



EUROPEAN COMMISSION
OFFICE FOR THE ADMINISTRATION AND PAYMENT OF INDIVIDUAL
ENTITLEMENTS

PMO/1 - Salaries and Administration of individual rights

Brussels,
PMO.1/HB - ARES (2016)

INFORMATION NOTE FOR NEWCOMERS IN THE AGENCIES

Subject: Your Future Entitlements and Salary Information

The purpose of this note is to give you some initial information on what entitlements you will have over and above your basic salary when you start work. Your individual situation will be discussed with you when you enter into service. Unfortunately your entitlements cannot be communicated prior to this date, as supporting documents to be provided at your entry into service have to be reviewed to determine your entitlements.

The financial entitlements are governed by the EU Staff Regulation. Under this Regulation, certain individual entitlements can be granted on top of your basic salary if you have dependent family members or to compensate for the costs related to your entry into service.

Below you will find a short overview of the different entitlements, which is intended to give you some guidance as to what you may be entitled to, as well as basic information related to your salary and its payment.

1. MAIN ELEMENTS OF YOUR SALARY

Your salary of the month M is calculated at the latest between the 20th and 23th of the month M-1. All the rights validated after this date will not be taken into account until the month M+2.

It takes into account the basic salary that corresponds to your grade and grade step (see your work contract), the family allowances, compensations, taxes and social contributions.

This salary is impacted by a weighting factor to take into account the cost of living in your place of employment. For example, the amount paid in the UK is superior to the amount paid in Belgium (weighting factor 100). The impact of the weighting factor (positive or negative compared to Belgium) is calculated globally in the pay. The exchange rate for non euro currencies countries and the weighting factors are generally fixed once a year based on statistics established by Eurostat. The new values are applicable from the 1st of July each

year and their impact is calculated at the same time as the December salary slip of the same year.

2. FAMILY ALLOWANCES

For dependent children, you are entitled to three types of family allowances, each granted monthly:

- **Household allowance:** One allowance per household of € 176.01 + 2% of your basic salary. If you have no dependent children but are married or in a partnership recognised as equivalent to marriage (specific conditions apply), you can be granted the household allowance if the income of your spouse stays below a set threshold.
- **Dependent child allowance:** One allowance per child of € 384.60. Children up to the age of 26 can be recognised as dependent child. As of the age of 18, this recognition is dependent on the child receiving educational or vocational training.
- **Education allowance:** One allowance per child, the amount of which will vary according to the type of educational training of your child, as follows:
 - ✓ Pre-school allowance: a flat rate amount of € 93.95 per child for children up to the age of 6 who have not yet started primary school.
 - ✓ Education allowance for primary and secondary education: reimbursement of certain school costs up to a threshold of € 260.95 per child. This monthly amount can be doubled if you are employed at a site where there is no European school.
 - ✓ Education allowance for higher education: a flat rate amount of € 260.95 per child, or double that amount if the child is studying abroad or at a distance of at least 50 km from where you work, this latter condition applies if you are entitled to the expatriation allowance (see below).

The statutory provisions (article 67 §2 and article 68 § 2 of the Staff Regulations) foresee rules against the over-lapping of all family allowances received from other sources whose existence officials and other agents are required to declare to the Administration; such allowances will be deducted from those paid by the European Union.

All spouses, former spouses and third persons with a dependent child who are entitled to national family allowances are **requested** to assert their right to the competent authorities by submitting a request to their national fund for family allowances.

Every recipient of statutory family allowances (household allowance, dependent child allowance, school allowance) with children or a spouse for whom family allowances of like nature (national, international organisation such as UN, NGO, etc.) are paid or should be paid (be it to the official/agent himself, to his/her spouse, former spouse, a third party or a dependent child) are requested to communicate to the Administration the amount of the family allowances received from other sources as well as any subsequent changes.

A **tax abatement** is granted for dependent children. No tax abatement is granted for a dependent spouse.

3. EXPATRIATION OR FOREIGN RESIDENCE ALLOWANCE

You may be considered as an expatriate and thus be entitled to an **expatriation allowance of 16 %** calculated on your basic salary, household allowance and dependent child allowance (if entitled).

You would be considered as an expatriate if:

- you do not have and have never had the nationality of the place of your employment and have not been habitually resident or working in the country of employment during the reference period of 5 years ending 6 months before your entry into service. Work for another State or an international organisation is not taken into account for the calculation of the reference period;

- you have or have had the nationality of your place of employment and did not have your habitual residence in the country of nationality in the reference period of 10 years prior to your entry into service. If you were absent from the country of nationality in the context of work for a State or international organisation, this absence will not be taken into account.

The concept of habitual residence or habitual place of employment is determined in accordance with the case law on the expatriation allowance.

If you have been habitually resident or working in the country of employment during the whole duration of the reference period of 5 years ending 6 months before the entry into service, but do not have and have never had the nationality of your place of employment, you will be entitled to the **foreign residence allowance of 4 %** (instead of the expatriation allowance) calculated on your basic salary, household allowance and dependent child allowance (if entitled).

It is compulsory to declare your actual or past nationality in order to ensure the correct determination of your rights.

Moreover any change of nationality during your career must be declared to the Administration because this change can have an impact on your statutory rights. The nationality from the official place of employment can have an impact on the right of the expatriation (16%) or foreign residence allowance (4 %).

4. COMPENSATION FOR COSTS RELATED TO YOUR ENTRY INTO SERVICE

If you have to change your place of residence upon entry into service in order to be able to come to work on a daily basis, you may be entitled to the following compensations:

- **Travel costs:** You are entitled to the reimbursement of the travel costs for yourself and the members of your household from the place from where you were recruited to the place of work (flat rate based on the distance).
- **Daily subsistence allowances:** a flat rate amount is payable per day to compensate you for the costs and inconveniences of settling in at the place of work on a provisional basis. The period over which the daily allowances can be granted depends on your situation (duration of the contract, on probation or not, dependent family members or not), but ends in any case at the date of your removal.

- **Installation allowance:** You are entitled to a flat rate amount corresponding to one month's basic salary to compensate for the costs of permanent settlement at the place of work. The installation allowance is paid after your probation period is completed. If your family members move with you, a second installation of the same amount (one month's salary) can be paid if the family settles within one year of the end of the probationary period.
- **Reimbursement of removal costs:** If you have a work contract of at least one year, you are entitled to the reimbursement of the costs for the removal of your personal effect from your **place of recruitment** to your **place of assignment**.
- The reimbursement of removal costs is subject to prior authorization. Moving expenses are reimbursed within the limits of a ceiling taking into account your family situation and the geographical distance. Insurance and VAT are included in the ceiling. Please note that any move made before taking up duty or without authorization from PMO will not be refunded. Please also note that if you get a per diem, they will be stopped on the day of the unloading of your furniture.

5. REIMBURSEMENT OF OTHER COSTS

The Staff Regulations indicates that the annual travel costs calculation of the distance between the place of your work and your place of origin is now made on a straight-line basis for the agent who have right to the foreign allowance or to the expatriation allowance. This amount is calculated depending on the distance and is paid for the agent, his husband/wife and the persons in his charge. If the husband/wife is working in the Institutions it will not be included in the payment.

Concerning the children, when both parents are working in the institutions they can be freely attributed to this right for either parent based on a joint request.

6. DEDUCTION FROM YOUR SALARY

A number of deductions will be made from your salary each month, including:

- > Sickness Insurance: 1.7 % of your basic salary
- > Accident Insurance: 0.1 % of your basic salary
- > Pension Contribution: 10.1 % of your basic salary
- > Tax deduction: the tax deduction is levied progressively at a rate of between 8% to 45 % of the taxable portion of your salary. It is calculated based on all the factors of the salary and on the number of dependants you have in your charge.
- > Solidarity levy: the solidarity levy is set at 6 %. The levy is set at 7 % as of grade AD 15, step 2.
- > Unemployment insurance: 0.81 % of your basic salary (for temporary and contract staff only)

7. THE PAYMENT OF YOUR SALARY INTO YOUR BANK ACCOUNT

The salary is paid on the 15th day of each month for the current month. Bank accounts have to be validated before the salary can be paid on them. Since it may take up to three weeks before the validation process is completed, it is best to submit the necessary documents before your entry into service.

Since we require two or three weeks to complete the procedures in order to pay you, we advise you to send as quickly as possible by email to the human resources of your agency the duly completed financial identification and legal entity forms (annexes 1 and 2) using latin characters and with the appropriate supporting documents : a copy of your passport or ID card and a detailed bank account form.

Whatever your date of arrival, you will only receive a salary slip for the month following your entry into service with all your salaries from the start of your activity and with the deduction of an advance payment.

8. CHANGE OF YOUR SALARY ACCOUNT

Should you change your bank account, we would advise you to wait for the first payment to arrive on the new account before closing the old one.

9. PAYMENT OF THE SALARY

You can ask to receive your salary in a European Union Member State other than your place of employment. In this case, the payment can only be made in euro, article 17.1 of Annex VII of the Staff regulations with the impact of the weighting factor of your place of employment, and the bank account indicated will be considered as your principal bank account.

The reimbursement of your medical and mission costs are also paid to your principal bank account.

If your place of employment is outside the euro zone and you want to be paid in euros, you must put this in an e-mail addressed to the human resources of your agency when you send the financial identification form for your new bank account. The change will come into effect within three weeks of your request. Please note that any conversion costs or management costs on your bank account in a non-euro Member State are not taken into account by the administration.

10. FREE TRANSFER

You can request by email to the human resources of your agency to transfer part of your salary (maximum 25% of your basic salary) to another European Union Member State (Annexe 3). It is not possible to request a transfer to the same country where your salary is paid. In addition, it is only possible to make one, unique, free transfer on any given period.

11. TRANSFER OF SCHOOL ALLOWANCES

If your child is studying outside your place of employment in a European Union Member State where the weighing factor is higher than the one applied at your place of employment, you can request the transfer of the school allowances to a bank account in the country where your child studies and benefit of the positive impact of the weighting factor in that country (Annex 3).

This request cannot be backdated.

12. FURTHER INFORMATION

You can consult the EU Staff Regulation and the Conditions of Employment of Other Servants (CEOS) via the following link: http://ec.europa.eu/civil_service/index_en.htm.

It may take some time before your file is fully in order: until such time, you will be paid the basic salary. The payment of all entitlements, once confirmed, is then backdated to the date of entry into service.

Questions related to the payment of your salary and to your entitlements will be discussed during the individual interview with a member of the entry into service team, the date and time of which will be communicated to you on your first day at work. For practical reasons, it is not possible to reply to any questions before that meeting.

We strongly advise that you keep all your payslips, work contracts, and certificates of activity until after your retirement because these can be useful justifications for you for many reasons e.g. rights to the pension, fiscal control, inheritance etc.

We wish you all the best in your career in the European institutions.



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Enclosures:

- 1/.Legal entity
- 2/.Financial identification
- 3/.Transfert request