COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.3.2004
COM(2004) 192 final

Proposal for a

COUNCIL REGULATION (EC, EURATOM)

fixing from [1 May 2004] the correction coefficients applying to the pensions of officials and other servants of the European Communities

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. BACKGROUND

When the Council took its decision to amend the Staff Regulations on xxx, it decided to discontinue correction coefficients for pension rights acquired after [1 May 2004] and to protect rights acquired before that date by applying specific correction coefficients to pensions on a transitional basis.

In accordance with Article 20 of Annex XIII and Article 3 of Annex XI to the Staff Regulations, the Council fixes the correction coefficients applicable to rights acquired by Community pensioners before [1 May 2004].

In accordance with Article 3 of Annex XI to the Staff Regulations, no correction coefficient is applicable in Belgium and Luxembourg.

2. CALCULATED CORRECTION COEFFICIENTS FOR PENSIONERS

Pursuant to the second subparagraph of Article 1(3)(a) of Annex XI to the Staff Regulations, Eurostat has determined the economic parities which fix purchasing power parities on 1 July 2003 between European Community pensions paid in the Member States and those paid in Belgium, the reference country.

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

In accordance with Article 17 of Annex VII to the Staff Regulations, these correction coefficients are directly applicable to transfers by officials and other staff from [1 May 2004].

The economic parities, conversion rates and calculated correction coefficients for pensions are shown in Table A.

Table A

Calculated correction coefficients for retired officials

as at 1 July 2003

Country	Economic parity (€1 =)	Conversion rate (€1 =)	Calculated correction coefficients for retired officials (%)
(1)	(2)	(3)	(4)
DK	9,659	7,4270	**130,1**
DE	1,021	1	**102,1**
EL	0,895	1	**89,5**
ES	0,945	1	**94,5**
FR	1,063	1	**106,3**
IE	1,121	1	**112,1**
IT	1,035	1	**103,5**
NL	1,038	1	**103,8**
AT	1,071	1	**107,1**
PT	0,898	1	**89,8**
FI	1,150	1	**115,0**
SE	10,010	9,1828	**109,0**
UK	0,7768	0,6901	**112,6**
CY	0,556	0,5863	**94,8**
CZ	21,910	31,600	**69,3**
EE	10,314	15,6466	**65,9**
HU	160,280	266,250	**60,2**
LV	0,384	0,6476	**59,3**
LT	2,209	3,4528	**64,0**
MT	0,350	0,4264	**82,1**
PL	2,666	4,4700	**59,6**
SI	187,260	233,865	**80,1**
SK	27,674	41,690	**66,4**

(4) = (2) / (3)

3. CORRECTION COEFFICIENTS FOR PENSIONERS

Under Article 20(2) of Annex XIII to the Staff Regulations, the correction coefficients are derived as to 80% from the correction coefficients referred to in the first indent of Article 3(5) of Annex XI to the Staff Regulations (those applicable to officials) and as to 20% from the correction coefficients referred to in the second indent of that paragraph (those applicable to pensions).

The correction coefficients applicable to pensions in the various countries are shown in Table B below.

Table B

Correction coefficients for retired officials

Applicable from 1 May 2004

Country (1)	Correction coefficients for officials (2)	Calculated correction coefficients for retired officials (3)	**Correction coefficients for retired officials** (4)
DK	135,7	130,1	**134,6**
DE	101,7	102,1	**101,8**
EL	91,4	89,5	**100,0**
ES	98,5	94,5	**100,0**
FR	119,1	106,3	**116,5**
IE	123,3	112,1	**121,1**
IT	106,9	103,5	**106,2**
NL	115,1	103,8	**112,8**
AT	107,0	107,1	**107,0**
PT	90,6	89,8	**100,0**
FI	120,6	115,0	**119,5**
SE	116,7	109,0	**115,2**
UK	139,6	112,6	**134,2**
CY	88,0	94,8	**100,0**
CZ	88,8	69,3	**100,0**
EE	77,5	65,9	**100,0**
HU	81,9	60,2	**100,0**
LV	76,1	59,3	**100,0**
LT	77,6	64,0	**100,0**
MT	88,0	82,1	**100,0**
PL	72,4	59,6	**100,0**
SI	84,9	80,1	**100,0**
SK	83,8	66,4	**100,0**

(4) = 80% x (2) + 20% x (3) Minimum: 100

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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, as laid down by Regulation (EEC, Euratom, ECSC) No 259/68[1], as last amended by Regulation (EC, Euratom) No …[2], and in particular Articles 63, 64, 65, 65a, 82 of and Annexes XI and XIII to those Regulations and the first paragraph of Article 20 and Article 64 of those Conditions of Employment,

Having regard to the proposal from the Commission,

Whereas:

(1) Application of Article 20(1) of Annex XIII to the Staff Regulations requires correction coefficients for the pensions paid in the Member States to be fixed.

(2) These correction coefficients are to apply immediately to the transfers mentioned in Article 17 of Annex VII.

(3) Application of Article 20(2) of Annex XIII requires a weighted average composed as to 20% by these correction coefficients and as to 80% by the correction coefficients applicable to the remunerations paid to officials in the [capitals of the] Member States.

HAS ADOPTED THIS REGULATION:

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1 OJ L 56, 4.3.1968, p. 1.

2 OJ …, …, p. 1.

Article 1

1. With effect from [1 May 2004], pursuant to Article 17(3) of Annex VII, the correction coefficients applicable to transfers by officials and other servants to one of the following countries shall be as follows :

Denmark	130,1
Germany	102,1
Greece	89,5
Spain	94,5
France	106,3
Ireland	112,1
Italy	103,5
Netherlands	103,8
Austria	107,1
Portugal	89,8
Finland	115,0
Sweden	109,0
United Kingdom	112,6
Cyprus	94,8
Czech Republic	69,3
Estonia	65,9
Hungary	60,2
Latvia	59,3
Lithuania	64,0
Malta	82,1
Poland	59,6
Slovenia	80,1
Slovakia	66,4

2. With effect from [1 May 2004], the correction coefficients applicable pursuant to Article 20(2) of Annex XIII to the Staff Regulations shall be as follows:

Denmark	134,6
Germany	101,8
Greece	100,0
Spain	100,0
France	116,5
Ireland	121,1
Italy	106,2
Netherlands	112,8
Austria	107,0
Portugal	100,0
Finland	119,5
Sweden	115,2
United Kingdom	134,2
Cyprus	100,0
Czech Republic	100,0
Estonia	100,0
Hungary	100,0
Latvia	100,0
Lithuania	100,0
Malta	100,0
Poland	100,0
Slovenia	100,0
Slovakia	100,0

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: 6.2.2004

1.	BUDGET HEADING: A10 and A11 remunerations and A 19 pensions				APPROPRIATIONS:
2.	TITLE: Correction coefficients Pensions				
3.	LEGAL BASIS: Annexes XI and XIII to the Staff Regulations				
4.	AIMS: To fix the correction coefficients applicable to pensions				
5.	FINANCIAL IMPLICATIONS	PERIOD OF 12 MONTH (EUR million)	CURRENT FINANCIAL YEAR 2004 (EUR million)	FOLLOWING FINANCIAL YEAR 2005 (EUR million)	
5.0	EXPENDITURE - CHARGED TO THE EC BUDGET (REFUNDS/INTERVENTION) - NATIONAL AUTHORITIES - OTHERS	-15,0	-10,0	-23,5	
5.1	REVENUE - OWN RESOURCES OF THE EC (LEVIES/CUSTOMS DUTIES) - NATIONAL	-0,3	-0,2	-0,5	
		2006	2007	2008	2009
5.0.1	ESTIMATED EXPENDITURE	-33,6	-43,9	-53,7	-60,4
5.1.1	ESTIMATED REVENUE	-0,9	-1,4	-2,0	-2,2
5.2	METHOD OF CALCULATION: Difference between the cost of the correction coefficients for officials and the estimated correction coefficients for pensioners for the estimated number of pensioners each year.				
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 BUDGET APPROPRIATIONS BE NECESSARY?				YES NO
COMMENTS: The calculation takes account of the extra saving derived from the removal of correction coefficients for rights acquired after [1.5.04], and the extra saving derived from the limitation of transfers.					