

Subject: Housing allowance for Luxembourg

The representative organisations wish to draw attention to the continuing deterioration in the cost of living and to denounce the difficulties relating to the attractiveness of the Luxembourg site that have been observed for several years and that weigh on the recruitment capacities of the staff of the 'European Union.

The Commission had ordered an external study (AIRINC)^[i] that was submitted on the 26 September 2019. This document presents its methodology, the figures recorded as well as several options to remedy the cost-of-living differential between Brussels and Luxembourg.

This study shows significant disparities between the cost of housing in the Luxembourg area and the cost of real estate in Brussels, which the current system does not consider.

The study carried out by AIRINC for the European Commission confirms the significant problem of purchasing power disparity, which in 2019 stood at 10.5%. The solutions planned by AIRINC are geared more towards the introduction of a housing allowance; the introduction of a correction coefficient is openly criticized elsewhere.

"A single cost of living adjustment in Luxembourg does not align with the typical practice of other international organisations and multinationals.

Benchmark practice is to pay an allowance for housing costs based on the location the assignee lives"^[ii]

Our organisations reaffirm their willingness to leave the Staff Regulations unchanged. We are fully aware of the disastrous consequences that a new reform of the Staff Regulations would have as regards salaries and other allowances and in particular expatriation allowance, career possibilities, pensions. In this regard, it is important to remember that the European Court of Auditors judges the results of the reform of the Statute of 2014 very negatively.

After making numerous contacts with the Human Resources Directorate of the European Commission, **the signatory organisations request the opening of a consultation**, in the context of the provisions in force.

This consultation should focus on the aforementioned problems concerning the staff assigned to Luxembourg and the solutions to be considered with constant status, in particular with regard to the establishment of a housing allowance, its legal framework, adaptation mechanisms, etc.

Latest [news](#): The CALUX (group of Heads of Administration of the various Institutions plus the EIB based in Luxembourg) would intend to propose an allowance (250 € for salaries below 2,500 €) which would only help an extremely limited number of colleagues (a few dozen) effectively impacted by the high cost of housing.

The representative signatory organisations



Margarida BRITES NUNES
Georges VLANDAS
U4U



Emilio DI MEGLIO
Reza FARDOOM
Cristiano SEBASTIANI
Alliance



Nicolas MAVRAGANIS
USF



Cristiano TESSITORE
Stafakis STEFANIDIS
FFPE

^[i] <https://myintracomm.ec.europa.eu/NewsPortal/Documents/2019/study-cost-of%20living-eu-staff-luxembourg-final-report-26-09-2019.pdf>

^[ii] Study [AIRINC](#), page 19