



**RECTIFYING INJUSTICE
STANDING FOR OUR RIGHTS
RESTORING UNITY**



Open Space Office plans

Click the STOP sign & check pg 4

Generation 2004 Newsletter no.19

November 2016

TOP STORY

28 Officials sent to early Retirement this year!



You may have already heard that 28 officials will benefit from article 42c of the SR this year. The 28 beneficiaries will be exempt from doing actual work or showing up at their service, while continuing to receive a comfortable allowance and increasing their pension rights up to the day they are eligible to fully retire: →

- 2 **28 Officials sent to early retirement this year!**
- 3 **28 Officials sent to early retirement this year! Cont.**
- 4 **28 Officials sent to early retirement this year! Cont.**
- 4 **Luxembourg Elections: finally the results**
- 5 **You are hired/fired: Recruitment trends at the Commission!**
- 6 **You are hired/fired: Recruitment trends at the Commission! cont.**
- 7 **Parking Spaces**
- 7 **Breaking news: 3.5% pay raise for EU staff**
- 8 **Surprise Surprise! Mr. Barroso gets a job in the private sector!**

What does art 42c say?

"At the earliest five years before the official's pensionable age, an official with at least ten years of service may be placed by decision of the appointing authority on leave in the interests of the service for organisational needs linked to the acquisition of new competences within the institutions... An official thus placed on leave shall receive an allowance ... The period of service as an official on leave in the interests of the service shall be taken into account for the purpose of calculating years of pensionable service"

What does an Art 42 allowance consists of?

" for three months, ... a monthly allowance equal to his basic salary; for a period varying with his age and length of service in accordance with the table shown in paragraph 3, to a monthly allowance equal to:

- ⇒ 85 % of his basic salary from the fourth to the sixth month;
- ⇒ 70 % of his basic salary for the next five years;
- ⇒ 60 % of his basic salary thereafter."

This rather generous scheme looks very much as if DG HR is trying to reinstall one of the very few positive outcomes of the 2014 staff reform, which was precisely the scrapping of the early-retirement-without-pension-reduction scheme. Interestingly, the number of beneficiaries of the article 42c scheme "shall not be higher than 5 % of the officials in all institutions who retired the previous year". This explains why only 28 people are going to benefit from it in 2016. This explains in turn the complete absence of transparency of DG HR in the implementation of this scheme. When only a handful of people can benefit from something, DG HR tends to look out for who is interested in their old boys' networks rather than advertising the opportunities to everyone in a transparent manner.

As always, with this kind of hidden reward schemes, budget considerations don't seem to play a role. We have not seen any estimate from DG BUDG of what this generosity will cost to heading 5 of the EU budget (administrative expenses) and most probably we never will!

But why is DG HR sending people to early retirement?

You all know that the Commission has to cut staff by 5% before the end of 2017. What do the cuts look like so far? Here is what is available on the website of DG BUDG (you have to dig into Staff Working Documents¹ to find the interesting figures, you won't find anything useful in the annual reports of DG HR...We use 2012 as the baseline since the cuts started in 2013):

Year (April)	2012	2013	2014	2015	2016	Cumulated staff cuts
Fonct +TA	24137	23760	23881	23739	23472	2,8%
CA	5188	5176	5430	5502	5554	- 7,1%
Other HQ	2331	2013	1812	1537	1399	40,0%
Other deleg/rep	1589	1626	1437	1429	1432	9,9%
Total	33245	32575	32560	32207	31857	4,2%
Fonct+TA+CA	29325	28936	29311	29241	29026	1,0%

In April of each year, DG HR compiles an estimate of the number of Full Time Equivalents employed by the Commission. This is what the table above shows. Clearly, the Commission is respecting its commitment to decrease staff. As of 1 April 2016, it has reduced staff by slightly more than 4% (see line "total" in the table). Interestingly, the only category of staff that is not decreasing is the Contract Agent category (a negative cut in the table means that staff numbers have actually increased).

Overall, the number of statutory staff (Officials, Temporary Agents and Contract Agents, see last row of table) has only slightly decreased (-1% over 4 years). In fact, until 2015, it had not decreased at all. Instead, the Commission had cut other staff, in particular other staff at the headquarters. This "other staff" category is a mix of Seconded National Experts, service providers and agency staff ('interimaires'). However, it seems that now DG HR has cut down to the bone and is obliged to target statutory staff. In other words, it seems that the current rates of retirement are not sufficient to free the required number of posts to accommodate the 5% cuts².

It will be interesting to see how these figures evolve when the next update on the number of FTEs employed by the Commission is carried out in April 2017. In theory, 2017 should be the last year of staff cuts because the cuts started in 2013, even before the 2014 SR came into force. However, with the Brexit kicking in, we can expect more cuts. Indeed, the planned departure of the UK means that the EU population is decreasing by 12%. It would be rather surprising if the MS did not ask for a similar cut in staff numbers (staff was increased when the EU was enlarged in 2004, why should it stay the same when the EU shrinks?). A 12% cut would be much more difficult to implement than the 5% cut already underway, especially if the fact that we are already to the bone as far as HR resources are concerned is confirmed in 2017.

What can DG HR do?

The SR has a number of provisions to make staff redundant (apart from firing people as a disciplinary measure). These are summarized in the table below:

Article	Duration	Allowance	Accumulation of further pension rights	Possibility to take another job outside of the institutions
42c	Until retirement (which cannot be later than 5 years after benefitting from the measure)	Yes, at least 60% of last basic salary	Yes, until pensionable age is reached	Looks like there is no restriction for those willing to take another employment while awaiting for their pension
41	Complicated formula provided in Annex IV of the SR. 2 examples: <ul style="list-style-type: none"> - for someone who is 40 and has 5 years in the institutions: duration = $48\% \times 5 = 2$ years 5 months - for someone who is 50 and has 10 years in the institutions = $63\% \times 10 = 6$ years 4 months 	Yes, at least 60% of last basic salary	Yes, for a maximum of 5 years	Yes but allowance to be adjusted so that sum of allowance and new income does not exceed last salary received before benefitting from the measure
50	Until the age of 58. Can then take early retirement without pension reduction. Reserved to Directors and above)	Yes, at least 60% of last basic salary	Yes, until the age of 58	Yes but allowance to be adjusted so that sum of allowance and new income does not exceed last salary received before benefitting from the measure

A few remarks can be made on the provisions listed in the table above:

- ⇒ We know that many of the current senior managers in charge of HR policies in the Commission are soon going to retire. Why not accelerate the process and replace them with new people who understand the current situation in Europe³ and reflect the diversity of Commission staff (about 80% of the HR managers in the Commission are pre-2004 staff whereas more than 50% of the staff are post-2004...)? The conditions under article 50 (see table above) are rather generous (there are not many places left in Europe where you can retire at the age of 58), so they would leave under reasonably good conditions, this would not be unfair to them.
- ⇒ Article 42c: This article can be used again year after year but next time there should be an open call for expression of interest so that the scheme is applied in all transparency rather than granted to whoever is a friend of DG HR.
- ⇒ In order to accommodate the Brexit cuts without bringing the recruitment of new people⁴ to a halt, the Commission will probably need to resort to article 41. Indeed, this scheme can be applied on a wide scale. Here again, things should be done in all transparency and the scheme should be open to those who are still far from retirement age but want to leave the institutions (our information is that there is an increasing number of people who would be happy to return to the normal world – Ms Georgieva will not contradict us, she is leaving ...). Extrapolating the current trend, there should be 23,200 FTEs occupying establishment plan posts by the end of 2017. Applying a 12% ratio to this number would mean that about 2,800 people could use article 41 (and to a more limited extent articles 42c and 50). Factoring in the fact that the European Parliament will probably refuse to cut its staff, the Commission will probably have to compensate and to absorb 3000 staff cuts. Assuming that these cuts are spread over 3 years (it would have to be 2018-2020 because it is now apparent that a new reform of the SR would be imposed on us as of 1 January 2021), that would require applying article 41 to about 1000 *Fonctionnaires*/TA each year for 3 years. Not totally unrealistic since according to the 2015 staff survey, about 1000 people expressed a wish to leave the institutions.

¹ For instance, <http://ec.europa.eu/budget/library/biblio/documents/2013/DB2013/DB2013-WDII-HR.pdf> for the year 2016

² This is most probably a consequence of the ultra-generous Barcelona incentives offered to pre-2004 staff but not available to post 2004 staff!: for each year they stay in service after the age of 60, they acquire an additional 5% of pension rights (see article 22.2, 2nd alinea of Annex XIII of the SR). Thanks to this generous measure, they are ensured to reach 70% of their last salary even if they have entered the service after the age of 40. Compare this to the situation of post-2014 colleagues...

³ And stop rambling about "Jacques Delors' good old days".

⁴ Including current CA who have accepted their precarious situation because they hope to eventually get a *fonctionnaire* post.

Luxembourg elections: finally the results

During the last two weeks colleagues in Luxembourg had the opportunity to express their vote for the composition of the Local Staff Committee. **Generation 2004** is proud and honored to come out of these elections with the **second highest result** receiving 18,8% of your votes (versus 25,5% for the list that scored first).

Read more in our next newsletter

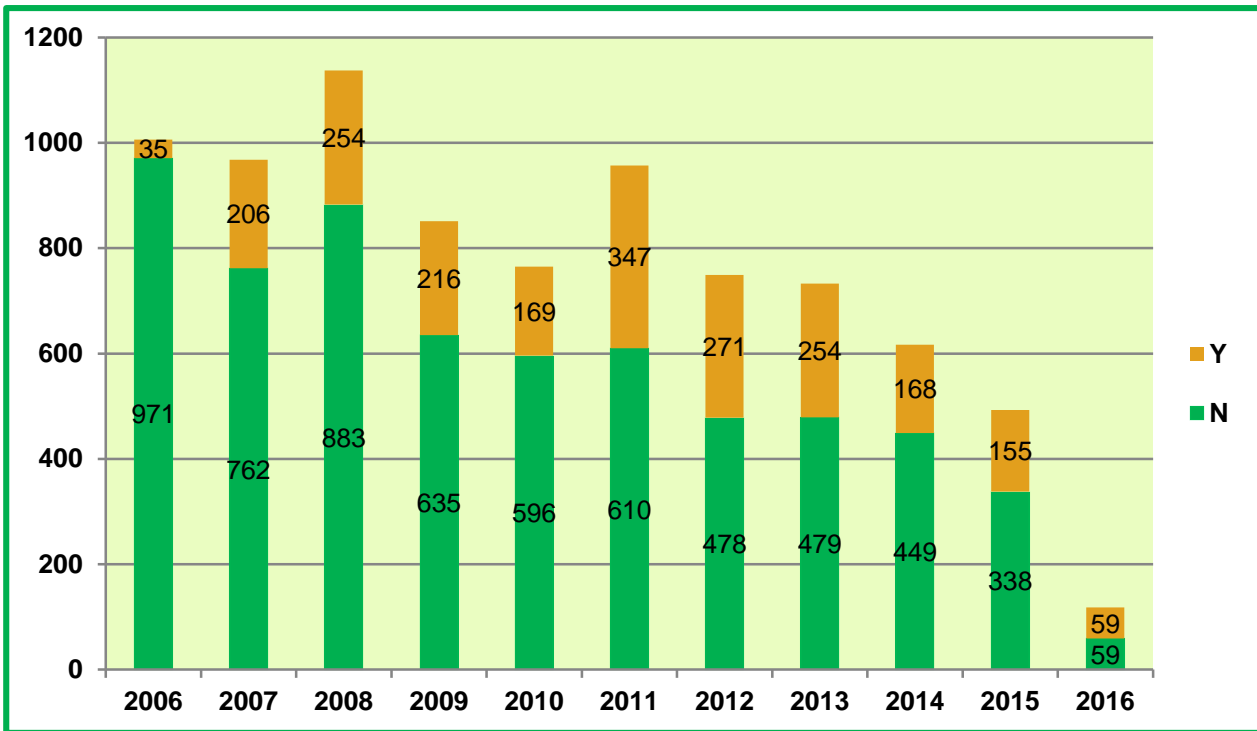
You are hired/fired: Recruitment trends at the Commission!



As can be seen from recent statistics (see table in article above), the only category of staff that is currently still growing is the Contract Agent category. Looking at the data and comparing this growth with the recent trend in the recruitment of permanent officials ('*fonctionnaires*'), we can conclude that **the Commission has begun a process of replacing permanent officials with CAs:**

- You see in the graph below that the total number of permanent officials recruited in 2012 was in the order of 750 (478+271). Previous years are less representative because above normal recruitment rates were still taking place following the enlargement of the EU.
- In 2015, this number had decreased to 500 (338+155), i.e. by 30%. Over the 2012-2015 period, about 2600 *fonctionnaires* have been recruited. If the recruitment levels achieved in 2012 had been maintained, about 3000 *fonctionnaires* would have been recruited, instead of the actual 2600. There is therefore **a shortfall of about 400 permanent officials who, where not recruited** during that period. This is attributable to the staff cuts discussed in the previous article.
- The total increase in the number of CAs employed by the Commission over the same period is about 300 (see table in the previous article). Thus the reduction in recruitments of permanent officials goes hand in hand **with the increased number of CAs** over the period 2012-2015 (2016 is not representative in the graph above because we don't yet have data for the whole year).
- In other words, the Commission reduces its recruitment of permanent officials but compensates by hiring CAs.

An additional conclusion is that, taking into account that EPSO recruitments of officials are on a downward trend, those of us who accept to work as CAs while waiting to pass a competition for permanent officials may be betting against unfavourable odds.



This conclusion is confirmed by a more detailed analysis of the graph above. The figures provided in the orange part of the sticks are figures of former CAs recruited as permanent officials each year. The figures in green are figures for people recruited without having been CAs before. What this analysis shows is that having had an experience as CA in the Commission is not the door-opener that some may think (and that the unions advertise in order to sell to the CAs their lucrative trainings for the EPSO competitions). Roughly, only 1/3 of those who pass the *concours* have had a previous experience as a CA and this ratio seems to be decreasing over time.

What about the internal competitions? A maximum of 85 posts will be offered to CAs via the current competition. Moreover, the SR is clear that such a competition can take place at best every other year. Actually, the SR provides that the internal competitions should be organised only exceptionally, so every 2 years is an optimistic assumption. Thus, in the most optimistic scenario, internal competitions will provide CAs with another 170 permanent positions over the next 4 years.

One should not forget that the number of CA is increasing rapidly in the research executive agencies. These CAs carry out basically the same tasks that Project Officers used to carry out in the research DGs until a few years ago, but at a fraction of the cost of *fonctionnaires'* salaries. These agencies are managed by Directors and HoUs who are all Commission officials. Their board members are Directors at the Commission. Thus, the Agencies are essentially spin offs of the Commission and their staff figures should be accounted for with those of the Commission, no matter the legal subtleties that DG HR invokes to leave aside agency staff from the discussions.

Between 2013 and 2016, the number of CA in executive agencies went up from 1200 to 1700. Thus, if one takes the figures for the executive agencies into account, the increase in the number of CAs is massive compared to the number of permanent official positions opened by the Commission over the same period. In other words, the vast majority of current CAs will never have the chance of becoming permanent officials in the foreseeable future. Add the Brexit and prospects are even bleaker (see article above). So this is the very inconvenient truth that neither the Commission nor the unions want to talk about, the latter being busy keeping alive hope among CAs in order to sell their *concours* coaching services.

Generation 2004 certainly won't pretend to have ready-made solution to solve the problems of the CAs. But at least, we are ready to be transparent and put all the cards on the table for an informed discussion. Transparency and a clear evidence-based stance have always been what distinguished G2004 from the rest of the field! Everyone recruited after 2004, be it *fonctionnaire* or contract agent, has been a victim of the lack of transparency maintained by DG HR over the past decade. This lack of transparency has profited to a few thousand people who have used their in-depth knowledge of the system to their advantage. It is time to turn the tables and deliver change!

>> Parking Spaces <<



You might have seen the communication from/between some trade unions about their reserved parking spaces in the building that hosts the staff representation. Generation 2004 has better things to do than waste its time in these endless disputes. However, for the record, we would like to recall that we took a very clear position more than 2 years ago on this issue: no reserved parking space for anyone⁵, not even staff representatives. We are against any sort of unjustified privilege and we practice what we preach. Logically **G2004 does not have any reserved spaces**. We take a certain pride in seeing that some unions are joining us on this position, albeit with a 2-year delay... **A shame that DG HR did not respond to our demand 2 years ago.**

Let's hope that the current controversy will now lead DG HR to reconsider its position and abolish reserved parking spaces. Some of these saved parking spaces could for instance be converted into proper locker rooms and showers for the increasing number of cyclists and for colleagues, who go running or who want to work out during their lunch break. These are sorely missing, particularly in the buildings where the upper floor of the parking deck is reserved for the trade unions (spaces which according to colleagues stand mostly empty anyway...).

Breaking news: 3.5% pay raise for EU staff

Let's start with the good news: After several years of abstinence during the first part of this decade, EU staff is going to receive a 3.5% pay rise on their December payslip⁶. 1.9% of this rise is due to the indexation on general salary increases in the public services of EU Member States (based on a basket of 11 MS) and 1.4% because of inflation in Brussels/Luxembourg. The remaining 0.2% will come from a decrease in our pension contribution. The bad news is that the budget for this pay rise, on the order of €200 million this year alone, will have to come from savings elsewhere in the administrative budget, most probably from future staff cuts. A report on the budget impact of this measure was sent to the European Parliament last week. We assume MEPs and Council members won't be enthusiastic given that, together with last year's 2.4% rise, this makes a total of 6% pay rise while general inflation in the EU has been close to zero. While we think this rise and the associated budget cost can be well argued for the members of the 'working class' in the EU institutions, namely all low grades and contract agents, Generation 2004 thinks it will be difficult to convince the EU taxpayer that the high grade aristoc(r)ats which comprise several hundred so-called "Commission Senior Experts" earning a generous €14,000 a month should benefit from a €700/month pay rise in just 2 years. But let's try to be positive: with this money, our senior experts will be able to buy a brand new Apple iphone every month (we suggest the gold coloured version) so they have something to play with during the long and tedious meetings they have to endure in the interest of the institution...

⁵ <http://generation2004.eu/wp-content/uploads/2014/06/G2004-Newsletter-no-5.pdf>, page 4.

⁶ Figure valid for Brussels and Luxembourg, where the majority of the staff is based.



Surprise Surprise! Mr. Barroso gets a job in the private sector!

Mr. Barroso, Ms. Kroes, Ms. Reding, how many other top EU officials have moved to the private sector despite the risk of conflict of interest?

The debate is already there for the EU public (see [here](#) for example).

Whether conflict of interest is perceived or real does not matter in the end, it is damaging the reputation of the Commission. Is the Commission ready and willing to act before we lose what's left of political sympathies in the EU? Or is it already too late?

Generation 2004 thinks it is not too late and that the Commission should immediately start working on damage limitation. For that purpose, we ask the Commission to communicate all names of ex commissioners, directors general, directors as well as the names of all those who have had a managerial and/or advisor post in the recent past, i.e. those who are in a situation of possible conflict of interest. This information is already partially available on the internet [here](#) but because it is hidden in a pile of irrelevant bullshit, most people are totally unaware of it.

Let's be transparent, and make available the names of those who are at risk of conflict of interest to the general public, in an open and convincing manner. In our era of wikileaks and the like, transparency usually gives better results and is much more appreciated than being secretive. The Commission does not have anything to hide, does it?



..... *and finally*



G2004 message song of the month (with kind permission) – now click [here](#) sit back, turn up the volume and listen well...

Got any ideas for the G2004 newsletter? [Send](#) them along (with "Newsletter" in subject), together with any letters, articles, poems and other assorted forms of expression.

If you identify with what you have read, and share our objectives, **please give us your support TANGIBLY by becoming a member.** [Click here](#)

Whilst **Generation 2004** is the home of **EVERYONE** who believes in equality, justice and solidarity, it is

✓ **the natural home of ALL staff recruited after 01 May 2004**

and de facto,

✓ **the natural home of ALL staff recruited from the "new" (2004+) Member States**

Contacts:

Lyubomira.NESHEVA@ec.europa.eu

Domen.OSOVNIKAR@ec.europa.eu

Pascal.LE-GRAND@ec.europa.eu

Eckehard.ROSENBAUM@ec.europa.eu

Follow us also (click) on ...



Website

