

COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 31.3.2004
COM(2004) 215 final

Proposal for a

COUNCIL (EC, EURATOM) REGULATION

fixing from 1 May 2004 the correction coefficients applying to the remuneration of officials and other servants of the European Communities in the new Member States

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. PREAMBLE

In accordance with Article 64 of the Staff Regulations, the Council fixes the correction coefficients applicable to the remuneration of officials and other servants of the European Communities.

Outside the European Union, by virtue of Article 11 of Annex X to the Staff Regulations (Serving in a third country), unless the official requests otherwise, the correction coefficient applicable to the remuneration is that for Belgium (100%).

Following enlargement on 1 May 2004, the correction coefficient applicable to remuneration in the new Member States will be that calculated in accordance with Annex XI to the Staff Regulations.

Article 33(4) of the Act of Accession, however, allows the period of application of Annex X to the Staff Regulations to be extended by up to 15 months after accession in the case of officials who remain in service in the new Member States.

Consequently, the correction coefficients will apply to officials and other servants who are assigned to the new Member States from 1 May 2004.

2. CALCULATION OF THE CORRECTION COEFFICIENTS

In accordance with the first indent of Article 1(3), point (a) of Annex XI to the Staff Regulations, Eurostat has determined the economic parities which fix purchasing power parities on 1 July 2003 between the remuneration paid by the European Communities in capital cities and that paid in the reference city, i.e. Brussels.

The correction coefficients in the various countries are directly determined by the ratios between these economic parities and the conversion rates applicable on 1 July 2003.

The economic parities, conversion rates and correction coefficients are set out in the table below.

Correction Coefficients

calculated as at 1 July 2003

Country	Capital city	Economic parity (€1 =)	Conversion rate (€1 =)	Correction coefficient (%)
(1)	(2)	(3)	(4)	(5)
CY	Nicosia	0,516	0,5863	**88,0**
CZ	Prague	28,062	31,600	**88,8**
EE	Tallinn	12,132	15,6466	**77,5**
HU	Budapest	218,000	266,250	**81,9**
LV	Riga	0,493	0,6476	**76,1**
LT	Vilnius	2,678	3,4528	**77,6**
MT	Valletta	0,375	0,4264	**88,0**
PL	Warsaw	3,234	4,4700	**72,4**
SI	Ljubljana	198,480	233,865	**84,9**
SK	Bratislava	34,938	41,690	**83,8**

(5) = (3) / (4)

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

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

Having regard to the Staff Regulations of Officials and the Conditions of Employment of Other Servants of the European Communities, as laid down by Regulation (EEC, Euratom, ECSC) No 259/68[1], as last amended by Regulation (EC, ECSC, Euratom) No …[2], and in particular Articles 63, 64, 65, 65a and 82 of and Annex XI to the Staff Regulations and the first paragraph of Article 20 and Article 64 of the Conditions of Employment,

Having regard to the proposal from the Commission,

Whereas:

(1) The accession of the new Member States on 1 May 2004 means that correction coefficients applying to the remuneration of officials and other servants of the European Communities must be calculated for those Member States in accordance with Annex XI to the Staff Regulations,

HAS ADOPTED THIS REGULATION:

Article 1

With effect from 1 May 2004 the correction coefficients applying to the remuneration of officials and other servants serving in one of the countries or places of employment listed below shall be as follows:

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[1] OJ L 56, 4.3.1968, p. 1.

[2] OJ

CY	Cyprus	88,0
CZ	Czech Republic	88,8
EE	Estonia	77,5
HU	Hungary	81,9
LV	Latvia	76,1
LT	Lithuania	77,6
MT	Malta	88,0
PL	Poland	72,4
SI	Slovenia	84,9
SK	Slovakia	83,8

Article 2

This Regulation shall enter into force on the day following its publication in the *Official Journal of the European Union*.

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

Done at Brussels,

For the Council
The President

FINANCIAL STATEMENT

DATE: 6.1.2004

1.	BUDGET HEADING: A11 – Staff in active employment Part B – Administrative expenditure and receipts for research and agencies				APPROPRIATIONS:
2.	TITLE: Correction coefficients for the new Member States				
3.	LEGAL BASIS: Article 64 of the Staff Regulations				
4.	AIMS: To fix the correction coefficients applicable in the new Member States				
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTHS (€million)	CURRENT FINANCIAL YEAR 2004 (€million)		FOLLOWING FINANCIAL YEAR 2005 (€million)
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHERS	-1,4	-0,9		-1,7
5.1	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-0,2	-0,1		-0,3
		2006	2007	2008	2009
5.0.1	ESTIMATED EXPENDITURE	-2,7	-3,7	-3,7	-3,7
5.1.1	ESTIMATED REVENUE	-0,4	-0,5	-0,5	-0,5
5.2	METHOD OF CALCULATION: Difference between the remuneration with and without correction coefficient				
6.0	CAN THE MEASURE BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				N/A
6.1	CAN THE MEASURE BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				N/A
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				NO
6.3	WILL FUTURE APPROPRIATIONS BE NECESSARY?				NO

COMMENTS:
The correction coefficients are not applicable to the remuneration of RELEX officials who stay on for reasons of service. The calculations are accordingly based on forecasts for the assignment of officials.