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## Intermediate and final salary adjustment for 2023

Since 2014, the adjustment of salaries and pensions has been automated by the Staff Regulations and, in particular, by its Annex XI (the 'method'). It is linked to wages evolution in the public sectors of several (9) Member States deemed representative. Adaptation applies on an annual basis but may also be applied in the course of the year when inflation is high. Surely, you remember the interim and final adjustments of 2022 as well as this year's interim adjustment. You may also be aware of the slowdown in price inflation in recent months. So what is going happen now? **+**

The method includes a parallelism between our salaries and those of European public sectors. If these increase overall, your salary will be increased. If they fall overall, your salary will be reduced as well. Beyond this parallelism, the method takes into account the calculated (past and assumed) inflation, which is a logical criterion used to adjust wages (automatically or by ad hoc political decision) in Western countries. This is about the (relative) guarantee that your purchasing power is adapted.

Last year, high inflation mechanically triggered an intermediate increase in your salaries in July. As inflation lasted, your salary was adjusted at the end of the year too. This year, the interim adjustment was also triggered due to the continued inflation.

The recent decrease of the price of certain goods (desinflation) thus raises the question: What will happen at the end of this year in view of the deflation. Will my salary decrease? Let us recall that, as a rule, yes, this is possible in order to recover any overpayment by the intermediate adjustment.

Our latest information suggests that the total inflation in the reference year will be slightly positive, and that our salaries and pensions are not expected to fall at the end of 2023. Verdict end of October.

It is true that the method does not compensate for the loss of purchasing power felt, especially for our colleagues with the lowest salaries and in view of the higher cost of living in Luxembourg. However, it should be reminded that the method also protects us from political decisions influenced by purely populist considerations, that in the past (2011 and 2012) have led to a significantly greater impact on our incomes.

USFL always on deck!

- News: [POSITIVE ANNUAL SALARY ADJUSTMENT AND STABLE CONTRIBUTION TO THE PENSION SYSTEM](#) (17/11/2022)
- Tract: [Salary adjustment: the method, only the method, the whole method](#) (13/10/2022)
- Leaflet: [The method, a bullet against the effects of record inflation](#) (02/05/2022)
- Leaflet: [update of remuneration](#) (29/11/2021)