



LOWER SALARIES INDEXATION MECHANISM IN THE EUROPEAN PARLIAMENT – WHAT DOES IT ENTAILS?

We wrote in our previous newsletter about it. As a reminder, Luxembourg applies salary indexations following the inflation. Two already took place this year and more are foreseen before year-end, even if in an adapted manner in practice (benefiting more to lower salaries and less to higher ones for some public employers).

We also informed you about a similar system within the European Institutions and EU Bodies based in Luxembourg. It benefits to (almost) all direct employees that are under the national minimum salary. One should rather talk about systems (plural) as each Institution and EU Bodies have the freedom to financially compensate the targeted colleague in the proportion and way they wish. The system of the European Parliament just changed.

To make a long story short, the European Parliament is now not anymore taking into account the full income of each agent into the calculation of the eventual additional income. It excludes all allowances (including expatriation or foreign residence allowances) from the calculation of this compensatory allowance which is potentially more interesting for the colleagues at the EP.

Let us be reminded that out of the existing compensatory systems, the one of the Commission is de facto the least interesting one. It means that that an eligible colleague (under the minimum national salary) of a given grade (Officials, temporary or contract Agent) would not receive the same compensation depending on whether he/she works for Institution X or Y. Now that the Parliament is changing its calculation basis, the gap of financial compensation will increase, again for the same job at the same grade. This will feed colleagues frustration and enhance the competition amongst Lux based Institutions and will definitely not solve the Luxembourg attractiveness issue. Let us also be reminded that such the obvious streamlining of EU minimum salary adaptation methods is not even part of the famous [12 measures for the attractiveness of the Luxembourg site](#).

It is important to document what we are talking about. You will find herewith the tables ([Temporary Agents and Officials](#), [Contractual Agents](#)) indicating you which (basis) salaries are under the national minimum wages as off 01/04/2023. They are coming from another organisation (EPSU-CJ) member of our Federation ([USF](#)) and operating at the Court of Justice. The Court which has one of the aforementioned different compensation systems.

The EU based Institutions and bodies seem not to know what to do to effectively to tackle the attractiveness problem. Each one tries to do the best they can to keep their personnel or attract them with better conditions. The moral hiccup is that it affects is our lower paid colleagues. Quite a shame honestly!

USFL always on deck!

[Salaries-and-indexation-in-Luxembourg](#) (newsletter 03/2023)

[European Salary below the Luxembourg minimum – minimum involvement of institutions](#)
(19/01/2021)