

(c) In the fifth paragraph, "*60*" is replaced by "*63*".

66. Article 78 is amended as follows:

(a) In the first paragraph, "*pension*" is replaced by "*allowance*" and "*career bracket*" is replaced by "*function group*".

(b) The second to fifth paragraphs are replaced by the following:

*"Article 52 shall apply by analogy to recipients of an invalidity allowance. If the recipient of an invalidity allowance retires before the age of 65 without having reached the maximum pension entitlement, the general rules on retirement pensions shall be applied. The amount of the retirement pension shall be based on the salary for the grade and step occupied by the official when he became an invalid.*

*The invalidity allowance shall be equal to 70% of the official's last basic salary. However, it may not be less than the minimum subsistence figure.*

*The recipient of an invalidity allowance shall pay a contribution to the pension scheme, calculated on the basis of that allowance.*

*Where the invalidity arises from an accident in the course of or in connection with the performance of an official's duties, from an occupational disease, from a public-spirited act or from risking his life to save another human being, the invalidity allowance may not be less than 120% of the minimum subsistence figure. In such cases, moreover, contributions to the pension scheme shall be paid in full from the budget of the institution or body referred to in Article 1b."*

67. Article 79 is amended as follows:

- (a) In the first and second paragraphs, “widow” is replaced by “surviving spouse” and “her husband” is replaced by “the deceased”.
- (b) In the first paragraph “of the retirement or invalidity pension” is replaced by “of the retirement pension or invalidity allowance”.

68. Article 79a is deleted.

69. Article 80 is amended as follows:

- (a) In the first paragraph, “a retirement or invalidity pension” is replaced by “a retirement pension or invalidity allowance” and “the dependent children within the meaning of Article 2 of Annex VII” is replaced by “the children dependent on the deceased within the meaning of Article 2 of Annex VII at the time of his death”.
- (b) In the third paragraph, “a retirement or invalidity pension” is replaced by “a retirement pension or invalidity allowance”.
- (c) The fourth paragraph is replaced by the following:

*“For persons treated as dependent children within the meaning of Article 2(4) of Annex VII, the orphan's pension may not exceed an amount equal to twice the dependent child allowance.”*

- (d) The following new paragraph 5 is inserted after the fourth paragraph:

*“Where a child has been adopted, the death of the natural parent who has been replaced by the adoptive parent shall not give rise to payment of an orphan's pension.”*

- (e) Paragraph 5 becomes paragraph 6. In this paragraph “60” is replaced by “63”

- (f) The following paragraph 7 is added:

*“Persons in receipt of an orphan's pension may not receive more than one such pension from the Community. Where a surviving child has entitlement to more than one Community pension, he shall receive the pension providing the higher or highest amount.”*

70. The first paragraph of Article 81 is amended as follows:

- (a) “payable at the age of 60 years or later” is deleted.
- (b) “invalidity pension” is replaced by “invalidity allowance”.(c) “or the allowance” is inserted between “by reference to the pension” and “of the recipient”.

The following sentence is added: *“These allowances shall be paid to recipients of a survivor's pension only in respect of the children dependent on the deceased official or former official at the time of death.”*

70a. Article 81a(1) is amended as follows:

- (a) Paragraph 1 is amended as follows:
  - (i) In (c), “invalidity pension” is replaced by “invalidity allowance”.

- (ii) In (d) "60" is replaced by "63".
- (b) In the second subparagraph of paragraph 3 "*, third and fourth*" is replaced by "*and third*".

71. Article 82 is amended as follows:

(a) Paragraph 1 is amended as follows:

- i. The second and third subparagraphs are replaced by the following subparagraph:

*"No correction coefficient shall be applicable to pensions."*

- ii. In the fourth subparagraph, "*in the manner provided for in the second paragraph of Article 63 of the Staff Regulations*" is deleted.

(b) Paragraph 2 is amended as follows:

- i. "*Should the Council, in accordance with Article 65(1), decide*" is replaced by "*Where the Council, in accordance with Article 65(1), decides*".
- ii. "*increase remunerations*" is replaced by "*adapt remunerations*".
- iii. "*it shall, acting in accordance with the procedure set out in Article 65(3), at the same time decide on an appropriate increase in pensions.*" is replaced by "*the same adaptation shall be applied to pensions.*"

(c) The following paragraph 3 is added:

*"3. The provisions of paragraphs 1 and 2 shall apply by analogy to recipients of an invalidity allowance."*

72. Article 83 is amended as follows:

- (a) In paragraph 2, "8.25%" is replaced by "9.25 %".
- (b) Paragraph 4 is deleted.

73. The following article is inserted:

#### *"Article 83a*

*"1. The scheme shall be kept in balance in accordance with the detailed rules set out in Annex XII.*

*2. Decentralised Community bodies not funded out of the budget of the Communities shall pay into that budget the entire amount of the contributions needed to finance the scheme.*

*3. On the occasion of the five-yearly actuarial assessment in accordance with Annex XII and in order to ensure the balance of the scheme, the Council shall decide on the rate of contribution and any change to the pensionable age.*

*4. Each year the Commission shall present to the Council an updated version of the actuarial assessment, in accordance with Article 1(2) of Annex XII. Where it is shown that there is a gap of at least 0.25 points between the rate of contribution currently applied and the rate required to*

*maintain actuarial balance, the Council shall consider whether the rate should be adapted, in accordance with the arrangements laid down in Annex XII.*

*5. For the purposes of paragraphs 3 and 4 of this article, the Council shall act by a qualified majority on a proposal from the Commission as provided for in the first indent of Article 205(2) of the Treaty establishing the European Community. For the purposes of paragraph 3, the Commission's proposal shall be presented after consultation of the Staff Regulations Committee."*

74. In Article 85 the following paragraph is added:

*"The request for recovery must be made no later than five years from the date on which the sum was paid. Where the Appointing Authority is able to establish that the recipient deliberately misled the administration with a view to obtaining the sum concerned, the request for recovery shall not be invalidated even if this period has elapsed."*

75. In Article 85a(2), sixth indent, "*invalidity pensions*" is replaced by "*invalidity allowances*".

76. Article 86(2) and (3) are replaced by the following:

*"2. Where the Appointing Authority or the Anti-Fraud Office becomes aware of evidence of failure within the meaning of paragraph 1, they may launch administrative investigations to verify whether such failure has occurred.*

*"3. Disciplinary rules, procedures and measures and the rules and procedures covering administrative investigations are laid down in Annex IX to the Staff Regulations."*

77. Articles 87, 88 and 89 are deleted.

78. Article 90(3) is deleted.

79. The following articles are inserted:

#### *"Article 90a*

*Any person to whom these Staff Regulations apply may submit to the Director of the Anti-Fraud Office a request within the meaning of Article 90(1), asking the Director to take a decision relating to him in connection with investigations by the Office. Such person may also submit to the Director of the Anti-Fraud Office a complaint within the meaning of Article 90(2) against an act adversely affecting him in connection with investigations by the Office.*

#### *Article 90b*

*Any person to whom these Staff Regulations apply may submit to the European Data Protection Supervisor a request or a complaint within the meaning of Article 90(1) and (2), within his sphere of competence.*

#### *Article 90c*

*Requests and complaints relating to the areas to which Article 2(2) has been applied shall be lodged with the Appointing Authority entrusted with the exercise of powers."*

80. In Article 91a,  
the first sentence is deleted;

The second sentence is amended to read:

*Any appeals relating to the areas in which Article 2(2) has been applied shall be made against the institution to which the Appointing Authority entrusted with the exercise of powers is answerable.”*

81. Articles 92, 93 and 94 are replaced by the following:

*“Article 92*

*This Title lays down the special provisions applicable to officials of the Communities who occupy posts paid from appropriations in the research and investment budget and classified in accordance with Annex I.A.*

*Article 93*

*Special allowances may be granted to certain officials covered by Article 92 to compensate for particularly arduous working conditions.*

*The Council shall, on a proposal from the Commission, determine the rates and conditions of such special allowances and the staff who shall receive them.*

*Article 94*

*By way of derogation from the second paragraph of Article 56a and the second paragraph of Article 56b, and in exceptional cases only because of the exigencies of the service, safety regulations or national or international obligations, the Appointing Authority shall designate the officials covered by Article 92 who shall be entitled to benefit from the provisions of these articles.”*

82. Articles 95, 96, 97, 98, 99, 100, 101, 102, 106 and 107 are repealed.

83. The following article is inserted:

*“Article 107a*

*Transitional provisions are set out in Annex XIII.”*

84. Article 110 is amended as follows:

(a) The first paragraph becomes paragraph 1, the second paragraph becomes paragraph 3 and the third paragraph becomes paragraph 4.

(b) In paragraph 1 the following sentence is added:

*“Agencies shall adopt the appropriate implementing rules for giving effect to these Staff Regulations, after consultation of the relevant Staff Committee and in agreement with the Commission.”*

(c) The following paragraph 2 is inserted:

*“2. For the purposes of the adoption of rules by agreement between the institutions, agencies shall not be treated as institutions. However, the Commission shall consult the agencies before the adoption of these rules.”*

(c) In paragraph 4 the following sentence is added:

*“Agencies shall be jointly represented in these consultations in accordance with rules to be fixed by agreement between them.”*

85. Annex I is replaced by the following:

A. Types of posts in each function group, as provided for in Article 5(3)

<b>Function group AD</b>		<b>Function group AST</b>	
<i>Director-General</i>	<i>AD 16</i>		
<i>Director-General/ Director</i>	<i>AD 15</i>		
<b><i>Administrator working for example as :</i></b>  <i>Director/ Head of unit/ Adviser/ linguistic expert ; economic expert ; legal expert ; medical expert ; veterinary expert ; scientific expert ; research expert ; financial expert, audit expert</i>	<i>AD 14</i>		
<b><i>Administrator working for example as :</i></b>  <i>Head of Unit/ Adviser/ linguistic expert ; economic expert ; legal expert ; medical expert ; veterinary expert ; scientific expert ; research expert ; financial expert, audit expert</i>	<i>AD 13</i>		
<b><i>Administrator working for example as :</i></b>  <i>Head of Unit/ principal translator,</i>	<i>AD 12</i>		

<i>principal interpreter; principal economist ; principal lawyer ; principal medical officer ; principal veterinary inspector ; principal scientist ; principal researcher ; principal financial officer, principal audit officer</i>			
<b><i>Administrator working for example as :</i></b>  <i>Head of Unit/ principal translator, principal interpreter, principal economist ; principal lawyer ; principal medical officer ; principal veterinary inspector ; principal scientist ; principal researcher ; principal financial officer, principal audit officer</i>	<i>AD 11</i>	<i>AST 11</i>	<b><i>Assistant working for example as :</i></b>  <i>Personal assistant (p.a.) ; clerical officer ; technical officer ; IT officer</i>
<b><i>Administrator working for example as :</i></b>  <i>Head of Unit/ senior translator; senior interpreter; senior economist ; senior lawyer ; senior medical officer ; senior veterinary inspector ; senior scientist ; senior researcher ; senior financial officer, audit officer</i>	<i>AD 10</i>	<i>AST 10</i>	<b><i>Assistant working for example as :</i></b>  <i>Personal assistant (p.a.) ; clerical officer ; technical officer ; IT officer</i>
<b><i>Administrator working for example as :</i></b>  <i>Head of Unit/ senior translator; senior interpreter; senior economist ; senior lawyer ; senior medical officer ; senior veterinary inspector ; senior scientist ; senior</i>	<i>AD 9</i>	<i>AST 9</i>	<b><i>Assistant working for example as :</i></b>  <i>Personal assistant (p.a.) ; clerical officer ; technical officer ; IT officer</i>

<i>researcher ; senior financial officer, audit officer</i>			
<b><i>Administrator working for example as :</i></b>  <i>Translator; interpreter; economist ; lawyer ; medical officer ; veterinary inspector ; scientist ; researcher ; financial officer, auditor</i>	<i>AD 8</i>	<i>AST 8</i>	<b><i>Assistant working for example as :</i></b>  <i>Senior clerk; senior documentalist ; senior technician ; senior IT operative</i>
<b><i>Administrator working for example as :</i></b>  <i>Translator; interpreter; economist ; lawyer ; medical officer ; veterinary inspector ; scientist ; researcher ; financial officer, auditor</i>	<i>AD 7</i>	<i>AST 7</i>	<b><i>Assistant working for example as :</i></b>  <i>Senior clerk; senior documentalist ; senior technician ; senior IT operative</i>
<b><i>Administrator working for example as :</i></b>  <i>Junior translator ; junior interpreter; junior economist ; junior lawyer ; junior medical officer ; junior veterinary inspector ; junior scientist ; junior researcher ; junior financial officer, junior auditor</i>	<i>AD 6</i>	<i>AST 6</i>	<b><i>Assistant working for example as :</i></b>  <i>Clerk ; documentalist ; technician ; IT operative</i>
<b><i>Administrator working for example as :</i></b>  <i>Junior translator ; junior interpreter; junior economist ; junior lawyer ; junior medical officer ; junior veterinary inspector ; junior scientist ; junior researcher ; junior financial officer , junior auditor</i>	<i>AD 5</i>	<i>AST 5</i>	<b><i>Assistant working for example as :</i></b>  <i>Clerk ; documentalist ; technician ; IT operative</i>



		<i>AST 4</i>	<b><i>Assistant working for example as :</i></b>  <i>Junior clerk ; junior documentalist ; junior technician, junior IT operative</i>
		<i>AST 3</i>	<b><i>Assistant working for example as :</i></b>  <i>Junior clerk ; junior documentalist ; junior technician, junior IT operative</i>
		<i>AST 2</i>	<b><i>Assistant working for example as :</i></b>  <i>Filing clerk ; technical attendant ; IT attendant.</i>
		<i>AST 1</i>	<b><i>Assistant working for example as :</i></b>  <i>Filing clerk ; technical attendant ; IT attendant.</i>

*B. Multiplication rates for guiding average career equivalence*

Grade	Assistants	Administrators
13	-	20 %
12	-	25 %
11	-	25 %
10	20 %	25 %
9	20 %	25 %
8	25 %	33 %
7	25 %	33 %
6	25 %	33 %
5	25 %	33 %
4	33 %	-
3	33 %	-
2	33 %	-
1	33 %	-

86. Annex II is amended as follows:

(a) In Article 1 the following sentence is inserted after the first sentence of the second paragraph:

*“However, the institution may decide that the conditions for election are to be determined in accordance with the preference of the staff of the institution as expressed in a referendum.”*

(b) In the fourth paragraph of Article 1, *“all categories of officials and of all services”* is replaced by *“both function groups”*.

(c) In Article 3a, *“the third subparagraph of Article 2”* is replaced by *“Article 2(2)”*.

(d) The whole of *Section 3: Disciplinary Board* is deleted.

(e) Sections 4 and 5 are accordingly renumbered 3 and 4 respectively.

(f) In the first paragraph of Article 10, *“and the Staff Committee, each appointing the same number”* is inserted after *“Appointing Authority”*.

(g) In Article 10, “*senior officials of the institution*” is replaced by “*officials of the institution in function group AD.*”

(h) The following section is added:

*“Section 5: Joint Advisory Committee for professional incompetence*

## *Article 12*

*The Joint Advisory Committee for professional incompetence shall comprise a chairman and at least two members, who shall be officials of grade AD 14 at least. The chairman and the members shall be appointed for a period of three years. Half of the members shall be designated by the Staff Committee and half by the Appointing Authority. The chairman shall be appointed by the Appointing Authority from a list of candidates drawn up in concertation with the Staff Committee.*

*When the case concerns an official in grade AD 14 or lower, the Joint Advisory Committee shall include two further members from the same function group and of the same grade as the official in question, designated in the same way as the permanent members.*

*Where the Joint Advisory Committee is called upon to examine the case of a senior management official within the meaning of Article 29(2), a special ad hoc Joint Advisory Committee shall be set up, comprising two members appointed by the Staff Committee and two members appointed by the Appointing Authority, who shall be of a grade at least equal to that of the official concerned.*

*The Appointing Authority and the Staff Committee shall agree on an ad hoc procedure to designate the further members referred to in the second paragraph who must sit for cases involving an official posted to a country outside the Union or a member of the contract staff.”*

87. Annex III is amended as follows:

(a) Article 1(1) is amended as follows:

- i. In point (d) of the second subparagraph “*having regard to Article 5 (3) of this Staff Regulations,*” is inserted before “*the diplomas*”.
- ii. In the third subparagraph, “*the third subparagraph of Article 2*” is replaced by “*Article 2(2)*”.
- iii. In the second subparagraph, “*and the function group and grade offered;*” is added to point (c).

(b) Article 3 is amended as follows:

- i. The first subparagraph is replaced by the following:

*“The Selection Board shall consist of a chairman designated by the Appointing Authority and of members designated by the Appointing Authority and the Staff Committee, each designating the same number.”*

- ii. In the second subparagraph, *“the third subparagraph of Article 2”* is replaced by *“Article 2(2)”*.
- iii. In the fourth paragraph,  
*“function group and”* is added after *“whose”*.
- iv. The following fifth paragraph is added:  
  
*“If a selection board consists of more than four members, it shall comprise at least two members of each gender”*.
- v. The following article is added after Article 6:

*“Article 7*

*1. The institutions shall, after consultation of the Staff Regulations Committee, entrust the European Communities Personnel Selection Office with responsibility for taking the necessary measures to ensure that uniform standards are applied in the selection procedures for officials of the Communities and in the examination procedures referred to in Article 45a.*

*2. The Office's task shall be to*

- (a) organise, at the request of individual institutions, open competitions;*
- (b) provide, at the request of individual institutions, technical support for internal competitions organised by them;*
- (c) determine the contents of all examinations organised by the institutions in order to ensure that the requirements of Article 45a (1)(c) are met in a harmonised and consistent manner.*

*3. The Office may, at the request of individual institutions, perform other tasks linked to the selection of officials.”*

88. The sole article of Annex IV is amended as follows:

- (a) In paragraphs 1 and 1a, *“60”* is replaced by *“63”*.
- (b) Paragraph 1a becomes paragraph 4.
- (c) In the first subparagraph of paragraph 4, *“referred to in Articles 41 and 50 of the Staff Regulations”* is inserted after *“official”* and *“cannot be covered by any other public scheme against the same risks”* is replaced by *“is not gainfully employed.”*

89. Annex IVa is replaced by the following:

*“Annex IVa*

*Part-time work*

## *Article 1*

*The request for authorisation to work part time shall be submitted by the official through the official's immediate superior at least two months before the requested date, except in duly justified urgent cases.*

*Authorisation may be granted for a minimum of one month and a maximum of three years, without prejudice to the cases referred to in Articles 15 and the fifth indent of the third subparagraph of Article 55a(1).*

*The authorisation may be renewed on the same terms. Applications for renewal shall be made by the official concerned at least two months before expiry of the period for which the authorisation was granted. Part-time work may not be less than half the normal working time.*

*A period of part-time work shall start on the first day of a month, except in duly justified cases.*

## *Article 2*

*The Appointing Authority may, at the request of the official concerned, withdraw the authorisation before expiry of the period for which it is granted. The date of withdrawal may not be more than two months after the date proposed by the official or four months after that date if the part-time work was authorised for more than one year.*

*The Appointing Authority may, in exceptional cases and in the interests of the service, withdraw the authorisation before the expiry of a period for which it is granted, giving the official two months' notice.*

## *Article 3*

*An official shall be entitled, during the period for which part-time work is authorised, to a percentage of his remuneration corresponding to the percentage of the normal time worked. However, the percentage shall not be applied to the dependent child allowance, the basic amount of the household allowance or the education allowance.*

*Contributions to the sickness insurance scheme shall be calculated by reference to the basic salary payable to an official working full time. Contributions to the pension scheme shall be calculated by reference to the basic salary received by an official working part time. The official may also request that contributions to the pension scheme be calculated by reference to the basic salary payable to an official working full time, in accordance with Article 83. Acquired pension rights, for the purposes of Articles 2, 3 and 5 of Annex VIII, shall be calculated in proportion to the percentage of contributions paid.*

*During the period of part-time work, the official may not work overtime or engage in any gainful activity, other than an activity in accordance with Article 15 of these Staff Regulations.*

#### Article 4

*Notwithstanding the first sentence of the first paragraph of Article 3, officials aged over 55 authorised to work half time in preparation for retirement shall receive a reduced basic salary equal to the higher of the two amounts obtained by applying the following percentages to the full-time basic salary:*

*- either 60%*

*- or the percentage corresponding to years of service within the meaning of Articles 2, 3, 4, 5, 9 and 9a of Annex VIII at the beginning of the period of half-time work, plus 10%.*

*Officials who make an application under this Article shall be required, when they cease to work half-time, either to retire or to repay the amount exceeding 50% of the basic salary received during the period of half-time work.*

#### Article 5

*The Appointing Authority may lay down detailed rules for the application of these provisions."*

90. Annex V is amended as follows:

(a) Article 6 is amended as follows:

i. In the seventh indent of the first paragraph, "birth or" is deleted.

ii. The following indents are inserted after the seventh indent of the first paragraph:

*"- birth of a child: 10 days, to be taken during the fourteen weeks following birth;*

*- death of the wife during maternity leave: a number of days corresponding to the remaining maternity leave; if the deceased wife is not an official, the remaining maternity leave is determined by applying the provisions of Article 58 of the Staff Regulations, by analogy."*

iii. The following indent is inserted after the former eighth indent of the first paragraph:

*"- very serious illness of a child, as certified by a doctor, or hospitalisation of a child aged 12 or under: up to five days;"*

iv. The following indents are inserted after the former ninth indent of the first paragraph:

*"- adoption of a child: 20 weeks, rising to 24 weeks in the case of the adoption of a handicapped child:*

*Every adopted child shall confer entitlement to only one period of special leave, which may be shared between the adoptive parents if both are officials. It shall be granted only if the official's spouse engages in a gainful activity at least half-time. If the spouse works outside the EU institutions and benefits from comparable leave, a corresponding number of days shall be deducted from the official's entitlement.*

*The Appointing Authority may, in case of necessity, grant additional special leave in cases where the national legislation of the country in which the adoption procedure takes place and*

*which is not the country of employment of the adopting official requires a stay of one or both adoptive parents.*

*Special leave of 10 days shall be granted if the official does not benefit from the full special leave of 20 or 24 weeks by reason of the first sentence of this indent; this additional special leave shall be granted only once for each adopted child.”*

v. The following paragraph is added:

*“For the purposes of this article, the unmarried partner of an official shall be treated as the spouse where the first three conditions in Article 1(2)(c) of Annex VII are met.”*

(b) Article 7 is amended as follows:

i. The second and third paragraphs are deleted.

ii. The former fifth paragraph is replaced by the following:

*“The preceding provisions shall apply to officials whose place of employment is within the territories of the Member States. If the place of employment is outside these territories, the travelling time shall be fixed by special decision taking into account particular needs.”*

91. In Articles 1 and 3 of Annex VI, “categories C and D” is replaced by “grade AST 1 to AST 4”.

92. Annex VII is amended as follows:

(a) Article 1 is amended as follows:

i. Paragraph 1 is replaced by the following:

*“1. The household allowance shall be set at a basic amount of €[140,27]<sup>8</sup>, plus 2% of an official's basic salary.”*

ii. Paragraph 2 (c) becomes paragraph 2 (d).

iii. In paragraph 2, a new point (c) is inserted:

*“(c) an official who is registered as a stable non-marital partner, provided that:*

*- the couple produces a legal document recognised as such by a Member State, or any competent authority of a Member State, acknowledging their status as non-marital partners,*

*- neither partner is in a marital relationship or in another non-marital partnership,*

*- the partners are not related in any of the following ways: parent, child, grandparent, grandchild, brother, sister, aunt, uncle, nephew, niece, son-in-law, daughter-in-law;*

---

<sup>8</sup> See footnote 7.

*- the couple has no access to legal marriage in a Member State; a couple shall be considered to have access to legal marriage for the purposes of this indent only where the members of the couple meet all the conditions laid down by the legislation of a Member State permitting marriage of such a couple;”.*

iv. In the new paragraph 2(d), “*laid down in (a) and (b)*” is replaced by “*laid down in (a), (b) and (c)*”.

v. In the first sentence of paragraph 3, “*the third step of grade C 3*” is replaced by “*the second step of grade 3*”.

(b) Article 2 is amended as follows:

i. In paragraph 1 “[€232.73]<sup>9</sup>” is replaced by “[€306.51]”.

ii. The following subparagraph is added at the end of paragraph 2:

*"Any child whom the official has a responsibility to maintain under a judicial decision based on Member States' legislation on the protection of minors shall be treated as a dependant child."*

(c) Article 3 is amended as follows:

i. The current text becomes paragraph 1.

ii. The first subparagraph of paragraph 1 is replaced by the following:

*“Subject to the conditions laid down in the general implementing provisions, an official shall receive an education allowance equal to the actual education costs incurred by him up to a maximum of [€207.98]<sup>10</sup> per month for each dependent child, within the meaning of Article 2(2) above, who is at least five years old and in regular full-time attendance at a primary or secondary school that charges fees or at an establishment of higher education. The requirement of attendance at a school that charges fees shall not apply to the reimbursement of the cost of transport to and from school.”*

iii. The first sentence of the third subparagraph is replaced by the following:

*“The allowance paid shall be subject to a ceiling of twice the maximum prescribed in the first subparagraph for: ”.*

iv. The following is added to the second indent of the third subparagraph:

*“or where the child attends a higher education establishment in a country other than that of the official's place of employment;*

v. The following indent is added after the second indent of the third subparagraph:

*"- in the same conditions as in the foregoing two indents, persons entitled to the allowance who are not in active service, taking account of the place of residence instead of the place of employment."*

---

<sup>9</sup> See footnote 7.

<sup>10</sup> See footnote 7.



vi. A new subparagraph is added after the third subparagraph:

*"The requirement of attendance at a school that charges fees shall not apply to payments under the third subparagraph."*

vii. The following paragraph 2 is added:

*"2. For each dependent child within the meaning of Article 2(2) who is less than five years old or is not yet in regular full-time attendance at a primary or secondary school, the amount of this allowance is fixed at [€74.87]<sup>11</sup> a month. The first sentence of the last subparagraph of paragraph 1 shall apply."*

(d) Sections 2a and 2b are deleted.

(e) Article 5(1) is amended as follows:

i. The first subparagraph is replaced by the following:

*"1. An installation allowance equal to two months' basic salary in the case of an official who is entitled to the household allowance, and equal to one month's basic salary in other cases shall be paid to an established official who furnishes evidence that a change in the place of residence was required in order to satisfy the requirements of Article 20 of the Staff Regulations."*

ii. In the second subparagraph, "or other servants" is inserted after "husband and wife who are officials" and "settlement" is replaced by "installation".

(f) Article 6(1) is amended as follows:

In the first sentence of the first subparagraph, "who satisfies the requirements of Article 5(1)" is replaced by "who provides evidence of a change of residence".

In the second sentence of the first subparagraph "or other servants" is inserted after "husband and wife who are officials".

(g) Article 7(2) is replaced by the following:

*"2. The basis for calculating the reimbursement shall be the first-class rail fare on the shortest and most economical habitual route by rail between the place of employment and the place of recruitment or origin."*

*Where the route referred to in the first subparagraph exceeds 500 km and in cases where the usual route includes a sea crossing, the official concerned shall be entitled, on production of the tickets, to reimbursement of the cost of travel by air in business class or equivalent. Where a means of transport other than those mentioned above is used, calculation of reimbursement shall be based on the cost by rail, excluding sleeper accommodation. Where calculation on this basis is not possible, the terms of reimbursement shall be determined by special decision of the Appointing Authority."*

(h) Article 8 is amended as follows:

---

<sup>11</sup> See footnote 7.

i. Paragraphs 1 and 2 are replaced by the following:

*“1. Officials shall be entitled to be paid in each calendar year a sum equivalent to the cost of travel from the place of employment to the place of origin as defined in Article 7 for themselves and, if they are entitled to the household allowance, for the spouse and dependants within the meaning of Article 2.*

*Where a husband and wife are both officials of the Communities, each has the right in respect of himself or herself and in respect of dependants to the flat-rate payment of travelling expenses, in accordance with the above provisions; each dependant shall be entitled to one payment only. The payment in respect of dependent children is fixed at the request of the husband or wife, on the basis of the place of origin of one or other of them.*

*Where an official marries during a given year and thereby becomes entitled to the household allowance, the travel expenses payable for the spouse shall be calculated in proportion to the period from the date of the marriage to the end of the year.*

*Any alteration to the basis of calculation which may arise from changes in family status after the date of payment of the sums in question shall not render the official concerned liable to make repayment.*

*Travel expenses for children aged two to ten years shall be calculated on the basis of half of the kilometric allowance and half the flat-rate supplement, the children being deemed for the purposes of calculation to have completed their second or tenth year on 1 January of the current year.*

*2. The flat-rate payment shall be based on an allowance per kilometre of distance between the official's place of employment and place of recruitment or origin; such distance to be calculated according to the method laid down in the first subparagraph of Article 7(2).*

*The kilometric allowance<sup>12</sup> shall be:*

*€0 for every km from 0 to 200 km*

*[€0.3117] for every km from 201 to 1000 km*

*[€0.5195] for every km from 1001 to 2000 km*

*[€0.3117] for every km from 2001 to 3000 km*

*[€0.1039] for every km from 3001 to 4000 km*

*€0 for every km over 4 000 km*

*To the above kilometric allowance a flat-rate supplement shall be added, amounting to:*

*[€155.86] if the distance by train between the place of employment and the place of origin is between 725km and 1 450 km,*

*[€311.72] if the distance by train between the place of employment and the place of origin is greater than 1 450 km,*

---

<sup>12</sup> See footnote 7.

*The above kilometric allowances and flat-rate supplements shall be adapted every year in the same proportion as remuneration."*

ii. Paragraph 4 is replaced by the following:

*"4. The preceding provisions shall apply to officials whose place of employment is within the territories of the Member States of the European Union. Officials whose place of employment is outside the territory of the Member States of the European Union shall be entitled for themselves and, if they are entitled to receive the household allowance, for their spouse and other dependants within the meaning of Article 2, in each calendar year, to repayment of travel expenses to their place of origin, or to repayment of travel expenses to another place not exceeding the expense of travel to the place of origin. However, if the spouse and the persons referred to in Article 2(2) do not live with the official at the place of employment, they shall be entitled each calendar year to reimbursement of travel expenses from the place of origin to the place of employment or to another place not exceeding the cost of the former journey.*

*These travel expenses shall be reimbursed in the form of a flat-rate payment based on the cost of air travel in the class immediately superior to economy class."*

i) Article 10 is amended as follows:

i. Paragraph 1 is replaced by the following:

*"1. Where an official furnishes evidence that a change in the place of residence is required in order to comply with Article 20 of the Staff Regulations, such official shall be entitled for a period specified in paragraph 2 to a subsistence allowance per calendar day as follows:*

*Official entitled to receive household allowance: [€32.21]<sup>13</sup>.*

*Official not entitled to receive household allowance: [€25.98]<sup>14</sup>.*

*The above scale shall be reviewed each time remuneration are revised pursuant to Article 65 of the Staff Regulations."*

ii. In the second subparagraph of paragraph 2, "or other servants" is inserted after "husband and wife who are officials".

iii. Paragraph 3 is deleted.

(j) Article 11 is amended as follows:

i. The second subparagraph of paragraph 1 is deleted.

ii. The first sentence of paragraph 2 is replaced by the following:

*"The travel order shall state the probable duration of the mission, on the basis of which shall be calculated any advance which the official may draw against the daily subsistence allowance."*

---

<sup>13</sup> See footnote 7.

<sup>14</sup> See footnote 7.

iii. The following paragraph 3 is added:

*“3. Save in special cases, to be determined by special decision and in particular where an official is called back from leave, the reimbursement of mission expenses shall be limited to the cost of the most economical journey between the place of employment and the place of mission which does not require the official on mission to extend his stay significantly.”*

(k) Articles 12 and 13 are replaced by the following:

#### *“Article 12*

##### *1. Travel by rail*

*Travel expenses for missions carried out by rail shall be reimbursed on presentation of supporting documents on the basis of the cost of transport in first class by the shortest route between the place of employment and the place of the mission.*

##### *2. Travel by air*

*Officials shall be authorised to travel by air if the outward and return journeys by rail would total at least 800 kilometres.*

##### *3. Travel by sea*

*The Appointing Authority shall authorise in each case and on the basis of the length and cost of the journey the classes to be used and the cabin supplements which may be reimbursed.*

##### *4. Travel by car*

*Travel costs shall be reimbursed in the form of a lump sum based on the rail cost, in accordance with point 1; no other supplement shall be paid.*

*In the case of an official travelling on mission in special circumstances, however, the Appointing Authority may decide to grant that official an allowance per kilometre covered instead of the reimbursement of travel costs provided for above, if the use of public transport presents clear disadvantages.*

#### *Article 13*

*1. The daily subsistence allowance for missions shall comprise a flat-rate sum to cover all expenses incurred by the person on mission: breakfast, two main meals and incidental expenses, including local travel. Accommodation costs, including local taxes, shall be reimbursed up to a maximum fixed for each country, on production of supporting documents.*

*2 (a) The scale for the Member States of the Union is as follows:*

(in euros)

<b>Destinations</b>	<b>Daily allowance</b>	<b>Hotel Ceiling</b>
Belgium	84,06	117,08

Czech Republic	55,00	175,00
Germany	74,14	97,03
Denmark	91,70	148,07
Estonia	70,00	120,00
Greece	66,04	99,63
Spain	68,89	126,57
France	72,58	97,27
Ireland	80,94	139,32
Italy	60,34	114,33
Cyprus	50,00	110,00
Hungary	50,00	165,00
Latvia	85,00	165,00
Lithuania	80,00	170,00
Luxembourg	82,00	106,92
Malta	60,00	115,00
Netherlands	78,26	131,76
Poland	60,00	210,00
Austria	54,64	94,37
Portugal	68,91	124,89
Slovakia	50,00	125,00
Slovenia	60,00	110,00
Finland	94,37	144,05
Sweden	94,37	144,05
United Kingdom	86,89	149,03

*Where an official on mission is provided with a meal or accommodation free of charge or reimbursed by one of the institutions of the Communities, an administration or outside body, this must be declared. A corresponding deduction will then be made.*

*2.(b) The scale for missions in countries outside the European territory of the Member States shall be fixed and adjusted periodically by the Appointing Authority.*

*3. The Council shall review each year the rates set out in paragraph 2(a) . This review shall take place in the light of a report by the Commission on the prices of hotels, restaurants and catering services, taking into account the indexes prepared by the Statistical Office of the European Commission on the evolution of such prices. For the purpose of this review, the Council shall act on a proposal by the Commission by the qualified majority provided for in the first indent of the second subparagraph of Article 205(2) of the Treaty. .”*

(l) The following article is inserted after Article 13:

*“Article 13a*

*Detailed rules for the application of Articles 11, 12 and 13 shall be laid down by the various institutions under the general implementing provisions.”*

(m) Articles 14a and 14b are deleted.

(n) In the first paragraph of Article 15 “*officials in Grades A1 and A2*” is replaced by “*senior management staff within the meaning of Article 29(2)*”.

(o) Article 17 is amended as follows:

i. Paragraphs 2 and 3 are replaced by the following:

*“2. In the conditions laid down in rules fixed by the Community institutions by common consent after consulting the Staff Regulations Committee, officials may regularly have part of their remuneration transferred by their institution of employment to another Member State.*

*Under the preceding provision the following may be transferred, separately or in combination:*

- for children attending an education establishment in another Member State, a maximum amount per dependent child equal to the amount of the education allowance actually received for that child;*
- on production of valid supporting documents, regular payments to all other persons residing in the relevant Member State to whom the official provides evidence of having an obligation by virtue of a decision of the courts or the competent administrative authority.*

*The transfers referred to in the second indent may not exceed 5% of the official’s basic salary.*

*3. The transfers provided for in paragraph 2 shall be made at the exchange rate referred to in the second paragraph of Article 63 of the Staff Regulations. The amounts transferred shall be multiplied by a coefficient representing the difference between the correction coefficient for the country to which the transfer is made as defined in the second indent of Article 3(5) of Annex XI to the Staff Regulations and the correction coefficient applied to the remuneration of the official (first indent of Article 3(5) of Annex XI to the Staff Regulations).”*

ii. The following paragraph 4 is added:

*“4. Apart from the above, an official may request a regular transfer to another Member State at the monthly exchange rate, without application of any coefficient. This transfer may not exceed 25% of the official's basic salary.”*

93. Annex VIII is amended as follows:

(a) In the second paragraph of Article 2, "35" is replaced by *"the number necessary to achieve the maximum pension, within the meaning of the second paragraph of Article 77 of the Staff Regulations"*.

(b) Article 3 is replaced by the following:

### *"Article 3*

*Provided that the servants concerned have paid their shares of the pension contributions in respect of the periods of service concerned, the following shall be taken into account for the purpose of calculating years of pensionable service within the meaning of Article 2:*

*1. the period of service as an official of one of the institutions in one of the administrative statuses set out in Article 35(a), (b), (c), and (e) and (f) of the Staff Regulations. However, officials covered by Article 40 of the Staff Regulations shall be subject to the conditions laid down in the last sentence of the second subparagraph of paragraph 3 thereof;*

*2. periods of entitlement to the allowance under Articles 41 and 50 of the Staff Regulations, up to a maximum of five years.*

*3. periods of entitlement to an invalidity allowance;*

*4. periods of service in any other capacity in accordance with the Conditions of Employment of other servants of the Communities. However, where members of the contract staff within the meaning of those Conditions of Employment become officials, the years of pensionable service they have acquired as members of the contract staff shall, up to the number of years of actual service, entitle them to a number of years of pensionable service as officials calculated on the basis of the ratio between the last basic salary received as a member of the contract staff and the first basic salary received as an official. The surplus contributions, if any, corresponding to the difference between the number of years of pensionable service calculated and the number of years of actual service, shall be reimbursed to the person concerned on the basis on the last basic salary received as a member of the contract staff. This provision shall, with the necessary changes, apply where officials become members of the contract staff."*

(c) Article 4 is amended as follows:

i. The present text becomes paragraph 1, *"either as an official or as a member of the temporary staff"* becomes *"either as an official, as a member of the temporary staff or as a member of the contract staff"*, and the second sentence of the first paragraph is replaced by the following:

*"He may request that, in accordance with Article 3 of this Annex, for the purpose of calculating his pension rights, the whole of the period of service as an official, a member of*

*the temporary staff or a member of the contract staff for which contributions have been paid be taken into account, subject to:*

*(a) repayment of the severance grant paid under Article 12, plus compound interest at a rate of 3.5% per annum. Where Article 42 or 110 of the Conditions of Employment of other servants has been applied in the case of the official concerned, the latter shall also be required to repay the amount paid under that Article, plus compound interest at the above-mentioned rate;*

*(b) having an amount set aside for this purpose, before calculation of the credited contribution years provided for in Article 11(2) and providing the official has requested and obtained the application of that Article after resuming service, equal to the part of the amount transferred to the Community pension scheme that corresponds to the actuarial equivalent calculated and transferred to the scheme of origin pursuant to Article 11(1) or Article 12 (1) (b), plus compound interest at a rate of 3.5% per annum."*

ii. The second and third paragraphs are replaced by the following:

*"Where Article 42 or 110 of the Conditions of Employment of other servants has been applied in the case of the official concerned, the calculation of the amount to be set aside shall also take account of the amount paid under those Articles, plus compound interest at 3.5% per annum.*

*Where the amount transferred to the Community scheme is insufficient to make up the pension rights covering the previous period of employment in full, the official shall be authorised, on request, to make the amount up to that defined at point (b) of the first paragraph."*

iii. The following paragraph 2 is added:

*"2. The interest rate specified in paragraph 1 may be revised in accordance with the rules laid down in Article 10 of Annex XII."*

(d) Article 5 is amended as follows:

i. The first paragraph is replaced by the following:

*"Notwithstanding the provisions of Article 2, officials who remain in service after the age of 63 shall be entitled to an increase of their pension equal to 2% of the basic salary taken into account for the calculation of their pension per year worked after that age, with the proviso that the total of their pension plus the increase does not exceed 70% of their final basic salary as referred to in the second or third paragraph, as the case may be, of Article 77 of the Staff Regulations."*

ii. In the second paragraph, "60" is replaced by "63".

(e) In Article 6, "Grade D 4, step one" is replaced by "at the first step of grade 1."

(f) Article 7 is deleted.

(g) In Article 8,

*"the latest mortality tables compiled by the budgetary authority in accordance with Article 39, the rate of interest applicable being 3.5% per annum."*



is replaced by

*"the mortality table referred to in Article 9 of Annex XII and subject to 3.5% interest per annum, which rate may be revised in accordance with the rules laid down in Article 10 of Annex XII."*

(h) Article 9 is amended as follows:

- i. In the first paragraph and in the first indent of that paragraph, "60" is replaced by "63".
- ii. In the second indent of the first paragraph, "50" is replaced by "55", the words *"as shown in the following table:"* as well as the table itself are deleted and the following sentence is added:

*"The pension shall be reduced by 3.5% for every year before the one in which officials would become entitled to a retirement pension within the meaning of Article 77 of the Staff Regulations. If between the age at which entitlement to a retirement pension is acquired within the meaning of Article 77 of the Staff Regulations and the age of the person concerned at the time, the difference exceeds an exact number of years, an extra year shall be added to the reduction."*

iii. A new second paragraph is added as follows :

*"The Appointing Authority may decide, in the interests of the service on the basis of objective criteria and transparent procedures introduced by means of general implementing provisions, not to apply the above reduction to the officials concerned, up to a maximum of 10% of the officials in all institutions who retired the previous year. The annual percentage may vary from 8% to 12%, subject to a total of 20% over two years and the principle of budget neutrality. Before five years have elapsed, the Commission shall submit to the European Parliament and the Council an evaluation report on the implementation of this measure. Where appropriate, the Commission shall submit a proposal to fix after five years the maximum annual percentage rate between 5 and 10 % of all officials in all institutions who retired the previous year, on the basis of Article 283 of the EC Treaty."*

(i) The following Article is inserted:

#### *"Article 9a*

*For the purposes of determining the reduced pension of officials who have acquired pension rights exceeding the equivalent of 70% of their final basic salary and who request immediate payment of their retirement pension in accordance with Article 9, the reduction under Article 9 shall be applied to a notional figure corresponding to the years of pensionable service rather than to an amount capped at 70% of the final basic salary. In no case, however, may the reduced pension thus calculated exceed 70% of the last basic salary within the meaning of Article 77 of the Staff Regulations."*

(j) Article 11 is amended as follows:

- i. In paragraph 1, ", updated to the actual date of transfer," is inserted after *"of his retirement pension rights"*.

ii. In paragraph 2:

- In the first subparagraph,

*"shall be entitled upon establishment to have paid to the Communities either the actuarial equivalent or the flat-rate redemption value of retirement pension rights acquired by virtue of such services or activities."*

is replaced by

*"shall be entitled, after establishment but before becoming eligible for payment of a retirement pension within the meaning of Article 77 of the Staff Regulations, to have paid to the Communities the capital value, updated to the date of the actual transfer, of pension rights acquired by virtue of such service or activities."*

- The second subparagraph is amended as follows:

- *"by means of general implementing provisions"* is inserted after *"determine"*;

- *"taking into account his grade on establishment"* is replaced by *"taking into account the official's basic salary, age and exchange rate at the date of application for a transfer,"*;

- *"under its own pension scheme"* is replaced by *"under the Community pension scheme"*;

- *"on the basis of the amount of the actuarial equivalent or sums repaid as aforesaid."*

is replaced by

*"on the basis of the capital transferred, after deducting an amount representing capital appreciation between the date of the application for a transfer and the actual date of the transfer."*

- The following subparagraph is added:

*"Officials may make use of this arrangement once only for each Member State and pension fund concerned."*

(k) Article 12 is amended as follows:

i. The present text becomes paragraph 1 and, in the introductory part, *"an immediate or deferred"* is inserted before *"retirement pension"*, and *"or and cannot benefit from the provisions of Article 11(1)"* and *"to payment of:"* are deleted.

ii. In the new first paragraph, *"60"* is replaced by *"63"*.

iii. Points (a), (b), (c) and (d) are replaced by:

*"(a) where he has completed less than one year's service and has not made use of the arrangement laid down in Article 11(2), to payment of a severance grant equal to three times the amounts withheld from his basic salary in respect of his pension contributions, after deduction of any amounts paid under Articles 42 and 110 of the Conditions of Employment of other servants;*

*(b) in other cases, to the benefits provided under Article 11(1) or to the payment of the actuarial equivalent of such benefits to a private insurance company or pension fund of their choice, on condition such company or fund guarantees that:*

*- the capital will not be repaid;*

*- a monthly income will be paid from age 60 at the earliest, and age 65 at the latest;*

*- provisions are included for reversion or survivors' pensions;*

*- transfer to another insurance company or other fund will be authorised only if such fund fulfils the conditions laid down in the three foregoing indents."*

iiii. The following paragraphs 2 and 3 are added:

*"2. By way of derogation from paragraph 1(b) of this Article, officials under 63 years of age who, since taking up their duties, have, in order to establish or maintain pension rights, paid into a national pension scheme, a private insurance scheme or a pension fund of their choice which satisfies the requirements set out in the preceding paragraph, and whose service terminates for reasons other than death or invalidity without their qualifying for an immediate or deferred retirement pension, shall be entitled, on leaving the service, to a severance grant equal to the actuarial value of their pension rights. In these cases the payments made in order to establish or maintain their pension rights under the national pension scheme in application of Articles 42 or 110 of the Conditions of Employment of other servants shall be deducted from the severance grant.*

*3. Where an official's service has been terminated by removal from his post, the severance grant to be paid or, as the case may be, the actuarial equivalent to be transferred shall be determined by reference to the decision taken in accordance with Article 7(1)(h) of Annex IX."*

(l) Article 12a is deleted.

(m) The title of Chapter 3 is replaced by: *"Invalidity allowance"*.

(n) Article 13 is amended as follows:

i. The first subparagraph becomes paragraph 1 and *"invalidity pension"* is replaced by *"invalidity allowance"*.

ii. The second subparagraph is replaced by the following paragraph 2:

*«2. Persons in receipt of an invalidity allowance may not engage in gainful employment without the prior authorisation of the Appointing Authority. Any income from such gainful employment which, in combination with the invalidity allowance, exceeds the final total remuneration received while in active service as determined on the basis of the salary scale in force on the first day of the month in which the allowance is to be paid shall be deducted from the invalidity allowance.*

*The recipient of the allowance shall be required to provide on request any written proof which may be requested and to notify his or her institution of any factor that may affect entitlement to the allowance."*

- (o) Article 14 is amended as follows:
  - i. *"invalidity pension"* is replaced by *"invalidity allowance"* and *"the pension"* is replaced by *"the allowance"*.
  - ii. In the second paragraph, *"in that case the provisions of Article 16 of Annex VIII shall apply"* is deleted.
- (p) In Article 15, *"pension"* is replaced by *"allowance"* and *"60"* is replaced by *"63"*.
- (q) Article 16 is deleted.
- (r) Article 17 is amended as follows:
  - i. *"his widow"* is replaced by *"the surviving spouse"*;
  - ii. In the first paragraph, *"provided that she has been married to him"* is replaced by *"provided that the couple were married"* and *"widow's pension"* is replaced by *"survivor's pension"*.
- (s) Article 17a is amended as follows:
  - i. In the first and second paragraphs, *"widow's pension"* is replaced by *"survivor's pension"*;
  - ii. In the first and third paragraphs, *"the widow"* is replaced by *"the surviving spouse"*;
  - iii. The first paragraph is amended as follows:
    - *"provided that she had been married to him for at least one year when he left the service of an institution"* is replaced by: *"provided that the couple is already married before the official leaves the service of an institution and that the marriage has lasted at least one year"*;
    - *"her husband"* is replaced by *"the spouse"*.
- (t) Article 18 is amended as follows:
  - i. *"his widow"* is replaced by *"the surviving spouse"* and *"her husband"* is replaced by *"the spouse"*;
  - ii. In the first paragraph, *"provided that she has been married to him for at least one year when he left the service of an institution"* is replaced by: *"provided that the couple is already married before the official leaves the service of an institution and that the marriage has lasted at least one year."*;
  - iii. In the second paragraph, *"before he left"* is replaced by *"before he or she left"*.
- (u) Article 18a is amended as follows:
  - i. *"the widow"* is replaced by *"the surviving spouse"* and *"60"* is replaced by *"63"*;
  - ii. The first paragraph is amended as follows:

- *provided that she had been married to him for at least one year when he left the service of an institution*” is replaced by: *“provided that the couple is already married before the official leaves the service of an institution and that the marriage has lasted at least one year.”*;

- *"widow's pension"* is replaced by *"survivor's pension"*;

- *"her husband"* is replaced by *"the spouse"*.

(v) Article 19 is amended as follows:

i. *"invalidity pension"* is replaced by *"invalidity allowance"* and *"her husband"* is replaced by *"the spouse"*;

ii. The first paragraph is amended as follows:

- *"his widow"* is replaced by *"the surviving spouse"*;

- *"provided that she was married to him"* is replaced by *"provided that the couple was married"*;

- *"the pension"* is replaced by *"the allowance"*.

(w) In Article 21(1), *"the widow"* is replaced by *"the surviving spouse"* and *"a retirement or invalidity pension"* is replaced by *"a retirement pension or invalidity allowance"*.

(x) Article 22 is amended as follows:

i. In the first paragraph, *"a widow"* is replaced by *"a surviving spouse"*;

ii. In the third paragraph *"a retirement or invalidity pension"* is replaced by *"a retirement pension or invalidity allowance"*.

(y) Article 24 is amended as follows:

i. In the first paragraph *"a retirement or invalidity pension"* is replaced by *"a retirement pension or invalidity allowance"*;

ii. In the second paragraph the following sentence is added:

*"Similarly the right to an orphan's pension shall cease if the recipient ceases to be regarded as a dependent child within the meaning of Article 2 of Annex VII to the Staff Regulations."*

(z) Article 25 is amended as follows:

*"a retirement or invalidity pension"* is replaced by *"a retirement pension or invalidity allowance"*.

(aa) In Article 26, *"A widow"* is replaced by *"A surviving spouse"* and *"She shall be entitled"* is replaced by *"He or she shall be entitled"*.

(bb) Article 27 is amended as follows:

i. *"her former husband"* is replaced by *"the former spouse"*;

- ii. In the first and third paragraphs, “*The divorced wife*” is replaced by “*The divorced spouse*”;
- iii. In the first paragraph, “*from him*” is replaced by “*from the former spouse*”, and “*officially registered and enforced*” is added;
- iv. The third paragraph is replaced by “*The divorced spouse's entitlement shall cease if he or she remarries before the former spouse dies. Article 26 shall apply in the event of remarriage after the death of the former spouse.*”

(cc) Article 28 is amended as follows:

- i. In the first paragraph, “*divorced wife*” is replaced by “*divorced spouse*” and “*a widow*” is replaced by “*a surviving spouse*.”;
- ii. In the second paragraph, “*her share, her share*” is replaced by “*his or her share, that share*”.

(dd) In Article 29, “*the divorced wife*” is replaced by “*the divorced spouse*” and “*to the widow*” is replaced by “*to the surviving spouse*”.

(ee) In Article 31, “*retirement or invalidity pension*” is replaced by “*retirement pension or invalidity allowance*”.

(ff) In Article 31a, “*or under Regulations (EEC, Euratom, ECSC) No 259/68 or (Euratom, ECSC, EEC) No 2530/72 or (ECSC, EEC, Euratom) No 1543/73 or (ECSC, EEC, Euratom) No 2150/82 or (ECSC, EEC, Euratom) No 1679/85*” is replaced by “*or under Regulations (EEC) No 1857/89, (EC, Euratom) No 1746/2002, (EC, Euratom) No 1747/2002 or (EC, Euratom) No 1748/2002*”.

(gg) In Article 34, the second paragraph is replaced by:

*"Articles 80 and 81 of the Staff Regulations shall also apply to children born less than 300 days after the death of the official or former official in receipt of a retirement pension or invalidity allowance."*

(hh) In Article 35, “*of a retirement, invalidity or survivor's pension*” is replaced by “*of a retirement or survivor's pension or of an invalidity allowance*”.

(ii) In Article 36, “*and invalidity allowances*” is inserted after “*Salaries*”.

(jj) Article 39 is deleted.

(kk) Article 40 is amended as follows:

- i. In the first paragraph, “*retirement, invalidity, or survivor's or provisional pension*” is replaced by “*retirement, or survivor's or provisional pension or invalidity allowance*”.
- ii. The second paragraph is amended as follows:

- “*a retirement or invalidity pension*” is replaced by “*a retirement pension or invalidity allowance*”.

- *"by an institution of the three European Communities"* is replaced by *"from the general budget or by one of the agencies"*;

- *"Similarly, they shall be incompatible with any remuneration derived from a post in one of the institutions or agencies."* is added.

(ll) Article 42 is amended as follows:

- i. *"a retirement or invalidity pension"* is replaced by *"a retirement pension or invalidity allowance"*;
- ii. *"or allowance"* is inserted between *"their pension"* and *"within one year"*.

(mm) In Article 44, *"temporarily"* is inserted before *"deprived"* and *"under Article 86 of the Staff Regulations"* is replaced by *"under Article 7 of Annex IX to the Staff Regulations"*.

(nn) The third paragraph of Article 45 is replaced by:

*"For pensioners residing in the European Union, benefits shall be paid in Euros into a bank in the country of residence."*

*For pensioners residing outside the European Union, pensions shall be paid, in euro, into a bank in the country of residence. The pension may by way of exception be paid in euro into a bank in the country where the institution has its headquarters, or in foreign currency in the country of residence of the pensioner, converted at the most up-to-date exchange rates used for the implementation of the general budget of the European Communities."*

*This Article shall apply by analogy to the recipients of an invalidity allowance."*

(oo) In Article 46, *"of a retirement or invalidity pension"* is replaced by *"of a retirement pension or invalidity allowance"*.

94. Annex IX is replaced by the following:

## ***"ANNEX IX Disciplinary proceedings***

### **SECTION 1: GENERAL PROVISIONS**

#### *Article 1*

*1. Whenever an investigation by the Anti-fraud Office (OLAF) reveals the possibility of the personal involvement of an official (or a former official) of an institution, that person shall rapidly be informed, provided this is not harmful to the investigation. In any event, conclusions referring by name to an official may not be drawn once the investigation has been completed without that official concerned having been given the opportunity to comment on facts concerning him.*

*2. In cases that demand absolute secrecy for the purposes of the investigation and requiring the use of investigative procedures falling within the remit of a national judicial authority, compliance with the obligation to invite the official to comment may, in agreement with the*

*Appointing Authority, be deferred. In such cases, no disciplinary proceedings may be opened before the official has been given a chance to comment.*

*3. If, following an OLAF investigation, no case can be made against an official about whom allegations have been made, the investigation in question shall be closed, with no further action taken, by decision of the Director of the Office, who shall inform the official and his institution in writing. The official may request that this decision be inserted in his personal file.*

## *Article 2*

*1. The rules set out in Article 1 shall apply, with any necessary changes, to other administrative enquiries carried out by the Appointing Authority.*

*2. The Appointing Authority shall inform the person concerned when the investigation ends, and shall communicate to him the conclusions of the investigation report and, on request and subject to the protection of the legitimate interests of third parties, all documents directly related to the allegations made against him.*

*3. The institutions shall adopt implementing arrangements for this Article, in accordance with Article 110 of the Staff Regulations.*

## *Article 3*

*1. On the basis of the investigation report, after having notified the official concerned of all evidence in the files and after hearing the official concerned, the Appointing Authority may:*

*(a) decide that no case can be made against the official. The official shall be informed accordingly in writing, or*

*(b) decide, even if there is or appears to have been a failure to comply with obligations, that no disciplinary measure shall be taken, and if appropriate address a warning to the official, or*

*(c) in the case of failure to comply with obligations, within the meaning of Article 86 of the Staff Regulations:*

*(1) decide to initiate the disciplinary proceedings provided for in Section 4, or*

*(2) decide to initiate disciplinary proceedings before the Disciplinary Board.*

## *Article 3a*

*An official who, for objective reasons, cannot be heard under the provisions of this Annex may be asked to comment in writing or may be represented by a person of his choice.*



## SECTION 2: DISCIPLINARY BOARD

### Article 4

- 1. A Disciplinary Board, hereinafter referred to as “the Board”, shall be established in each institution. The Board shall include at least one member, who may be the chairman, chosen from outside the institution.*
- 2. The Board shall consist of a chairman and four full members, who may be replaced by alternates, and, in cases involving an official in a grade up to AD 13, two additional members in the same function group and grade as the official subject to disciplinary proceedings.*
- 3. The members and alternates of the Board shall be appointed from amongst the officials in grade AD 14 or above in active employment in respect of all cases other than those concerning officials in grades AD 16 or AD 15.*
- 4. The members and alternates of the Board shall be appointed from amongst officials in grade AD 16 in active employment for cases involving officials in grades AD 16 or AD 15.*
- 5. The Appointing Authority and the Staff Committee shall agree on an ad hoc procedure to designate the further members referred to in paragraph 2 who must sit for cases involving an official posted to a country outside the Union.”*

### Article 5

- 1. The Appointing Authority and the Staff Committee shall each appoint two members and two alternates at the same time.*
- 2. The chairman and alternate for the chairman shall be appointed by the Appointing Authority.*
- 3. The chairman, the members and the alternates shall be appointed for a period of three years. However, the institutions may provide for a shorter period for members and alternates, subject to a minimum of one year.*
- 4. The two members of the Board as enlarged in accordance with Article 4(2) shall be appointed in the following manner:*
  - (a) The Appointing Authority shall draw up a list containing, if possible, the names of two officials in each grade in each function group. At the same time, the Staff Committee shall send the Appointing Authority a list drawn up on the same basis.*
  - (b) Within ten days of the notification of the report on which the decision to open disciplinary proceedings or the procedure laid down in Article 22 of the Staff Regulations is based, the chairman of the Disciplinary Board, in the presence of the person concerned, shall draw by lot from the above-mentioned lists the names of the two Board members, one member being drawn from each list. The chairman may decide that the secretary is to replace him in this procedure. The chairman shall notify the official concerned and the individual members of the Board of its complete composition.*

*5. The official concerned shall be entitled once to reject one of the Board members within five days of the Board's establishment. Within the same time limit, Board members may ask to be excused from duty for legitimate reasons and must withdraw if a conflict of interests exists.*

*If necessary, the chairman of the Disciplinary Board shall draw new lots to replace the members appointed in accordance with paragraph 4."*

#### *Article 5a*

*The Board shall be assisted by a secretary appointed by the Appointing Authority.*

#### *Article 6*

*1. The chairman and members of the Board shall be completely independent in the performance of their duties.*

*2. The deliberations and proceedings of the Board shall be secret.*

### **SECTION 3: DISCIPLINARY MEASURES**

#### *Article 7*

*1. The Appointing Authority may impose one of the following penalties:*

*(a) a written warning;*

*(b) a reprimand;*

*(c) deferment of advancement to a higher step for a period of between one and 23 months;*

*(d) relegation in step;*

*(e) temporary downgrading for a period of between 15 days and one year;*

*(f) downgrading in the same function group;*

*(g) classification in a lower function group, with or without downgrading;*

*(h) removal from post and, where appropriate, reduction pro tempore of a pension or withholding, for a fixed period, of an amount from an invalidity allowance; the effects of this measure shall not extend to the official's dependants. In case of such reduction however, the former official's income may not be less than the minimum subsistence figure laid down in Article 6 of Annex VIII to these Staff Regulations, with the addition of any family allowances payable.*

*2. Where the official is in receipt of a retirement pension or an invalidity allowance, the Appointing Authority may decide to withhold an amount from the pension or the invalidity allowance for a given period; the effects of this measure shall not extend to the official's*

*dependants. The official's income may not, however, be less than the minimum subsistence figure laid down in Article 6 of Annex VIII to these Staff Regulations, with the addition of any family allowances payable.*

3. *A single case of misconduct shall not give rise to more than one disciplinary penalty.*

#### *Article 8*

*The severity of the disciplinary penalties imposed shall be commensurate with the seriousness of the misconduct. To determine the seriousness of the misconduct and to decide upon the disciplinary penalty to be imposed, account shall be taken of:*

- the nature of the misconduct and the circumstances in which it occurred;*
- the extent to which the misconduct adversely affects the integrity, reputation or interests of the institutions;*
- the extent to which the misconduct involves intentional actions or negligence;*
- the motives for the official's misconduct;*
- the official's grade and seniority;*
- the degree of the official's personal responsibility;*
- the level of the official's duties and responsibilities;*
- whether the misconduct involves repeated action or behaviour ;*
- the conduct of the official throughout the course of his career.*

### **SECTION 4: DISCIPLINARY PROCEEDINGS NOT INVOLVING THE DISCIPLINARY BOARD**

#### *Article 9*

*The Appointing Authority may decide on the penalty of issue a written warning or reprimand without consulting the Disciplinary Board. The official concerned shall be heard before such action is taken.*

### **SECTION 5: DISCIPLINARY PROCEEDINGS BEFORE THE DISCIPLINARY BOARD**

#### *Article 10*

*1. The Appointing Authority shall submit a report to the Board, stating clearly the facts complained of and, where appropriate, the circumstances in which they arose, including any aggravating or extenuating circumstances.*

*2. The report shall be communicated to the official concerned and to the chairman of the Disciplinary Board, who shall bring it to the attention of the members of the Board.*

#### *Article 11*

*1. On receipt of the report, the official concerned shall have the right to obtain his complete personal file and take copies of all documents relevant to the proceedings, including exonerating evidence.*

*2. The official concerned shall have not less than 15 days from the date of receipt of the report initiating the disciplinary proceedings to prepare a defence.*

*3. The official concerned may be assisted by a person of his or her choice.*

#### *Article 12*

*If, in the presence of the Chairman of the Board, the official concerned acknowledges misconduct on his part and accepts unreservedly the report referred to in Article 10, the Appointing Authority may, in accordance with the principle of proportionality between the nature of the misconduct and the penalty being considered, withdraw the case from the Board. Where a case is withdrawn from the Board the Chairman shall deliver an opinion on the penalty considered.*

*Under this procedure the Appointing Authority may, by derogation from Article 9, impose one of the penalties provided for in Article 7(1) (a) to (d) inclusive.*

*The official concerned shall be informed before acknowledging his misconduct of the possible consequences of such acknowledgement.*

#### *Article 13*

*Before the first meeting of the Disciplinary Board, the chairman shall give one of its members the task of preparing a general report on the matter and shall inform the other members of the Board accordingly.*

#### *Article 14*

*1. The official concerned shall be heard by the Disciplinary Board; at the hearing, he may submit observations in writing or orally, whether in person or through a representative. He may call witnesses.*

*2. The institution shall be represented before the Disciplinary Board by an official mandated by the Appointing Authority to this effect and having rights equivalent to those of the official concerned.*

*3. The Disciplinary Board may hear investigating officials from OLAF in cases where an inquiry was initiated by the Office*

### *Article 15*

*1. If the Disciplinary Board does not consider that it has sufficiently clear information on the facts complained of or the circumstances in which they arose, it shall order an investigation in which each side can submit its case and reply to the case of the other side.*

*2. The chairman or a member of the Board shall conduct the investigation on behalf of the Board. For the purposes of the investigation, the Board may call for any documents relating to the matter before it. The institution shall comply with any such request within the time limit, if any, set by the Board. Where such a request is addressed to the official, note shall be taken of any refusal to comply.*

### *Article 16*

*After consideration of documents submitted and having regard to any statement made orally or in writing and to the results of any investigation undertaken, the Disciplinary Board shall, by majority vote, deliver a reasoned opinion as to whether the facts complained of are established and as to any penalty to which those facts should give rise. This opinion shall be signed by all the members of the Board. Each member may attach to the opinion a divergent view. The Board shall transmit the opinion to the Appointing Authority and to the official concerned within two months of the date of receipt of the report of the Appointing Authority, provided that this time limit is commensurate with the degree of complexity of the case. Where an investigation has been held at the Board's initiative, the time limit shall be four months, provided that this period is commensurate with the degree of complexity of the case.*

### *Article 17*

*1. The chairman of the Disciplinary Board shall not vote on matters before it, except as regards matters of procedure or where votes are tied.*

*2. The chairman shall ensure that the decisions of the Board are implemented and shall bring all information and documents relating to the case to the attention of each of its members.*

### *Article 18*

*The secretary shall draw up minutes of meetings of the Disciplinary Board. Witnesses shall sign the minutes recording their evidence.*

### *Article 19*

*1. Expenses incurred on the initiative of an official concerned in the course of disciplinary proceedings, and in particular fees paid to a person chosen to assist the official or for his defence, shall be borne by the official where the administrative investigation results in the imposition of one of the penalties provided for in Article 7.*

*2. However, the Appointing Authority may decide otherwise in exceptional cases where the burden on the official concerned would be unfair.*

## Article 20

1. *After hearing the official, the Appointing Authority shall take its decision as provided for in Articles 7 and 8 within two months of receipt of the opinion of the Disciplinary Board. Reasons must be given for the decision.*
2. *If the Appointing Authority decides to close the case without imposing any disciplinary penalty, it shall so inform the official concerned in writing without delay. The official concerned may request that this decision be inserted in his personal file.*

## SECTION 6: SUSPENSION

### Article 21

1. *If the Appointing Authority accuses an official of serious misconduct, whether through a failure to honour his professional obligations or through an infringement of the law, it may immediately suspend the person accused of that misconduct for a specified or indefinite period.*
2. *The Appointing Authority shall take this decision after hearing the official concerned, save in exceptional circumstances.*

### Article 22

1. *The decision suspending an official shall state whether the official is to continue to receive his full remuneration during the period of suspension or what part thereof is to be withheld. The amount paid to the official shall not under any circumstances be less than the minimum subsistence figure laid down in Article 6 of Annex VIII to these Staff Regulations, with the addition of any family allowances payable.*
2. *The situation of a suspended official must be definitively settled within six months of the date on which the suspension takes effect. If no such decision is taken within six months, the official concerned shall be entitled to again receive full remuneration, subject to paragraph 3.*
3. *Remuneration may continue to be withheld in part after the six-month deadline referred to in paragraph 2 if the official concerned is the subject of criminal proceedings for the same acts and is in custody as a result of those proceedings. In such cases the official shall not receive full remuneration until the competent court has ordered his release.*
4. *Sums withheld under paragraph 1 shall be repaid to the official if the final decision imposes a disciplinary penalty no more severe than a written warning, reprimand or deferment of advancement to a higher step, or if no disciplinary penalty is imposed; in the latter case, the repayment shall be made with compound interest at the rate defined in Article 12 of Annex VIII.*

## SECTION 7: PARALLEL CRIMINAL PROSECUTION

### *Article 23*

*Where the official is prosecuted for those same acts, a final decision shall be taken only after a final judgment has been handed down by the court hearing the case.*

### *Section 8: Final provisions*

#### *Article 23a*

*The decisions referred to under Articles 9, 12, 20 and 21 shall be sent for information to OLAF in cases where an inquiry was initiated by the Office.*

#### *Article 24*

*An official against whom a disciplinary penalty other than removal from post has been ordered may, after three years in the case of a written warning or reprimand or after six years in the case of any other penalty, submit a request for the deletion from his personal file of all reference to such measure. The Appointing Authority shall decide whether to grant this request.*

#### *Article 25*

*Where new facts supported by relevant evidence come to light, disciplinary proceedings may be reopened by the Appointing Authority on its own initiative or on application by the official concerned.*

#### *Article 26*

*If no case has been made against the official pursuant to Article 1(3) and Article 20(2), the official shall be entitled to request that the damage suffered should be made good through suitable publicity for the decision of the Appointing Authority.*

#### *Article 27*

*Each institution shall, if it sees fit, adopt implementing arrangements for this Annex after consulting its Staff Committee."*

95. Annex X is amended as follows:

(a) The second paragraph of Article 2 is replaced by the following:

*"The Appointing Authority shall make such transfers by a specific procedure referred to as the 'mobility procedure', for which it shall lay down detailed implementing rules, after consulting the Staff Committee."*

(b) The first sentence of Article 3 is replaced by the following:

*“Under the mobility procedure, an official assigned to a third country may, by decision of the Appointing Authority, be reassigned temporarily with his post to the seat of the institution or any other place of employment in the Community; such assignments, which shall not be preceded by a vacancy notice, may not be for more than four years.”*

(c) Article 5 is amended as follows:

- i. *“the level of his duties and”* is inserted after *“corresponds to”*;
- ii. The following paragraph is added:

*Detailed rules for the application of the first paragraph shall be laid down by the Appointing Authority, after consultation of the Staff Committee; the Appointing Authority shall also decide on the entitlement to furniture and other fittings for accommodation, in line with the conditions applying at each place of employment.”*

(d) In Article 6, *“five calendar days”* is replaced by *“three and a half working days”*.

(e) Article 7 is amended as follows:

- i. In the first paragraph, *“five calendar days”* is replaced by *“three and a half working days”* and *“two and a half calendar days”* is replaced by *“two working days”*;
- ii. In the second paragraph, *“20 calendar days”* is replaced by *“14 working days”*.

(f) Article 9 is amended as follows:

- i. In paragraph 1, *“20 consecutive calendar days”* is replaced by *“14 working days”*.
- ii. The first subparagraph of paragraph 2 is amended as follows:  
*“calendar days”* is replaced by *“working days”*.

The second sentence is deleted.

(g) Article 10(1) is amended as follows:

- i. The sixth subparagraph is amended as follows:  
in the fourth indent, *“8”* is replaced by *“7”*;  
in the fifth indent, *“8”* is replaced by *“9, but not greater than 11”*;  
the following indent is inserted after the fourth indent:  
*“30% where the value is greater than 7 but not greater than 9,”*;  
the following indent is added: *“- 40% where the value is greater than 11.”*



ii. The following subparagraphs are added:

*“Officials who, in the course of their career, have been assigned to a place considered difficult or very difficult and where the allowance for living conditions corresponds to 30%, 35% or 40% and who accept a transfer to another place where the allowance corresponds to 30%, 35% or 40% shall receive, in addition to the allowance for living conditions for their new place of employment, a supplementary premium of 5% of the reference amount referred to in the first subparagraph.*

*That premium shall be granted cumulatively on each assignment of the official to a place of employment considered difficult or very difficult; however, the sum of the allowance for living conditions and the premium may not exceed 45% of the reference amount referred to in the first subparagraph.”*

(h) In the first sentence of the first paragraph of Article 13, “every six months” is replaced by “once a year”.

(i) In the first paragraph of Article 16, “either euros or the currency of the country of employment” is replaced by “euro, in the currency of the country of employment or in the currency in which the expenditure was incurred”.

(j) Article 17 is amended as follows:

i. The first paragraph is amended as follows:

– “not in furnished accommodation provided by the institution” is replaced by “provided accommodation pursuant to Article 5 or 23 and”;

– [amendment which does not concern the English version]

ii. in the second paragraph, “his actual installation expenses” is replaced by “the other expenses incurred by this change of residence”.

(k) Article 18 is amended as follows:

i. The second and third paragraphs are replaced by the following:

*“The official shall also receive the daily allowance provided for in Article 10 of Annex VII, less 50%, except in cases of force majeure to be determined by the Appointing Authority.”*

ii. [amendment which does not concern the English version].

(l) Article 19 is amended as follows:

i. “relating to official business within his area of activity” is replaced by “on official business directly concerned with the performance of his duties”

ii. “the use of” in the first line is replaced by “access to”.

(m) The first and second paragraphs of Article 21 are replaced by the following:

*“Where an official is obliged to change his place of residence in order to comply with Article 20 of the Staff Regulations on taking up his appointment or on transfer, the institution shall,*

*subject to the conditions laid down by the Appointing Authority and depending on the type of accommodation that can be provided for him at the place of employment, bear the cost of:*

*- moving part or all of his furniture and personal effects from their location at the time to the place of employment and of transporting his personal effects, in the event that unfurnished accommodation is provided;*

*- transporting his personal effects or of storage of his furniture and personal effects in the event that furnished accommodation is provided.”*

(n) In Article 23, “*the level of his duties*” is replaced by “*his duties.*”

(o) Chapter 5, comprising Article 26, is deleted.

(p) Chapter 6, comprising Article 27, is deleted.

96. Annex XI is replaced by the following:

## ***ANNEX XI***

### **Chapter 1 – Annual review of remuneration (Article 65(1) of the Staff Regulations)**

#### **SECTION 1: FACTORS DETERMINING ANNUAL ADJUSTMENTS**

##### ***Article 1***

##### ***1. Report from Eurostat (the Statistical Office of the European Communities)***

*For the purposes of the review provided for in Article 65(1) of the Staff Regulations, Eurostat shall draw up every year before the end of October a report on changes in the cost of living in Brussels, the economic parities between Brussels and certain places in the Member States, and changes in the purchasing power of salaries in national civil services.*

##### ***2. Changes in the cost of living for Brussels (Brussels International Index)***

*Eurostat shall draw up an index, based on data provided by the Belgian authorities, to measure changes in the cost of living for officials of the European Communities in Brussels. This index (to be known as Brussels International Index) shall take into account the changes between June of the previous year and June of the current year and shall be based on the statistical methodology defined by the Working Group on Article 64 of the Staff Regulations (see Article 13).*

##### ***3. Changes in the cost of living outside Brussels (economic parities and implicit indices)***

*(a) Eurostat shall, in agreement with national statistical institutes or other appropriate authorities in the Member States, calculate the economic parities which establish the equivalence of purchasing power:*

- of the salaries of officials of the European Communities serving in the capitals of the Member States (except for the Netherlands, where The Hague is used instead of Amsterdam) and in certain other places of employment with reference to Brussels,*

- *of the pensions of officials paid in the Member States with reference to Belgium.*
- (b) *The economic parities shall refer to the month of June each year.*
- (c) *The economic parities shall be calculated in such a way that each basic component can be updated twice per year and checked by a direct survey at least once every five years. Eurostat shall update the economic parities using the most appropriate indices as defined by the Working Group on Article 64 of the Staff Regulations (see Article 13).*
- (d) *Outside Belgium and Luxembourg, changes in the cost of living during the reference period shall be measured by the implicit indices. These indices are calculated by multiplying the Brussels International Index by the change in the economic parity.*

4. *Changes in the purchasing power of salaries of national civil servants in central government (specific indicators).*

(a) *For the purpose of measuring the percentage change, either upward or downward, in the purchasing power of salaries in the national civil services, Eurostat shall, on the basis of information supplied before the end of September by the national authorities concerned, calculate specific indicators reflecting changes in the real remuneration of civil servants in central government, between 1 July of the previous year and 1 July of the current year. The specific indicators shall take two forms:*

- *one indicator for each of the function groups, as defined in the Staff Regulations,*
- *an average indicator weighted to reflect the number of national civil servants corresponding to each function group.*

*Each of these indicators shall be established in real gross and real net terms. For the transition from gross to net, account shall be taken of statutory deductions and general taxation factors.*

*To establish gross and net indicators for the European Union total, the results per country shall be weighted in proportion to their national GDP measured using purchasing power parities as shown in the most recent statistics published in accordance with the national accounts definitions in the European Systems of Accounts (ESA) currently in force.*

(b) *At the request of Eurostat, the appropriate national authorities shall supply it with the additional information which it considers necessary in order to draw up a specific indicator accurately measuring changes in the purchasing power of national civil servants.*

*If, after further consultation of the national authorities concerned, Eurostat finds statistical anomalies in the information obtained or finds it impossible to draw up indicators which measure with statistical accuracy the changes in the real income of civil servants in a given Member State, it shall report to the Commission and provide it with all the material it needs to make an assessment.*

(c) *Besides the specific indicators, Eurostat shall calculate certain control indicators. One such indicator shall be in the form of data on real per capita emoluments in central government, drawn up in accordance with the national accounts definitions in the European System of Accounts currently in force.*

*The Eurostat report on the specific indicators shall be accompanied by comments on the differences between these indicators and the above-mentioned control indicators.*

## *Article 2*

*The Commission shall produce a comprehensive report every three years on the recruitment requirements of the institutions and transmit it to the European Parliament and the Council. On the basis of this report the Commission shall, if necessary, present proposals based on all relevant factors to the Council after consulting the other institutions within the framework of the Staff Regulations.*

## **SECTION 2: ARRANGEMENTS FOR THE ANNUAL ADJUSTMENT OF REMUNERATION AND PENSIONS**

## *Article 3*

*1. Under Article 65(3) of the Staff Regulations, the Council, acting on a Commission proposal and on the basis of the criteria set out in Section 1, shall take a decision before the end of each year adjusting remuneration and pensions, with effect from 1 July.*

*2. The amount of the adjustment shall be obtained by multiplying the Brussels International Index by the specific indicator. The adjustment shall be in net terms as a uniform across-the-board percentage.*

*3. The amount of the adjustment thus fixed shall be incorporated, in accordance with the following method, in the basic salary tables appearing in Article 66 and in Annex XIII to the Staff Regulations and in Articles 20, 63 and 90 of the Conditions of Employment of other servants:*

- the net remuneration and net pension without correction coefficient shall be increased or reduced by the annual adjustment referred to above,*
- the new table of basic salaries shall be drawn up by calculating the gross amount which, after deduction of tax having regard to paragraph 4 and compulsory deductions for social security and pension contributions, corresponds to the net amount,*
- the conversion of net amounts into gross amounts shall be based on the situation of an unmarried official who does not receive the allowances provided for in the Staff Regulations.*

*4. For the purposes of applying Regulation (EEC, Euratom, ECSC) No 260/68 of the Council of 29 February 1968 laying down the conditions and procedure for applying the tax for the benefit of the European Communities, the amounts in Article 4 of that Regulation shall be multiplied by a factor composed of:*

- the factor resulting from the previous adjustment, and/or*
- the rate of adjustment of remuneration referred to in paragraph 2,*

5. *No correction coefficient shall be applicable in Belgium and Luxembourg .*

*The correction coefficients applicable to:*

*- the salaries of officials of the European Communities serving in the other Member States and in certain other places of employment,*

*- by derogation from Article 82(1), the European Communities pensions paid in the other Member States in respect of the years of pensionable service acquired before [1 May 2004].*

*shall be determined on the basis of the ratios between the corresponding economic parities referred to in Article 1 and the exchange rates specified in Article 63 of the Staff Regulations for the relevant countries.*

*The procedures laid down in Article 8 concerning the retrospective application of correction coefficients in places of employment with a high rate of inflation shall apply.*

6. *The institutions shall make the corresponding positive or negative adjustment to the remuneration and pensions of the officials, former officials and other persons concerned with retroactive effect for the period between the effective date and the date of entry into force of the decision on the next adjustment.*

*If this retroactive adjustment necessitates the recovery of sums overpaid, such recovery may be spread over a period of not more than twelve months from the date of entry into force of the decision on the next annual adjustment.*

## **Chapter 2 – Intermediate adjustments of remuneration and pensions (Article 65(2) of the Staff Regulations)**

### *Article 4*

1. *Intermediate adjustments of remuneration and pensions pursuant to Article 65(2) of the Staff Regulations, taking effect on 1 January, shall be made in the event of a substantial change in the cost of living between June and December (by reference to the sensitivity threshold defined in Article 6(1)) and with due allowance being made for the forecast of the change in purchasing power during the current annual reference period.*

2. *The Commission proposal shall be sent to the Council not later than the second half of April.*

3. *These intermediate adjustments shall be taken into account in the annual salary adjustment.*

### *Article 5*

1. *In March each year Eurostat shall make a forecast of changes in purchasing power over the period concerned on the basis of the information supplied at the meeting provided for in Article 12.*

*If this forecast produces a negative percentage, half of this percentage shall be taken into account in the calculation of the intermediate adjustment.*

2. *The change in the cost of living for Brussels shall be measured by the Brussels International Index for the period from June to December of the previous calendar year.*

3. *For each place for which a correction coefficient has been set (other than Belgium and Luxembourg), an estimate for December of the economic parities mentioned in Article 1(3) shall be calculated. The change in the cost of living shall be calculated according to the rules set out in Article 1(3).*

#### *Article 6*

1. *The sensitivity threshold for the six-month period mentioned in Article 5(2) of this Annex shall be 3.5%.*

2. *The threshold shall be applied in accordance with the following procedure, subject to application of the second subparagraph of Article 5(1):*

*- if the sensitivity threshold is reached or exceeded in Brussels (as measured by the Brussels International Index between June and December), the remuneration for all places shall be adjusted following the annual adjustment procedure,*

*- if the sensitivity threshold is not reached in Brussels, only the correction coefficients of places where the change in the cost of living (as measured by the implicit indices between June and December) has exceeded the threshold shall be adjusted.*

#### *Article 7*

*For the purposes of Article 6:*

*The amount of the adjustment shall be the Brussels International Index, multiplied, where appropriate, by half of the specific indicator forecast if this is negative.*

*Correction coefficients shall be the ratio between the relevant economic parity and the exchange rate provided for in Article 63 of the Staff Regulations, multiplied, if the adjustment threshold is not reached for Brussels, by the value of the adjustment.*

### **Chapter 3 – Date on which a correction coefficient comes into effect (places of employment with a high cost-of-living increase)**

#### *Article 8*

1. *For places with a high cost-of-living increase (as measured by the change in the implicit indices), the correction coefficient shall come into effect before 1 January in the case of the intermediate adjustment, or 1 July in the case of the annual adjustment. This is so as to bring the loss in purchasing power into line with what it would be in a place of employment where the change in the cost of living corresponded to the sensitivity threshold.*

2. *The effective dates for the annual adjustment shall be as follows:*

- *16 May for places of employment having an implicit index higher than 6.3%, and*
- *1 May for places of employment having an implicit index higher than 12.6%.*

3. *The effective dates for the intermediate adjustment shall be as follows:*

- *16 November for places of employment having an implicit index higher than 6.3%, and*
- *1 November for places of employment having an implicit index higher than 12.6%.*

#### **Chapter 4 – Creation and withdrawal of correction coefficients (Article 64 of the Staff Regulations)**

##### *Article 9*

1. *The appropriate authorities of the Member States concerned, the administration of an European Communities institution or the representatives of European Communities officials in a given place of employment can request the creation of a correction coefficient specific to that place.*

*This request should be supported by objective factors revealing an appreciable difference over some years in the cost of living between that place of employment and the capital of the Member State concerned (except for the Netherlands where The Hague is used instead of Amsterdam). If Eurostat confirms that the difference is appreciable (more than 5 %) and sustainable, the Commission should present a proposal to set a correction coefficient for that place.*

2. *Likewise the Council shall decide, on a proposal from the Commission, to withdraw the application of a correction coefficient specific to a certain place. In that case the proposal shall be based on one of the following:*

- *a request by the appropriate authorities of the Member State concerned, the administration of a European Communities institution or the representatives of European Communities officials in a given place of employment showing that the cost of living in that place is no longer significantly different (less than 2 %) than that of the capital of the Member State concerned. This convergence should be sustainable and validated by Eurostat.*
- *the fact that there are no longer any European Communities staff<sup>d5</sup> employed in that place.*

3. *The Council shall decide on the proposal in accordance with the second paragraph of Article 64 of the Staff Regulations.*

---

<sup>15</sup> Officials and temporary staff

## **Chapter 5 – Exception clause**

### *Article 10*

*If there is a serious and sudden deterioration in the economic and social situation within the Community, assessed in the light of objective data supplied for this purpose by the Commission, the latter shall submit appropriate proposals on which the Council shall act by qualified majority after consulting the other institutions concerned in accordance with the procedure laid down in the Article 283 of the Treaty.*

## **Chapter 6 – Role of Eurostat and relations with the appropriate authorities in the Member States**

### *Article 11*

*It shall be the task of Eurostat to monitor the quality of basic data and statistical methods used to work out the factors taken into account for the adjustment of remuneration. In particular, it shall make any assessments or carry out any studies required for such monitoring.*

### *Article 12*

*In March each year Eurostat shall convene a working group composed of experts from the appropriate authorities in the Member States to be known as the “Working Group on Article 65 of the Staff Regulations”.*

*At this meeting, the statistical methodology and its implementation concerning specific and control indicators shall be examined.*

*The information required to produce a forecast of changes in purchasing power for the purposes of the intermediate adjustment of remuneration shall also be provided, together with the data on working hours in central government departments.*

### *Article 13*

*At least once a year and not later than September, Eurostat shall convene a working group composed of experts from the appropriate authorities in the Member States to be known as the “Working Group on Article 64 of the Staff Regulations”.*

*At this meeting, the statistical methodology and its implementation concerning the establishment of the Brussels International Index and economic parities shall be examined.*

### *Article 14*

*At the request of Eurostat, Member States shall inform Eurostat of any factors having a direct or indirect impact on the composition and changes in the remuneration of central government civil servants.*



## **Chapter 7 – Final provision and review clause**

### *Article 15*

1. *The provisions of this Annex shall apply from 1 July 2004 to 30 June 2013.*
  2. *They shall be reviewed at the end of the fourth year particularly in the light of their budgetary implications. To this end, the Commission shall submit a report to the European Parliament and the Council and, where appropriate, a proposal to amend this annex on the basis of Article 283 of the EC Treaty.*
97. The following Annex XII is added:

### **“ANNEX XII Rules for implementing Article 83a of the Staff Regulations**

#### **Chapter 1 : General principles**

### *Article 1*

1. *In order to determine the contribution of officials to the pension scheme referred to in Article 83a (2) of the Staff Regulations, the Commission shall, every five years starting in 2004, carry out the actuarial assessment of the balance of the pension scheme referred to in Article 83a (3) of the Staff Regulations*
2. *In preparation for the examination referred to in Article 83a(4) of the Staff Regulations, the Commission shall every year update this actuarial assessment, having regard to changes in the population as defined in Article 9, in the interest rate as defined in Article 10 and in the rate of annual change in the salary scales of EC officials as defined in Article 11.*
3. *The assessment and updates shall be carried out in each year n, on the basis of the population of active members of the pension scheme at 31 December of the previous year (n-1).*

### *Article 2*

1. *Any adjustment of the contribution rate shall take effect on 1 July at the same time as the annual adjustment of remunerations under Article 65 of the Staff Regulations . Any adjustment shall not lead to a contribution being more than one percentage point above or below the valid rate of the previous year.*
2. *The adjustment taking effect on 1 July 2004 shall not lead to a contribution higher than 9.75 %. The adjustment taking effect on 1 July 2005 shall not lead to a contribution higher than 10.25 %.*
3. *The difference established between the adjustment of the contribution rate which would have resulted from the actuarial calculation and the adjustment resulting from the variation referred to in paragraph 2 shall not be recovered at any time, or, consequently, taken into account in subsequent actuarial calculations.*

## Chapter 2 : Assessment of the actuarial balance

### Article 3

*The five-yearly actuarial assessments shall lay down the conditions for balance by taking into account, as charges on the scheme, the retirement pension as defined in Article 77 of the Staff Regulations, the invalidity allowance as defined in Article 78 of the Staff Regulations, survivors' pensions as defined in Articles 79 and 80 of the Staff Regulations.*

### Article 4

*1. The actuarial balance shall be assessed on the basis of the method for calculation set out in this chapter.*

*2. Under the method, the “actuarial value” of the pension rights earned before the calculation date represents a past service liability, while the actuarial value of the pension rights that will be earned in the year of service beginning on the calculation date represents the “service cost”.*

*3. It is assumed that all retirements (except for invalidity) will occur at a fixed average age **r**. The average retirement age shall be updated only on the occasion of the five-yearly actuarial assessment referred to in Article 1 and may be different for different groups of staff.*

*4. In determining the actuarial values,*

*a) the future changes in each official's basic salary between the calculation date and the assumed retirement age shall be taken into account;*

*b) the pension rights earned before the calculation date (the past service liability) shall not be taken into account since under Article 83 (2) of the Staff Regulations officials have fully financed one third of the actuarial cost of the scheme (their share of the past services liability).*

*5. All the relevant provisions foreseen in these Staff Regulations (particularly in annexes VIII and XIII) shall be taken into account in the actuarial evaluation of the service cost.*

*6. A smoothing process shall be applied to determine the real discount rate and the rate of annual change in the salary scales of EC officials. The smoothing shall be obtained through a 12-year moving average for the interest rate and for the increase in the salary scales. .*

### Article 5

*1. The contribution formula is based on the equation:*

$\text{year } n \text{ contribution rate} = \text{year } n \text{ service cost} / \text{total annual basic salaries}$
---

*2. The contribution of officials to the cost of financing the pension scheme shall be calculated as one third of the ratio between the service cost of the current year (**n**) for all officials who are active members of the pension scheme and the total annual basic salaries for the same*

population of active members of the pension scheme at 31 December of the previous year (**n-1**).

3. The service cost shall be the sum of:

a) the **retirement service cost** (detailed in article 6), i.e. the actuarial value of the pension rights that will be earned during year **n**, including the value of the portion of that pension that will become payable to the surviving spouse and/or dependent children upon the death of the official after retirement (reversion);

b) the **invalidity service cost** (detailed in article 7), i.e. the actuarial value of the pension rights that will become payable to the active officials who are expected to become invalids during year **n**; and

c) the **survivor's service cost** (detailed in article 8), i.e. the actuarial value of the pension rights that will become payable on behalf of active officials who are expected to die during year **n**.

4. The evaluation of the service cost shall be based on the pension rights and on the appropriate annuities, as detailed in articles 6 to 8.

These annuities shall give the actuarial present value of 1 € per year, taking into account the interest rate, the rate of annual change in the salary scales and the probability to be still alive at the age of retirement.

5. The minimum subsistence figures mentioned in the chapter 2 of the title V of the Staff Regulations and in the annex VIII shall be taken into account.

#### Article 6

1. In order to calculate the value of retirement pensions, the pension rights earned during year **n** shall be calculated for each active official by multiplying his projected basic salary at retirement by his applicable accrual factor.

If the cumulated pension rights (rights from the recruitment, including transfers) credited to the official at 31 December of year **n-1** are at least 70 % he will be deemed not to have acquired any right to pension during year **n**.

2. The **Projected basic Salary (PS)** at retirement shall be calculated starting from the basic salary at 31 December of the previous year and taking into account the rate of annual increase in the salary scales and the estimated annual rate of increase due to seniority and promotions as follows:

$$PS = SAL \times (1 + GSG + ISP)^m$$

where:

**SAL** = present salary

**GSG** = estimated annual rate of General Salary Growth, (the rate of annual change in the salary scales)

**ISP** = estimated annual rate of Increase due to Seniority and Promotions

**m** = difference between the assumed age of retirement (*r*) and the official present age (*x*)

Since the calculations shall be made in real terms, net of inflation, the rate of annual change in the salary scales and the annual rate of increase due to seniority and promotions shall be rates of increases net of inflation.

3. On the basis of the calculation of the pension rights earned by a given official, the actuarial value of those pension rights (and of the reversionary pensions linked to them) shall be calculated by multiplying the annual pension rights as defined above by the sum of:

a) an immediate deferred annuity at age *x*, deferred **m** years

$${}_m|a_x = \sum_{k=m+1}^{\omega-x+1} \left( \frac{1}{1+\tau} \right)^{k-0.5} \times {}_k p_x \times (1 + GSG)^{k-m-0.5}$$

where:

*x* = official's age at 31 December of year *n-1*

$\tau$  = interest rate

${}_k p_x$  = probability of a person of age *x* still being alive in *k* years

**m** = difference between the assumed age of retirement (*r*) and the official present age (*x*)

**GSG** = estimated annual rate of General Salary Growth, (the rate of annual change in the salary scales)

$\omega$  = ceiling of the mortality table

and

b) an immediate deferred reversionary annuity at ages *x* and *y*, where *y* is the assumed age of the spouse. This latter annuity shall be multiplied by the probability of the official of being married and by the applicable reversion rate established in accordance with Annex VIII.

$${}_m|a_{xy} = \sum_{k=m+1}^{\omega-x+1} \left( \frac{1}{1+\tau} \right)^{k-0.5} \times {}_k p_y \times (1 - {}_k p_x) \times (1 + GSG)^{k-m-0.5}$$

where:

*x* = official's age at 31 December of year *n-1*

*y* = age of the official's spouse at 31 December of year *n-1*

$\tau$  = interest rate

${}_kp_x$  = probability of an official of age  $x$  still being alive in  $k$  years

${}_kp_y$  = probability of a person of age  $y$  (spouse of the official of age  $x$ ) still being alive in  $k$  years

$m$  = difference between the assumed age of retirement ( $r$ ) and the official present age ( $x$ )

**GSG** = estimated annual rate of General Salary Growth, (the rate of annual change in the salary scales)

$\omega$  = ceiling of the mortality table

4. The calculation of the service cost for retirement shall take into account:

- a) the accrual incentive for officials remaining in service after the pensionable age;
- b) the reduction coefficient for officials leaving the service before the pensionable age.

#### Article 7

1. In order to calculate the value of invalidity allowances, the number of such allowances expected to become payable during year  $n$  shall be measured by applying to each active official the probability that he could become an invalid during the year. That probability shall then be multiplied by the annual amount of the invalidity allowances to which the official should become entitled.

2. In calculating the actuarial value of the invalidity allowances first becoming payable in year  $n$ , the following annuities shall be used:

- a) an immediate temporary annuity at age  $x$

$$a_x = \sum_{k=1}^m \left( \frac{1}{1+\tau} \right)^{k-0.5} \times {}_kp_x \times (1 + \text{GSG})^{k-0.5}$$

where:

$x$  = official's age at 31 December of year  $n-1$

$\tau$  = interest rate

${}_kp_x$  = probability of a person of age  $x$  still being alive in  $k$  years

$m$  = difference between the assumed age of retirement ( $r$ ) and the official present age ( $x$ )

**GSG** = estimated annual rate of General Salary Growth, (the rate of annual change in the salary scales)

- b) an immediate reversionary annuity. This latter annuity shall be multiplied by the probability of the official of being married and by the applicable reversion rate.

$$a_{xy} = \sum_{k=1}^m \left( \frac{1}{1+\tau} \right)^{k-0.5} \times {}_k p_y \times (1 - {}_k p_x) \times (1 + GSG)^{k-0.5}$$

where:

$x$  = official's age at 31 December of year  $n-1$

$y$  = age of the official's spouse at 31 December of year  $n-1$

$\tau$  = interest rate

${}_k p_x$  = probability of a person of age  $x$  still being alive in  $k$  years

${}_k p_y$  = probability of a person of age  $y$  (spouse of the person of age  $x$ ) still being alive in  $k$  years

$m$  = difference between the assumed age of retirement ( $r$ ) and the official present age ( $x$ )

**GSG** = estimated annual rate of General Salary Growth, (the rate of annual change in the salary scales)

#### Article 8

1. The value of the pension rights that will become payable to survivors during year  $n$  shall be measured by applying to each active official the probability that he might die during the year. That probability shall then be multiplied by the annual amount of spouse's pension that will become payable in the current year. The calculation shall take into account the possible orphans' pensions that might become payable.

2. In calculating the actuarial value of the pension rights that will become payable to survivors during year  $n$ , an immediate annuity shall be used. This annuity shall be multiplied by the probability that the official is married.

$$a_y = \sum_{k=1}^{\omega-y+1} \left( \frac{1}{1+\tau} \right)^{k-0.5} \times {}_k p_y \times (1 + GSG)^{k-0.5}$$

where:

$y$  = age of the official's spouse at 31 December of year  $n-1$

$\tau$  = interest rate

${}_k p_y$  = probability of a person of age  $y$  (spouse of the person of age  $x$ ) still being alive in  $k$  years

**GSG** = estimated annual rate of General Salary Growth, (the rate of annual change in the salary scales)

$\omega$  = ceiling of the mortality table

### **Chapter 3 : System of computation**

#### *Article 9*

*1. The demographic parameters to be taken into consideration for the actuarial assessment shall be based on observation of the population of participants in the scheme, comprising staff in active service and pensioners. This information shall be collected annually by the Commission using information received from the different institutions and agencies whose staff are members of the scheme.*

*From the observation of this population shall be deduced in particular the structure of the population, the average age of retirement and the invalidity table.*

*2. The mortality table shall relate to a population which has characteristics as close as possible to those of the population of members of the scheme. It shall be updated only on the occasion of the five-yearly actuarial assessment referred to in Article 1.*

#### *Article 10*

*1. The interest rates to be taken into consideration for the actuarial calculations shall be based on the observed average annual interest rates on the long-term public debt of Member States as published by the Commission. An appropriate consumer price index shall be used to calculate the corresponding interest rate net of inflation as needed for the actuarial calculations.*

*2. The effective annual rate to be taken into consideration for the actuarial calculations shall be the average of the real average interest rates for the 12 years preceding the current year.*

#### *Article 11*

*1. The annual change in the salary scales of officials to be taken into consideration for the actuarial calculations shall be based on the specific indicators referred to in article 1.4 of Annex XI.*

*2. The effective annual rate to be taken into consideration for the actuarial calculations shall be the average of the net specific indicators for the EU for the 12 years preceding the current year.*

#### *Article 12*

*The rate in Articles 4 and 8 of Annex VIII for the calculation of compound interest shall be the effective rate referred to in Article 10 and shall, if necessary, be revised on the occasion of the five-yearly actuarial assessments.*

## **Chapter 4 : Implementation**

### *Article 13*

- 1. Eurostat shall be the authority responsible for the technical implementation of this Annex.*
- 2. The actuarial assessments referred to in Article 1 may be entrusted by Eurostat to one or more qualified independent experts. Eurostat shall provide such experts with, in particular, the parameters referred to in Articles 9 to 11.*
- 3. Each year on 1 September Eurostat shall submit a report on the assessments and datings referred to in Article 1.*
- 4. Any questions of methodology raised by the implementation of this Annex shall be dealt with by Eurostat in cooperation with national experts from the relevant departments of the Member States and the qualified independent expert or experts. Eurostat shall convene a meeting of this group for that purpose at least each five years at the occasion of the five-yearly actuarial assessments. However, Eurostat may convene more frequent meetings if it feels it necessary.*

## **Chapter 5 : Revision clause**

### *Article 14*

- 1. Articles 2 (1) second sentence, and (3), 9, 10, 11 and 12 of this Annex shall apply from [1 July 2004 to 30 June 2013].*
- 2. On the occasion of the five-yearly actuarial assessment , this Annex may be reconsidered by the Council, particularly in the light of its budgetary implications and actuarial balance, on the basis of a report together with, if appropriate, a proposal from the Commission made after securing the opinion of the Staff Regulations Committee. The Council shall act on this proposal by the qualified majority provided for in the first indent of Article 205 (2) of the Treaty establishing the European Community.*
- 3. By way of derogation from Article 83a of these Staff Regulations and paragraph 2 above, the second assessment, a report and, if necessary, a proposal from the Commission shall be submitted to the Council by the end of 2008.*

98. The following Annex XIII is added:

### **“ANNEX XIII**

### ***Transitional measures applicable to officials of the Communities***



## SECTION 1

### *Article 1*

1. For the period from ....(date of entry into force) to ....(date of entry into force+2 years) paragraphs 1 and 2 of Article 5 of the Staff Regulations are replaced by the following:

*“1. The posts covered by the Staff Regulations shall be classified, according to the nature and importance of the duties to which they relate, in four categories A, B, C and D, in descending order of rank.*

*2. Category A shall comprise twelve grades, category B shall comprise nine grades, category C shall comprise seven grades and category D shall contain five grades.”*

2. Any reference to the date of recruitment shall be taken to refer to the date of entry into service.

### *Article 2*

1. On ... (date of entry into force), the grades of officials having one of the administrative statuses set out in Article 35 of the Staff Regulations shall be renamed as follows:

Former grade	New (intermediate) grade	Former grade	New (intermediate) grade	Former grade	New (intermediate) grade	Former grade	New (intermediate) grade
A1	A*16						
A2	A*15						
A3/LA3	A*14						
A4/LA4	A*12						
A5/LA5	A*11						
A6/LA6	A*10	B1	B*10				
A7/LA7	A*8	B2	B*8				
A8/LA8	A*7	B3	B*7	C1	C*6		
		B4	B*6	C2	C*5		
		B5	B*5	C3	C*4	D1	D*4
				C4	C*3	D2	D*3
				C5	C*2	D3	D*2

2. Subject to the provisions of Article 7, basic monthly salaries shall be determined for each grade and step as provided for in the following tables<sup>16</sup> (in euro)

---

<sup>16</sup> The amounts in the table are based on the amounts specified in the Staff Regulations in [July 2001] and shall be updated automatically on the basis of the adjustments of those amounts decided by the Council between [July 2001] and the date of entry into force of this Regulation.

Former grade	New intermed grade	Category A					6	7	8
		1	2	3	4	5			
A1	A*16	<b>13917,93</b>	<b>14502,78</b>	<b>15112,21</b>	<b>15112,21</b>	<b>15112,21</b>	<b>15112,21</b>		
		11940,71	12575,01	13209,31	13843,61	14477,91	15112,21		
		0,857937	0,867076	0,874082	0,916055	0,958027	1,000000		
A2	A*15	<b>12301,13</b>	<b>12818,04</b>	<b>13356,67</b>	<b>13728,27</b>	<b>13917,93</b>	<b>14502,78</b>		
		10596,40	11201,67	11806,94	12412,21	13017,48	13622,75		
		0,861417	0,873899	0,883973	0,904135	0,935303	0,939320		
A3/LA 3	A*14	<b>10872,14</b>	<b>11329,00</b>	<b>11805,06</b>	<b>12133,50</b>	<b>12301,13</b>	<b>12818,04</b>	<b>13356,67</b>	<b>13917,93</b>
		8775,74	9305,18	9834,62	10364,06	10893,50	11422,94	11952,38	12481,82
		0,807177	0,821359	0,833085	0,854169	0,885569	0,891161	0,894862	0,896816
A4/LA 4	A*13	<b>9609,16</b>	<b>10012,95</b>	<b>10433,70</b>	<b>10723,99</b>	<b>10872,14</b>			
	A*12	<b>8492,89</b>	<b>8849,77</b>	<b>9221,65</b>	<b>9478,21</b>	<b>9609,16</b>	<b>10012,95</b>	<b>10433,70</b>	<b>10872,14</b>
		7372,55	7785,79	8199,03	8612,27	9025,51	9438,75	9851,99	10265,23
A5/LA 5	A*11	0,868085	0,879773	0,889107	0,908639	0,939261	0,942654	0,944247	0,944178
		<b>7506,29</b>	<b>7821,72</b>	<b>8150,40</b>	<b>8377,16</b>	<b>8492,89</b>	<b>8849,77</b>	<b>9221,65</b>	<b>9609,16</b>
		6078,30	6438,40	6798,50	7158,60	7518,70	7878,80	8238,90	8599,00
A6/LA 6	A*10	0,809761	0,823144	0,834131	0,854538	0,885293	0,890283	0,893430	0,894875
		<b>6634,31</b>	<b>6913,09</b>	<b>7203,59</b>	<b>7404,01</b>	<b>7506,29</b>	<b>7821,72</b>	<b>8150,40</b>	<b>8492,89</b>
		5252,79	5539,39	5825,99	6112,59	6399,19	6685,79	6972,39	7258,99
A7/LA 7	A*9	0,791761	0,801290	0,808762	0,825578	0,852510	0,854772	0,855466	0,854714
		<b>5863,62</b>	<b>6110,02</b>	<b>6366,77</b>	<b>6543,90</b>	<b>6634,31</b>			
		<b>5182,46</b>	<b>5400,24</b>	<b>5627,16</b>	<b>5783,72</b>	<b>5863,62</b>	<b>6110,02</b>		
A8/LA 8	A*8	4521,59	4746,58	4971,57	5196,56	5421,55	5646,54		
		0,872479	0,878957	0,883495	0,898481	0,924608	0,924144		
		<b>4580,43</b>	<b>4772,91</b>	<b>4973,47</b>	<b>5111,84</b>	<b>5182,46</b>			
A8/LA 8	A*7	3998,94	4160,21						
		0,873049	0,871630						
		<b>4048,34</b>	<b>4218,45</b>	<b>4395,72</b>	<b>4518,01</b>	<b>4580,43</b>			
	A*6	<b>3578,05</b>	<b>3728,41</b>	<b>3885,08</b>	<b>3993,17</b>	<b>4048,34</b>			
	A*5								

		Category B							
Former grade	New intermediate grade	1	2	3	4	5	6	7	8
B1	B*11	7506,29	7821,72	8150,40	8377,16	8492,89			
	B*10	6634,31	6913,09	7203,59	7404,01	7506,29	7821,72	8150,40	8492,89
		5252,79	5539,39	5825,99	6112,59	6399,19	6685,79	6972,39	7258,91
B2		0,791761	0,801290	0,808762	0,825578	0,852510	0,854772	0,855466	0,854714
	B*9	5863,62	6110,02	6366,77	6543,90	6634,31			
	B*8	5182,46	5400,24	5627,16	5783,72	5863,62	6110,02	6366,77	6634,31
B3		4551,14	4764,51	4977,88	5191,25	5404,62	5617,99	5831,36	6044,73
		0,878181	0,882277	0,884617	0,897562	0,921721	0,919472	0,915906	0,911133
	B*7	4580,43	4772,91	4973,47	5111,84	5182,46	5400,24	5627,16	5863,62
B4		3817,46	3994,88	4172,30	4349,72	4527,14	4704,56	4881,98	5059,40
		0,833428	0,836990	0,838911	0,850911	0,873550	0,871176	0,867574	0,862841
	B*6	4048,34	4218,45	4395,72	4518,01	4580,43	4772,91	4973,47	5182,46
B5		3301,76	3455,62	3609,48	3763,34	3917,20	4071,06	4224,92	4378,78
		0,815584	0,819168	0,821135	0,832964	0,855204	0,852951	0,849491	0,844923
	B*5	3578,05	3728,41	3885,08	3993,17	4048,34			
		2951,34	3075,85	3200,36	3324,87				
		0,824846	0,824976	0,823757	0,832639				
	B*4	3162,40	3295,29	3433,76	3529,29	3578,05			
	B*3	2795,03	2912,48	3034,87	3119,31	3162,40			

17  
:

		Category C							
Former grade	New intermediate grade	1	2	3	4	5	6	7	8
C1	C*7	4580,43	4772,91	4973,47	5111,84	5182,46			
	C*6	4048,34	4218,45	4395,72	4518,01	4580,43	4772,91	4973,47	5182,46
		3367,66	3503,46	3639,26	3775,06	3910,86	4046,66	4182,46	4318,26
C2		0,831862	0,830509	0,827910	0,835558	0,853819	0,847839	0,840954	0,833245
	C*5	3578,05	3728,41	3885,08	3993,17	4048,34	4218,45	4395,72	4580,43
		2929,16	3053,61	3178,06	3302,51	3426,96	3551,41	3675,86	3800,31
C3		0,818647	0,819011	0,818017	0,827040	0,846510	0,841876	0,836236	0,829684
	C*4	3162,40	3295,29	3433,76	3529,29	3578,05	3728,41	3885,08	4048,34
		2732,35	2838,97	2945,59	3052,21	3158,83	3265,45	3372,07	3478,69
C4		0,864012	0,861524	0,857832	0,864823	0,882836	0,875829	0,867954	0,859288
	C*3	2795,03	2912,48	3034,87	3119,31	3162,40	3295,29	3433,76	3578,05
		2468,89	2568,90	2668,91	2768,92	2868,93	2968,94	3068,95	3168,96
C5		0,883314	0,882032	0,879415	0,887671	0,907200	0,900965	0,893758	0,885667
	C*2	2470,34	2574,15	2682,32	2756,95	2795,03			
		2276,47	2369,75	2463,03	2556,31				
		0,921521	0,920595	0,918246	0,927224				
	C*1	2183,37	2275,12	2370,72	2436,68	2470,34			

17 The figures in italics in the tables refer to the former salaries as set out in Article 66 of the Staff Regulations before (date of entry into force). They are included in these tables merely for explanatory reasons and do not have any legal implication.

18 The figure on the third line corresponding to each step is a coefficient representing the ratio between the basic salary before and after ... (date of entry into force).

Former grade	New intermediate grade	Category D					6	7	8
		1	2	3	4	5			
D1	D*5	3578,05	3728,41	3885,08	3993,17	4048,34			
	D*4	3162,40	3295,29	3433,76	3529,29	3578,05	3728,41	3885,08	4048,34
		2572,75	2685,24	2797,73	2910,22	3022,71	3135,20	3247,69	3360,18
D2		0,813544	0,814872	0,814772	0,824591	0,844793	0,840895	0,835939	0,830014
	D*3	2795,03	2912,48	3034,87	3119,31	3162,40	3295,29	3433,76	3578,05
		2345,85	2445,76	2545,67	2645,58	2745,49	2845,40	2945,31	3045,22
D3		0,839293	0,839752	0,838807	0,848130	0,868167	0,863475	0,857751	0,851084
	D*2	2470,34	2574,15	2682,32	2756,95	2795,03	2912,48	3034,87	3162,40
		2183,37	2276,82	2370,27	2463,72	2557,17	2650,62	2744,07	2837,52
		0,883834	0,884494	0,883664	0,893640	0,914899	0,910090	0,904180	0,897268

3. The salaries for the new intermediate grades shall be used as the applicable amounts within the meaning of Article 7.

### Article 3

The step occupied by an official and the seniority acquired in grade and step shall not be affected by the procedure described in paragraph 1 of Article 2. Salaries shall be determined in accordance with Article 7.

### Article 4

For the purposes of these provisions and for the period specified in introductory sentence of Article 1:

- (a) “*function group*” shall be replaced by “*category*”
  - in the Staff Regulations in:
    - Article 5(5);
    - Article 6(1);
    - Article 7(2);
    - Article 31(1);
    - the third paragraph of Article 32;
    - Article 39, point (f),
    - Article 40(4);
    - Article 41(3);
    - Article 51(1), (2), (8) and (9);
    - the first paragraph of Article 78;

- in Annex II to the Staff Regulations in the fourth paragraph of Article 1;
- in Annex III to the Staff Regulations in:
  - Article 1(1), point (c);
  - the fourth paragraph of Article 3;
- in Annex IX to the Staff Regulations in:
  - Article 4,
  - Article 7(1), points (f) and (g);
- (b) “*function group AD*” is replaced by “*category A*”
  - in the Staff Regulations in:
    - Article 5(3), point (c);
    - the third paragraph of Article 48;
    - the second paragraph of Article 56;
  - in Annex II to the Staff Regulations in the first paragraph of Article 10;
- (c) “*function group AST*” is replaced by “*categories B, C and D*”
  - in the Staff Regulations in:
    - the second paragraph of Article 43;
    - the third paragraph of Article 48;
    - the third paragraph of Article 56;
  - in Annex VI to the Staff Regulations in Articles 1 and 3;
- (d) In Article 5(3)(a) “*function group AST*” is replaced by “*categories B and C*”;
- (e) Article 29 (4) is replaced by: "The European Parliament shall organise at least one competition for category C\*, B\* and A\* before [date of entry into force plus 2 years]."
- (f) In the second paragraph of Article 43 of the Staff Regulations “*an administrator's function*” is replaced by “*a function in the next higher category*”;
- (g) In Article 45a(1) of the Staff Regulations, “*function group AST may*” is replaced by “*category B may*” and “*function group AD*” is replaced by “*a postin category A*”;
- (h) In Article 46 of the Staff Regulations, “*AD 9 to AD 14*” is replaced by “*A \*9 to A \*14*”.

- (i) In paragraph 2 of Article 29 “*grades AD16 or 15*” is replaced by “*grades A\*16 or 15*” and “*grades AD15 or 14*” by “*grades A\*15 or 14*”;
- (j) In the first paragraph of Article 12 of Annex II to the Staff Regulations, “*AD 14*” is replaced by “*A\*14*”.
- (k) In Article 4 of Annex IX to the Staff Regulations:
- in paragraph 2, “*AD13*” is replaced by “*A\*13*”;
  - in paragraph 3, “*AD14*” is replaced by “*A\*14 or higher*” and “*AD16 or AD15*” by “*A\*16 or A\*15*”;
  - in paragraph 4, “*AD16*” is replaced by “*A\*16*” and “*AD15*” by “*A\*15*”;
- (l) In the second paragraph of Article 43 of the Staff Regulations, “*As of grade 4,*” is deleted.
- (m) In Article 5(4) of the Staff Regulations, the reference to “*Annex I, point A*” is replaced by a reference to “*Annex XIII.1*”.
- (n) Where in the Staff Regulations reference is made to the basic monthly salary of an official in grade AST 1, this shall be replaced by a reference to the basic monthly salary of an official in grade D\*1.

#### *Article 5*

1. *Notwithstanding Article 45 of the Staff Regulations, officials eligible for promotion on (date of entry into force) shall continue to be eligible even if they have not completed a minimum of two years in their grade.*
2. *Officials whose names appear before (date of entry into force + 2 years) on the list of candidates suitable for transfer from one category to another shall, if transfer takes place after (date of entry into force), be placed in the grade and step they occupied in the former category, or failing this at the first step in the starting grade of the new category*
3. *Articles 1 to 10a of this annex shall apply to temporary servants recruited before (date of entry into force) who are subsequently recruited as officials in accordance with paragraph 4 below.*
4. *Temporary servants whose names appear before (date of entry into force + 2 years) on the list of candidates suitable for transfer from one category to another or on the list of successful candidates of an internal competition shall, if recruitment takes place after (date of entry into force) , be placed in the grade and step they occupied as a temporary servant in the former category, or failing this at the first step in the starting grade of the new category.*
5. *An official in grade A3 on (day before date of entry into force) shall, upon appointment after that date as Director, be promoted to the next higher grade, in accordance with Article 7(5). The last sentence of Article 46 of the Staff Regulations shall not apply.*

## Article 6

*Without prejudice to Articles 9 and 10, for the first promotion of officials recruited before (date of entry into force), the percentages referred to in Article 6(2) of the Staff Regulations and in Annex I, point B to the Staff Regulations shall be adapted to comply with the arrangements in force in each institution prior to that date.*

*Where the promotion of an official takes effect prior to (date of entry into force), it shall be governed by the provisions of the Staff Regulations in force at the date on which the promotion takes effect.*

## Article 7

*Basic monthly salaries of officials recruited before .... (date of entry into force) shall be determined in accordance with the following rules:*

- 1. The renaming of grades pursuant to Article 2(1) shall not lead to any changes in the basic monthly salary paid to each official.*
- 2. For each official, a multiplication factor shall be calculated at the time of entry into force. This multiplication factor shall be equal to the ratio between the basic monthly salary paid to an official before (date of entry into force) and the applicable amount defined in Article 2(2).*

*The basic monthly salary paid to the official on the date of entry into force shall be equal to the product of the applicable amount and the multiplication factor.*

*The multiplication factor shall be applied in order to determine the official's basic monthly salary following advancement in step or adjustment of remunerations.*

- 3. Notwithstanding the foregoing provisions, for periods after ...(date of entry into force) the basic monthly salary paid to an official shall be not less than that he would have received under the system in force before that date through automatic advancement in step in the grade formerly occupied by him. For each grade and step, the former basic salary to be taken into account is equal to the applicable amount after (date of entry into force) multiplied by the coefficient defined in Article 2(2).*

- 4. An official in grades A\*10 to A\*16 and AD 10 to 16 respectively who is at (day preceding the date of entry into force) head of unit, director or director-general, or is subsequently appointed head of unit, director or director general and has performed his new duties satisfactorily during the first nine months, shall be entitled to an increase in the basic monthly salary corresponding to the percentage between the first and the second step in each grade as set out in the tables in Article 2(1) and Article 8(1).*

- 5. Without prejudice to paragraph 3, for each official, the first promotion after (date of entry into force) shall, depending on the category occupied before (date of entry into force) and the step occupied at the time the promotion takes effect, lead to an increase in basic monthly salary to be determined on the basis of the following table:*



	Step							
Grade	1	2	3	4	5	6	7	8
A	13,1%	11,0%	6,8%	5,7%	5,5%	5,2%	5,2%	4,9%
B	11,9%	10,5%	6,4%	4,9%	4,8%	4,7%	4,5%	4,3%
C	8,5%	6,3%	4,6%	4,0%	3,9%	3,7%	3,6%	3,5%
D	6,1%	4,6%	4,3%	4,1%	4,0%	3,9%	3,7%	3,6%

*For the purpose of determining the applicable percentage, each grade shall be divided into notional steps corresponding to two months of service and into notional percentages reduced by one twelfth of the difference between the percentage for the step in question and that for the next higher step with each notional step.*

*For the purposes of calculating the salary before promotion of an official who is not in the last step of his grade, the value of the notional step shall be taken into account. For the purposes of this provision, each grade shall also be divided into notional salaries rising by one twelfth of the two-yearly increment for that grade throughout the span of the actual steps.*

6. *A new multiplication factor shall be determined upon this first promotion. That multiplication factor shall be equal to the ratio between the new basic salaries resulting from the application of paragraph 5 and the applicable amount in Article 2(2). Subject to paragraph 7, this multiplication factor shall be applied to the salary after advancement in step and adaptation of remunerations.*

7. *If, after promotion, the multiplication factor is less than 1, the official shall, by derogation from Article 44 of the Staff Regulations, remain in the first step of his new grade for as long as the multiplication factor remains below 1 or until he is promoted. A new multiplication factor shall be calculated to take account of the value of the advancement in step to which he or she would have been entitled under that article. Once the factor rises to 1, the official shall start to advance in step in accordance with Article 44 of the Staff Regulations. If the multiplication factor is higher than one, any balance shall be converted into seniority in the step.*

8. *The multiplication factor shall be applied upon subsequent promotions.*

#### Article 8

1. *With effect from ... (date of entry into force + 2 years), the grades introduced by Article 2(1) shall be renamed as follows:*

Former (intermediate) grade	New grade	Former (intermediate) grade	New grade
A*16	AD 16		

A*15	AD 15		
A*14	AD 14		
A*13	AD 13		
A*12	AD 12		
A*11	AD 11	B*11	AST 11
A*10	AD 10	B*10	AST 10
A*9	AD 9	B*9	AST 9
A*8	AD 8	B*8	AST 8
A*7	AD 7	B*7/C*7	AST 7
A*6	AD 6	B*6/C*6	AST 6
A*5	AD 5	B*5/C*5/D*5	AST 5
		B*4/C*4/D*4	AST 4
		B*3/C*3/D*3	AST 3
		C*2/D*2	AST 2
		C*1/	AST 1

2. *Without prejudice to the provisions of Article 7, basic monthly salaries shall be determined for each grade and step on the basis of the table in Article 66 of the Staff Regulations. For officials who have been recruited before ... (entry into force) and until their first promotion comes into effect after that date, the table<sup>19</sup> shall be as follows:*

Grade	Step							
	1	2	3	4	5	6	7	8
16	13917,93	14502,78	15112,21	15112,21	15112,21	15112,21		
15	12301,13	12818,04	13356,67	13728,27	13917,93	14502,78		
14	10872,14	11329,00	11805,06	12133,50	12301,13	12818,04	13356,67	13917,93
13	9609,16	10012,95	10433,70	10723,99	10872,14			
12	8492,89	8849,77	9221,65	9478,21	9609,16	10012,95	10433,70	10872,14
11	7506,29	7821,72	8150,40	8377,16	8492,89	8849,77	9221,65	9609,16
10	6634,31	6913,09	7203,59	7404,01	7506,29	7821,72	8150,40	8492,89
9	5863,62	6110,02	6366,77	6543,90	6634,31			
8	5182,46	5400,24	5627,16	5783,72	5863,62	6110,02	6366,77	6634,31
7	4580,43	4772,91	4973,47	5111,84	5182,46	5400,24	5627,16	5863,62
6	4048,34	4218,45	4395,72	4518,01	4580,43	4772,91	4973,47	5182,46

<sup>19</sup>

See footnote 19.

5	3578,05	3728,41	3885,08	3993,17	4048,34	4218,45	4395,72	4580,43
4	3162,40	3295,29	3433,76	3529,29	3578,05	3728,41	3885,08	4048,34
3	2795,03	2912,48	3034,87	3119,31	3162,40	3295,29	3433,76	3578,05
2	2470,34	2574,15	2682,32	2756,95	2795,03	2912,48	3034,87	3162,40
1	2183,37	2275,12	2370,72	2436,68	2470,34			

#### Article 9

*From ...(date of entry into force) to ... (date of entry into force + 7 years) and by derogation from Annex I, point B to the Staff Regulations, with regard to officials in grades AD 12 and 13 and AST 10 the percentages referred to in Article 6(2) of the Staff Regulations shall be as follows:*

Grade	Entry into force (EIF) until:						
	EIF+1 yr	EIF+2yrs	EIF+3yrs	EIF+4yrs	EIF+5yrs	EIF+6yrs	EIF+7yrs
AD 13	-	-	5%	10%	15%	20%	20%
AD 12	5%	5%	5%	10%	15%	20%	25%
AST 10	5%	5%	5%	10%	15%	20%	20%

#### Article 10

*1. Officials in service before ...(date of entry into force) in categories C or D shall be assigned as of ...(date of entry into force+2 years) to career streams allowing for promotions:*

*(a) in former category C up to grade AST 7;*

*(b) in former category D up to grade AST 5;*

*2. For those officials, as of (date of entry into force) and by derogation from Annex I, Section B to the Staff Regulations, the percentages referred to in Article 6(2) of the Staff Regulations shall be as follows:*

Career stream C							
Grade	Entry into force (EIF) until:						After EIF+6yrs
	EIF+1yr	EIF+2yrs	EIF+3yrs	EIF+4yrs	EIF+5yrs	EIF+6yrs	
C*/AST 7	-	-	-	-	-	-	-
C*/AST 6	5%	5%	5%	10%	15%	20%	20%
C*/AST 5	22%	22%	22%	22%	22%	22%	22%
C*/AST 4	22%	22%	22%	22%	22%	22%	22%

C*/AST 3	25%	25%	25%	25%	25%	25%	25%
C*/AST 2	25%	25%	25%	25%	25%	25%	25%
C*/AST 1	25%	25%	25%	25%	25%	25%	25%

Career stream D							
Grade	Entry into force (EIF) until:						After EIF+6yrs
	EIF+1yr	EIF+2yrs	EIF+3yrs	EIF+4yrs	EIF+5yrs	EIF+6yrs	
D*/AST 5	-	-	-	-	-	-	-
D*/AST 4	5%	5%	5%	10%	10%	10%	10%
D*/AST 3	22%	22%	22%	22%	22%	22%	22%
D*/AST 2	22%	22%	22%	22%	22%	22%	22%
D*/AST 1	-	-	-	-	-	-	-

3. *An official to whom paragraph 1 applies may become a member of the assistants' function group without restriction if he passes an open competition or on the basis of an attestation procedure. The institutions shall adopt rules implementing this procedure before (date of entry into force). Where necessary, specific provision shall be made by the institutions to take account of such change leading to a change in the applicable promotion rates.*

4. *This article shall not apply to officials who have changed category after ... (date of entry into force).*

#### *Article 10a*

*Article 45(2) shall not apply to officials recruited before (date of entry into force).*

### **SECTION 2**

#### *Article 11*

1. *Between .... (date of entry into force) and ....(date of entry into force + 2 years), reference to grades in function groups AST and AD in paragraph 2 and 3 of Article 31 of the Staff Regulations shall be made as follows:*

- *AST1 to AST4: C\*1 to C\*2 and B\*3 to B\*4*
- *AD5 to AD8: A\*5 to A\*8*

– AD9, AD10, AD11, AD12: A\*9, A\*10, A\*11, A\*12

2. *In the case of officials recruited from lists of suitable candidates resulting from competitions published before... (date of entry into force), Article 5(3) of the Staff Regulations shall not apply.*

3. *Officials who have been included in a list of suitable candidates before (date of entry into force+2) and are recruited between (date of entry into force) and (date of entry into force +2) shall*

– *if the list was drawn up for category A\*, B\* or C\*, be graded in the grade published in the competition.*

– *if the list was drawn up for category A, LA, B or C, be graded in accordance with the following table;*

Grade of the competition	Grade of recruitment
A/LA8	A*5
A/LA7 and A/LA6	A*7
A/LA5 and A/LA4	A*9
A/LA3	A*12
A2	A*14
A1	A*15
B5 and B4	B*3
B3 and B2	B*4
C5 and C4	C*1
C3 and C2	C*2

## Article 12

1. *Officials who have been included in a list of suitable candidates before ... (date of entry into force+2) and are recruited after that date shall be graded in accordance with the following table:*

Grade of competition		Grade of recruitment
A/LA8	A*5	AD5

	A*6	AD 6
A/LA7 and A/LA6	A*7	AD7
	A*8	AD8
A/LA5 and A/LA4	A*9	AD9
	A*10	AD 10
	A*11	AD 11
A/LA3	A*12	AD12
A2	A*14	AD14
A1	A*15	AD15
B5 and B4	B*3	AST3
B3 and B2	B*4	AST4
C5 and C4	C*1	AST1
C3 and C2	C*2	AST2

2. By way of derogation from Article 11 (3) and Article 12 (1), the Court of Justice may recruit officials in grade A\*8 or AD 8 respectively who have been included in a list of suitable candidates resulting from a competition at LA 7 and LA 6 level or A\*7 level before (date of entry into force + 2).

### SECTION 3

#### *Article 13*

*Notwithstanding Article 2(1) of Annex VII to the Staff Regulations, the dependent child allowance is replaced by the following amounts<sup>20</sup>:*

*1 May – 31 December 2004: €245.03*

*1 January – 31 December 2005: €257.32*

*1 January – 31 December 2006: €269.62*

*1 January – 31 December 2007: €281.92*

*1 January – 31 December 2008: €294.21.*

<sup>20</sup>

See footnote 19.

*These amounts shall be adjusted each year by the same percentage as the annual adjustment specified in Annex XI to the Staff Regulations.*

#### *Article 14*

*Notwithstanding Article 3(2) of Annex VII to the Staff Regulations, the pre-school allowance is replaced by the following amounts<sup>21</sup>:*

*1 May 2004 – 31 August 2005: €14.97*

*1 September 2005 – 31 August 2006: €29.95*

*1 September 2006 – 31 August 2007: €44.92*

*1 September 2007 – 31 August 2008: €59.90.*

*These amounts shall be adjusted each year by the same percentage as the annual adjustment specified in Annex XI to the Staff Regulations.*

#### *Article 15*

*Notwithstanding Article 3 of Annex VII to the Staff Regulations, an official in receipt of a lump-sum payment of education allowance will continue to receive such payment as long as the conditions under which it was granted are fulfilled and at the latest until [31 August 2008]. The amounts of the lump-sum payments will, however, be reduced to 80% of their value of 31 December 2003 on [1 September 2004], to 60% on [1 September 2005], to 40% on [1 September 2006], and to 20% on [1 September 2007].*

#### *Article 16*

*From 1 May 2004 to 31 December 2008, notwithstanding Article 17(2) of Annex VII to the Staff Regulations, an additional amount may be transferred, subject to the following conditions:*

- that amount must have been transferred regularly prior to 1 May 2004 and the conditions required for its authorisation must continue to be satisfied;*
- that additional amount must not be such as to bring the total amount transferred each month above the following maximums, expressed as a percentage of the total amount transferred each month prior to 1 May 2004 :*

*1 May – 31 December 2004: 100%*

*1 January – 31 December 2005: 80%*

*1 January – 31 December 2006: 60%*

*1 January – 31 December 2007: 40%*

---

<sup>21</sup> See footnote 19.

1 January – 31 December 2008: 20%

#### Article 17

1. Beneficiaries who were entitled in the month before [date of entry into force] to the fixed allowance mentioned in the former Article 4a of Annex VII to the Staff Regulations shall keep it *ad personam* up to grade 6. The amounts of the allowance shall be adjusted every year by the same percentage as the annual pay adjustment referred to in Annex XI of the Staff Regulations. When the net remuneration of an official who has been promoted to grade 7, as a consequence of the abolition of the fixed allowance, is lower than the net remuneration he received, all other conditions being unchanged, in the last month before the promotion, he shall be entitled to a compensatory allowance equal to the difference until his advancement to the next higher step in grade.

2. Officials in Categories C and D before [date of entry into force] who have not become members of the assistants' function group without restriction in accordance with Article 10(3) shall continue to be entitled either to compensatory leave or to remuneration, where the requirements of the service do not allow compensatory leave during the month following that in which the overtime was worked, as provided for in Annex VI.

#### Article 18

If, during the transition period [from 1 May 2004 to 31 December 2008], an official's net monthly remuneration, before application of any correction coefficient, is lower than the net remuneration he would have received under the same personal conditions in the month before [date of entry into force], he shall be entitled to a compensatory allowance equal to the difference. This provision shall not apply where the reduction of the net remuneration results from the annual pay adjustment referred to in Annex XI to the Staff Regulations. This net income guarantee shall not cover the effect of the special levy, the changes in the pension contribution rate or the changes in the arrangements for transferring part of the salary.

### SECTION 4

#### Article 20

1. The pensions of officials who retire before [date of entry into force] shall be subject to the correction coefficient referred to in the second indent of Article 3(5) of Annex XI to the Staff Regulations for countries within the Communities in which they have established proven main residence.

*The minimum applicable correction coefficient shall be 100.*

*If they establish their residence in a country outside the Communities, the applicable correction coefficient shall be 100.*

*By way of derogation from Article 45 of Annex VIII, the pension of beneficiaries who reside in a Member State shall be paid in the currency of the country of residence under the conditions laid down in the second paragraph of Article 63 of these Staff Regulations.*



2. From [1.5.2004] until [1.5.2009], the first subparagraph of paragraph 1 shall be replaced by:

*Pensions determined before [date of entry into force] shall be adjusted by applying the average of the correction coefficients referred to in the first and second indents of Article 3(5) of Annex XI to the Staff Regulations, used for the Member State in which the pension recipient has established proven main residence. That average shall be calculated on the basis of the correction coefficient shown in the following table:*

From	[date of entry into force]	[1.5.2005]	[1.5.2006]	[1.5.2007]	[1.5.2008]
%	80% 1st indent 20% 2nd indent	60% 1st indent 40% 2nd indent	40% 1st indent 60% 2nd indent	20% 1st indent 80% 2nd indent	100% 2nd indent

*Where at least one of the coefficients in Article 3(5) of Annex XI is amended, so is the average with effect from the same date.*

3. For officials recruited before (date of entry into force) not receiving a pension as at [date of entry into force], the method of calculation of the preceding paragraphs shall apply at the time when pension rights are determined

- to years of pensionable service within the meaning of Article 3 of Annex VIII acquired before [date of entry into force], and
- to years of pensionable service resulting from a transfer under Article 11 of Annex VIII concerning the pension rights acquired under the system of origin before [date of entry into force] by the official in service before [date of entry into force].

*Their pensions shall be subject to the correction coefficient only if the residence of the official coincides with the country of their place of origin within the meaning of Article 7(3) of Annex VII. However, for family or medical reasons, officials receiving a pension may exceptionally request the appointing authority to change their place of origin. This decision shall be taken on production by the official concerned of appropriate supporting evidence.*

*By way of derogation from Article 45 of Annex VIII, the pension of beneficiaries who reside in a Member State shall be paid in the currency of the country of residence under the conditions laid down in the second paragraph of Article 63 of these Staff Regulations.*

4. This Article shall apply by analogy to invalidity allowances and to allowances under Articles 41 and 50 of the Staff Regulations and Regulations (EEC) No 1857/89, (EC, Euratom, ECSC) 2688/1995, (EC Euratom, ECSC) 2689/1995, (EC, Euratom) No 1746/2002, (EC, Euratom) No 1747/2002 or (EC, Euratom) No 1748/2002. However, this article shall not apply to the beneficiaries of the allowance referred to in Article 41 of the Staff Regulations who reside in the country of their last place of employment. *Article 21*

*Notwithstanding the second sentence of the second paragraph of Article 77, officials who entered the service before [date of entry into force] shall be entitled to 2% of the salary*

*referred to therein for every year of pensionable service calculated in accordance with Article 3 of Annex VIII.*

## *Article 22*

*1. Officials aged 50 or over or with 20 or more years' service on [date of entry into force] shall become entitled to a retirement pension when they reach the age of 60.*

*Officials aged between 30 and 49 years on [date of entry into force] shall become entitled to a retirement pension at the age shown in the table below:*

<b>Age on 1 May 2004</b>	<b>Pensionable age</b>	
49 years	60 years	2 months
48 years	60 years	4 months
47 years	60 years	6 months
46 years	60 years	8 months
45 years	60 years	10 months
44 years	61 years	0 months
43 years	61 years	2 months
42 years	61 years	4 months
41 years	61 years	6 months
40 years	61 years	8 months
39 years	61 years	10 months
38 years	61 years	11 months
37 years	62 years	0 months
36 years	62 years	1 month
35 years	62 years	2 months
34 years	62 years	4 months
33 years	62 years	5 months
32 years	62 years	6 months
31 years	62 years	7 months
30 years	62 years	8 months

*Officials aged less than 30 years on [date of entry into force] shall become entitled to a retirement pension at the age of 63 years.*

*For officials in service before (date of entry into force) the pensionable age to be taken into consideration for all references to the pensionable age in these Staff Regulations shall be determined in accordance with the above provisions, save as otherwise provided in these Staff Regulations.*

*2. Notwithstanding Article 2 of Annex VIII, officials who enter the service before [date of entry into force] and remain in service after the age at which they would have become entitled to a retirement pension shall be entitled to an increase in the percentage of their basic pension for each year worked after that age, provided that their total pension does not exceed 70% of final basic salary within the meaning of the second or third paragraph of Article 77 of the Staff Regulations, as the case may be.*

*For officials aged 50 years or over or with 20 or more years' service, the increase in pension provided for in the previous subparagraph shall be equal to 5% of the amount of the pension rights acquired at the age of 60. For officials aged between 40 and 49, the maximum increase in pension shall be 3.0% of the salary taken into account for calculating the pension, but shall not exceed 4.5% of the pension rights acquired by those officials at the age of 60. For officials aged between 35 and 39, the maximum increase in the pension shall be 2.75% of the salary taken into account for calculating the pension, but shall not exceed 4.0% of the pension rights acquired by those officials at the age of 60. For officials aged between 30 and 35, the maximum pension bonus shall be 2.5% of the salary taken into account for calculating pension, but shall not exceed 3.5% of the pension rights acquired by those officials at the age of 60. For officials aged less than 30, the maximum increase in the pension shall be set at 2.0% of the salary taken into account for calculating the pension.*

*The increase shall also be granted in the event of death, if the official has remained in service beyond the age at which he became entitled to a retirement pension.*

*If, pursuant to Annex IVa, an official who enters the service before [date of entry into force] and working part-time contributes to the pension scheme in proportion to the time worked, the increase in pension entitlements provided for in this Article shall be applied only in the same proportion.*

*3. If, in the case of officials who entered the service before [date of entry into force], applying the measures provided for in this Article results in a reduction of more than 10 % of their acquired pension rights within the meaning of Article 2 of Annex VIII compared with those which they would have acquired under the rules in force before that date, they shall be entitled to an increase equivalent to the percentage exceeding 10 %.*

*4. Officials who entered service before [date of entry into force] and who, after Articles 2, 3 and 11 of Annex VIII have been applied to them, cannot attain at the age of 65 the maximum retirement pension provided for in the second paragraph of Article 77 of the Staff Regulations, may acquire additional pension rights subject to that maximum limit.*

*The contributions payable by the officials concerned shall be equivalent to the entire amount of their and their employer's contributions under Article 83(2) of the Staff Regulations. The Commission shall, by means of general implementing provisions, lay down the method for calculating the contributions to be paid by the officials concerned in such a way as to ensure that such acquisition guarantees actuarial balance and the method is applied without*

*financial subsidies from the pension scheme of the European institutions.*

*The officials concerned may qualify under this arrangement for five years after the date of entry into force of the abovementioned general implementing provisions, subject to a maximum period of contributions of: three months in the case of officials aged 45 to 49 on [date of entry into force]; nine months in the case of officials aged 38 to 44 on that date; fifteen months in the case of officials aged 30 to 37 on that date; and two years in the case of officials aged less than 30 on that date.*

### *Article 23*

*1. Notwithstanding Article 52 of the Staff Regulations, application of the second indent of Article 9 of Annex VIII may be requested by officials who enter the service before [date of entry into force] and who leave the service before the age at which they would have become entitled to a retirement pension in accordance with Article 22 of this Annex:*

- from the age of 50 for those aged at least 50 or with 20 or more years' service;*
- from the age determined in accordance with the table below for officials aged between 30 and 49 on [1 May 2004]:*

<b>Age on 1 May 2004</b>	<b>Age when drawing an immediate pension</b>	
49 years	50 years	0 months
48 years	50 years	0 months
47 years	50 years	0 months
46 years	51 years	0 months
45 years	51 years	3 months
44 years	51 years	6 months
43 years	51 years	9 months
42 years	52 years	0 months
41 years	52 years	3 months
40 years	52 years	6 months
39 years	52 years	9 months
38 years	53 years	0 months
37 years	53 years	3 months
36 years	53 years	6 months
35 years	53 years	9 months
34 years	54 years	0 months
33 years	54 years	3 months
32 years	54 years	6 months
31 years	54 years	9 months
30 years	55 years	0 months

– from the age of 55 for officials aged less than 30 on [1 May 2004].

2. In such cases, in addition to the reduction in retirement pension rights referred to in Article 9 of Annex VIII for officials who leave the service at the age of at least 55 years, acquired pension rights shall be further reduced by 4.483% if receipt of pension commences at the age of 54 years; by 8.573% if receipt commences at the age of 53 years; by 12.316% if receipt commences at the age of 52 years; by

15.778% if receipt commences at the age of 51 years; and by 18.934% if receipt of retirement pension commences at the age of 50 years.

#### Article 24

1. In the case of a pension determined before [date of entry into force], the recipient's pension entitlement shall continue to be determined after that date in accordance with the rules applied when the entitlement was initially determined. The same holds true as regards cover under the joint sickness insurance scheme. However, the rules on family allowances and correction coefficients in force after [date of entry into force] shall apply immediately without prejudice to the application of Article 20 of this Annex.

Notwithstanding the first subparagraph, recipients of an invalidity pension or a survivor's pension may ask to be covered by the provisions applicable from [date of entry into force].

2. When these provisions enter into force, the nominal amount of net pension received before [date of entry into force] shall be guaranteed. That guaranteed amount shall nevertheless be adjusted if the recipient's family situation or country of residence changes. For persons who retire between [date of entry into force] and [31.12.2007], the nominal amount of net pension received on retirement shall be guaranteed with reference to the Staff Regulations provisions in force on the date of their retirement.

For the purposes of applying the first subparagraph, if the pension calculated on the basis of the provisions in force is less than the nominal pension as defined below, a compensatory amount equal to the difference shall be granted.

For recipients of a pension before [date of entry into force], the nominal pension shall be calculated each month taking into account the family situation and the country of residence at the time of calculation, and the Staff Regulations rules in force on the date preceding [date of entry into force].

For officials who retire between [date of entry into force] and [31.12.2007], the nominal pension shall be calculated each month taking into account family situation and country of residence at the time of calculation, and the Staff Regulations rules in force on the date when they retire.

In the event of the death after [date of entry into force] of a recipient of a pension determined before that date, the survivor's pension shall be determined taking into account the guaranteed nominal pension which the deceased was receiving.

3. Provided that recipients of an invalidity pension have not asked to be covered by the provisions applicable after [date of entry into force], and have not been declared fit to resume their duties, their invalidity pensions thus maintained shall be considered retirement pensions when the recipients reach the age of 65 years.

4. Paragraphs 1 and 2 shall apply to recipients of one of the allowances paid under Articles 41 or 50 of the Staff Regulations or under Regulations (EEC) No 1857/89, (EC, Euratom, ECSC) 2688/1995, (EC Euratom, ECSC) 2689/1995, (EC, Euratom) No 1746/2002, (EC, Euratom) No 1747/2002 or (EC, Euratom) No

1748/2002. However, their retirement pensions shall be determined in accordance with the rules in force on the date on which their payment commences.

## Article 25

1. For pensions determined before [date of entry into force], the grade used for calculating pension shall be determined in accordance with the tables in Articles 2(1) and 8(1).

The basic salary taken into account for determining the recipient's pension shall be equivalent to the salary in the table in Article 66 of the Staff Regulations for the new grade thus determined, at the same step, weighted by a percentage equivalent to the ratio of basic salary under the old scale to that under the scale in Article 66 of the Staff Regulations for the same step.

For steps under the old scale without correspondence in the scale in Article 66 of the Staff Regulations, the last step of the same grade shall be used as the reference for calculating the percentage referred to in the second subparagraph.

For steps in grade D4 under the old scale, the first step in the first grade shall be used as the reference for calculating the percentage referred to in the second subparagraph.

2. On a transitional basis, the basic salary within the meaning of Articles 77 and 78 of the Staff Regulations and of Annex VIII shall be determined by applying the corresponding multiplication factor laid down in Article 7 to the salary which corresponds to the recipient's grading taken into account to determine entitlement to retirement pension or invalidity benefit, in accordance with the table in Article 66 of the Staff Regulations.

For steps under the old scale without correspondence in the scale in Article 66 of the Staff Regulations, the last step in the same grade shall be used as the reference for calculating the multiplication factor.

For retirement pensions and invalidity benefits determined between [date of entry into force] and [30.04.2006], Article 8(1) shall apply.

3. For recipients of a survivor's pension, paragraphs 1 and 2 of this Article shall apply by reference to the deceased official or former official.

4. Paragraphs 1 and 2 of this Article shall apply by analogy to recipients of one of the allowances paid under Articles 41 or 50 of the Staff Regulations or under Regulations (EEC) No 1857/89, (EC, Euratom) (EC, Euratom, ECSC) 2688/1995, (EC Euratom, ECSC) 2689/1995, No 1746/2002, (EC, Euratom) No 1747/2002 or (EC, Euratom) No 1748/2002.

## Article 26

1. Requests to qualify for the facilities for transfer of pension rights under Article 11(2) of Annex VIII submitted before [date of entry into force] shall be considered in accordance with the rules in force at the time of their submission.

2. *In so far as the time limit stipulated in Article 11(2) of Annex VIII has not yet been exceeded on [date of entry into force], the officials concerned who did not submit such a request within the time limits previously stipulated, or whose request has been rejected for having been submitted after those time limits, shall still be able to submit or resubmit a request for transfer under Article 11(2) of Annex VIII.*
3. *In so far as the time limit stipulated in Article 11(2) of Annex VIII has been exceeded on [date of entry into force], officials who submitted a request for transfer within the time limits but rejected the offer made to them, who did not submit a transfer request within the time limits previously stipulated, or whose request was rejected for having been submitted after those time limits, may still submit or resubmit such a request by [31.10.2004] at the latest.*
4. *In the cases provided for in paragraphs 2 and 3 of this Article, the institution where the official is working shall determine the number of pensionable years to be taken into account under its own scheme pursuant to the general implementing provisions adopted in respect of Article 11(2) of Annex VIII, which shall take into account the provisions of this Annex. However, for the purposes of paragraph 3 of this Article the official's age and grade to be taken into account shall be those at the time of establishment.*
5. *Officials who agreed to transfer their pension rights pursuant to Article 11(2) of Annex VIII before (date of entry into force ) may request recalculation of the bonus already obtained under the Community institutions' pension scheme pursuant to that Article. Recalculation shall be based on the parameters in force at the time when the bonus was obtained, adjusted in accordance with Article 22 of this Annex.*
6. *Officials who obtain a bonus pursuant to paragraph 1 of this Article may, from notification of the bonus under the Community institutions' pension scheme, request application of paragraph 5 of this Article.*

#### *Article 27*

1. *When the actuarial equivalent referred to in Article 11(1) and Article 12(1)(b) of Annex VIII to the Staff Regulations is calculated, officials and temporary staff shall be covered, for the portion of their rights relating to periods of service before [date of entry into force], by the provisions set out below.*

*The retirement pension actuarial equivalent may not be less than the sum of:*

- (a) *the amount of the sums deducted from basic salary as pension contributions, plus compound interest at the rate of 3.5% a year;*
- (b) *a severance grant proportional to the length of service actually completed, calculated on the basis of one and a half months of final basic salary subject to deduction per year of service;*
- (c) *the total sum paid to the Communities in accordance with Article 11(2) of Annex VIII to the Staff Regulations, plus compound interest at the rate of 3.5% a year.*



2. However, where officials or temporary agents leave because their contracts are revoked or terminated, the severance grant to be paid or actuarial equivalent to be transferred shall be determined in the light of the decision taken on the basis of Article 7(1)(h) of Annex IX to the Staff Regulations.

3. Unless they have been covered by Article 11(2) or (3) of Annex VIII to the Staff Regulations, temporary agents whose contract is ongoing on [date of entry into force] and who would, for lack of a transfer option under Article 11(1), have been entitled to payment of a severance grant in accordance with the Staff Regulations rules in force before [date of entry into force], shall retain the right to payment of a severance grant calculated in accordance with the rules in force before that date.

#### Article 28

The servants referred to in Article 2 of the Conditions of Employment who are under contract on [date of entry into force] and are appointed as officials after that date shall, on retirement, be entitled to an actuarial upvaluing of the pension rights they acquired as temporary servants which takes into account the change in their pensionable age within the meaning of Article 77 of the Staff Regulations.

#### Article 29

For temporary servants recruited before [date of entry into force], in accordance with Article 2 (c) of the Conditions of Employment of Other Servants, to assist a political group in the European Parliament the requirement laid down in Article 29 (3) and (4) of these Staff Regulations that the temporary servant has passed a selection procedure in conformity with Article 12 (3a) of these Conditions of Employment shall not apply.

### Annex XIII.1: Types of posts during the transitional period

Types of posts in each category, as provided for in Article 4(l) of this Annex.

#### Category A

A*5	Administrator/ Research Administrator/ Linguistic Administrator
A*6	Administrator/ Research Administrator/ Linguistic Administrator
A*7	Administrator/ Research Administrator/ Linguistic Administrator
A*8	Administrator/ Research Administrator/

#### Category C

C1	Secretary/office clerk
C*2	Secretary/office clerk
C*3	Secretary/office clerk
C*4	Secretary/office clerk
C*5	Secretary/office clerk
C*6	Secretary/office clerk
C*7	Secretary/office clerk

A*9	Linguistic Administrator unit Head of unit/ Administrator/ Research Administrator/ Linguistic Administrator
A*10	Head of Unit Administrator/ Research Administrator/ Linguistic Administrator
A*11	Head of Unit Administrator/ Research Administrator/ Linguistic Administrator
A*12	Head of Unit Administrator/ Research Administrator/ Linguistic Administrator
A*13	Head of Unit Administrator/ Research Administrator/ Linguistic Administrator
A*14	Research Administrator/ Linguistic Administrator Administrator/Head of Unit Director
A*15	Director/Director-General
A*16	Director-General

### Category B

B*3	Assistant/Research assistant
B*4	Assistant/Research assistant
B*5	Assistant/Research assistant
B*6	Assistant/Research assistant
B*7	Assistant/Research assistant

### Category D

D*1	Employee
D*2	Employee
D*3	Employee
D*4	Employee
D*5	Employee

B*8	Assistant/Research assistant
B*9	Assistant/Research assistant
B*10	Assistant/Research assistant
B*11	Assistant/Research assistant

**Annex II**  
**Amendments to the Conditions of Employment of other servants of the European Communities**

The Conditions of Employment of other servants of the European Communities are amended as follows:

1. Article 1 is amended as follows:

(a) The following indent is inserted after “- *auxiliary staff*”:

“- *contract staff*”.

(b) The following paragraph is added:

*“Any reference in these Conditions of Employment to a person of the male sex shall be deemed also to constitute a reference to a person of the female sex, and vice-versa, unless the context clearly indicates otherwise.”*

2. In Article 2(c), “*or the elected President of one of the institutions or organs of the Communities or the Elected Chairman of one of the political groups in the European Parliament*” is replaced by “*or the elected President of one of the institutions or organs of the Communities, or one of the political groups in the European Parliament or the Committee of the Regions, or a group in the Economic and Social Committee*”.

3. Article 3 is amended as follows:

a) The current text becomes paragraph 1.

(b) In the first indent of point (b) of paragraph 1, “*Category B, C, or D or in the Language Service*” is replaced by “*the assistants' function group (AST)*”.

(c) In the second indent of point (b) of paragraph 1, “*Category A, other than those in Grade A1 or A2*” is replaced by “*the administrators' function group (AD), other than senior staff (Directors-General or their equivalent in grades AD 16 or 15 and Directors or their equivalent in grades AD 15 or 14)*”.

4. The following articles are inserted after Article 3:

*“Article 3a*

*1. For the purposes of these Conditions of Employment, 'contract staff for non-core tasks' means staff not assigned to a post included in the list of posts appended to the section of the budget relating to the institution concerned and engaged for the performance of full-time or part-time duties*

- in an institution to carry out manual or administrative support service tasks;*
- in the agencies referred to in Article 1a(2) of the Staff Regulations;*

- *in other entities inside the European Union created, after consultation of the Staff Regulations Committee, by specific legal act issued by one or more institutions allowing for the use of such staff;*
- *in Representations and Delegations of Community institutions;*
- *in other entities situated outside the European Union.*

2. *The Commission shall, on the basis of information provided by all institutions, submit a report to the budgetary authority each year on the employment of contract staff, which shall state whether the overall number of such members of the contract staff has remained within a limit of 75% of all employees in agencies, in other entities inside the European Union, in Representations and Delegations of Community institutions and in other entities situated outside the European Union respectively. If this limit has not been respected, the Commission shall propose to the agencies, the other entities inside the European Union, Representations and Delegations of Community institutions or other entities situated outside the European Union respectively, to take the appropriate measures.*

#### *Article 3b*

*For the purposes of these Conditions of Employment, 'contract staff for auxiliary tasks' means staff engaged in an institution within the time limits set in Article 87 in one of the function groups referred to in Article 87a*

- *to perform full- time or part-time duties others than those referred to in Article 3a(1), first indent, without being assigned to a post included in the list of posts appended to the section of the budget relating to the institution concerned,*
- *to replace, after the possibilities of temporary posting of officials within the institution have been examined, certain persons who are unable for the time being to perform their duties, namely:*

*(i) officials or temporary staff in the assistants' function group (AST);*

*(ii) exceptionally, officials or temporary staff in the administrators' function group (AD) occupying a highly specialised post, except Heads of Unit, Directors, Directors General and equivalent functions.*

The use of contract staff for auxiliary tasks is excluded where Article 3a applies."

5. Article 4 is replaced by the following:

#### *"Article 4*

*For the purposes of these Conditions of Employment, 'local staff' means staff engaged in places outside the European Union according to local practice for manual or service duties, assigned to a post not included in the list of posts appended to the section of the budget relating to each institution and paid from the total appropriations for the purpose under that section of the budget. Staff engaged in places of employment situated outside the European Union for duties other than those mentioned above which, in the interests of the service, could*

*not be assigned to an official or servant having another capacity within the meaning of Article 1, shall also be regarded as local staff."*

6. In the second paragraph of Article 6, *"the provisions of the second paragraph of Article 1"* is replaced by *"Article 1a(2), Article 1b"*, and *"of the second paragraph of Article 2"* is replaced by *"Article 2(2)"*.

6a In Article 7a *"24a"* is replaced by *"24b"*.

7. Article 8 is replaced by the following:

*"Article 8*

*Temporary staff to whom Article 2(a), applies may be engaged for a fixed or indefinite period. The contracts of such staff who are engaged for a fixed period may be renewed not more than once for a fixed period. Any further renewal shall be for an indefinite period.*

*Temporary staff to whom Article 2(b) or (d) applies shall not be engaged for more than four years, and their contracts may be renewed not more than once for a maximum period of two years. At the end of that time, they shall no longer be employed as temporary staff under these provisions. On the expiry of their contracts, such servants may be assigned to established posts in the institutions only if they are appointed as officials in accordance with the Staff Regulations.*

*Temporary staff to whom Article 2(c) applies shall be engaged for an indefinite period."*

7a. The following article is inserted after Article 9:

*"Article 9a*

*The Commission shall provide a yearly report on the use of temporary staff including numbers of staff, level and type of posts, geographical balance and budgetary resources per function group."*

8. Article 10 is replaced by the following:

*"Article 10*

*Articles 1e, 1f, 5(1), (2), (3) and (4), and 7 of the Staff Regulations shall apply by analogy.*

*The grade and step at which temporary staff are engaged shall be stated in their contract.*

*Assignment of temporary staff to a post carrying a higher grade than that at which they were engaged shall be recorded in an agreement supplementary to their contract of service.*

*Title VIII of the Staff Regulations shall apply by analogy to temporary staff paid from appropriations in the research and investment budget. Title VIIIa of the Staff Regulations shall apply by analogy to temporary staff serving in a third country."*

9. In Article 12 the following paragraphs 3 and 4 are added:

"3. *The European Communities Personnel Selection Office may, at the request of individual institutions, give assistance to the institutions on the selection of temporary staff. The office shall ensure the transparency of selection procedures for temporary staff engaged under Article 2 (a), (b) and (d).*

*3a. At the request of an institution the European Personnel Selection Office shall ensure the application of the same standards as for the selection of officials in selection procedures organised for the recruitment of temporary staff.*

4. Each institution shall adopt general provisions on the procedures for recruitment of temporary staff in accordance with Article 110 of the Staff Regulations, as necessary."

9a. Article 14 is amended as follows:

(a) The third paragraph is replaced by the following:

*"Not less than one month before the expiry of the probationary period, a report shall be made on the ability of the member of the temporary staff to perform the duties pertaining to his post and also on his conduct and efficiency in the service. The report shall be communicated to the person concerned, who shall have the right to submit his comments in writing. A member of the temporary staff whose work has not proved adequate to justify retention in his post shall be dismissed. However, the authority referred to in the first paragraph of Article 6 may, in exceptional circumstances, extend the probationary period for a maximum of six months, and possibly assign the member of the temporary staff to another department."*

(b) In the fourth paragraph, "*; the period of service may not, however, exceed the normal probationary period*" is deleted.

9b. In Article 15(2), "*to servants within the meaning of Article 2(a), (c) and (d)*" is deleted.

10. The first paragraph of Article 16 is replaced by the following:

*"Articles 42a, 42b and 55 to 61 of the Staff Regulations, concerning leave, hours of work, overtime, shiftwork, standby duty at place of work or at home and public holidays, shall apply by analogy. Special leave and parental and family leave shall not extend beyond the term of the contract."*

10a. Article 17 is amended as follows:

(a) In the second indent of the first paragraph, "*six*" is replaced by "*twelve*".

(b) In the fourth paragraph, "*who provides evidence that he cannot be covered by any other public scheme of insurance against the risks referred to in Article 28*" is replaced by "*who is not gainfully employed*", "*in accordance with that Article*" is replaced by "*against the risks referred to in Article 28*" and "*required to cover the risks referred to in Article 28*" is replaced by "*provided for in that Article*".

11. Article 20 is replaced by the following:

*“Article 20*

*1. Articles 63, 64, 65 and 65a of the Staff Regulations, concerning the currency in which remuneration is to be expressed and adjustments to such remuneration, shall apply by analogy.*

*2. Articles 66, 67, 69 and 70 of the Staff Regulations, concerning basic salaries, family allowances, expatriation allowance and payment in the event of death, shall apply by analogy.*

*3. The provisions of Article 66a of the Staff Regulations on the special levy shall apply by analogy to temporary staff.*

*4. A member of temporary staff who has been at one step in his grade for two years shall automatically advance to the next step in that grade.”*

12. In Article 21, “3, 4 and 4a” is replaced by “3 and 4”, and “family allowances, expatriation allowance and temporary fixed allowance” is replaced by “family allowances and expatriation allowance”.

13. Article 24(3) is replaced by the following:

*“3. However, the installation allowance provided for in paragraph 1 and the resettlement allowance provided for in paragraph 2 shall not be less than:*

- [€917.21]<sup>22</sup> for a servant who is entitled to the household allowance; and*
- [€545.37]<sup>23</sup> for a servant who is not entitled to the household allowance.*

*In cases where a husband and wife who are officials or other servants of the Communities are both entitled to the settlement allowance or resettlement allowance, this shall be payable only to the person whose basic salary is the higher.”*

13a. In the first paragraph of Article 28, “invalidity pension” is replaced by “invalidity allowance”.

14. Article 28a is amended as follows:

(a) Paragraphs 3 and 4 are replaced by the following:

*“3. The unemployment allowance shall be set by reference to the basic salary attained by the former member of the temporary staff at the time of the termination of his service. The allowance shall be set at:*

- 60% of the basic salary for an initial period of 12 months,*
- 45% of the basic salary for the 13th to the 24th month,*
- 30% of the basic salary for the 25th to the 36th month.*

---

<sup>22</sup> See footnote 8.

<sup>23</sup> See footnote 8.



*Other than during an initial six-month period, in which the lower limit specified below is applicable but the upper limit is not, the amounts thus calculated may neither be less than [€1 100] nor exceed [€2 200]. These limits shall be adjusted, in the same way as the salary scales set out in Article 66 of the Staff Regulations, in accordance with Article 65 of the Staff Regulations.*

*4. The period during which the unemployment allowance is payable to a former member of the temporary staff may not be more than 36 months from the date of termination of service and shall in no case exceed the equivalent of one third of the actual length of service completed. However, if, during that period, the former member of the temporary staff ceases to fulfil the conditions laid down in paragraphs 1 and 2, payment of the unemployment allowance shall be suspended. Payment shall resume if, before the expiry of that period, the former member of the temporary staff again fulfils the said conditions and is not entitled to national unemployment benefit.”*

(b) Paragraphs 6 and 7 are replaced by the following:

*“6. The unemployment allowance and the family allowances shall be paid by the Commission in euros . No correction coefficient shall be applicable.*

*7. Members of the temporary staff shall contribute one third of the financing of the unemployment insurance scheme. That contribution shall be set at 0.81% of the basic salary of the person concerned after deducting a standard allowance of [€1 000]<sup>24</sup> and without taking account of the correction coefficients provided for in Article 64 of the Staff Regulations. The contribution shall be deducted each month from the salary of the person concerned and paid, together with the remaining two thirds to be borne by the institution, into a Special Unemployment Fund. This Fund shall be common to the institutions and the latter shall pay their contributions to the Commission each month, no later than eight days after the payment of remunerations. All expenditure under this article shall be authorised and paid by the Commission in accordance with the provisions of the Financial Regulation governing the general budget of the European Communities.”*

(c) Paragraph 11 is replaced by the following:

*“11. One year after the introduction of this unemployment insurance scheme and every two years thereafter, the Commission shall present the Council with a report on the financial situation of the scheme. Independently of this report, the Commission may present to the Council proposals for adjusting the contributions provided for in paragraph 7 if this is necessary in the interests of the balance of the scheme. The Council shall act on the proposals in accordance with paragraph 3 of this article.”*

14a. In Article 30 "or a disability," is inserted after "illness contracted,".

15. Article 33 is replaced by the following:

---

<sup>24</sup>

See footnote 8.

### *“Article 33*

*1. A servant who is suffering from total invalidity and who, for that reason, is obliged to suspend employment with the institution shall be entitled, for as long as the invalidity lasts, to an invalidity allowance, the amount of which shall be determined as follows.*

*Article 52 of the Staff Regulations shall apply by analogy to recipients of an invalidity allowance. If the recipient of an invalidity allowance retires before the age of 65 without having reached the maximum pension entitlement, the general rules on retirement pensions shall be applied. The amount of the retirement pension shall be based on the salary for the grade and step occupied by the servant when he became an invalid.*

*The invalidity allowance shall be 70% of the final basic salary of the member of the temporary staff. However, it shall not be less than the minimum subsistence figure, as defined in Article 6 of Annex VIII to the Staff Regulations. Recipients of the invalidity allowance shall pay a contribution to the pension scheme, calculated on the basis of that allowance.*

*Where the invalidity of the servant arises from an accident in the course of or in connection with the performance of his duties, from an occupational disease, from a public-spirited act or from risking life and limb to save another human being, the invalidity allowance shall not be less than 120% of the minimum subsistence figure. In such cases the pension contributions shall be borne by the budget of the former employer.*

*In the case of invalidity deliberately brought about by the servant, the authority referred to in the first paragraph of Article 6 may decide that he should receive only the grant provided for in Article 39.*

*Persons entitled to an invalidity allowance shall also be entitled to the family allowances provided for in Article 67 of the Staff Regulations in accordance with Annex VII to the Staff Regulations; the household allowance shall be determined on the basis of the recipient's allowance.*

*2. Invalidity shall be established by the Invalidity Committee provided for in Article 9 of the Staff Regulations.*

*3. The institution referred to in Article 40 of Annex VIII to the Staff Regulations may require periodic examinations of the recipient of an invalidity allowance to establish that he still fulfils the conditions for payment of that allowance. If the Invalidity Committee finds that these conditions are no longer fulfilled, the servant shall resume service with the institution, providing his contract has not expired.*

*However, if it proves impossible to employ the person concerned in the service of the Communities, the contract may be terminated subject to payment of an amount corresponding to the remuneration that would have been paid during the period of notice and, where applicable, to the compensation for termination of contract provided for in Article 47. Article 39 shall also apply.*

15a. Article 34 is amended as follows:

(a) In the second paragraph, "*invalidity pension*" is replaced by "*invalidity allowance*" and "60" is replaced by "63".

(b) In the third paragraph, the word "*allowance*" is inserted after the word "invalidity" and "60" is replaced by "63".

15b. In Article 35, "*widow*" is replaced by "*surviving spouse*".

15c. Article 36 is amended as follows:

(a) In the first paragraph, "*widow*" is replaced by "*surviving spouse*" and "*widow's pension*" is replaced by "*survivor's pension*".

(b) In the second paragraph, "*widow's pension*" is replaced by "*survivor's pension*".

16. Article 37 is replaced by the following:

#### *"Article 37*

*Where a servant or person entitled to a retirement pension or invalidity allowance dies leaving no spouse entitled to a survivor's pension, the children deemed to be dependent on him at the time of death shall be entitled to an orphan's pension in accordance with Article 80 of the Staff Regulations.*

*The same entitlement shall apply to children who fulfil the foregoing conditions in the event of death or remarriage of a spouse who is entitled to a survivor's pension.*

*Where a servant or a person entitled to a retirement pension or invalidity allowance dies but the conditions set out in the first paragraph are not satisfied, the provisions of the third paragraph of Article 80 of the Staff Regulations shall apply.*

*In the event of the death of a former member of the temporary staff within the meaning of Article 2(a), (c) or (d) who leaves the service before reaching 63 years of age and requests that his retirement pension be deferred until the first day of the calendar month following that in which he reaches 63 years of age, children deemed to be his dependants in accordance with Article 2 of Annex VII to the Staff Regulations shall be entitled to an orphan's pension on the same terms as those set out in the preceding paragraphs.*

*The orphan's pension of a person treated as a dependent child as defined in Article 2(4) of Annex VII to the Staff Regulations may not exceed 200% of the dependent child allowance.*

*No orphan's pension shall be payable where a natural parent who has been replaced by an adoptive parent dies.*

*Orphans shall be entitled to an education allowance in accordance with Article 3 of Annex VII to the Staff Regulations."*

17. Article 39 is replaced by the following:

*“Article 39*

1. On leaving the service, a servant within the meaning of Article 2 shall be entitled to a retirement pension, transfer of the actuarial equivalent or the payment of the severance grant in accordance with Chapter 3 of Title V of, and Annex VIII to, the Staff Regulations. Where the servant is entitled to a retirement pension his pension rights shall be reduced in proportion to the amounts paid under Article 42.

*Article 9 (2) of Annex VIII shall apply under the following conditions:*

The Appointing Authority may decide, in the interests of the service on the basis of objective criteria and transparent procedures introduced by means of general implementing provisions, not to apply any reduction to the pension of a temporary servant, up to a maximum of 20% of the temporary servants in all institutions who retired the previous year. The annual percentage may vary, subject to an average of 20% over five years and the principle of budget neutrality. Before five years have elapsed, the Commission shall submit to the European Parliament and the Council an evaluation report on the implementation of this measure. Where appropriate, the Commission shall submit a proposal to fix after five years the maximum annual percentage rate between 10 and 20 % of all temporary servants in all institutions who retired the previous year, on the basis of Article 283 of the EC Treaty."

2. *Article 11(2) and (3) of Annex VIII of the Staff Regulations shall be applied by analogy to servants within the meaning of Article 2.*

3. *A person who becomes entitled to a retirement pension shall be entitled to the family allowances provided for in Article 67 of the Staff Regulations; the percentage component of the household allowance shall be calculated on the basis of the recipient's pension.*

18. The fourth paragraph of Article 40 is replaced by the following:

*“The preceding paragraph shall not apply to a servant who, in the three months following application of the Staff Regulations to him, asks to be allowed to repay such sums plus compound interest at the rate of 3.5% per year, which can be revised following the procedure laid down in Article 7 of Annex XII to the Staff Regulations.”*

19. In Article 41, “and Article 83a” is inserted after “Article 83”.

19a. In Article 42, "16.5% of his basic salary" is replaced by "twice the rate provided for in Article 83(2) of the Staff Regulations".

20. Article 47 is replaced by the following:

*“Article 47*

*Apart from cessation on death, the employment of temporary staff shall cease:*

1. *at the end of the month in which the servant reaches the age of 65 years.*
2. *Where the contract is for a fixed period:*

(a) on the date stated in the contract;

(b) at the end of the period of notice specified in the contract giving the servant or the institution the option to terminate earlier. The period of notice shall not be less than one month per year of service, subject to a minimum of one month and a maximum of three months. For temporary staff whose contracts have been renewed the maximum shall be six months. The period of notice shall not, however, commence to run during maternity leave or sick leave, provided such sick leave does not exceed three months. It shall, moreover, be suspended during maternity or sick leave subject to the limits aforesaid. If the institution terminates the contract, the servant shall be entitled to compensation equal to one third of his basic salary for the period between the date when his duties end and the date when his contract expires;

(c) where the servant no longer satisfies the conditions laid down in Article 12(2), point (a), subject to the possibility of authorising an exception under that provision. Should the exception not be authorised, the period of notice referred to in point (b) shall apply.

3. Where the contract is for an indefinite period:

(a) at the end of the period of notice stipulated in the contract; the length of the period of notice shall not be less than one month for each completed year of service, subject to a minimum of three months and a maximum of 10 months.

The period of notice shall not, however, commence to run during maternity leave or sick leave, provided such sick leave does not exceed three months. It shall, moreover, be suspended during maternity or sick leave subject to the limits aforesaid;

(b) where the servant no longer satisfies the conditions laid down in Article 12(2), point (a), subject to the possibility of authorising an exception under that provision. Should the exception not be authorised, the period of notice referred to in point (a) shall apply."

(20a) Point (b) of Article 48 is deleted, and point (c) is renamed point (b).

21. In the second subparagraph of Article 49(1), "Article 88 of" is replaced by "Article 21 of Annex IX to".

(21a) In the second subparagraph of Article 50(2), "Article 88 of" is replaced by "Article 21 of Annex IX to".

(21b) The following chapter is inserted after Article 50a:

#### *"Chapter 10*

*Special and exceptional provisions applicable to temporary staff engaged to assist a political group in the European Parliament.*

*Article 50b*

*Annex I lays down the special and exceptional provisions applicable to temporary staff engaged in accordance with Article 2c of these Conditions of Employment to assist a political group in the European Parliament."*

22. Articles 51 and 52 are replaced by the following:

*"Article 51*

*The contracts of auxiliary staff shall be concluded for a fixed period; they shall be renewable.*

*Article 52*

*The actual period of employment of auxiliary staff, including any period of renewal, shall not exceed three years or extend beyond 31 December 2007."*

23. In the fourth subparagraph of Article 53, "Article 1a" is replaced by "Article 1e".

24. In Article 57, "except Article 55a(1), third, fourth and fifth subparagraphs" is added.

26. Article 65 is replaced by the following:

*"Article 65*

*With the exception of Article 67(1)(c), Article 67 and Article 69 of the Staff Regulations and Articles 1, 2 and 4 of Annex VII to the Staff Regulations, concerning the payment of family and expatriation allowances, shall apply by analogy."*

(26a) Article 66 is replaced by the following:

*"Article 66*

*Where a servant is paid by the day, the remuneration due for each day's work payable shall be one twentieth of the monthly remuneration. Remuneration shall be paid at the end of the current week."*

27. Articles 67 and 68 are replaced by the following:

*"Article 67*

*Articles 7, 11, 12, 13 and 13a of Annex VII to the Staff Regulations, concerning the reimbursement of travel expenses and mission expenses, and the granting of housing and transport allowances, shall apply by analogy.*

## Article 68

*In the case of servants paid by the month, the remuneration shall be paid no later than the last working day of the month.*

*Where remuneration is not due in respect of a complete month, the amount shall be divided into 30ths, and*

*(a) where the actual number of days payable is 15 or less, the number of 30ths due shall equal the actual number of days payable;*

*(b) where the actual number of days payable is more than 15, the number of 30ths due shall equal the difference between the actual number of days not payable and 30.*

*Where entitlement to family allowances and the expatriation allowance commences after the date of entering the service, servants shall receive them from the first day of the month in which such entitlement commences. On cessation of such entitlement, servants shall receive them up to the last day of the month in which entitlement ceases. »*

(28) Article 70(1) is amended as follows:

(a) in the first subparagraph “unemployment,” is inserted after “invalidity”.

(b) in the second subparagraph, “or unemployment insurance” is inserted between “such a social security” and “scheme”.

(29) In Article 74 the following new point (c) is inserted after point (b):

*"(c) at the end of the period of notice specified in the contract giving the servant or the institution the option to terminate earlier. The period of notice shall not be less than one month per year of service, subject to a minimum of one month and a maximum of three months. The period of notice shall not, however, commence to run during maternity leave or sick leave, provided such sick leave does not exceed three months.*

*It shall, moreover, be suspended during maternity or sick leave subject to the limits aforesaid. If the institution terminates the contract, the servant shall be entitled to compensation equal to one third of his basic salary for the period between the date when his duties end and the date when his contract expires;"*

30. The current Title IV becomes Title V

31. The following Title IV is inserted:

### ***“Title IV: Contract staff***

#### ***Chapter 1: General provisions***

## Article 79

1. *Contract staff shall be paid from the total appropriations for the purpose under the section of the budget relating to the institution.*

2. *Each institution shall adopt general implementing provisions governing the use of contract staff in accordance with Article 110 of the Staff Regulations, as necessary.*

3. *The Commission shall provide a yearly report on the use of contract staff including numbers of staff, level and type of posts, geographical balance and budgetary resources per function group."*

#### *Article 80*

1. *Contract staff shall be subdivided into four function groups corresponding to the duties to be performed. Each function group shall be subdivided into grades and steps.*

2. *The types of duties and corresponding function groups shall be as shown in the following table:*

<i>Function group</i>	<i>Grades</i>	<i>Duties</i>
<i>IV</i>	<i>13 to 18</i>	<i>Administrative, advisory, linguistic and equivalent technical tasks, performed under the supervision of officials or temporary staff.</i>
<i>III</i>	<i>8 to 12</i>	<i>Executive tasks, drafting, accountancy and other equivalent technical tasks, performed under the supervision of officials or temporary staff.</i>
<i>II</i>	<i>4 to 7</i>	<i>Clerical and secretarial tasks, office management and other equivalent tasks, performed under the supervision of officials or temporary staff.</i>
<i>I</i>	<i>1 to 3</i>	<i>Manual and administrative support service tasks, performed under the supervision of officials or temporary staff.</i>

3. *Based on this table each institution or body referred to in Article 3a shall, after consulting the Staff Regulations Committee referred to in Article 10 of the Staff Regulations, define the powers attaching to each type of duties.*

4. *Article 1f of the Staff Regulations, on measures of a social nature and working conditions shall apply by analogy."*

### **Chapter 2: Rights and obligations**

#### *Article 81*

*Article 11 shall apply by analogy.*



### **Chapter 3: Conditions of engagement**

#### *Article 82*

1. *Contract staff shall be selected on the broadest possible geographical basis from among nationals of Member States of the Communities and without distinction as to racial or ethnic origin, political, philosophical or religious beliefs, age or disability, gender or sexual orientation and without reference to their marital status or family situation.*

2. *Recruitment as a member of the contract staff shall require at least:*

(a) *in function group I, successful completion of compulsory education;*

(b) *in function groups II and III*

*- a level of post-secondary education attested by a diploma, or*

*- a level of secondary education attested by a diploma giving access to post-secondary education, and appropriate professional experience of at least three years, or*

*- where justified in the interest of the service, professional training or professional experience of an equivalent level*

(c) *in function group IV*

*- a level of education which corresponds to completed university studies of at least three years attested by a diploma, or*

*- where justified in the interest of the service, professional training of an equivalent level.*

3. *A member of the contract staff may be engaged only on condition that he:*

(a) *is a national of one of the Member States of the Communities, unless an exception is authorised by the authority referred to in the first paragraph of Article 6, and enjoys his full rights as a citizen;*

(b) *has fulfilled any obligations imposed on him by the laws concerning military service;*

(c) *produces the appropriate character references as to his suitability for the performance of his duties; and*

(d) *is physically fit to perform his duties.*

4. *In the initial contract, the authority referred to in the first paragraph of Article 6 may waive the requirement that the person concerned should produce documentary evidence that he fulfils the conditions in points (a), (b) and (c) of paragraphs 2 and 3 where his engagement is for not more than three months.*

5. *The European Communities Personnel Selection Office shall, at the request of individual institutions, give assistance to the institutions on the selection of contract staff. The office shall ensure the transparency of selection procedures for contract staff.*

6. *Each institution shall adopt general provisions on the procedures for recruitment of contract staff in accordance with Article 110 of the Staff Regulations, as necessary.*

#### *Article 83*

*Before being engaged, a member of the contract staff shall be medically examined by one of the institution's medical officers in order that the institution may be satisfied that he fulfils the requirements of Article 82(3)(d).*

*Article 33 of the Staff Regulations shall apply by analogy.*

#### *Article 84*

1. *A member of the contract staff whose contract is concluded for a duration of at least one year shall serve a probationary period for the first six months of his period of employment if he is in function group I and the first nine months if he is in any other function group.*

2. *Where during his probationary period a member of the contract staff is prevented by sickness or accident from performing his duties for one month or more, the authority referred to in the first paragraph of Article 6 may extend his probationary period by the corresponding length of time.*

3. *Not less than one month before the expiry of the probationary period, a report shall be made on the ability of the member of the contract staff to perform the duties pertaining to his post and also on his conduct and efficiency in the service. The report shall be communicated to the person concerned, who shall have the right to submit his comments in writing. A member of the contract staff whose work has not proved adequate to justify retention in his function shall be dismissed. However, the authority referred to in the first paragraph of Article 6 may, in exceptional circumstances, extend the probationary period for a maximum of six months, and possibly assign the member of the contract staff to another department.*

4. *A report on the probationary member of the contract staff may be made at any time during the probationary period if his work is proving obviously inadequate. The report shall be communicated to the person concerned, who shall have the right to submit his comments in writing. On the basis of the report, the authority referred to in the first paragraph of Article 6 may decide to dismiss the member of the contract staff before the end of the probationary period by giving him one month's notice.*

5. *A dismissed member of the contract staff shall be entitled to compensation equal to one third of his basic salary per month of probation completed.*

## **Chapter 4: Special provisions for members of the contract staff for non-core tasks**

### *Article 85*

1. *The contracts of contract staff for non-core tasks may be concluded for a fixed period of at least three months and not more than five years. They may be renewed not more than once for a fixed period of not more than five years. The initial contract and the first renewal must be of a total duration of not less than six months for function group I and not less than nine months for the other function groups. Any further renewal shall be for an indefinite period. .*

*Periods covered by a contract as a member of the contract staff for auxiliary tasks shall not be counted for the purposes of the conclusion or renewal of contracts under this article.*

2. *By way of derogation from the last sentence of the first sub-paragraph of paragraph 1, the appointing authority may decide that only the fourth renewal of a contract for a member of function group I shall be for an indefinite period, provided that the total duration of his engagement for a fixed period does not exceed ten years.*

### *Article 86*

1. *Contract staff for non-core tasks shall only be recruited*

- in grades 13, 14, or 16 for function group IV;*
- in grades 8, 9 or 10 for function group III;*
- in grades 4 or 5 for function group II;*
- in grade 1 for function group I.*

*The grading of such contract staff within each function group shall take account of the qualifications and experience of the persons concerned. Within their grade, such contract staff shall be recruited in the first step.*

2. *Where a member of the contract staff for non-core tasks moves to a new post within a function group, he shall not be classified in a lower grade or step than in his former post.*

*Where a member of such contract staff moves to a higher function group, he shall be classified at a grade and step such that his remuneration is at least equal to that to which he was entitled under the preceding contract.*

*The same provisions shall apply where the member of such contract staff concludes a new contract with an institution or body immediately following a preceding contract for such contract staff with a different institution or body*

#### *Article 86a*

1. *The first paragraph of Article 43 of the Staff Regulations, concerning reports, shall apply by analogy to contract staff for non-core tasks engaged for a period of not less than one year. 2. A member of the contract staff for non-core tasks who has been at one step in his grade for two years shall automatically advance to the next step in that grade.*

3. *In the case of contract staff for non-core tasks, classification in the next higher grade in the same function group shall be by decision of the authority referred to in the first paragraph of Article 6. It shall be effected by classifying such contract staff in the first step of the next higher grade. Such advancement shall be exclusively by selection from among contract staff for non-core tasks with a contract of at least three years who have completed a minimum period of two years in their grade, after consideration of the comparative merits of such contract staff eligible for advancement to a higher grade and of the reports on them.*

4. *A member of the contract staff for non-core tasks may change to a higher function group only through participation in a general selection procedure.*

### ***Chapter 5: Special provisions for members of the contract staff for auxiliary tasks***

#### *Article 87*

*In the case of contract staff for auxiliary tasks:*

- (a) contracts shall be concluded for a fixed period; they shall be renewable;*
- (b) the actual period of employment within an institution, including any period under renewal, shall not exceed three years.*

*Periods covered by a contract as a member of the contract staff for non-core tasks shall not be counted for the purposes of the conclusion or renewal of contracts under this article.*

#### *Article 87a*

1. *Contract staff for auxiliary tasks may be recruited to any grade of function groups II, III and IV as referred to in Article 80, taking into account the qualifications and experience of the persons concerned. Within their grade, such contract staff shall be recruited in the first step.*

2. *A member of the contract staff for auxiliary tasks who has been at one step in his grade for two years shall automatically advance to the next step in that grade.*

#### *Article 88*

*By way of derogation from the provisions of these Conditions of Employment, contract staff for auxiliary tasks engaged by the institutions as conference interpreters shall be subject to the provisions on recruitment, length of engagement, remuneration, expenses and social security and working conditions, as laid down by the institutions in rules resulting from an*

agreement concluded between them and the representatives of the aforementioned contract staff.

## **Chapter 6: Working conditions**

### *Article 88a*

Articles 16 to 18 shall apply by analogy.

## **Chapter 7: Remuneration and expenses**

### *Article 89*

Articles 19 to 27 shall apply by analogy subject to the amendments set out in Articles 90 and 92 below. However, Article 66a of the Staff Regulations shall not apply to contract staff for auxiliary tasks.

### *Article 90*

The scale of basic salaries<sup>25</sup> shall be as provided for in the following table:

<i>Steps</i>		<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>
<i>Grade</i>								
<b>FG IV 18</b>	<b>18</b>	4797,85	4897,62	4999,47	5103,44	5209,57	5317,91	5428,50
	<b>17</b>	4240,46	4328,65	4418,67	4510,55	4604,36	4700,11	4797,85
	<b>16</b>	3747,83	3825,77	3905,33	3986,55	4069,45	4154,08	4240,46
	<b>15</b>	3312,43	3381,32	3451,63	3523,41	3596,68	3671,48	3747,83
	<b>14</b>	2927,61	2988,49	3050,64	3114,08	3178,84	3244,95	3312,43
	<b>13</b>	2587,50	2641,31	2696,24	2752,31	2809,54	2867,97	2927,61
<b>FG III 12</b>	<b>12</b>	3312,38	3381,26	3451,57	3523,35	3596,61	3671,40	3747,75
	<b>11</b>	2927,59	2988,47	3050,61	3114,05	3178,80	3244,91	3312,38
	<b>10</b>	2587,50	2641,31	2696,23	2752,30	2809,53	2867,95	2927,59

<sup>25</sup>

See footnote 8.

<b>9</b>	2286,92	2334,47	2383,02	2432,57	2483,15	2534,79	2587,50
<b>8</b>	2021,25	2063,28	2106,19	2149,98	2194,69	2240,33	2286,92

<b>FG II</b>	<b>7</b>	2286,85	2334,42	2382,97	2432,54	2483,13	2534,78	2587,50
	<b>6</b>	2021,14	2063,18	2106,09	2149,90	2194,61	2240,26	2286,85
	<b>5</b>	1786,30	1823,46	1861,38	1900,10	1939,62	1979,96	2021,14
	<b>4</b>	1578,75	1611,59	1645,11	1679,32	1714,25	1749,91	1786,30

<b>FG I</b>	<b>3</b>	1944,90	1985,26	2026,46	2068,52	2111,45	2155,27	2200,00
	<b>2</b>	1719,37	1755,06	1791,48	1828,66	1866,61	1905,35	1944,90
	<b>1</b>	1520,00	1551,55	1583,75	1616,62	1650,17	1684,41	1719,37

#### Article 92

*Notwithstanding Article 24(3), the installation allowance provided for in paragraph 1 and the resettlement allowance provided for in paragraph 2 of that article shall not be less than:*

- *[€689.90]<sup>26</sup> for a member of the contract staff who is entitled to the household allowance; and*
- *[€409.03]<sup>27</sup> for a member of the contract staff who is not entitled to the household allowance.*

### Chapter 8: Social security benefits

#### SECTION A: SICKNESS AND ACCIDENT INSURANCE, SOCIAL SECURITY BENEFITS

#### Article 93

*Article 28 shall apply by analogy. However, Article 72(2) and (2a) of the Staff Regulations shall not apply to a member of the contract staff who has remained in the service of the Communities until the age of 63, unless he has been employed for more than 3 years as a member of such staff.*

<sup>26</sup> See footnote 8.

<sup>27</sup> See footnote 8.

## *Article 94*

*1. A former member of the contract staff who becomes unemployed when his service with an institution of the European Communities is terminated, and:*

- who is not in receipt of a retirement pension or invalidity allowance from the European Communities,*
- whose service is not terminated by resignation or by cancellation of the contract for disciplinary reasons,*
- who has completed a minimum of six months' service,*
- who is resident in a Member State of the Communities,*

*shall be eligible for a monthly unemployment allowance under the conditions laid down below.*

*Where he is entitled to unemployment benefits under a national scheme, he shall be obliged to declare this to the institution to which he belonged, which shall immediately inform the Commission thereof. In such cases, the amount of those benefits shall be deducted from the allowance paid under paragraph 3.*

*2. To be eligible for this unemployment allowance, a former member of the contract staff shall:*

- (a) be registered, at his own request, as seeking employment with the employment authorities of the Member State in which he establishes his residence;*
- (b) fulfil the obligations laid down by the law of that Member State for persons in receipt of unemployment benefits under that law;*
- (c) forward every month to the institution to which he belonged, which shall immediately forward it to the Commission, a certificate issued by the competent national employment authority stating whether or not he has fulfilled the obligations and conditions referred to in (a) and (b).*

*The allowance may be granted or maintained by the Community, even where the national obligations referred to under (b) have not been fulfilled, in cases of illness, accident, maternity, invalidity or a situation recognised as being similar or where the national authority, competent to meet those obligations, has given a dispensation.*

*The Commission shall, after obtaining the opinion of a committee of experts, lay down such provisions as it deems necessary for applying this article.*

*3. The unemployment allowance shall be set by reference to the basic salary attained by the former member of the contract staff at the time of the termination of his service. The allowance shall be set at:*

- 60% of the basic salary for an initial period of 12 months,*
- 45% of the basic salary for the 13th to the 24th month,*

- 30% of the basic salary for the 25th to the 36th month.

*Other than during an initial six-month period, in which the lower limit specified below is applicable but the upper limit is not, the amounts thus calculated may neither be less than [€825] nor exceed [€1 650]. These limits shall be adjusted, in the same way as the salary scales set out in Article 66 of the Staff Regulations, in accordance with Article 65 of the Staff Regulations.*

*4. The period during which the unemployment allowance is payable to a former member of the contract staff may not be more than 36 months from the date of termination of service and shall in no case exceed the equivalent of one third of the actual length of service completed. However, if, during that period, the former member of the contract staff ceases to fulfil the conditions laid down in paragraphs 1 and 2, payment of the unemployment allowance shall be suspended. Payment shall be resumed if, before the expiry of that period, the former member of the contract staff again fulfils the said conditions and is not entitled to national unemployment benefit.*

*5. A former member of the contract staff who is eligible for the unemployment allowance shall be entitled to the family allowances provided for in Article 67 of the Staff Regulations. The household allowance shall be calculated on the basis of the unemployment allowance under the conditions laid down in Article 1 of Annex VII to the Staff Regulations.*

*The person concerned shall be obliged to declare any allowances of the same kind paid from other sources to himself or to his spouse; such allowances shall be deducted from those to be paid on the basis of this article.*

*A former member of the contract staff who is eligible for the unemployment allowance shall be entitled, as provided for in Article 72 of the Staff Regulations, to insurance cover against sickness without having to make any contribution.*

*6. The unemployment allowance and family allowances shall be paid by the Commission in euro. No correction coefficient shall be applicable.*

*7. Members of the contract staff shall contribute one third of the financing of the unemployment insurance scheme. That contribution shall be set at 0.81% of the basic salary of the person concerned after deducting a standard allowance of €750 and without taking account of the correction coefficients provided for in Article 64 of the Staff Regulations. The contribution shall be deducted each month from the salary of the person concerned and paid, together with the remaining two thirds to be borne by the institution, into a Special Unemployment Fund. This Fund shall be common to the institutions and the latter shall pay their contributions to the Commission each month, no later than eight days after the payment of remunerations. All expenditure arising out of the application of this article shall be authorised and paid by the Commission in accordance with the provisions of the Financial Regulation governing the general budget of the European Communities.*

*8. Unemployment allowances paid to former members of the contract staff who are unemployed shall be subject to Regulation (EEC, Euratom, ECSC) No 260/68 laying down the conditions and procedure for applying the tax collected by the European Communities.*



9. The national departments with responsibility for employment and unemployment, acting in accordance with their national legislation, and the Commission shall cooperate with each other in an effective manner in order to ensure that this Article is properly applied.

10. The detailed arrangements adopted on the basis of Article 28a(10) shall be applicable for this article, without prejudice to the provisions of the third subparagraph of paragraph 2.

11. One year after the introduction of this unemployment insurance scheme and every two years thereafter, the Commission shall present the Council with a report on the financial situation of the scheme. Independently of this report, the Commission may present to the Council proposals for adjusting the contributions provided for in paragraph 7 if this is necessary in the interests of the balance of the scheme. The Council shall act on the proposals in accordance with paragraph 3 of this article.

#### *Article 95*

*Article 74 of the Staff Regulations, concerning the birth grant, and Article 75 of the Staff Regulations, concerning the assumption of liability by the institution for the costs referred to therein, shall apply by analogy.*

#### *Article 96*

*Article 76 of the Staff Regulations, concerning gifts, loans and advances, shall apply by analogy to contract staff during the term of their contract or after expiry of the contract where, as a result of serious protracted illness contracted, or a disability, or an accident sustained, during his employment, the contract staff member is incapable of working and proves that such illness or accident is not covered by another social security scheme.*

### **SECTION B: INSURANCE AGAINST THE RISK OF INVALIDITY AND DEATH**

#### *Article 97*

*Contract staff shall be insured in accordance with the following provisions against the risk of death or invalidity occurring during their employment.*

*The payments and benefits provided for in this Section shall be suspended if the remuneration which a member of such staff receives in respect of his employment is suspended under these conditions of employment.*

#### *Article 98*

*Where the medical examination made before a member of the contract staff is engaged shows that he is suffering from sickness or invalidity, the authority referred to in the first paragraph of Article 6 may, in so far as risks arising from such sickness or invalidity are concerned,*

*decide to grant him guaranteed benefits in respect of invalidity or death only after a period of five years from the date of his entering the service of the institution.*

*The contract staff member may appeal against this decision to the Invalidity Committee provided for in paragraph 1(b) of Article 9 of the Staff Regulations.*

#### *Article 99*

*1. A member of the contract staff who is suffering from total invalidity and who, for that reason, is obliged to suspend employment with the institution shall be entitled, for as long as the invalidity lasts, to an invalidity allowance, the amount of which shall be determined as follows.*

*Article 52 of the Staff Regulations shall apply by analogy to recipients of an invalidity allowance. If the recipient of an invalidity allowance retires before the age of 65 without having reached the maximum pension entitlement, the general rules on retirement pensions shall be applied. The amount of the retirement pension shall be based on the salary for the grade and step occupied by the member of the contract staff when he became an invalid.*

*2. The invalidity allowance shall be 70% of the final basic salary of the member of the contract staff. However, it shall not be less than the basic monthly salary of a member of the contract staff in function group I 1/1. The recipient of an invalidity allowance shall pay a contribution to the pension scheme, calculated on the basis of that allowance.*

*3. Where the invalidity of the contract staff member arises from an accident in the course of or in connection with the performance of his duties, from an occupational disease, from a public spirited act or from risking life and limb to save another human being, the invalidity allowance shall not be less than 120% of the basic monthly salary of a function group I 1/1 contract staff member. In such cases the pension contributions shall be borne by the budget of the former employer.*

*4. In the case of invalidity deliberately brought about by the contract staff member, the authority referred to in the first paragraph of Article 6 may decide that he should receive only the grant provided for in Article 107.*

*5. Persons entitled to an invalidity allowance shall also be entitled to the family allowances provided for in Article 67 of the Staff Regulations in accordance with Annex VII to the Staff Regulations; the household allowance shall be determined on the basis of the recipient's allowance.*

#### *Article 100*

*1. Invalidity shall be established by the Invalidity Committee provided for in Article 9 of the Staff Regulations.*

*2. Entitlement to an invalidity allowance shall take effect on the day following that on which the contract staff member's employment is terminated under Articles 47 and 48, which are applicable by analogy.*

3. *The institution referred to in Article 40 of Annex VIII to the Staff Regulations may require periodic examinations of the recipient of an invalidity allowance to establish that he still fulfils the conditions for payment of that allowance. If the Invalidity Committee finds that these conditions are no longer fulfilled, the contract staff member shall resume service with the institution, providing his contract has not expired.*

*However, if it proves impossible to employ the person concerned in the service of the Communities, the contract may be terminated subject to payment of an amount corresponding to the remuneration that would have been paid during the period of notice and, where applicable, to the compensation for termination of contract provided for in Article 47. Article 107 shall also apply.*

#### *Article 101*

1. *The persons entitled under a deceased contract staff member , as defined in Chapter 4 of Annex VIII to the Staff Regulations, shall be entitled to a survivor's pension as provided for in Articles 102 to 105.*

2. *In the event of the death of a former contract staff member in receipt of an invalidity allowance or a former contract staff member who is in receipt of a retirement pension or who leaves the service before reaching 63 years of age and requests that his retirement pension be deferred until the first day of the calendar month following that in which he reached 63 years of age, the persons entitled under the deceased former contract staff member , as defined in Chapter 4 of Annex VIII to the Staff Regulations, shall be entitled to a survivor's pension as provided for in that Annex.*

3. *Where the whereabouts of a contract staff member or of a former contract staff member in receipt of an invalidity allowance or retirement pension, or of a former contract staff member who leaves the service before reaching 63 years of age and requests that his retirement pension be deferred until the first day of the calendar month following that in which he reaches 63 years of age, are unknown for more than one year, the provisions of Chapters 5 and 6 of Annex VIII to the Staff Regulations dealing with provisional pensions shall apply by analogy to his spouse and to persons recognised as his dependants.*

#### *Article 102*

*The right to receive payment of pension shall have effect from the first day of the month following that in which death occurs or, where applicable, on the first day of the month following the period during which the deceased's surviving spouse, orphans or dependants receive his emoluments under Article 70 of the Staff Regulations.*

#### *Article 103*

*The surviving spouse of a contract staff member shall be entitled to a survivor's pension in accordance with Chapter 4 of Annex VIII to the Staff Regulations. The pension shall not be less than 35% of the final basic monthly salary received by the contract staff member , nor less than the basic monthly salary of contract staff in function group I 1/1. Where a contract*

*staff member dies, the amount of the survivor's pension shall be increased to 60% of the retirement pension which the contract staff member would have been paid if he had qualified, irrespective of length of service or of age, for such pension at the time of death.*

*A person drawing a survivor's pension shall be entitled, on the conditions laid down in Annex VII to the Staff Regulations, to the family allowances specified in Article 67 of the Staff Regulations. However, the dependent child allowance shall be double that provided for in Article 67(1)(b) of the Staff Regulations.*

#### *Article 104*

- 1. Where a contract staff member or person entitled to a retirement pension or invalidity allowance dies leaving no spouse entitled to a survivor's pension, the children deemed to be dependent on him shall be entitled to an orphan's pension in accordance with Article 80 of the Staff Regulations.*
- 2. The same entitlement shall apply to children who fulfil the foregoing conditions in the event of death or remarriage of a spouse who is entitled to a survivor's pension.*
- 3. Where a contract staff member or a person entitled to a retirement pension or invalidity allowance dies but the conditions set out in paragraph 1 are not satisfied, the provisions of the third paragraph of Article 80 of the Staff Regulations shall apply.*
- 4. In the event of the death of a former member of the contract staff who leaves the service before reaching 63 years of age and requests that his retirement pension be deferred until the first day of the calendar month following that in which he reaches 63 years of age, children deemed to be his dependants in accordance with Article 2 of Annex VII to the Staff Regulations shall be entitled to an orphan's pension on the same terms as those set out respectively in the foregoing paragraphs.*
- 5. The orphan's pension of a person treated as a dependent child as defined in Article 2(4) of Annex VII to the Staff Regulations may not exceed 200% of the dependent child allowance. However, entitlement to the pension shall cease if a third party is liable for maintenance under the national laws applicable.*
- 6. No orphan's pension shall be payable where a natural parent who has been replaced by an adoptive parent dies.*
- 7. Orphans shall be entitled to an education allowance in accordance with Article 3 of Annex VII to the Staff Regulations.*

#### *Article 105*

*In the case of divorce or where there is more than one category of survivor who qualifies to claim survivor's pension, such pension shall be apportioned in the manner provided for in Chapter 4 of Annex VIII to the Staff Regulations.*

## *Article 106*

*The rules relating to ceilings and apportionment set out in Article 81a of the Staff Regulations shall apply by analogy.*

### **SECTION C: RETIREMENT PENSION AND SEVERANCE GRANT**

## *Article 107*

- 1. On leaving the service, contract staff shall be entitled to a retirement pension, transfer of the actuarial equivalent or the payment of a severance grant in accordance with Chapter 3 of Title V of, and Annex VIII to, the Staff Regulations. Where the contract staff member is entitled to a retirement pension, his pension rights shall be reduced in proportion to the amounts paid under Article 110.*
- 2. Article 11(2) and (3) of Annex VIII of the Staff Regulations shall be applicable by analogy to contract staff.*
- 3. A person who becomes entitled to a retirement pension shall be entitled, if he has been employed for more than three years as a member of the contract staff, to the family allowances provided for in Article 67 of the Staff Regulations; the household allowance shall be calculated on the basis of the recipient's pension.*

## *Article 108*

- 1. If a member of the contract staff is appointed an official or temporary servant of the Communities, he shall not receive the grant provided for in Article 107(1).*

*Any period of service on the contract staff of one the Communities shall be taken into account for the purpose of calculating years of pensionable service as provided for in Annex VIII to the Staff Regulations.*
- 2. Where the institution has exercised the option provided for in Article 110, the contract staff member's retirement pension rights shall be reduced proportionately in respect of the period in which the sums were withdrawn.*
- 3. The preceding paragraph shall not apply to a contract staff member who, in the three months following application of the Staff Regulations to him, asks to be allowed to repay such sums plus compound interest at the rate of 3.5% per year, which can be revised following the procedure laid down in Article 7 of Annex XII to the Staff Regulations.*

## **SECTION D: FUNDING OF THE INVALIDITY AND LIFE ASSURANCE SCHEME AND OF THE PENSION SCHEME**

### *Article 109*

*As regards the funding of the social security scheme provided for in Sections B and C, the provisions of Articles 83 and 83a of the Staff Regulations and Articles 36 and 38 of Annex VIII thereto shall apply by analogy.*

### *Article 110*

*In accordance with conditions to be laid down by the institution, a member of the contract staff may request the institution to effect any payments which he is required to make in order to constitute or maintain pension rights, unemployment insurance, invalidity insurance, life insurance and sickness insurance in the country where he has last been covered by such schemes. Such member of the contract staff shall not benefit from any Community scheme for the corresponding period.*

*The actual period of such payments for any contract staff member shall not exceed 6 months. However, the institution may decide to extend this period to one year. The payments shall be charged to the budget of the Communities. Payments to constitute or maintain pension rights shall not exceed twice the rate provided for in Article 83(2) of the Staff Regulations*

## **SECTION E: SETTLEMENT OF CLAIMS BY CONTRACT STAFF**

### *Article 111*

*Articles 40 to 44 of Annex VIII to the Staff Regulations shall apply by analogy.*

## **SECTION F: PAYMENT OF BENEFITS**

### *Article 112*

- 1. Articles 81a and 82 of the Staff Regulations and Article 45 of Annex VIII thereto, concerning the payment of benefits, shall apply by analogy.*
- 2. Any sums due from a contract staff member to the Communities under this insurance scheme at the date when the benefits are payable shall be deducted from the amount of his benefit or from the benefits payable to those entitled under him in a manner to be determined by the institution referred to in Article 45 of Annex VIII to the Staff Regulations. The deduction may be spread over a number of months.*

## **SECTION G: SUBROGATION IN FAVOUR OF THE COMMUNITIES**

### *Article 113*

*The provisions of Article 85a of the Staff Regulations, relating to subrogation in favour of the Communities, shall apply by analogy.*

### **Chapter 9: Recovery of undue payment**

#### *Article 113a*

*The provisions of Article 85 of the Staff Regulations on the recovery of undue payment shall apply.*

### **Chapter 10: Appeals**

#### *Article 113b*

*The provisions of Title VII of the Staff Regulations on appeals shall apply by analogy.*

### **Chapter 11: Special and exceptional provisions applicable to members of the contract staff serving in a third country**

#### *Article 114*

*The provisions of Articles 6 to 16 and 19 to 25 of Annex X to the Staff Regulations shall apply by analogy to contract staff serving in third countries. However, Article 21 of that Annex shall only apply if the contract is for not less than one year.*

### **Chapter 12: Termination of employment**

#### *Article 115*

*Articles 47 to 50a, with the exception of Article 48a, shall apply by analogy to contract staff.*

*In the event of disciplinary proceedings against a contract staff member, the Disciplinary Board referred to in Annex IX to the Staff Regulations and in Article 49 of these Conditions of Employment shall meet with two additional members from the same function group and grade as the contract staff member concerned. These two additional members shall be appointed according to an ad hoc procedure agreed upon by the authority referred to in the first paragraph of Article 6 of these Conditions of Employment and the Staff Committee."*

32. Former Articles 79 and 80 become Articles 116 and 117.

33. Former Article 81 becomes Article 118 and is replaced by the following:

*“Article 118*

*Any dispute between the institution and a member of the local staff serving in a third country shall be submitted to an arbitration board on the conditions defined in the arbitration clause contained in the local staff member's contract.”*

- 34. Title VI is deleted.
- 35. The former Title V becomes Title VI and the former Articles 82 and 83 become Articles 119 and 120 respectively.
- 36. Article 120 is amended to read as follows:

*“Article 120*

*Articles 1d, 1e, 11, 11a, 12 and 12a, the first paragraph of Article 16, Articles 17, 17a, 19, 22, 22a, 22b and 22c, the first and second paragraphs of Article 23 and the second paragraph of Article 25 of the Staff Regulations, concerning the rights and obligations of officials, and Articles 90 and 91 of the Staff Regulations, concerning appeals, shall apply by analogy.”*

- 37. In Title VII, the former Articles 99, 100 and 101 are deleted and the following new Article 121 is inserted:

*“Article 121*

*Without prejudice to the other provisions of the Conditions of Employment, the Annex II hereto lays down the transitional provisions applicable to the staff engaged under contract covered by these Conditions of Employment.”*

- 38. In Title VIII the former Article 102 and 103 become Article 122 and 123 respectively.
- 39. *In title VIII "article 103" the new article 122 becomes "article 123"*
- 40. The following Annexes are added:

*“Annex I: Special and exceptional provisions applicable to temporary staff engaged to assist a political group in the European Parliament*

*Article 1*

*Article 50 of the Staff Regulations shall apply by analogy to temporary servants equivalent in grade and function to senior officials as defined in Article 29(2) of the Staff Regulations and engaged in accordance with Article 2(c) of these Conditions of Employment to assist a political group in the European Parliament.*

*Article 2*

*The provisions of Article 41(3) of the Staff Regulations, with the exception of the second subparagraph, shall apply by analogy to temporary servants for a maximum of one year who are engaged in accordance with Article 2(c) of these Conditions of Employment to assist a*



*political group in the European Parliament, where the number of posts in the group is reduced.*

*Annex II: Transitional provisions applicable to the staff covered by the Conditions of Employment of other servants*

#### *Article 1*

- 1. The provisions of Annex XIII to the Staff Regulations shall apply by analogy to the Conditions of Employment of other servants.*
- 2. For the period from (date of entry into force) to (date of entry into force + 2 years), in the Conditions of Employment of other servants:*
  - (a) In the first indent of point (b) of Article 3(1), “function group AST” is replaced by “categories B and C”;*
  - (b) in the second indent of point (b) of Article 3(1), “the administrators' function group (AD)” is replaced by “category A”, “AD 16 or AD 15” is replaced by “A\*16 or A\*15” and “AD 15 or AD 14” is replaced by “A\*15 or “A\*14”.*

#### *Article 2*

- 1. In accordance with the Conditions of Employment of other servants, the authority referred to in the first paragraph of Article 6 of the Conditions shall offer employment of indefinite duration as a member of the contract staff to any person employed by the Communities on (date of entry into force) under a contract of indefinite duration as a local staff member in the European Union or by virtue of national legislation in one of the bodies referred to in Article 3a of the Conditions of Employment. The offer of employment shall be based on an assessment of the tasks to be performed by the servant as a member of the contract staff. The contract concerned shall take effect on (date of entry into force). Article 84 of the Conditions of Employment shall not apply to such contract.*
- 2. Should the classification of the staff member accepting the offer of a contract result in a reduction in remuneration, the institution may pay an additional amount taking into account current difference between fiscal, social security and pension legislation of the Member State of employment and the relevant provisions applicable to the contract staff member.*
- 3. Each institution shall adopt general provisions for the implementation of paragraph 1 and 2 in accordance with Article 110 of the Staff Regulations, as necessary.*
- 4. A staff member who does not accept the offer referred to in paragraph 1 may retain his contractual relationship with the institution.*

### *Article 3*

*For five years after [date of entry into force], local staff or contract staff of the Secretariat General of the Council who had the status of local staff of that Secretariat General before [date of entry into force] may take part in internal competitions of the Council on the same terms as officials and temporary staff of the institution.*

### *Article 4*

*Fixed-term contracts of temporary staff covered by Article 2, point (d) of the Conditions of Employment current on the date of entry into force of this Regulation may be renewed. Where the contract has already been renewed once, the new contract shall be for an indefinite period. Current contracts for an indefinite period of temporary staff covered by Article 2(d) of the Conditions of Employment shall be unaffected.*

### *Article 5*

- 1. Former temporary staff who, on [date of entry into force], are unemployed and are covered by the provisions of Article 28a of these Conditions of Employment applicable before [date of entry into force] shall continue to be covered by those provisions until the end of their period of unemployment.*
- 2. Temporary staff whose contract is ongoing on [date of entry into force] may, at their request, be covered by Article 28a of these Conditions of Employment applicable before [date of entry into force]. Such a request must be submitted at the latest 30 calendar days after the date on which their temporary staff contract ends.*

FINANCIAL STATEMENT				[...]	
				DATE: 06/11/2003	
1. BUDGET HEADING: A10 members of the European Institutions, A11 staff in active employment, 401 staff contribution to the pension scheme Part B administrative expenditure and receipts for research and agencies 403 Special levy				APPROPRIATIONS: [...]	
2. TITLE: Reform of the Staff Regulations					
3. LEGAL BASIS: [Article 283 of the Treaty]					
4. AIMS: Reform of the staff regulations					
5. FINANCIAL IMPLICATIONS		12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR 2003 (EUR million)	FOLLOWING FINANCIAL YEAR 2004 (EUR million)	
5.0 EXPENDITURE		See annex		-17	
- CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTIONS)					
- NATIONAL AUTHORITIES					
- OTHER					
5.1 REVENUE		See annex		-12	
- OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES)					
- NATIONAL					
		2005	2006	2007	2008
5.0.1 ESTIMATED EXPENDITURE		-64	-93	-104	-115
5.1.1 ESTIMATED REVENUE		-12	-14	-7	+4
5.2 METHOD OF CALCULATION: See Annex					
6.0 CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				Not applicable	
6.1 CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				Not applicable	
6.2 WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				NO	
6.3 WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?				YES	
OBSERVATIONS: The baseline for the calculation is an extension of the 5,83% temporary contribution and the pay adjustment method					

## **Annex to the financial statement**

### **1. METHOD OF CALCULATION**

The explanations below include also the effects of the separate proposal setting the measures for the transition to the reform in 2003 and 2004.

The changes for each year in basic pay and allocations for the average official are based on a sample of 15.620 Commission officials. The special levy effect is obtained by comparison with a prolongation of the 5,83% temporary contribution. The expenditure and revenue for the Commission heading 5 are the result of multiplying these averages by the estimated number of Commission staff for each year.

For the “other measures” the estimates have been made as in the 2002 proposal.

For pensions, the average changes for each year in basic pay and allocations are based on a simulation for the 9.953 official retired from all the institutions at the end of 2001. The expenditure and revenue are the result of multiplying these averages by the estimated number of retired staff for each year.

The new provisions increasing the normal retirement age should reduce pension costs in the long term but as they could also increase pay costs in the short term it is not possible to put forward a reliable forecast of its budget effect.

For the other institutions the expenditure and revenue have been estimated as 47% of the corresponding values for the Commission heading 5.

## 2. COST FOR THE COMMISSION, OTHER INSTITUTIONS AND PENSIONS

M€ at 2002 constant prices

	<b>Reform Cost</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2003-10</b>
	Basic pay Commission H5	-20	-1	-14	-24	-24	-27	-23	-18	-22	-98	-151
	Allocations Commission H5	-7	-10	-20	-23	-24	-25	-22	-22	-26	-43	-154
	Other Commission H5	0	3	2	1	0	0	-1	-1	-1	-1	5
Exp.	Commission H5	-27	-8	-32	-45	-48	-51	-46	-41	-49	-142	-300
	Other institutions H5	-13	-4	-15	-21	-23	-24	-22	-19	-23	-67	-141
	Pensions	-12	-3	-9	-15	-21	-27	-31	-34	-24	2	-152
	Tax Commission ~H5	-2	-6	-11	-15	-19	-23	-25	-25	-26	-42	-126
	Pension Contribution Commission ~H5	-2	15	19	22	28	37	44	47	41	32	210
	Temp. Contrib. / Special Levy (Comm. ~H5)	-13	-16	-15	-14	-13	-12	-10	-8	-6	-8	-101
Rev.	Commission ~H5	-17	-7	-7	-8	-4	3	9	14	9	-18	-17
	Other institutions ~H5	-8	-3	-3	-4	-2	1	4	7	4	-9	-8
	Pensions	-1	0	0	0	-1	-1	-1	0	8	17	-5
A	<b>Expenditure</b>	<b>-51</b>	<b>-15</b>	<b>-56</b>	<b>-82</b>	<b>-92</b>	<b>-102</b>	<b>-99</b>	<b>-94</b>	<b>-97</b>	<b>-208</b>	<b>-593</b>
B	<b>Revenue</b>	<b>-26</b>	<b>-10</b>	<b>-10</b>	<b>-12</b>	<b>-6</b>	<b>3</b>	<b>12</b>	<b>21</b>	<b>21</b>	<b>-10</b>	<b>-29</b>
A - B	<b>Net Cost ( - = savings)</b>	<b>-25</b>	<b>-5</b>	<b>-46</b>	<b>-70</b>	<b>-86</b>	<b>-105</b>	<b>-111</b>	<b>-115</b>	<b>-117</b>	<b>-198</b>	<b>-564</b>

Non rappel

## 3. PAY, PENSIONS AND OTHER KEY FINANCIAL ELEMENTS OF THE REFORM

The main reasons for the reduction in expenditure are the reduction of the average basic pay (New Career and use of Contract Agents), the quasi- suppression of the transfers and the phasing out of the correction coefficients for pensions.

The main reasons for the reduction in revenue are the replacement of the temporary contribution by a lower special levy and the reduction in taxable income (due to the increases in pension contribution and the child allocation and the reduction of the average basic pay). The increase in the pension contribution will partially offset this reduction.

<b>PAY</b>		<b>All institutions Heading 5</b> estimated as 147% of Commission H5										
	<b>Reform Cost</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2003-10</b>
Exp.	<b>basic pay</b>	-29	-2	-20	-35	-36	-39	-34	-27	-33	-144	-221
	Household Allow.	-1	-5	-8	-9	-9	-9	-9	-10	-11	-12	-59
	Child Allowance	-1	3	8	13	18	23	28	28	28	27	120
	Education allowance	-1	0	-2	-4	-6	-8	-9	-9	-9	-9	-40
	expatriation indemnity	-4	-1	-3	-4	-4	-4	-2	-2	-3	-16	-23
	secretary allowance	0	0	-1	-1	-2	-2	-3	-4	-8	-12	-14
	<b>Secretary Overtime</b>	0	0	0	-1	-1	-1	-1	-1	-2	-2	-5
	employer part Ins S&A	-1	0	-1	-1	-1	-2	-1	-1	-1	-6	-9
	Annual trip	0	-2	-3	-3	-3	-4	-4	-4	-4	-3	-23
	CC Transfers	0	-11	-20	-23	-27	-29	-30	-30	-29	-29	-170
	CC pay	0	0	0	0	0	0	0	0	0	-2	-2
	Other (incl. Nom. Prot.)	-1	1	0	0	0	0	0	0	0	0	0
Rev.	<b>Tax</b>	-3	-8	-16	-23	-28	-33	-37	-37	-38	-63	-187
	<b>Pension Contribution</b>	-2	22	29	32	41	54	64	69	60	48	309
	<b>Temp. Contrib. / Special Lev</b>	-19	-24	-23	-21	-19	-17	-14	-12	-9	-12	-148
A	<b>Pay Expenditure</b>	-40	-17	-50	-69	-71	-75	-66	-59	-71	-208	-448
B	<b>Pay Revenue</b>	-25	-10	-10	-12	-6	4	13	21	13	-27	-26
A - B	<b>Net Cost ( - = savings)</b>	-15	-7	-39	-57	-66	-79	-79	-80	-85	-181	-422

Non rappel

<b>Other</b>		<b>All institutions Heading 5</b> estimated as 147% of Commission H5										
	<b>Reform Cost</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2003-10</b>
Exp.	Non-Permanent Staff (Aux. Agents)	0	-4	-6	-7	-7	-8	-8	-8	-8	-8	-49
	Working Conditions	0	5	8	8	8	8	8	8	8	8	55
	Equal Opportunities	0	2	3	3	3	3	3	3	3	3	21
	<b>Flex. Ret., suppress art7.1 &amp; unen</b>	0	1	-2	-3	-4	-4	-4	-4	-4	-4	-19
A	<b>Other Expenditure</b>	0	5	3	2	0	0	-1	-1	-1	-1	7
B	<b>Other Receipts</b>	0	0	0	0	0	0	0	0	0	0	2
A - B	<b>Net Cost ( - = savings)</b>	0	5	2	2	0	0	-2	-2	-2	-1	5

<b>Pensions</b>		<b>All Institutions</b>										
	<b>Reform cost</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2003-10</b>
Exp.	Basic	-10	0	0	1	2	3	5	7	58	110	7
	Allowances	0	-1	-1	-1	-1	-1	-1	-1	0	0	-7
	Empl.Soc.Sec.	0	0	0	0	0	0	0	0	2	4	0
	<b>CC + nominal protection</b>	-1	-2	-7	-14	-21	-28	-33	-37	-72	-97	-143
	Other	0	0	0	-1	-1	-2	-2	-4	-11	-16	-10
A	<b>Pension Expenditure</b>	-12	-3	-9	-15	-21	-27	-31	-34	-24	2	-152
B	<b>Pension Revenue (tax)</b>	-1	0	0	0	-1	-1	-1	0	8	17	-5
A - B	<b>Net Cost ( - = savings)</b>	-10	-3	-9	-15	-20	-26	-31	-34	-31	-16	-148

Non rappel

#### 4. THE REFORM AND THE FINANCIAL PERSPECTIVES FOR HEADING 5

The Staff Regulations reform will stay well within the ceiling set by the Financial Perspectives. Furthermore the table below shows that the reform will reduce expenditure by 203 millions between 2003 and 2006.

<b>Heading 5 Expenditure</b>						
M€ at current prices		2003	2004	2005	2006	2003-06
	Ceiling*	5.382	6.157	6.454	6.762	24.755
	Expenditure without reform	5.415	6.116	6.481	6.807	24.818
E	<b>margin before Reform</b>	<b>-33</b>	<b>41</b>	<b>-27</b>	<b>-45</b>	<b>-63</b>
F	<b>Reform effect on Expenditure</b>	<b>-52</b>	<b>-16</b>	<b>-60</b>	<b>-89</b>	<b>-216</b>
	Expenditure after Reform	5.362	6.100	6.421	6.718	24.602
G = E-F	<b>margin after Reform</b>	<b>20</b>	<b>57</b>	<b>33</b>	<b>44</b>	<b>153</b>
* Financial Perspectives defined in Berlin EUR15 and adapted in Copenhagen to take into account enlargement EUR25						
F'	<b>Difference with april 2002 Proposal</b>	<b>-14</b>	<b>11</b>	<b>-4</b>	<b>-8</b>	

#### 5. DIFFERENCES WITH THE 2002 APRIL PROPOSAL

In the expenditure side the main reasons for the differences are the phasing out of overtime payments, the changes in the early retirement in the interest of service and the phasing out of the correction coefficients for pensions.

In the revenue side the main reasons are the phasing in of a new special levy and the increases in the pension contribution.

The differences for 2003 are explained because the effect of not backdating the pay and pension adjustment is higher than expected. The differences for 2004 are explained because the reform only applies from the 1<sup>st</sup> of May instead of January.

	<b>Diff. with april 2002 Proposal</b>	2003	2004	2005	2006	2007	2008	2009	2010	2020	2030	2003-10
A	Expenditure	-14	10	-4	-7	-6	-7	-9	-11	-32	-52	-47
B	Revenue	-2	31	41	48	58	71	81	86	77	68	413
A - B	<b>Net Cost (- = savings)</b>	<b>-12</b>	<b>-21</b>	<b>-45</b>	<b>-55</b>	<b>-64</b>	<b>-77</b>	<b>-90</b>	<b>-97</b>	<b>-109</b>	<b>-120</b>	<b>-461</b>

#### 6. TOTAL COST

Finally, while providing for major modernising changes in the Staff Regulations, the revised proposal respects budgetary rigor in the short and long term as shown below.

## Cost of Statute Reform

## Summary

## All institutions

Outside Heading 5 estimated as 24% of Commission H5

	Reform Cost	2003	2004	2005	2006	2007	2008	2009	2010	2020	2030	2003-10
	Expenditure H5	-51	-15	-56	-82	-92	-102	-99	-94	-97	-208	-593
	Revenue H5	-26	-10	-10	-12	-6	3	12	21	21	-10	-29
	Net Cost H5 ( - = savings)	-25	-5	-46	-70	-86	-105	-111	-115	-117	-198	-564
	Expenditure Outside H5	-6	-2	-8	-11	-12	-12	-11	-10	-12	-34	-72
	Revenue Outside ~H5	-4	-2	-2	-2	-1	1	2	3	2	-4	-4
	Net Cost ( - = savings)	-2	0	-6	-9	-11	-13	-13	-13	-14	-30	-68
A	Expenditure	-58	-17	-64	-93	-104	-115	-110	-104	-108	-242	-665
B	Revenue	-30	-12	-12	-14	-7	4	14	24	23	-14	-33
A - B	Net Cost ( - = savings)	-28	-5	-52	-79	-97	-118	-124	-128	-132	-228	-632