Salary update: + 1.7%.
Increase in pension contribution: + 0.2%.
Net combined effect: +1.6% on average.

Since 2015, the update of salaries and pensions has once again ensured that they are in line with the salaries of civil servants in the Member States. Past data have shown us that this parallelism roughly leads to a trend comparable to inflation in the long term.

Facts do matter

Before explaining in detail the results of the salary and pension contribution update for 2018, it is worthwhile to recall that the present Method was obtained following several long-term strike actions which took place in the 1980s and 1990s. Union Syndicale was already at that time at the forefront of the fight for an automatic method of salary adjustment, while the Council and other trade unions insisted on an adjustment that would be negotiated each year.

Following several years of salary stagnation, during which staff lost over 12% of their purchasing power (while national civil servants lost less than 4%), one of the few positive results Union Syndicale was able to obtain during the 2014 reform of the Staff Regulations was the introduction of an automatically applied method of adjusting salaries and pensions, leaving no possibility for the Council to change or block the adjustment.

What will happen now?

On the basis of data provided by the Member States and monitored by Eurostat, the latter is required to draft a report on changes in national civil servants' purchasing power in eleven Member States (instead of eight previously), as well as on the inflation in Belgium and Luxembourg, based on national price indices, but also taking into account our spending pattern of expenditure and a breakdown of around 80% - 20% between Belgium and Luxembourg.

The Commission takes note of this report, brings it to the attention of the other institutions and requests that the PMO bring its computer programme in line with it. The new salary scale is then published for information in the "C" series of the *Official Journal* around mid-December, at the time when we receive our payslips with the new amounts.

Why 1.7%?

This percentage corresponds to an inflation rate of 2.1% according to the new artificial Belgium-Luxembourg index and to a decrease in the net purchasing power of national civil servants of 0.4% between July 2017 and June 2018. Losses in purchasing power were recorded mainly in Spain, France and the United Kingdom, while there was an increase mainly in Italy and the Netherlands. The increase achieved by German trade unions was largely absorbed by inflation, with a net increase of only 0.7% in that country.

The +1.7% update, retroactive to 1 July 2018, should already be included in our December salaries.

New pension contribution rate: 10.0%.

Also with effect from 1 July 2018, the pension contribution rate will increase from 9.8% to 10.0%.

This increase is the result of the five-year actuarial evaluation of our pension scheme, which determines the rate necessary to finance one third of our future pensions, the other two thirds being charged to the general budget.

One of the financial assumptions used is the real interest rate calculated over the last 24 years. This rate of 2.9% is also used in the calculation of the transfer of pension rights and will lead to a change in the coefficients used in the calculation of these transfers.

The remuneration adjustment applies to the basic salary and to most allowances and benefits, while pension contributions are due only on the basic salary. The net combined effect of these two adjustments will average +1.6% but will vary according to individual situations.

Union Syndicale hopes that you will take advantage of this salary update and the five-month backpay that will accompany it in mid-December to have a pleasant holiday season.