Communication to the College
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- Adjusting the European Civil Service to the challenges of today -

The Staff Regulations and Conditions of employment of other servants (CEOS) lay down the rules, principles and working conditions for the staff of all institutions, agencies and other bodies of the European Union.

They are an essential tool to guarantee a European Civil Service of the highest standards which supports the members of the institutions in fulfilling the tasks conferred upon them by the treaties.

In 2004, the European Union reformed its civil service entirely and made its staff law one of the most modern of its time. A performance-oriented and merit-based new career structure, a new contractual status for personnel fulfilling non-core tasks, a reform of the pension system, new working methods and family-friendly working conditions were just some of the numerous changes brought by the first comprehensive reform of the European civil service law since 1968.

The reform of 2004 allowed the EU to save €3 billion to date. It will save approximately another €5 billion between now and 2020.

Given the historic challenges the EU is facing today, the quality, commitment and loyalty of its staff are more important than ever. At the same time, these challenges require a particular effort by each and every public administration and each and every member of its staff to improve efficiency and to adjust to the changing economic and social context in Europe.

Recent events in the global economy as well as the subsequent need to consolidate public finances cannot fail to have an impact on the European civil service and the administrations of the European institutions. Administrative expenditure of the EU is a mere 5.8% of the multiannual financial framework for 2007 – 2013 which itself represents around 1% of EU GDP. Nevertheless, it is important to demonstrate that the institutions and their staff continue their drive for efficiency and economy and are not out of touch with developments in many public administrations in Europe.

The Commission as an administration has lived up to this responsibility over recent years by following a policy of zero growth in posts, by meeting new political priorities through internal redeployment of staff, by putting in place tools and procedures to improve its internal organisation and efficiency and most recently by the proposal to freeze its administrative expenditure for the year 2012.

The Commission is about to adopt a proposal for the new multiannual financial framework 2014 – 2020 which includes again a small, but important part related to the financing of the European civil service and the European institutions. In addition, the method to adjust salaries and pensions of European civil servants whose application has been controversial in recent years expires on 31 December 2012. Moreover, on a number of specific issues, the European

Parliament and the Council have recently addressed requests to the Commission to examine possible areas for modernisation or increased efficiency in all institutions.

Therefore, the Commission should use its right of initiative under Article 336 TFEU in order to propose changes to the Staff Regulations and CEOS to the European Parliament and the Council.

In order to do so, the Commission should empower Vice-President Šefčovič to immediately open the social dialogue with staff representatives and consult the Staff Regulations Committee as foreseen by the Staff Regulations, based on the attached draft proposal. After these consultations, the Commission will be able to make a formal proposal to the Parliament and the Council.

Given that the EU and the institutions face tremendous challenges, the proposal must strike a balance between the necessary drive for further efficiency and economies and the ability of the institutions to deliver their policies.

This includes the needs of the institutions as employers to attract and retain staff of the highest professional competence in various fields of expertise who are able to work in a multicultural and multilingual environment and who are ready to move and stay abroad with their families. In the light of upcoming retirements in the institutions, which will mainly affect staff from the 15 Member States of the Union before 2004, it will be a particular challenge to maintain the geographical balance of all 27 Member States among staff. Given the demographic changes in Europe, the issue of attracting and retaining excellent staff from all Member States will be even more difficult in the future.

Based on these considerations, the following measures should be proposed:

- A 5% reduction of staff in all categories in all institutions by 2018, compared to 2012 levels, by using normal turnover of staff (retirements and restraint in concluding new contracts). A reduction in staff will require every staff member to take a share of the additional work burden, if the same policy objectives are to be achieved. The impact of possible future enlargements and the intake of staff from new Member States will, however, be dealt with separately.
- Increase of the weekly working time obligation for all staff in all institutions from generally 37.5h to 40h per week without compensatory wage adjustments.
- The normal retirement age - which was increased from 60 to 63 in the 2004 reform - will be further increased to 65.
- The possibility for staff to work on request until 67 will be made easier and more attractive.
- The minimum age for early retirement *with* reduction of acquired pension rights will be increased from 55 to 58.
- The minimum age for early retirement *without* reduction of acquired pension rights will also be increased from 55 to 58.
- Access to the early retirement scheme without reduction of acquired pension rights, which currently applies to around 80 people per year in all institutions, will be further limited.
- The method to adjust salaries and pensions will be prolonged by 8 years. As of 1 January 2013, it will be substantially simplified and the current eight Member States of reference will be supplemented by Sweden and Poland. A new exception clause

will allow an appropriate reaction to an economic crisis. It will provide the possibility of taking into account the impact of future salary-related measures adopted by Member States for their national civil servants in reaction to a crisis. Such a method would be accompanied by a new solidarity levy of 5.5%, applicable from 1 January 2013 until 31 December 2020.

- Secretarial and clerical tasks in the institutions should no longer be fulfilled by officials with lifetime appointments but contractual staff. In the future, staff will be recruited to these functions as contract agents with the possibility to obtain contracts of unlimited duration.
- The maximum duration of contracts of other contract agents in the institutions will be raised from 3 years to 5 years.
- The highest grades in the category of "assistants" can only be accessed by the best performing assistants who successfully pass a selection procedure for a post which requires the highest level of expertise and represents the highest level of responsibility in this category.
- The period for a right to part-time work before retirement will be changed from 5 years to 3 years.
- The number of leave days granted to staff for their annual trip to their home Member State will be limited to a maximum of 2 days (standard in other international organisations) instead of a maximum of 6 days.
- The method to calculate the distance between the place of employment and the place of origin in the home country, which is the basis for the calculation of the annual trip allowance, will be modernised.
- In order to bring more clarity to the debate about family-friendly working conditions, the possibility for each institution to establish flexible working arrangements will be explicitly foreseen in the Staff Regulations. Management will not participate in the general scheme for staff.
- Concerning agencies and as discussed in the framework of the interinstitutional working group on agencies, the Commission would also like to present some amendments to the staff rules in order to allow a more consistent and smoother implementation of the staff regulations which better take into account the particularities of agencies.

If all these measures were adopted and consequently implemented by all institutions, they would generate additional savings for the EU budget of more than€1 billion. Thereby, it would not only be possible to freeze the administrative expenditure for the functioning of the institutions in the multiannual financial framework 2014 – 2020, but also to reduce the administrative cost of agencies and other bodies of the EU which are financed from other parts of the budget.

The Commission is invited to:

- Take note of the attached draft proposal and
- Empower Vice-President Šefčovič and DG HR to consult the trade unions according to the framework agreement , the Staff Regulations Committee according to Article 10 of the Staff Regulations and the Central Staff Committee on this draft proposal.