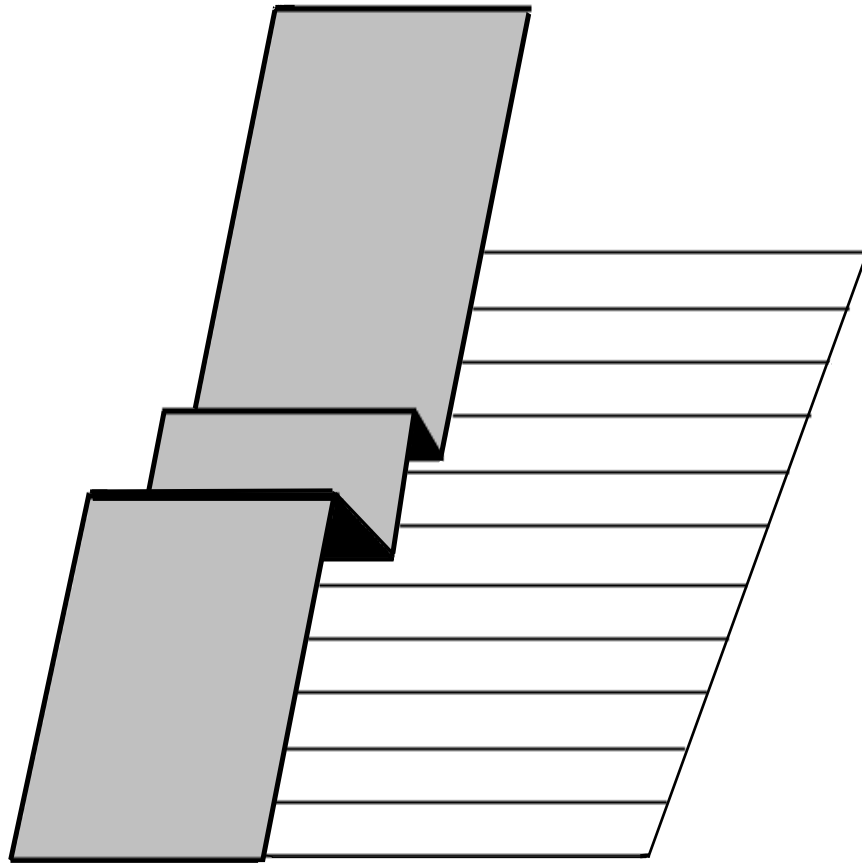


Appendix 1a

Appendix 1a to the Eurostat Report on the Annual Adjustment of Remuneration and Pensions

Explanations and statistical analyses:
correction coefficients

Reference period:
Year to 1 July 2015



October 2015

Statistical Office of the European Union
Unit C3, Statistics for administrative purposes
Luxembourg

CONTENTS

1. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS IN THE MEMBER STATES	30
1.1 Economic parities, exchange rates and correction coefficients.....	30
1.2 Economic parities	31
1.3 Rents and rent parities	32
1.4 Purchasing power parities – analysis of results.....	40
1.4.1 Major changes in the economic parities from 2014 to 2015	40
1.4.2 Impact of changes in the expenditure weights	40
1.4.3 Impact of new parities derived from price surveys	41
1.4.4 Impact of new healthcare parities	42
1.4.5 Impact of new education parities	42
1.4.6 Impact of indexation	42
1.4.7 Impact of new rent parities.....	43
2. EQUIVALENCE OF PURCHASING POWER OF EU PENSIONERS IN THE MEMBER STATES ...	48
2.1 Economic parities and correction coefficients	48
2.2 Purchasing power parities for pensioners - analysis of results	53
2.2.1 Main changes in the economic parities from 2014 to 2015	53
2.2.2 Impact of rents on the overall parity for pensioners.....	54
2.3 Comparison of correction coefficients for active staff and pensioners	56
3. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS OUTSIDE THE EUROPEAN UNION.....	58
3.1 Economic parities and correction coefficients	58

INTRODUCTION

This document is an appendix to the 2015 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning correction coefficients for staff and pensioners are presented in the main report, the purpose of this appendix is to give some explanations and statistical analyses of the results as well as detailed tables with statistical information.

Chapters 1, 2 and 3 of this document examine respectively:

- the economic parities and correction coefficients for staff (Intra-EU);
- the economic parities and correction coefficients for pensioners;
- the economic parities and correction coefficients for staff (Extra-EU).

With the exception of the information about consumption expenditure pattern data which is compiled by Eurostat from direct surveys of staff, and a direct survey of international schools, all calculations and figures presented in this appendix relating to correction coefficients are based on Intra-EU data supplied by the responsible national authorities. Corresponding data for Extra-EU duty stations is obtained from responsible national authorities coordinated by Eurostat under the European Comparison Programme (ECP), or collaboration with the International Section on Remuneration and Prices of the Coordinated Organisations (CO.ISRP) and the United Nations International Civil Service Commission (UN.ICSC).

More information about methodology can be found in the detailed procedural manuals¹⁴.

For any information concerning this report, please contact the Eurostat Remuneration Team in Luxembourg:

*Eurostat, Unit C3
Statistics for Administrative Purposes
BECH – A2/004,
L-2920 Luxembourg
Tel.: (352) 4301-33659
Email: estat-a64ia65@ec.europa.eu*

¹⁴ Op cit (4) Doc.A6465/14/59rev, Doc.A6465/14/60rev

1. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS IN THE MEMBER STATES

1.1 Economic parities, exchange rates and correction coefficients

The correction coefficients applicable to the salaries of the European institution officials working in the capitals and places of employment other than Brussels and Luxembourg, which are calculated for the month of July, are determined on the basis of the relationships between the economic parities and the exchange rates fixed by the Commission and specified in the Staff Regulations for the relevant countries.

The correction coefficient operates as a percentage adjustment to salaries to take account of the cost of living differences between Brussels and the various duty stations. Changes in correction coefficients from one year to another are therefore a component of the annual adjustment of remuneration. However, as salaries are first expressed in Euros, then converted to local currency using exchange rate before being multiplied by the correction coefficient, it is clear that the exchange rate effect cancels out and the relevant factor is any change in the economic parities. If a correction coefficient changes due solely to a change in the exchange rate (ie. there is no change in the economic parity), then local purchasing power will not be impacted. This is illustrated in the worked example below:

Numeric example (constant parity, fluctuating exchange rate)	
t_0 :	1000 EUR x ER 9.196 x CC 127.5% (ie. PPP 11.73 ÷ ER 9.196) = 11725 local which is essentially the same as 1000 EUR x PPP 11.73 = 11730 local (with slight rounding effect)
t_1 :	1000 EUR x ER 9.245 x CC 126.8% (ie. PPP 11.73 ÷ ER 9.245) = 11723 local which is essentially the same as 1000 EUR x PPP 11.73 = 11730 local (with slight rounding effect)

1.1.1 Major changes in the correction coefficients from 2014 to 2015

The simple average change for all duty stations in the correction coefficient for the period under review was -1.6%. The maximum increase was +10.7%. The maximum decrease was -7.9%. The following table summarises the movement in correction coefficients of EU officials for the period July 2014 – July 2015:

Range		Duty stations
$X < -5\%$	3	BG, EL, RO
$-5\% \leq X < 0\%$	22	CZ, DK, DE ^{Ber} , DE ^{Bon} , DE ^{Kar} , DE ^{Mun} , EE, ES, FR, HR, IT ^{Rom} , IT ^{Var} , CY, LV, LT, HU, AT, PL, PT, SI, SK, FI
$0\% \leq X < 5\%$	3	IE, MT, NL, SE
$5\% \leq X$	2	UK ^{Lon} , UK ^{Cul}
Total	31	excluding Brussels and Luxembourg

For those Member States which are not in the Eurozone, the impact of exchange rate fluctuations relative to the Euro on the global correction coefficient was as follows: BG 0.0%,

CZ -0.8%, DK 0.0%, HR +0.2%, HU +1.9%, PL +0.9%, RO +2.3%, SE +0.5% and UK +11.4%.

1.2 Economic parities

The object of the economic parities is to compare the relative cost of living of European officials in Brussels (reference city) and in each of the capitals and other places of employment for which a correction coefficient has been set. The method used is to compare the price of a "basket" of goods and services purchased by the average official in Brussels with the price of the same basket in each of the other places of employment. The average of all the price ratios is the "economic parity".

The system works as follows: the total range of goods and services constituting the consumption of the average European institution official is divided into 80 basic headings (such as meat, footwear, electricity supply, motor cars, telephone communications, books). A price ratio between the place of employment and Brussels is established for each of these headings; this is called the basic parity. Price surveys are conducted on products selected to represent the basic heading and specified in the necessary detail to enable prices in a sufficiently narrow range to be collected.

The Staff Regulations require each basic parity to be checked by direct survey at least once every five years. In practice checks are carried out at shorter intervals as part of the European Comparison Programme (ECP). Specific methodologies apply for the calculation of parities relating to delivery of healthcare services and delivery of education services. At each annual salary review around one third of the basic price parities are replaced by new parities produced by the latest price surveys.

The 80 basic parities are then updated using the ratio between the harmonised index of consumer prices (HICP) for the country in which the place of employment is located and the Joint Brussels-Luxembourg Index of consumer prices (JBLI).

Housing is dealt with differently. Special rent surveys of estate agents are carried out each year at each place of employment, including Brussels, to calculate an economic parity for the basic heading "accommodation costs for tenants". The calculation follows a methodology that has been developed by Eurostat in collaboration with the national statistical institutes of the Member States, based on the principle that the parity used should be calculated in such a way to allow European institution officials outside Brussels to live in dwellings of comparable quality to those occupied by European institution officials in Brussels. The basic parity "accommodation costs of owner-occupiers" is calculated by reference to the rent the owner-occupiers would pay if they were tenants (these are known as "imputed rents").

In order to calculate the overall economic parities weights have to be applied to each basic heading according to its relative importance in the consumption basket. These weights are calculated directly from the results of the special family budget surveys conducted among European and international civil servants every five to seven years. The resulting structure reflects the consumption of the average international civil servant in Brussels and in each country or place of employment.

Using the 80 basic parities and the specific weights the overall parity is calculated in two ways: the first uses the consumption pattern for the reference city (Brussels) (this is a type of Laspeyres index); the second uses the consumption pattern for the place of employment (this is a type of Paasche index). In accordance with the standard practice for international

comparisons both types of index are calculated and the geometric mean of the results (the Fisher index) is used as the economic parity.

The details of the economic parities calculation, at the level of 12 main consumption groups, are shown in **Table 4.1** for all capitals and other places apart from Brussels and Luxembourg.

In recent years there has been repeated discussion about greater access to detailed information below the level of the 12 main consumption groups. An approved list of analytical categories has been developed for Article 64 correction coefficient purposes within the applicable constraints of data quality and sensitivity regarding source data. This list includes the 12 main COICOP groups, and adds a selection of basic headings and interim aggregates. In total there are 35 analytical categories. This data is made available to the annual meeting of the Working Group on Articles 64 & 65 of the Staff Regulations, who then take a decision about wider dissemination.

1.3 Rents and rent parities

Changes in the rent parities are provided in the **Table 4.2** which shows also the average rents by type of dwelling on which the calculation is based. The average rents used to compute the rent parities are in fact weighted moving averages, based on a six-year model, to take into account the average occupancy length, which is estimated to be six years. Any annual updating of rents during the life of the typical lease is included in the model by using the appropriate adjustment indices.

Table 4.1 (page 1 of 3)
Economic parities of the 12 main expenditure groups for each duty station
at 1st July 2015
(for staff)

Expenditure Groups	BE	BG-Sofia		CZ-Prague		DK-Copenhagen		DE-Berlin		DE-Bonn		DE-Karlsruhe	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	149.1	1.315	128.3	20.05	122.5	9.356	108.8	0.987	108.8	0.987	108.8	0.976
2	20.3	27.4	1.318	26.9	23.32	25.7	9.470	17.7	0.842	17.7	0.842	17.7	0.901
3	54.3	56.4	1.450	45.0	23.34	43.0	8.075	53.6	0.866	53.6	0.866	53.6	0.903
4	297.6	252.1	0.7720	309.4	23.87	340.7	11.85	272.5	1.044	272.5	0.931	272.5	0.920
5	74.7	77.7	1.038	69.9	17.84	66.7	8.098	85.6	0.899	85.6	0.905	85.6	0.865
6	19.2	12.6	0.6825	13.8	12.55	13.2	9.035	16.8	0.901	16.8	0.900	16.8	0.884
7	127.2	121.7	1.283	128.5	20.16	122.7	9.521	156.0	1.047	156.0	1.058	156.0	1.047
8	21.5	22.2	0.8768	16.7	19.79	16.0	6.120	15.8	0.769	15.8	0.763	15.8	0.762
9	91.7	102.9	1.230	106.5	19.86	101.7	9.210	110.4	1.028	110.4	1.023	110.4	0.984
10	14.7	12.7	0.3819	15.3	10.21	14.6	4.910	19.8	0.608	19.8	0.565	19.8	1.032
11	100.6	104.5	0.7851	87.9	12.92	83.9	9.983	94.4	0.864	94.4	0.862	94.4	0.874
12	50.0	60.9	1.380	51.5	21.40	49.2	10.32	48.6	0.909	48.6	0.900	48.6	0.940
Rents	237.1	203.0	0.7790	265.4	24.84	298.7	12.28	211.2	1.041	211.2	0.897	211.2	0.890
Total without rents	762.9	797.1	1.097	734.6	18.64	701.4	9.080	788.8	0.946	788.8	0.946	788.8	0.953
Global parity	1000.0		1.020		20.01		9.836		0.966		0.934		0.938

Expenditure Groups	BE	DE-Munich		EE-Tallinn		IE-Dublin		EL-Athens		ES-Madrid		FR-Paris	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	108.8	0.987	135.3	0.823	85.1	1.012	142.1	0.916	120.8	0.828	123.1	0.985
2	20.3	17.7	0.842	28.4	0.985	19.7	1.677	28.7	1.072	22.8	0.811	18.7	0.974
3	54.3	53.6	0.867	47.5	0.946	55.5	0.792	48.8	0.805	40.6	0.868	57.9	0.957
4	297.6	272.5	1.341	271.9	0.731	223.8	1.634	189.7	0.753	244.0	0.985	294.4	1.592
5	74.7	85.6	0.915	73.7	0.775	95.6	0.884	109.2	0.719	91.5	0.870	69.3	0.959
6	19.2	16.8	0.889	14.6	0.628	21.3	1.410	19.7	0.649	17.0	0.841	9.0	0.837
7	127.2	156.0	1.045	135.5	0.831	165.5	1.108	142.2	0.932	135.6	0.963	131.3	1.059
8	21.5	15.8	0.769	17.6	0.451	14.6	1.101	23.1	0.931	20.3	0.940	16.5	0.789
9	91.7	110.4	1.047	112.3	0.960	135.1	1.027	96.8	0.884	96.4	0.981	90.2	1.057
10	14.7	19.8	0.849	16.2	0.298	48.4	0.620	19.8	0.443	38.4	0.695	30.4	0.644
11	100.6	94.4	0.952	92.7	0.746	63.8	1.088	118.7	0.678	119.2	0.785	107.5	1.055
12	50.0	48.6	0.938	54.3	0.815	71.6	1.316	61.3	0.740	53.4	0.896	51.7	1.064
Rents	237.1	211.2	1.451	225.5	0.766	185.3	1.721	138.9	0.793	200.9	1.065	244.2	1.759
Total without rents	762.9	788.8	0.968	774.6	0.784	814.7	1.054	861.1	0.802	799.1	0.862	755.8	0.999
Global parity			1.060		0.780		1.166		0.799		0.902		1.146

Table 4.1 (page 2 of 3)
Economic parities of the 12 main expenditure groups for each duty station
at 1st July 2015
(for staff)

Expenditure Groups	BE	HR-Zagreb		IT-Rome		IT-Varese		CY-Nicosia		LV-Riga		LT-Vilnius	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	161.0	6.402	123.4	1.032	136.7	1.144	151.6	0.927	131.4	0.770	132.5	0.714
2	20.3	29.6	7.199	20.0	1.048	20.9	0.936	27.8	1.006	27.6	0.954	27.8	0.854
3	54.3	60.9	5.648	48.9	0.978	47.3	0.950	57.3	0.831	46.1	0.921	46.5	0.903
4	297.6	192.3	5.733	242.0	1.076	219.8	0.784	239.4	0.541	292.6	0.779	286.7	0.690
5	74.7	84.0	5.091	96.0	0.961	92.6	0.963	79.1	0.783	71.6	0.664	72.2	0.667
6	19.2	13.6	3.907	20.2	1.058	23.9	1.106	12.8	0.875	14.2	0.514	14.3	0.569
7	127.2	131.4	6.561	145.5	0.926	153.4	0.927	123.7	1.022	131.7	0.792	132.8	0.768
8	21.5	24.0	5.185	16.6	0.965	16.2	0.960	22.6	0.703	17.1	0.515	17.3	0.423
9	91.7	111.1	6.013	115.5	1.042	115.5	1.042	104.6	0.954	109.1	0.812	110.1	0.755
10	14.7	13.7	2.459	21.9	0.619	19.8	1.099	12.9	0.629	15.7	0.203	15.8	0.291
11	100.6	112.9	4.634	89.3	0.882	93.4	0.789	106.3	0.787	90.1	0.670	90.8	0.554
12	50.0	65.7	5.349	60.7	0.966	60.5	0.953	61.9	0.798	52.8	0.783	53.2	0.744
Rents	237.1	139.2	6.202	181.8	1.148	155.0	0.763	189.4	0.510	247.4	0.828	241.2	0.745
Total w ithout rents	762.9	860.8	5.555	818.2	0.958	845.0	0.966	810.5	0.863	752.5	0.717	758.8	0.674
Global parity			5.662		0.994		0.922		0.773		0.742		0.690

Expenditure Groups	BE	HU-Budapest		MT-Valletta		NL-TheHague		AT-Vienna		PL-Warsaw		PT-Lisbon	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	137.2	227.1	148.4	0.911	113.5	0.864	135.7	1.102	131.7	2.610	117.0	0.788
2	20.3	25.2	215.2	27.2	1.109	19.1	1.001	24.9	0.951	27.6	3.902	16.0	0.849
3	54.3	51.9	213.9	56.1	0.892	45.1	0.901	51.3	0.854	46.2	2.910	44.9	0.776
4	297.6	311.6	257.6	255.3	0.815	292.1	1.277	319.4	1.229	291.3	3.648	268.1	0.761
5	74.7	71.6	188.6	77.4	0.843	76.0	1.036	70.8	0.952	71.7	2.630	83.6	0.784
6	19.2	11.6	151.7	12.5	0.825	7.5	0.988	11.4	0.973	14.2	2.182	11.6	0.783
7	127.2	112.0	251.8	121.1	0.994	164.1	1.105	110.7	1.004	131.9	3.128	151.1	1.064
8	21.5	20.5	206.0	22.1	0.671	15.5	0.885	20.2	0.760	17.2	1.795	18.1	0.872
9	91.7	94.7	223.7	102.5	0.854	99.5	1.032	93.6	1.061	109.3	3.095	101.2	0.818
10	14.7	11.6	74.50	12.6	0.400	26.2	1.150	11.5	0.922	15.7	1.485	28.1	0.4260
11	100.6	96.2	143.4	104.1	0.752	88.2	1.021	95.1	0.933	90.2	2.606	105.2	0.689
12	50.0	56.0	192.5	60.6	0.789	53.2	1.039	55.4	1.039	52.9	2.894	55.1	0.722
Rents	237.1	266.4	287.5	206.3	0.794	238.7	1.330	274.6	1.265	246.1	3.909	233.1	0.735
Total w ithout rents	762.9	733.7	197.5	793.7	0.859	761.3	1.010	725.4	0.997	753.9	2.769	766.9	0.809
Global parity			216.8		0.845		1.078		1.059		3.006		0.792

Table 4.1 (page 3 of 3)
Economic parities of the 12 main expenditure groups for each duty station
at 1st July 2015
(for staff)

Expenditure Groups	BE	RO-Bucharest		SI-Ljubljana		SK-Bratislava		FI-Helsinki		SE-Stockholm	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	128.2	137.4	2.676	139.9	0.879	141.7	0.837	124.8	1.126	127.4	10.24
2	20.3	25.2	3.140	25.7	0.919	26.0	0.821	26.2	1.537	26.8	13.50
3	54.3	52.0	3.328	52.9	0.852	53.6	0.839	43.8	1.012	44.7	9.712
4	297.6	310.7	3.321	298.0	0.780	289.1	0.855	328.4	1.414	314.2	15.51
5	74.7	71.7	2.383	73.0	0.707	73.9	0.667	68.0	1.030	69.4	9.962
6	19.2	11.6	2.075	11.8	0.732	11.9	0.485	13.4	1.244	13.7	11.49
7	127.2	112.1	3.145	114.2	0.880	115.7	0.716	125.0	1.132	127.6	10.63
8	21.5	20.5	1.998	20.9	0.842	21.1	0.628	16.3	0.596	16.6	6.301
9	91.7	94.8	2.962	96.6	0.895	97.8	0.810	103.6	1.124	105.8	10.71
10	14.7	11.7	1.056	11.9	0.623	12.0	0.503	14.9	0.781	15.2	7.891
11	100.6	96.3	2.001	98.1	0.706	99.4	0.598	85.5	1.163	87.3	11.61
12	50.0	56.1	4.429	57.1	0.896	57.8	0.781	50.1	1.309	51.2	11.24
Rents	237.1	265.4	3.593	251.8	0.776	242.3	0.890	285.5	1.482	270.5	16.31
Total without rents	762.9	734.6	2.720	748.2	0.824	757.8	0.729	714.5	1.111	729.6	10.63
Global parity			2.908		0.812		0.764		1.197		11.83

Expenditure Groups	BE	UK-London		UK-Culham	
	Weight	Weight	Parity	Weight	Parity
1	128.2	110.0	0.7791	98.5	0.7753
2	20.3	26.2	1.252	19.5	1.249
3	54.3	55.0	0.6658	47.3	0.6629
4	297.6	314.6	2.214	287.7	1.070
5	74.7	69.3	0.8588	86.3	0.7784
6	19.2	12.2	0.9220	6.0	0.8468
7	127.2	124.7	1.016	153.1	0.9307
8	21.5	16.5	0.7899	19.0	0.7879
9	91.7	99.7	0.9023	130.4	0.8469
10	14.7	25.3	0.646	22.0	0.8880
11	100.6	100.2	0.8501	60.0	0.8552
12	50.0	46.4	0.9864	70.2	0.9187
Rents	237.1	270.2	2.775	235.5	1.158
Total without rents	762.9	729.8	0.8696	764.5	0.8391
Global parity			1.182		0.9048

Consumption groups:

1. Food and non-alcoholic beverages
2. Alcoholic beverages and tobacco
3. Clothing and footwear
4. Housing, water, electricity, gas and other fuels
5. Furnishings, household equipment and maintenance of house
6. Health
7. Transport
8. Communications
9. Recreation and culture
10. Education
11. Hotels, cafes and restaurants
12. Miscellaneous goods and services

Table 4.2 (page 1 of 4)
Changes in the average rents of accommodation in the twelve months to 1st July 2015
 (Values expressed in Euro, except local currencies: CZ, DK, HU, PL, SE, UK)*

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2014	1,698	1,346	1,101	1,020	836	809	662
		2015	1,612	1,265	1,042	1,037	838	797	655
BG	Sofia	2014	-	684	-	432	-	309	-
		2015	-	711	-	466	-	316	-
CZ	Prague	2014	-	31,222	-	22,250	-	16,639	-
		2015	-	34,278	-	23,722	-	17,511	-
DK	Copenhagen	2014	-	16,243	-	-	10,394	-	7,964
		2015	-	17,375	-	-	11,917	-	8,792
DE	Berlin	2014	-	1,383	-	1,037	-	800	-
		2015	-	1,452	-	1,116	-	885	-
	Bonn	2014	-	1,259	-	923	-	737	-
		2015	-	1,179	-	900	-	725	-
	Karlsruhe	2014	-	1,186	-	891	-	716	-
		2015	-	1,137	-	886	-	725	-
	Munich	2014	-	1,932	-	1,458	-	1,134	-
		2015	-	1,956	-	1,476	-	1,141	-
EE	Tallin	2014	-	-	968	-	728	-	530
		2015	-	-	998	-	728	-	545
IE	Dublin	2014	-	1,949	-	-	1,492	-	1,131
		2015	-	2,073	-	-	1,564	-	1,208
EL	Athens	2014	1,245	-	-	790	-	630	-
		2015	1,239	-	-	785	-	590	-
ES	Madrid	2014	-	1,243	-	-	931	-	710
		2015	-	1,298	-	-	967	-	713
FR	Paris	2014	-	2,444	-	1,808	-	-	1,084
		2015	-	2,454	-	1,847	-	-	1,105
HR	Zagreb	2014	-	1,079	-	792	-	545	-
		2015	-	1,080	-	734	-	492	-
IT	Rome	2014	-	1,667	-	1,256	-	1,028	-
		2015	-	1,633	-	1,204	-	948	-
	Varese	2014	-	856	-	652	-	519	-
		2015	-	933	-	706	-	519	-
CY	Nicosia	2014	-	661	-	493	-	372	-
		2015	-	661	-	489	-	390	-

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Lithuania adopted Euro 1.1.2015: values for earlier years converted using exchange rates.

Table 4.2 (page 2 of 4)
Changes in the average rents of accommodation in the twelve months to 1st July 2015
 (Values expressed in Euro, except local currencies: CZ, DK, HU, PL, SE, UK)*

Country			3 bedroom flat			2 bedroom flat		1 bedroom flat	
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(80-100m ²)	(60-80m ²)	(60-80m ²)	(40-60m ²)
Place of employment									
BE	Brussels	2014	1,698	1,346	1,101	1,020	836	809	662
		2015	1,612	1,265	1,042	1,037	838	797	655
LV	Riga	2014	-	1,294	-	967	-	694	-
		2015	-	1,282	-	906	-	628	-
LT	Vilnius	2014	-	-	859	-	675	-	508
		2015	-	-	881	-	719	-	541
HU	Budapest	2014	-	378,130	-	-	232,743	-	141,623
		2015	-	418,076	-	-	267,883	-	166,128
MT	Valletta	2014	-	984	-	693	-	-	490
		2015	-	1,023	-	796	-	-	605
NL	The Hague	2014	-	1,836	-	1,370	-	1,025	-
		2015	-	1,821	-	1,401	-	1,029	-
AT	Vienna	2014	-	1,560	-	1,161	-	910	-
		2015	-	1,584	-	1,143	-	868	-
PL	Warsaw	2014	-	4,536	-	3,510	-	-	2,233
		2015	-	5,287	-	4,013	-	-	2,463
PT	Lisbon	2014	969	-	-	719	-	603	-
		2015	1,153	-	-	863	-	660	-
RO	Bucharest	2014	-	908	-	712	-	-	452
		2015	-	969	-	718	-	-	467
SI	Ljubljana	2014	-	842	-	689	-	-	470
		2015	-	1,002	-	789	-	-	527
SK	Bratislava	2014	-	1,125	-	842	-	634	-
		2015	-	1,089	-	823	-	640	-
FI	Helsinki	2014	-	-	1,923	-	1,339	-	1,066
		2015	-	-	1,849	-	1,338	-	1,061
SE	Stockholm	2014	-	24,200	-	19,184	-	14,344	-
		2015	-	26,400	-	19,873	-	14,667	-
UK	London	2014	-	-	2,687	-	2,068	-	1,553
		2015	-	-	2,835	-	2,236	-	1,661
	Culham	2014	-	-	1,098	-	982	-	820
		2015	-	-	1,296	-	1,070	-	858

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Lithuania adopted Euro 1.1.2015: values for earlier years converted using exchange rates.

Table 4.2 (page 3 of 4)
Changes in the average rents of accommodation in the twelve months to 1st July 2015
 (Values expressed in Euro, except local currencies: CZ, DK, HU, PL, SE, UK)*

Country	Non-detached houses			Detached houses			Rent Parity	
	(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)		
BE Brussels	2014	1,696	1,375	1,105	2,396	1,944	1,539	
	2015	1,664	1,350	1,112	2,271	1,844	1,514	
BG Sofia	2014	-	-	-	932	-	-	0.7891
	2015	-	-	-	937	-	-	0.7790
CZ Prague	2014	-	33,778	-	-	50,306	-	25.02
	2015	-	36,094	-	-	52,278	-	24.84
DK Copenhagen	2014	-	15,833	-	-	22,708	-	11.80
	2015	-	18,000	-	-	24,400	-	12.28
DE Berlin	2014	-	1,425	-	-	2,195	-	1.003
	2015	-	1,447	-	-	2,234	-	1.041
Bonn	2014	-	1,250	-	-	1,852	-	0.879
	2015	-	1,267	-	-	1,766	-	0.897
Karlsruhe	2014	-	1,330	-	-	1,845	-	0.868
	2015	-	1,323	-	-	1,694	-	0.890
Munich	2014	-	1,991	-	-	2,842	-	1.413
	2015	-	2,050	-	-	3,005	-	1.451
EE Tallin	2014	-	1,055	-	-	1,455	-	0.734
	2015	-	1,150	-	-	1,467	-	0.766
IE Dublin	2014	-	-	1,947	-	-	2,456	1.582
	2015	-	-	2,095	-	-	2,441	1.721
EL Athens	2014	1,265	-	-	1,859	-	-	0.856
	2015	1,262	-	-	1,777	-	-	0.793
ES Madrid	2014	1,594	-	-	2,293	-	-	1.106
	2015	1,644	-	-	2,318	-	-	1.065
FR Paris	2014	-	2,409	-	-	3,164	-	1.755
	2015	-	2,500	-	-	3,194	-	1.759
HR Zagreb	2014	-	1,250	-	1,970	-	-	6.631
	2015	-	1,245	-	1,965	-	-	6.202
IT Rome	2014	-	1,406	-	2,156	-	-	1.188
	2015	-	1,375	-	2,269	-	-	1.148
Varese	2014	-	1,176	-	1,717	-	-	0.771
	2015	-	1,245	-	1,870	-	-	0.763
CY Nicosia	2014	828	-	-	1,295	-	-	0.540
	2015	820	-	-	1,202	-	-	0.510

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Lithuania adopted Euro 1.1.2015: values for earlier years converted using exchange rates.

Rent parity uses a six year model of these averages, updated by indices, applying taper weights.

Dwelling type weights in Brussels and in duty stations are identified by periodic housing surveys.

Table 4.2 (page 4 of 4)
Changes in the average rents of accommodation in the twelve months to 1st July 2015
 (Values expressed in Euro, except local currencies: CZ, DK, HU, PL, SE, UK)*

Country	Place of employment	Year	Non-detached houses			Detached houses			Rent Parity
			(140-160m ²)	(110-130m ²)	(80-100m ²)	(190-220m ²)	(150-180m ²)	(110-140m ²)	
BE	Brussels	2014	1,696	1,375	1,105	2,396	1,944	1,539	
		2015	1,664	1,350	1,112	2,271	1,844	1,514	
LV	Riga	2014	1,491	-	-	1,791	-	-	0.813
		2015	1,275	-	-	1,725	-	-	0.828
LT	Vilnius	2014	-	962	-	-	1,394	-	0.723
		2015	-	1,152	-	-	1,576	-	0.745
HU	Budapest	2014	446,556	-	-	668,843	-	-	290.2
		2015	493,395	-	-	792,960	-	-	287.5
MT	Valletta	2014	-	1,325	-	2,083	-	-	0.750
		2015	-	1,365	-	2,459	-	-	0.794
NL	The Hague	2014	2,190	-	-	-	2,959	-	1.322
		2015	2,150	-	-	-	3,067	-	1.330
AT	Vienna	2014	-	1,896	-	-	2,607	-	1.278
		2015	-	1,824	-	-	2,607	-	1.265
PL	Warsaw	2014	-	4,808	-	7,895	-	-	4.047
		2015	-	5,996	-	8,898	-	-	3.909
PT	Lisbon	2014	1,333	-	-	-	1,742	-	0.717
		2015	1,340	-	-	-	1,720	-	0.735
RO	Bucharest	2014	-	-	-	-	1,563	-	3.784
		2015	-	-	-	-	1,831	-	3.593
SI	Ljubljana	2014	-	1,046	-	-	1,263	-	0.808
		2015	-	1,186	-	-	1,343	-	0.776
SK	Bratislava	2014	-	1,279	-	-	2,028	-	0.894
		2015	-	1,268	-	-	2,062	-	0.890
FI	Helsinki	2014	-	2,034	-	-	2,864	-	1.503
		2015	-	1,979	-	-	2,857	-	1.482
SE	Stockholm	2014	-	22,500	-	-	28,500	-	15.72
		2015	-	24,300	-	-	30,700	-	16.31
UK	London	2014	-	-	3,196	-	-	4,253	2.687
		2015	-	-	3,365	-	-	4,282	2.775
	Culham	2014	-	-	1,224	-	-	1,689	1.111
		2015	-	-	1,332	-	-	1,801	1.158

Rent value for dwelling type for year in question is average of reported values.

*Rent values collected in Euro rather than local currency in BG, HR, RO. Parity re-expressed in local currency.

*Lithuania adopted Euro 1.1.2015: values for earlier years converted using exchange rates.

Rent parity uses a six year model of these averages, updated by indices, applying taper weights.

Dwelling type weights in Brussels and in duty stations are identified by periodic housing surveys.

1.4 Purchasing power parities – analysis of results

1.4.1 Major changes in the economic parities from 2014 to 2015

The calculation of correction coefficients used for salary adjustment in places other than Brussels and Luxembourg involves the revision of some elementary parities each year. Changes in the global parities from one year to the next come mainly from survey prices and rent revisions, but may also be affected by the trend in the price indices used to update the elementary parities at the date of the adjustment and by changes in the consumption structures. Details of the changes in the economic parities from 2014 to 2015, including a decomposition of all the effects, are given in **Table 4.3**.

The simple average change in the global economic parity for all duty stations for the period under review was -2.3%. The maximum increase was +1.3%. The maximum decrease was -7.9%. The following table summarises the movement in the global economic parities for the period:

Range		Duty stations
$-8\% \leq X < -6\%$	1	EL
$-6\% \leq X < -4\%$	5	BG, ES, CY, RO, SI
$-4\% \leq X < -2\%$	9	CZ, HR, LV, LT, PL, PT, SK, FI, UK ^{Cul}
$-2\% \leq X < 0\%$	13	DK, DE ^{Ber} , DE ^{Bon} , DE ^{Kar} , DE ^{Mun} , EE, FR, IT ^{Rom} , IT ^{Var} , HU, NL, AT, UK ^{Lon}
$0\% \leq X < 2\%$	3	IE, MT, SE
Total	31	excluding Brussels and Luxembourg ¹⁵

The ten movements in global economic parities during the period which were the biggest in absolute terms can be observed in Athens (-7.9%), Sofia (-5.4%), Nicosia (-4.8%), Bucharest (-4.7%), Madrid (-4.5%), Ljubljana (-4.1%), Lisbon (-3.7%), Zagreb (-3.6%), Bratislava (-3.3%) and Vilnius (-3.3%).

1.4.2 Impact of changes in the expenditure weights

The consumption weighting structure used to aggregate the basic heading parities to produce the global economic parity was updated during the period under review for the following duty stations:

- Berlin and other duty stations in Germany – surveys during 2011, 2012 and 2013 (EU institutions, EU agencies, European Schools) and 2013 and 2014 (Coordinated Organisations, European Patent Office);
- Paris and other duty stations in France – surveys during 2011 and 2012 (EU institutions, EU agencies, European School, EuroControl) and 2013 (Coordinated Organisations);
- The Hague and other duty stations in Netherlands – surveys during 2013 (EU institutions, EU agencies, European School, EuroControl, Coordinated Organisations, European Patent Office).

¹⁵ In accordance with Article 3(2) of Annex XI to the Staff Regulations, Luxembourg = Brussels.

The impact on the global economic parity from applying the new weighting structures was as follows: Berlin (+0.6%), Bonn (+0.4%), Karlsruhe (+0.4%), Munich (+0.5%), France (+0.8%) and Netherlands (+0.6%).

For other locations, the weights are derived from surveys conducted amongst active staff in Brussels during 2009-10 and with different timings in different duty stations. Where survey response rates are insufficient to ensure robust statistics (eg. due to population size and mobility), a regional pool weighting structure is applied. This is currently the case for 17 duty stations (Sofia, Prague, Copenhagen, Tallinn, Zagreb, Nicosia, Riga, Vilnius, Budapest, Valletta, Vienna, Warsaw, Bucharest, Ljubljana, Bratislava, Helsinki and Stockholm).

Updating surveys have recently been conducted in the following locations, and weighting structures will be introduced once analysis and validation procedures have been completed, if the sample is found to be sufficiently robust:

- Dublin and other duty stations in Ireland - 2013 (EU institutions, EU agencies).

No surveys were organised in 2015, pending the development of a common questionnaire and agreement on a common timetable in collaboration with the United Nations, the Coordinated Organisations and other international organisations.

1.4.3 Impact of new parities derived from price surveys

For the 2015 annual review, new parities obtained from consumer price surveys have been integrated for the following groups:

- Services (survey 2014-1), conducted in Spring 2014
- Furniture (survey 2014-2), conducted in Autumn 2014

In the usual way, prices were obtained from the European Comparison Programme (ECP) for capital cities, and complemented with consistent data for duty stations in Italy (Varese) and Germany (Bonn, Karlsruhe, Munich).

The introduction of price data from the Spring 2014 ECP survey affects 20 elementary parities out of the 80 basic heading classification, which together account for about 16.2% of the EU average consumption weight. It has led to an increase in the overall parity for 10 locations, and a decrease in the parity for 21 locations - with the impact ranging between +1.1% (Dublin) and -4.5% (Athens). The average impact was -0.9%.

The introduction of the Autumn 2014 ECP survey results affects 3 elementary parities out of the 80 basic heading classification, which together account for about 4.1% of the EU average consumption weight. It has generated an increase in the overall parity for 9 locations, no change in the overall parity for 6 locations, and a decrease for 16 locations - with the impact ranging between +0.7% (Rome) and -1.0% (Culham). The average impact was -0.1%.

With effect from 2014, energy prices for ECP purposes are no longer compiled through the periodic direct consumer survey of services, but are instead taken from the separate official data transmission of energy statistics. The introduction of energy price data affected 1 elementary parity out of the 80 basic heading classification, which accounts for about 1.1% of the EU average consumption weight. It has led to an increase in the overall parity for 11 locations, no change in the overall parity for 9 locations, and a decrease in the parity for 11 locations - with the impact ranging between +0.6% (Rome, Valletta) and -0.4% (The Hague). The average impact was 0.0%.

1.4.4 Impact of new healthcare parities

In accordance with the methodology approved at the March 2015 meeting of the Working Group on Articles 64 & 65 of the Staff Regulations, healthcare parities were established combining data from the following sources:

- ECP consumer price survey on healthcare (survey 2014-2), conducted in Autumn 2014;
- ECP survey on hospital care quasi-prices (survey 2014);
- ECP detailed expenditure weights for pharmaceutical products, therapeutic appliances and equipment, medical services, dental services, paramedical services and hospital services (2014).

The introduction of the new results affects 1 basic heading, accounting for about 0.4% of the EU average consumption weight. It has led to an increase in the overall parity for 9 locations, no change in the overall parity for 3 locations, and a decrease in the parity for 19 locations - with the impact ranging between +0.5% (Dublin) and -0.6% (Sofia, Riga). The average impact was -0.1%.

1.4.5 Impact of new education parities

In accordance with the methodology approved at the March 2015 meeting of the Working Group on Articles 64 & 65 of the Staff Regulations, education parities were established combining data from the following sources:

- European schools: expenditure per pupil data from the Central Secretariat of the board of Governors of the European Schools (2015);
- State schools: expenditure per pupil data from the UoE data collection, quality adjusted for PISA outcomes, as used for ECP purposes (2015);
- Independent schools: direct survey of international schools and national private schools (2015);
- Pupil numbers: information declared by EU officials.

The introduction of the new results affects 1 basic heading, accounting for about 1.9% of the EU average consumption weight. It has led to an increase in the overall parity for 8 locations, no change in the overall parity for 2 locations, and a decrease in the parity for 21 locations - with the impact ranging between +0.8% (Tallinn) and -3.1% (Dublin). The average impact was -0.6%.

1.4.6 Impact of indexation

As regards price indexation, it has to be remembered that the impact for each duty station reflects the movement of the national harmonised index of consumer prices (HICP) relative to the evolution of prices in Brussels¹⁶.

The impact on the overall parity of applying detailed sub- indices at basic heading level for the year to July 2015 generated a decrease (ie. inflation was lower than Brussels) in 25 places and an increase (ie. inflation was higher than Brussels) in the remaining 6 places - with the impact ranging between +3.1% (Vilnius) and -3.1% (Tallinn). The average impact was -0.5%.

¹⁶ See annex 1c for details of the movement in the Joint Belgium-Luxembourg Index (JBLI).

Here it should be recalled that there are important differences between HICP and PPP methodologies (e.g. use of different weights for aggregation purposes). For this reason, the "price updating effect" presented in the table cannot be directly compared with the relative movement of the all-items HICP published separately on the Eurostat website – although other things being equal that movement does give an indication of the likely magnitude and direction of change.

There is a second potential impact due to any change in the numbers of active staff in Brussels and Luxembourg, as these are used as weights in the construction of the index used to measure the evolution of prices in Brussels. For July 2014 (the base period) compared with July 2013 (the previous base period) the ratio changed from 78:22 to 82:18. Use of the detailed index calculated with the new weights compared with use of the index established using the old weights, had no discernible impact on the global parity.

1.4.7 Impact of new rent parities

Rent surveys are carried out every year in all Member States. A six-year moving average model is used for calculating rent parities: the rent parities for 2015 are based on the relative trend in the real-estate markets in Brussels and other places of employment between 2010 and 2015. These parities are, therefore, affected by the following factors:

- introduction of rent data for year 2015;
- deletion of the rent data for 2009;
- price indices used for updating the rents for 2010 - 2014 to price of 2015;
- updated dwelling weights structure derived from housing surveys amongst active staff.

Housing surveys amongst staff were not conducted in any duty stations during 2014-2015.

Details of the changes in the rent parities from 2014 to 2015, including a decomposition of all the effects, are given in **Table 5.4**.

The simple average change in the rent parity for all duty stations was +0.3%. There were increases in the rent parity for 16 duty stations and decreases for 15 locations. The ten biggest movements in the rent parity in absolute terms could be observed in Dublin (+8.8%), Athens (-7.3%), Bucharest (-7.2%), Valletta (+5.9%), Nicosia (-5.6%), Tallinn and Culham (+4.3%), Copenhagen (+4.1%), Ljubljana (-4.0%), Berlin and Stockholm (+3.8%).

The rent parities, due to their associated high consumption weights (around 23% on average across the EU) influence in a quite significant way the global economic parities. The introduction of the new rent parities has led to an increase in the overall parity for 14 locations, no change in the overall parity for 1 location and a decrease for 16 locations - with the impact ranging between +0.9% (Copenhagen) and -2.8% (Vilnius). The average impact on the overall parity was -0.2%.

In **Table 5.5**, the analysis of correction coefficients calculated with and without the rent element for the same place of employment makes it easier to isolate the effect of rent differences separately from differences arising from other causes.

The correction coefficients for rents (compared to Brussels =100) are very high in London (391.6), Stockholm (176.5), Paris (175.9), Dublin (172.1) and Copenhagen (164.6) whereas

they are quite low in Sofia (39.8), Nicosia (51.0), Lisbon (73.5), Vilnius (74.5) and Valletta (75.0).

For the overall correction coefficient however, the range is smaller: London (166.9), Copenhagen (131.8), Stockholm (127.9) and Culham (127.7), compared to Sofia (52.1), Bucharest (64.8), Vilnius (69.0) and Budapest (71.4).

When rents are integrated in the computation, the correction coefficient is increased by 10% or more in London (+36.0%), Paris (+14.7%), Stockholm (+11.3%) and Dublin (+10.6%) and is positive in 17 other locations. By contrast, the impact is negative in Nicosia (-10.4%), Sofia (-7.1%), Varese (-4.6%), Valletta (-2.9%), Lisbon (-2.1%), Karlsruhe (-1.6%), Ljubljana (-1.5%), Bonn (-1.3%), Tallinn (-0.5%) and Athens (-0.4%).

Table 4.3

Changes in the economic parities in the twelve months to 1st July 2015
Decomposition of the effects
(for staff)

Country	Place of employment	Impact of change in PPP									
		Weights	Introduction of new surveys				Education	Price updating effect (HICP)	Staff no. breakdown	New rents	Total
		2015	E14-1 Services	E14-1 Electricity	E14-2 Furniture	E14-2 Health & Hospitals					
BG	Sofia	0.0	-3.2	0.0	0.0	-0.6	0.2	-1.8	0.0	-0.2	-5.4
CZ	Prague	0.0	-1.7	-0.2	-0.3	-0.3	0.0	-0.3	0.0	-0.2	-2.8
DK	Copenhagen	0.0	0.4	-0.3	-0.4	-0.1	-1.3	-0.3	0.0	0.9	-0.8
DE	Berlin	0.6	0.3	0.1	-0.4	-0.1	-1.3	-0.7	0.0	0.8	-0.6
	Bonn	0.4	0.1	0.0	-0.5	0.4	-1.4	-0.7	0.0	0.4	-1.2
	Karlsruhe	0.4	-0.7	0.0	-0.5	0.0	-0.3	-0.6	0.0	0.5	-1.3
	Munich	0.5	-1.1	0.1	-0.3	0.0	-0.7	-0.6	0.0	0.6	-1.6
EE	Tallinn	0.0	-2.0	-0.1	-0.3	-0.3	0.8	1.8	0.0	-0.7	-0.9
IE	Dublin	0.0	1.1	0.0	0.6	0.5	-3.1	1.0	0.0	0.4	0.6
EL	Athens	0.0	-4.5	0.4	0.4	-0.2	-0.4	-3.1	0.0	-0.4	-7.9
ES	Madrid	0.0	-2.3	0.1	0.0	0.1	-0.6	-1.3	0.0	-0.5	-4.5
FR	Paris	0.8	0.1	-0.2	-0.9	-0.1	-1.2	-0.8	0.0	0.2	-1.9
HR	Zagreb	0.0	-0.8	-0.1	0.1	-0.3	-1.0	-0.4	0.0	-1.2	-3.6
IT	Rome	0.0	0.7	0.6	0.7	0.0	-1.0	-0.9	0.0	-0.5	-1.0
	Varese	0.0	-0.2	0.3	0.0	0.1	0.1	-0.9	0.0	0.0	-0.9
CY	Nicosia	0.0	-1.2	0.1	0.2	-0.2	-0.3	-2.6	0.0	-0.8	-4.8
LV	Riga	0.0	-1.5	0.1	0.2	-0.6	-1.1	-0.1	0.0	0.1	-3.0
LT	Vilnius	0.0	-3.3	0.0	0.0	-0.4	0.2	3.1	0.0	-2.8	-3.3
HU	Budapest	0.0	-0.5	0.0	0.2	-0.4	-0.4	-0.1	0.0	-0.4	-1.6
MT	Vallette	0.0	0.5	0.6	0.5	-0.2	-0.8	0.5	0.0	0.8	1.3
NL	The Hague	0.6	-0.4	-0.4	-0.1	-0.2	0.4	0.3	0.0	-0.6	-0.1
AT	Vienna	0.0	-0.3	0.0	-0.4	-0.1	0.0	0.8	0.0	-1.2	-1.2
PL	Warsaw	0.0	0.1	0.1	0.1	-0.1	0.4	-1.9	0.0	-0.9	-2.2
PT	Lisbon	0.0	-0.8	0.1	0.0	-0.1	-1.9	-1.6	0.0	0.6	-3.7
RO	Bucharest	0.0	-2.3	0.0	0.0	-0.5	0.1	-0.7	0.0	-1.3	-4.7
SI	Ljubljana	0.0	-1.2	-0.1	-0.4	0.1	-0.1	-1.7	0.0	-0.9	-4.1
SK	Bratislava	0.0	-2.4	0.0	-0.2	-0.5	0.5	-0.9	0.0	0.2	-3.3
FI	Helsinki	0.0	-0.6	-0.1	-0.4	0.3	-0.6	-0.5	0.0	-0.8	-2.7
SE	Stockholm	0.0	0.5	-0.2	-0.2	0.3	-0.5	-0.2	0.0	0.9	0.8
UK	London	0.0	0.3	-0.1	-0.6	0.4	-1.8	-0.7	0.0	0.5	-1.9
	Culham	0.0	-1.0	-0.1	-1.0	0.2	-1.0	-0.9	0.0	0.6	-3.1

Table 5.4

**Changes in rent parities in the twelve months to 1st July 2015
Decomposition of the effects
(for staff)**

Place of employment	Delete survey 2009	Introduce survey 2015	Price index 2015	Dwelling structure		Total change
				Brussels	Other cities	
BG Sofia	-2.4	1.6	-0.5	0.0	0.0	-1.3
CZ Prague	-2.6	2.1	-0.1	0.0	0.0	-0.7
DK Copenhagen	0.8	3.5	-0.2	0.0	0.0	4.1
DE Berlin	1.9	1.8	0.1	0.0	0.0	3.8
Bonn	2.0	0.0	0.1	0.0	0.0	2.1
Karlsruhe	2.6	-0.1	0.1	0.0	-0.5	2.1
Munich	1.2	1.3	0.1	0.0	0.0	2.7
EE Tallinn	3.6	1.6	-0.8	0.0	0.0	4.3
IE Dublin	2.2	1.4	4.9	0.0	0.0	8.8
EL Athens	-5.1	0.1	-2.4	0.0	0.0	-7.3
ES Madrid	-4.4	1.4	-0.7	0.0	0.0	-3.7
FR Paris	-0.2	1.1	-0.6	0.0	0.0	0.3
HR Zagreb	-1.8	-0.1	-0.7	0.0	0.0	-2.6
IT Rome	-2.8	0.2	-0.8	0.0	0.0	-3.4
Varese	-2.6	2.4	-0.8	0.0	0.9	-0.2
CY Nicosia	-3.3	0.2	-2.6	0.0	0.0	-5.6
LV Riga	3.7	-1.4	-0.3	0.0	0.0	1.9
LT Vilnius	0.7	3.5	-1.1	0.0	0.0	3.0
HU Budapest	-4.5	4.0	-0.3	0.0	0.0	-0.9
MT Valletta	2.1	3.6	0.1	0.0	0.0	5.9
NL The Hague	-0.1	0.7	0.0	0.0	0.0	0.6
AT Vienna	-1.2	0.1	0.0	0.0	0.0	-1.0
PL Warsaw	-6.2	4.4	-1.3	0.0	0.0	-3.4
PT Lisbon	-0.5	3.3	-0.2	0.0	0.0	2.6
RO Bucharest	-7.5	2.3	-1.9	0.0	0.0	-7.2
SI Ljubljana	-6.1	3.5	-1.3	0.0	0.0	-4.0
SK Bratislava	0.0	0.4	-0.8	0.0	0.0	-0.4
FI Helsinki	-0.8	0.3	-0.8	0.0	0.0	-1.4
SE Stockholm	2.6	2.2	-1.1	0.0	0.0	3.8
UK London	0.1	1.7	1.4	0.0	0.0	3.3
Culham	0.6	2.6	1.1	0.0	0.0	4.3

Table 5.5

**Effect of rent on the correction coefficients at 1st July 2015
(for staff)**

Place of employment	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG Sofia	797.1	203.0	56.1	39.8	52.1	-7.1
CZ Prague	734.6	265.4	68.4	91.2	73.4	7.3
DK Copenhagen	701.4	298.7	121.7	164.6	131.8	8.3
DE Berlin	788.8	211.2	94.6	104.1	96.6	2.1
Bonn	788.8	211.2	94.6	89.7	93.4	-1.3
Karlsruhe	788.8	211.2	95.3	89.0	93.8	-1.6
Munich	788.8	211.2	96.8	145.1	106.0	9.5
EE Tallinn	774.6	225.5	78.4	76.6	78.0	-0.5
IE Dublin	814.7	185.3	105.4	172.1	116.6	10.6
EL Athens	861.1	138.9	80.2	79.3	79.9	-0.4
ES Madrid	799.1	200.9	86.2	106.5	90.2	4.6
FR Paris	755.8	244.2	99.9	175.9	114.6	14.7
HR Zagreb	860.8	139.2	73.2	81.7	74.6	1.9
IT Rome	818.2	181.8	95.8	114.8	99.4	3.8
Varese	845.0	155.0	96.6	76.3	92.2	-4.6
CY Nicosia	810.5	189.4	86.3	51.0	77.3	-10.4
LV Riga	752.5	247.4	71.7	82.8	74.2	3.5
LT Vilnius	758.8	241.2	67.4	74.5	69.0	2.4
HU Budapest	733.7	266.4	65.2	94.0	71.4	9.5
MT Vallette	793.7	206.3	85.9	75.0	83.4	-2.9
NL The Hague	806.5	193.5	102.0	132.2	107.8	5.7
AT Vienna	725.4	274.6	101.0	127.8	107.2	6.1
PL Warsaw	753.9	246.1	67.9	97.5	74.1	9.1
PT Lisbon	766.9	233.1	80.9	73.5	79.2	-2.1
RO Bucharest	734.6	265.4	60.6	80.0	64.8	6.9
SI Ljubljana	748.2	251.8	82.4	77.6	81.2	-1.5
SK Bratislava	757.8	242.3	72.9	89.0	76.4	4.8
FI Helsinki	714.5	285.5	111.1	148.2	119.7	7.7
SE Stockholm	729.6	270.5	114.9	176.5	127.9	11.3
UK London	729.8	270.2	122.7	391.6	166.9	36.0
Culham	764.5	235.5	118.4	163.5	127.7	7.9

2. EQUIVALENCE OF PURCHASING POWER OF EU PENSIONERS IN THE MEMBER STATES

2.1 Economic parities and correction coefficients

The correction coefficients for pensioners with a reference date of 1 July 2015 have been calculated in accordance with the agreed methodology on the basis of the following information:

- a) Parities for all goods and services, except for rents, as used for the calculation of the correction coefficients for active staff. These parities are based on bilateral comparison of prices of about 3000 goods and services between different capital cities and Brussels (for more details see section 1 above).
- b) For calculating country rent parities a two-stage procedure has been applied. Firstly a spatial adjustment factor is calculated in the form of national/capital ratio of market rents derived from an official database like CPI, household budget survey, housing register, etc. Secondly, with the help of this adjustment factor the capital city rent parity from Article 64 estate agency rent surveys is transformed to the country rent parity.

National Statistical Institutes are requested each year to review, and where necessary update, the appropriateness of their spatial adjustment factor for rents. For 2015 as in previous years, in the absence of fresh data from a specific source the following method was proposed: average rent values from Article 64 exercise for duty station and Brussels (ie. bilateral parity with Brussels) are compared with average rent values from European Comparison Programme exercise for duty station country and Belgium (ie. bilateral parity with Belgium). For 2015 this method/source was confirmed as appropriate for all Member States except Belgium (CPI), Estonia (1:1 ratio), Ireland (Private Residential Tenancy Board), Hungary (CPI), Malta (1:1 ratio), Austria (microcensus). Consequently 2015 values were updated using fresh data for these 6 Member States, and applying the standard method for all others. **Table 6.2** presents the rent ratios used in 2014 and 2015.

- c) Consumption weights for the pensioners are calculated on the basis of a wide scale family budget survey carried out in 2002¹⁷. Consumption weights for Member States which joined the European Union in 2004, 2007 and 2013 have been estimated as the average of the values for duty stations outside Brussels, adjusted for rents (this is a similar method to the estimation of values for staff duty stations with insufficient individual sample response).

The correction coefficients applicable to the EU pensioners are determined on the basis of the relationships between the economic parities and the exchange rates fixed by the Commission and specified in the Staff Regulations for the relevant countries.

The correction coefficient operates as a percentage adjustment to pensions (only for the pension rights acquired before 1 May 2004; the correction coefficient being 100% for the pension rights acquired from that date) to take account of the cost of living differences between Belgium and the Member States, except Luxembourg where, according to the Staff

¹⁷ An updating survey was conducted during 2012-13, which generated significant response. Work is at an advanced stage in processing the results. Other things being equal, it is expected that the new weighting structures will be introduced for the July 2016 correction coefficient calculation exercise.

Regulations, a correction coefficient of 100% is applied. The correction coefficient applies in full for transfers into, or out of, the pension scheme of European Officials.

As pensions are first expressed in Euros, then converted to local currency using exchange rates, before being multiplied by the correction coefficients, it is clear that the exchange rate effect cancels out and the relevant factor is any change in the economic parities¹⁸.

The details of the calculated economic parities at the level of 12 main consumption groups, are shown in **Table 6.1** for all countries apart from Belgium and Luxembourg. This table also includes information about the consumption weights by country and by expenditure groups.

¹⁸ For a numerical example to illustrate this, see section 1.1

Table 6.1 (page 1 of 2)
Economic parities of the 12 main expenditure groups for each country
1st July 2015
(for pensioners)

Expenditure Groups*	BE	BG		CZ		DK		DE		EE		IE		EL	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	97.4	1.326	96.6	20.76	87.1	9.318	66.9	0.988	85.9	0.789	96.9	1.066	90.1	0.910
2	26.4	25.4	1.434	25.1	25.49	22.7	9.831	22.4	0.863	22.4	1.020	25.2	1.795	23.5	1.245
3	75.8	77.3	1.429	76.6	23.07	69.1	7.950	76.6	0.859	68.2	0.886	76.9	0.835	71.5	0.808
4	176.3	109.2	0.5671	117.0	15.34	203.9	11.28	187.1	1.087	214.5	1.026	114.0	0.895	176.0	0.666
5	119.5	128.2	0.9823	127.1	17.58	114.6	8.459	130.4	0.911	113.1	0.719	127.5	0.904	118.6	0.730
6	36.1	34.0	0.6825	33.7	12.55	30.4	9.035	32.0	0.901	30.0	0.592	33.8	1.497	31.5	0.649
7	164.0	192.3	1.212	190.6	19.71	171.9	10.36	163.8	1.026	169.6	0.708	191.3	1.141	177.9	0.890
8	17.2	18.9	0.877	18.7	19.63	16.9	6.391	16.4	0.768	16.7	0.440	18.8	1.165	17.5	0.910
9	118.2	149.2	1.294	147.9	20.67	133.4	9.527	149.8	1.010	131.6	0.916	148.4	1.119	138.0	0.881
10	9.4	10.7	0.3819	10.6	10.21	9.6	4.910	1.2	0.608	9.4	0.280	10.7	0.658	9.9	0.443
11	74.8	71.1	0.8754	70.4	13.86	63.5	9.943	68.0	0.827	62.7	0.675	70.7	1.166	65.7	0.648
12	83.3	86.3	1.374	85.5	21.43	77.1	10.17	85.5	0.890	76.1	0.798	85.8	1.241	79.8	0.774
Rents	132.4	62.0	0.5275	70.2	15.53	161.7	11.74	136.5	1.123	67.0	0.861	172.8	1.244	132.3	0.697
Total w ithout rents	867.6	938.0	1.115	929.8	18.90	838.3	9.306	863.5	0.937	933.0	0.787	827.2	1.036	867.7	0.801
Global parity			1.042		18.52		9.626		0.960		0.793		1.065		0.787

Expenditure Groups*	BE	ES		FR		HR		IT		CY		LV		LT	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	90.9	0.840	94.5	0.984	95.5	6.418	95.5	1.033	69.0	0.918	99.8	0.779	106.3	0.723
2	26.4	23.7	0.817	20.4	0.934	24.4	7.879	17.4	1.073	23.1	1.104	26.0	1.081	19.3	0.958
3	75.8	72.1	0.865	57.6	0.951	75.9	5.566	71.8	0.963	79.0	0.819	79.2	0.916	79.9	0.905
4	176.3	169.0	0.885	194.9	1.241	123.0	3.776	212.4	0.946	161.9	0.651	87.4	0.590	123.0	0.430
5	119.5	119.6	0.875	118.4	0.985	126.6	5.052	102.1	0.960	134.5	0.766	131.4	0.615	113.7	0.627
6	36.1	31.7	0.841	18.9	0.837	33.8	3.907	45.5	1.058	33.0	0.875	34.8	0.514	50.6	0.569
7	164.0	179.4	0.984	177.0	1.072	190.4	6.185	193.4	0.955	168.9	0.904	197.0	0.783	215.3	0.765
8	17.2	17.6	0.927	19.4	0.799	18.6	5.248	14.6	0.964	16.9	0.685	19.4	0.525	16.3	0.427
9	118.2	139.2	0.973	131.8	1.031	146.8	6.047	119.8	1.008	154.4	1.028	152.9	0.816	133.4	0.760
10	9.4	10.0	0.695	14.9	0.644	10.0	2.459	4.7	0.619	1.2	0.629	11.0	0.203	5.2	0.2906
11	74.8	66.3	0.771	71.7	1.151	69.2	4.765	41.4	0.904	70.1	0.818	72.8	0.703	46.1	0.602
12	83.3	80.5	0.876	80.5	1.033	86.0	5.557	81.6	0.940	88.1	0.821	88.4	0.826	90.8	0.781
Rents	132.4	124.9	0.946	148.8	1.312	73.8	3.710	144.2	0.951	109.7	0.678	39.0	0.634	47.1	0.407
Total w ithout rents	867.6	875.1	0.883	851.2	1.010	926.2	5.506	855.8	0.969	890.3	0.855	961.0	0.728	952.9	0.697
Global parity			0.891		1.047		5.294		0.967		0.831		0.718		0.666

* For explanation of codes see table 4.1

Table 6.1 (page 2 of 2)
Economic parities of the 12 main expenditure groups for each country
1st July 2015
(for pensioners)

Expenditure Groups*	BE	HU		MT		NL		AT		PL		PT		RO	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	103.7	236.9	96.4	0.920	88.7	0.857	87.9	1.097	97.8	2.649	90.5	0.815	97.3	2.720
2	26.4	22.4	223.1	25.1	1.190	23.1	1.000	22.9	1.026	25.5	4.629	23.6	0.854	25.3	3.410
3	75.8	63.3	213.0	76.5	0.885	70.4	0.901	69.7	0.843	77.6	2.886	71.8	0.772	77.2	3.243
4	176.3	116.1	153.1	118.3	0.827	188.6	1.188	196.2	1.235	105.4	1.805	172.5	0.708	110.4	1.751
5	119.5	130.0	180.2	126.9	0.763	116.8	1.030	115.7	0.970	128.8	2.604	119.1	0.793	128.1	2.156
6	36.1	20.7	151.7	33.7	0.825	31.0	0.988	30.7	0.973	34.1	2.182	31.6	0.783	34.0	2.075
7	164.0	194.3	237.3	190.3	0.953	175.2	1.137	173.5	0.991	193.1	3.149	178.6	1.045	192.0	3.195
8	17.2	21.3	205.7	18.7	0.658	17.2	0.890	17.1	0.760	19.0	1.847	17.6	0.873	18.9	1.952
9	118.2	144.7	226.5	147.7	0.904	135.9	1.024	134.7	1.040	149.9	3.071	138.6	0.782	149.0	3.065
10	9.4	16.4	74.50	10.6	0.400	9.8	1.150	9.7	0.922	10.8	1.485	10.0	0.426	10.7	1.056
11	74.8	78.8	153.2	70.3	0.809	64.7	1.059	64.1	0.885	71.4	2.604	66.0	0.666	71.0	1.999
12	83.3	88.4	205.7	85.4	0.826	78.6	1.004	77.8	1.030	86.6	2.988	80.1	0.760	86.1	4.034
Rents	132.4	65.4	166.9	71.6	0.893	145.6	1.251	153.5	1.321	58.0	1.581	128.6	0.672	63.3	1.659
Total w without rents	867.6	934.6	199.2	928.4	0.856	854.4	1.012	846.5	0.982	942.0	2.809	871.4	0.820	936.7	2.746
Global parity			195.6		0.858		1.042		1.024		2.668		0.799		2.621

Expenditure Groups*	BE	SI		SK		FI		SE		UK	
	Weight	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity	Weight	Parity
1	99.0	91.1	0.891	97.9	0.866	88.7	1.118	88.0	10.32	83.1	0.7716
2	26.4	23.7	1.013	25.5	0.915	23.1	1.568	22.9	14.27	21.6	1.238
3	75.8	72.3	0.850	77.7	0.830	70.4	1.013	69.8	9.632	65.9	0.6628
4	176.3	167.1	0.613	105.0	0.547	188.5	1.274	195.1	12.50	240.3	1.418
5	119.5	119.9	0.699	128.8	0.619	116.8	1.039	115.9	10.22	109.4	0.8498
6	36.1	31.8	0.732	34.2	0.485	31.0	1.244	30.7	11.49	29.0	0.9220
7	164.0	179.8	0.835	193.2	0.708	175.2	1.114	173.8	10.12	164.0	0.9055
8	17.2	17.7	0.824	19.0	0.629	17.2	0.625	17.1	6.657	16.1	0.7872
9	118.2	139.5	0.883	149.9	0.843	135.9	1.126	134.8	10.56	127.3	0.8681
10	9.4	10.0	0.623	10.8	0.503	9.8	0.781	9.7	7.89	9.1	0.6459
11	74.8	66.4	0.716	71.4	0.612	64.7	1.066	64.2	11.44	60.6	0.9511
12	83.3	80.7	0.901	86.7	0.791	78.6	1.257	77.9	11.07	73.6	0.9316
Rents	132.4	122.9	0.597	57.6	0.541	145.5	1.336	152.4	12.40	200.1	1.631
Total w without rents	867.6	877.1	0.811	942.4	0.718	854.5	1.103	847.6	10.53	799.9	0.8597
Global parity			0.780		0.699		1.133		10.77		0.9543

* For explanation of codes see table 4.1

Table 6.2**Rent ratios applied for the estimation
of the pensioners rent parities**

Country	Ratio applied in		Diff.
	2014	2015	
BE	0.89	0.89	0.00
BG ^{1,2}	0.56	0.60	0.04
CZ ¹	0.70	0.56	-0.14
DK ^{1,2}	0.88	0.85	-0.03
DE ^{1,2}	0.96	0.96	0.00
EE	1.00	1.00	0.00
IE	0.72	0.70	-0.02
EL ^{1,2}	0.79	0.78	-0.01
ES ¹	0.73	0.79	0.06
FR ^{1,2}	0.67	0.66	-0.01
HR ^{1,2}	0.54	0.53	-0.01
IT ^{1,2}	0.62	0.74	0.12
CY ^{1,2}	0.98	1.18	0.20
LV ¹	0.73	0.68	-0.05
LT ¹	0.61	0.49	-0.12
HU	0.51	0.52	0.01
MT	1.00	1.00	0.00
NL ^{1,2}	0.84	0.84	0.00
AT	0.94	0.93	-0.01
PL ¹	0.50	0.36	-0.14
PT ^{1,2}	0.98	0.81	-0.17
RO ^{1,2}	0.53	0.41	-0.12
SI ^{1,2}	0.71	0.68	-0.03
SK ^{1,2}	0.55	0.54	-0.01
FI ¹	0.75	0.80	0.05
SE ^{1,2}	0.68	0.68	0.00
UK ^{1,2}	0.51	0.52	0.01

¹ Standard estimation using national (ECP) and capital (A64) - 2015² Standard estimation using national (ECP) and capital (A64) - 2014

2.2 Purchasing power parities for pensioners - analysis of results

2.2.1 Main changes in the economic parities from 2014 to 2015

A decomposition of the changes in the economic parities for the period 2014-2015 is shown in **Table 6.3**.

The simple average change across all countries in the global economic parity for pensioners for the period under review was -2.5%. The maximum increase was +2.3%. The maximum decrease was -7.2%. The following table summarises the movement in the global economic parities for the period:

Range		Duty stations
$-8\% \leq X < -6\%$	4	EL, LT, PT, RO
$-6\% \leq X < -4\%$	5	BG, CZ, PL, SI, SK
$-4\% \leq X < -2\%$	4	FR, HR, CY, LV
$-2\% \leq X < 0\%$	9	DK, DE, EE, ES, HU, NL, AT, FI, UK
$0\% \leq X < 2\%$	3	IE, MT, SE
$2\% \leq X < 4\%$	1	IT
Total	26	excluding Belgium and Luxembourg ¹⁹

The ten movements in global economic parities during the period which were the biggest in absolute terms can be observed for Greece (-7.2%), Lithuania and Romania (both -6.4%), Portugal (-6.2%) as well as Bulgaria and Poland (both -4.8%), Czech Republic and Slovak Republic (both -4.3%), Slovenia (-4.1%), Latvia (-4.0%).

One of the main differences in the calculation of parity values for pensioners by comparison to those established for active staff arises from the aggregation using specific expenditure weights for pensioners rather than staff consumption patterns. This can affect the magnitude of the impact of the individual components (introduction of new price surveys, price updating using indices, new rents).

Across all Member States the simple average impact on the global parity for pensioners of the individual component factors was as follows: E14-1 Services (-0.7%), Electricity (0.0%), E14-2 Furniture (-0.1%), Healthcare (-0.1%), Education (-0.1%), Price indexation (-1.2%), JBLI staff breakdown (0.0%), Rents (0.0%), Rent ratios (-0.2%).

¹⁹ In accordance with Article 3(2) of Annex XI to the Staff Regulations, Luxembourg = Brussels.

Table 6.3

Changes in the economic parities in the twelve months to 1st July 2015
Decomposition of the effects
(for PENSIONERS)

Country	Impact of change in PPP									
	Introduction of new surveys				Education	Price updating effect (HICP)	Staff breakdown	New rents	Update rent ratios	Total
	E14-1 Services	E14-1 Electricity	E14-2 Furniture	E14-2 Health & Hospitals						
BG	-2.1	0.0	0.0	-0.6	0.0	-2.7	0.0	-0.1	0.7	-4.8
CZ	-0.6	-0.1	-0.4	-0.3	0.0	-0.8	0.0	-0.1	-2.2	-4.3
DK	0.0	-0.1	-0.2	-0.1	-0.3	-1.1	0.0	0.6	-0.5	-1.7
DE	0.8	0.1	-0.6	-0.1	-0.3	-0.8	0.0	0.5	0.0	-0.4
EE	-1.2	0.0	-0.3	-0.3	0.1	0.3	0.0	0.4	0.0	-1.0
IE	1.1	0.0	0.8	0.6	-0.4	-1.6	0.0	0.0	-0.4	0.1
EL	-3.6	0.1	0.2	-0.2	-0.1	-2.7	0.0	-1.0	-0.1	-7.2
ES	-1.1	0.1	0.0	0.1	-0.1	-0.7	0.0	-0.5	1.0	-1.2
FR	0.6	-0.1	-1.2	-0.1	-0.2	-1.2	0.0	0.0	-0.1	-2.3
HR	-0.5	0.0	0.2	-0.3	-0.2	-1.7	0.0	-0.6	-0.1	-3.2
IT	0.8	0.3	0.3	0.0	-0.2	-0.7	0.0	-0.5	2.4	2.3
CY	-2.1	0.1	0.3	-0.2	-0.1	-2.6	0.0	-0.7	2.3	-3.1
LV	-1.3	0.0	0.0	-0.6	-0.1	-1.7	0.0	0.1	-0.5	-4.0
LT	-3.7	0.0	-0.1	-0.4	0.0	-0.8	0.0	0.2	-1.7	-6.4
HU	-0.2	0.0	0.1	-0.4	0.0	-0.5	0.0	-0.1	0.1	-0.9
MT	1.4	0.2	0.4	-0.2	-0.2	-0.4	0.0	0.6	0.0	1.9
NL	0.3	-0.1	0.3	-0.3	0.1	-0.8	0.0	0.1	-0.1	-0.5
AT	-0.5	0.0	-0.5	-0.1	0.0	-0.5	0.0	-0.1	-0.2	-1.9
PL	-0.1	0.0	0.1	-0.1	0.0	-1.8	0.0	-0.3	-2.8	-4.8
PT	-1.3	0.0	0.2	-0.1	-0.3	-2.8	0.0	0.3	-2.4	-6.2
RO	-2.7	0.0	0.1	-0.5	0.0	-0.8	0.0	-0.4	-2.1	-6.4
SI	-1.4	0.0	-0.2	0.1	0.0	-1.6	0.0	-0.5	-0.5	-4.1
SK	-2.3	0.0	-0.1	-0.4	0.1	-1.4	0.0	0.0	-0.2	-4.3
FI	-0.4	0.0	-0.6	0.4	-0.2	-1.0	0.0	-0.2	0.9	-1.1
SE	0.7	-0.1	0.1	0.3	-0.1	-0.4	0.0	0.5	-0.1	1.1
UK	0.1	-0.1	-0.8	0.4	-0.4	-1.3	0.0	0.5	0.4	-1.1

2.2.2 Impact of rents on the overall parity for pensioners

In 2015, for 17 out of the 26 member states (ie. excluding Belgium and Luxembourg), the rent correction coefficient (ratio between the rent parity and the exchange rate) is under 100. This means that the average rents are generally lower in these places than in Belgium. For the remaining 9 countries, the rent correction coefficient is greater than 100.

Moreover, the rent correction coefficient is lower than the correction coefficient without rent for 8 of the 10 Member States which joined the EU in 2004 (the exceptions are Estonia and Malta), the 3 Member States which joined subsequently, plus Greece, Italy and Portugal. This

means that, for these 14 places, the rents lead to a reduction of the global correction coefficient.

Details of the impact of rent on the overall parity are given in **Table 7.1**. The countries where the impact is highest in absolute terms are: UK (+11.0%), BG (-6.5%), PL (-5.1%), RO (-4.6%), LT (-4.4%), AT (+4.3%), HR (-3.9%), SI (-3.8%), FR (+3.7%), DK (+3.4%), NL (+3.0%)

Table 7.1
Effect of rent on the correction coefficients at 1st July 2015
(for pensioners)

Country	Weight		Correction coefficient			Rent effect
	Without rent	Rent	Without rent	Rent	Overall	[5]/[3] (%)
	[1]	[2]	[3]	[4]	[5]	[6]
BG	938.0	62.0	57.0	27.0	53.3	-6.5
CZ	929.8	70.2	69.4	57.0	68.0	-2.0
DK	838.3	161.7	124.7	157.4	129.0	3.4
DE	863.5	136.5	93.7	112.3	96.0	2.5
EE	933.0	67.0	78.7	86.1	79.3	0.8
IE	827.2	172.8	103.6	124.4	106.5	2.8
EL	867.7	132.3	80.1	69.7	78.7	-1.7
ES	875.1	124.9	88.3	94.6	89.1	0.9
FR	851.2	148.8	101.0	131.2	104.7	3.7
HR	926.2	73.8	72.6	48.9	69.8	-3.9
IT	855.8	144.2	96.9	95.1	96.7	-0.2
CY	890.3	109.7	85.5	67.8	83.1	-2.8
LV	961.0	39.0	72.8	63.4	71.8	-1.4
LT	952.9	47.1	69.7	40.7	66.6	-4.4
HU	934.6	65.4	63.4	53.1	62.2	-1.9
MT	928.4	71.6	85.6	89.3	85.8	0.2
NL	854.4	145.6	101.2	125.1	104.2	3.0
AT	846.5	153.5	98.2	132.1	102.4	4.3
PL	942.0	58.0	67.1	37.7	63.7	-5.1
PT	871.4	128.6	82.0	67.2	79.9	-2.6
RO	936.7	63.3	61.2	37.0	58.4	-4.6
SI	877.1	122.9	81.1	59.7	78.0	-3.8
SK	942.4	57.6	71.8	54.1	69.9	-2.6
FI	854.5	145.5	110.3	133.6	113.3	2.7
SE	847.6	152.4	113.9	134.2	116.5	2.3
UK	799.9	200.1	121.3	230.2	134.7	11.0

2.3 Comparison of correction coefficients for active staff and pensioners

Table 7.2 compares the pensioner correction coefficients (CC) with the correction coefficients for active staff, at July 2015. Among all Member States, London has the highest capital-based CC (166.9) and the UK has the highest country-based CC (134.7), whilst Sofia has the lowest capital-based CC (52.1) and the lowest country-based CC (53.3).

The biggest absolute differences between capital city CC values and country CC values can be observed in Ireland, France, Romania, Slovakia, Hungary, Poland, Finland, Sweden and United Kingdom. By contrast, in Germany and Portugal the two CC values are nearly at the same level.

In all except five countries (Bulgaria, Estonia, Cyprus, Malta and Portugal) the country CCs are lower than the capital city CCs.

Without rents, the two sets of CCs are closer. The country CC without rent is slightly higher than the capital city CC without rent in 14 of the Member States (Bulgaria, Czech Republic, Denmark, Estonia, Spain, France, Italy, Latvia, Lithuania, Hungary, Netherlands, Poland, Portugal and Romania). This is a change by comparison to 2014 when it was only the case for 8 Member States.

It should be mentioned that the Staff Regulations set out specific rules for the application of the pensioner CC²⁰.

²⁰ See section 2.1 earlier

Table 7.2

**Pensioners correction coefficients and Staff correction coefficients
at 1st July 2015**

Correction coefficients for pensioners				Correction coefficients for staff			
Country	without rents	rents	Total	Capitals	without rents	rents	Total
BE	100.0	100.0	100.0	Brussels	100.0	100.0	100.0
BG	57.0	27.0	53.3	Sofia	56.1	39.8	52.1
CZ	69.4	57.0	68.0	Prague	68.4	91.2	73.4
DK	124.7	157.4	129.0	Copenhagen	121.7	164.6	131.8
DE	93.7	112.3	96.0	Berlin	94.6	104.1	96.6
EE	78.7	86.1	79.3	Tallinn	78.4	76.6	78.0
IE	103.6	124.4	106.5	Dublin	105.4	172.1	116.6
EL	80.1	69.7	78.7	Athens	80.2	79.3	79.9
ES	88.3	94.6	89.1	Madrid	86.2	106.5	90.2
FR	101.0	131.2	104.7	Paris	99.9	175.9	114.6
HR	72.6	48.9	69.8	Zagreb	73.2	81.7	74.6
IT	96.9	95.1	96.7	Rome	95.8	114.8	99.4
CY	85.5	67.8	83.1	Nicosia	86.3	51.0	77.3
LV	72.8	63.4	71.8	Riga	71.7	82.8	74.2
LT	69.7	40.7	66.6	Vilnius	67.4	74.5	69.0
HU	63.4	53.1	62.2	Budapest	62.8	91.5	69.0
MT	85.6	89.3	85.8	Valletta	85.9	79.4	84.5
NL	101.2	125.1	104.2	The Hague	101.0	133.0	107.8
AT	98.2	132.1	102.4	Vienna	99.7	126.5	105.9
PL	67.1	37.7	63.7	Warsaw	66.1	93.3	71.8
PT	82.0	67.2	79.9	Lisbon	80.9	73.5	79.2
RO	61.2	37.0	58.4	Bucharest	60.6	80.0	64.8
SI	81.1	59.7	78.0	Ljubljana	82.4	77.6	81.2
SK	71.8	54.1	69.9	Bratislava	72.9	89.0	76.4
FI	110.3	133.6	113.3	Helsinki	111.1	148.2	119.7
SE	113.9	134.2	116.5	Stockholm	114.9	176.5	127.9
UK	121.3	230.2	134.7	London	122.7	391.6	166.9

3. EQUIVALENCE OF PURCHASING POWER OF EU OFFICIALS OUTSIDE THE EUROPEAN UNION

3.1 Economic parities and correction coefficients

As at July 2015, correction coefficients are compiled for a list of 144 Extra-EU duty stations. However, the application of Extra-EU correction coefficients is only likely to be requested in practice where the cost of living is higher than in Brussels. **Table 9.1** shows the places where the correction coefficient is greater than 100 at July 2015 (or at July 2014).

By comparison to July 2014, coefficients for the following 3 locations have decreased from above 100 to below 100: Japan, Russia and Timor Leste. In addition, production of coefficient for Venezuela has ceased.

By comparison to July 2014, coefficients for the following 10 locations have increased from below 100 to above 100: Benin, Canada, China, Jordan, Laos, Lebanon, South Korea, South Sudan, USA (New York), Yemen.

A large part of the explanation for these movements is fluctuations in exchange rates to the Euro.

The correction coefficient operates as a percentage adjustment to salaries. However, as salaries are first expressed in Euros, then converted to local currency using exchange rates, before being multiplied by correction coefficients, it is clear that the exchange rate effect cancels out and the relevant factor is any change in the economic parities. If a correction coefficient changes solely due to a change in the exchange rate (ie. there is no change in the economic parity), then local purchasing power will not be impacted²¹.

Tables 8 and 9 in the main report show the results for all duty stations. In those tables, no coefficients are presented for Afghanistan, Iraq, Iran, Libya, Somalia, Syria and Venezuela in the absence of reliable data needed to establish a robust correction coefficient.

By comparison with July 2014, production of coefficients has re-commenced for Argentina, and for Zimbabwe (with parities expressed in USD).

The interim period of 18 months for the continued publication of Extra-EU CC for Croatia ended January 2015, thus Croatia no longer appears in the Table.

The simple average change across all duty station in the global economic parity for officials serving outside the EU for the period under review was +1.3%. The maximum increase was +60.8% (Ukraine). The maximum decrease was -23.9% (Timor Leste).

With the exception of the nine duty stations in Extra-EU countries which participate in the European Comparison Programme (ECP) coordinated by Eurostat²² or the seven which participate in the linked programme coordinated by the Organisation for Economic Cooperation and Development²³, or Taiwan for which specific survey arrangements are made,

²¹ For a numerical example, see section 1.1 earlier.

²² Iceland, Norway, Switzerland, Turkey, Albania, Bosnia-Herzegovina, FYROMacedonia, Montenegro, Serbia

²³ Australia, Canada, Japan, Mexico, New Zealand, South Korea, United States of America (Washington)

the source of price data is the rolling cycle of surveys conducted by the United Nations International Civil Service Commission (UN.ICSC).

For the July 2015 exercise, new parities derived from price surveys have been integrated for 41 locations (these duty stations are highlighted in Tables 8 and 9 in the main report (see footnotes to the tables)).

For all locations, initial “place-to-place” survey-based parities are subsequently updated using the ratio between national consumer price index and the Joint Belgium-Luxembourg Index. For Iceland, Norway, Switzerland and Turkey, the national consumer price index is the harmonised index of consumer prices. For other duty station locations, the price index information is compiled from national sources.

Basic heading parities are aggregated to produce global economic parity using expenditure weights obtained from a direct survey amongst staff in 2010. Due to the low population sizes in many individual duty stations and the low response rate from survey participants in some locations, a global pool structure is applied.

Table 9.1 (page 1 of 2)
Summary of the duty stations where the cost of living is higher than in Brussels at 1st July 2015 compared with 1st July 2014
(for staff serving in Extra- EU delegations)

Place of employment			Economic Parities	Exchange Rate	Correction Coefficients	Economic Parities	Exchange Rate	Correction Coefficients	CHANGE (in %)		
									Economic Parities	Exchange Rate	Correction Coefficients
			[1a]	[2a]	[3] = 100 x [1] / [2]	[1b]	[2b]	[3] = 100 x [1] / [2]	[1a] [1b]	[2a] [2b]	[3a] [3b]
	Country	City	Jul-15	Jul-15	Jul-15	Jul-14	Jul-14	Jul-14	Jul 15 - Jul 14	Jul 15 - Jul 14	Jul 15 - Jul 14
(1)	Democratic Republic of Congo	Kinshasa	1.825	1.11330	163.9	1.838	1.36200	134.9	-0.7	18.3	21.5
	Angola	Luanda	200.1	134.757	148.5	188.8	132.977	142.0	6.0	-1.3	4.6
(5)	Switzerland	Bern	1.478	1.03760	142.4	1.469	1.21620	120.8	0.6	14.7	17.9
(5)	Switzerland	Geneva	1.478	1.03760	142.4	1.503	1.21620	123.6	-1.7	14.7	15.2
	Sudan	Khartoum	9.975	7.01746	142.1	8.689	8.10479	107.2	14.8	13.4	32.6
(4)	Eritrea	Asmara	24.00	17.3943	138.0	23.69	20.7603	114.1	1.3	16.2	20.9
(6)	Norway	Oslo	11.94	8.80650	135.6	10.92	8.36800	130.5	9.3	-5.2	3.9
	Sierra Leone	Freetown	7270	5411.94	134.3	6878	5967.19	115.3	5.7	9.3	16.5
	Singapore	Singapore	1.971	1.50160	131.3	2.054	1.70150	120.7	-4.0	11.7	8.8
	South-Sudan	Juba	4.259	3.28424	129.7	3.558	4.01790	88.6	19.7	18.3	46.4
(6)	Iceland	Reykjavík	186.8	147.770	126.4	173.8	154.850	112.2	7.5	4.6	12.7
(1)	Liberia	Monrovia	1.391	1.11330	124.9	1.372	1.36200	100.7	1.4	18.3	24.0
	Hong Kong	Hong Kong	10.71	8.63060	124.1	10.72	10.5573	101.5	-0.1	18.2	22.3
(2)	Congo	Brazzaville	806.2	655.957	122.9	783.5	655.957	119.4	2.9		2.9
	Barbados	Bridgetown	2.749	2.23853	122.8	2.974	2.73859	108.6	-7.6	18.3	13.1
	West Bank — Gaza Strip	East Jerusalem	5.181	4.22500	122.6	5.255	4.67080	112.5	-1.4	9.5	9.0
	Yemen	Sana a	285.8	239.237	119.5	261.2	292.680	89.2	9.4	18.3	34.0
(2)	Chad	Ndjamena	780.1	655.957	118.9	745.8	655.957	113.7	4.6		4.6
(4)	Solomon Islands	Honiara	10.16	8.73172	116.4	11.92	9.82683	121.3	-14.8	11.1	-4.0
(4)	Papua New Guinea	Port Moresby	3.514	3.05432	115.1	3.838	3.30583	116.1	-8.4	7.6	-0.9
	Vanuatu	Port Vila	134.7	121.130	111.2	134.8	130.534	103.3	-0.1	7.2	7.6
(2)(4)	Gabon	Libreville	719.9	655.957	109.7	697.9	655.957	106.4	3.2		3.1
	United States	New York	1.212	1.11330	108.9	1.252	1.36200	91.9	-3.2	18.3	18.5
	New Caledonia	NouMea	128.9	119.332	108.0	130.6	119.332	109.4	-1.3		-1.3
	Israel	Tel-Aviv	4.559	4.22500	107.9	4.747	4.67080	101.6	-4.0	9.5	6.2

Table 9.1 (page 2 of 2)
Summary of the duty stations where the cost of living is higher than in Brussels at 1st July 2015 compared with 1st July 2014
(for staff serving in Extra- EU delegations)

Place of employment			Economic Parities	Exchange Rate	Correction Coefficients	Economic Parities	Exchange Rate	Correction Coefficients	CHANGE (in %)		
									Economic Parities	Exchange Rate	Correction Coefficients
			[1a]	[2a]	[3] = 100 x [1] / [2]	[1b]	[2b]	[3] = 100 x [1] / [2]	[1a] [1b]	[2a] [2b]	[3a] [3b]
	Country	City	Jul-15	Jul-15	Jul-15	Jul-14	Jul-14	Jul-14	Jul 15 - Jul 14	Jul 15 - Jul 14	Jul 15 - Jul 14
	Jordan	Amman	0.8276	0.789330	104.8	0.8586	0.965658	88.9	-3.6	18.3	17.9
	New Zealand	Wellington	1.705	1.62680	104.8	1.741	1.55420	112.0	-2.1	-4.7	-6.4
(2)(4)	Benin	Cotonou	684.2	655.957	104.3	622.9	655.957	95.0	9.8		9.8
(2)	Central African Republic	Bangui	680.8	655.957	103.8	695.9	655.957	106.1	-2.2		-2.2
(5)	Canada	Ottawa	1.421	1.37760	103.2	1.283	1.45560	88.1	10.8	5.4	17.1
	Brazil	Brasilia	3.597	3.49590	102.9	3.030	2.99050	101.3	18.7	-16.9	1.6
(5)	South Korea	Seoul	1286	1249.68	102.9	1367	1380.96	99.0	-5.9	9.5	3.9
	Laos	Vientiane	9306	9075.00	102.5	9408	10927.0	86.1	-1.1	16.9	19.0
	Senegal	Dakar	666.0	655.957	101.5	677.8	655.957	103.3	-1.7		-1.7
(4)	Lebanon	Beirut	1702	1678.30	101.4	1589	2053.22	77.4	7.1	18.3	31.0
	Australia	Canberra	1.457	1.45260	100.3	1.470	1.44600	101.7	-0.9	-0.5	-1.4
(4)	China	Beijing	6.929	6.91210	100.2	7.596	8.46890	89.7	-8.8	18.4	11.7
(1)	Timor Leste	Dili	1.065	1.11330	95.7	1.400	1.36200	102.8	-23.9	18.3	-6.9
(5)	Japan	Tokyo	129.6	136.810	94.7	139.4	138.090	100.9	-7.0	0.9	-6.1
	Russia	Moscow	57.26	61.6025	93.0	51.00	45.8969	111.1	12.3	-34.2	-16.3
(3)	Venezuela	Caracas	0	0	0	11.93	8.56984	139.2			

In table above:

With reference to Brussels, Economic Parity = 1, Exchange Rate = 1, Correction Coefficient = 100%

(1) Currency USD = 3 Duty Stations: Liberia, Dem Rep Congo (+USA)

(2) Currency CFA = 5 Duty Stations: Benin, CAR, Chad, Congo, Gabon

(3) Not available (1 Duty Stations)

(4) Introduce processed UN P2P (7 Duty Stations)

(5) Introduce processed ISRP PPP (5 Duty Stations)

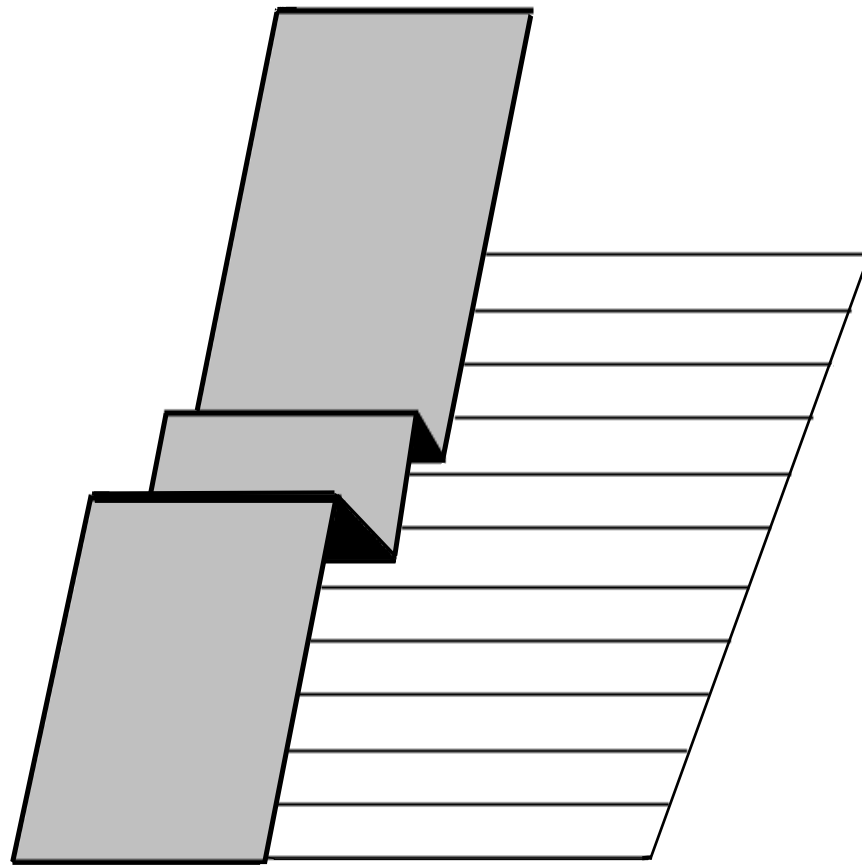
(6) Introduce processed ECP PPP (2 Duty Stations)

Appendix 1b

Appendix 1b to the Eurostat Report on the Annual Adjustment of Remuneration and Pensions

Explanations and statistical analyses:
specific indicators

Reference period:
Year to 1 July 2015



October 2015

Statistical Office of the European Union
Unit C3, Statistics for administrative purposes
Luxembourg

CONTENTS

1.	PARALLELISM WITH EVOLUTION OF PURCHASING POWER OF NATIONAL OFFICIALS.....	66
1.1.	General remarks on the calculation of the specific indicator	66
1.1.1.	Elements of remuneration	66
1.1.2.	Net remuneration.....	66
1.1.3.	Reference period	66
1.1.4.	Reference population	67
1.1.5.	Sample of family types.....	67
1.1.6.	Function groups.....	67
1.1.7.	Sample of grades	68
1.1.8.	Sample of countries.....	68
1.1.9.	Calculation of country specific indicator	68
1.2.	Specific indicator - results by functional groups.....	69
1.3.	Ratio of AD-equivalent to AST-equivalent and to AST/SC-equivalent personnel	70
1.4.	The impact of statutory deductions	71
1.5.	The impact of statutory deductions	73
1.6.	Major changes in the country specific indicators.....	74
1.7.	Comparison with forecast.....	80
2.	CONTROL INDICATORS	81
2.1.	Compensation of employees in central government	81
2.2.	Labour cost index for total public administration	83
3.	INFORMATION ABOUT WORKING TIME	85

INTRODUCTION

This document is an appendix to the 2015 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning specific indicators are presented in the main report, the purpose of this appendix is to give some explanations and statistical analyses of the results as well as detailed tables with statistical information.

Chapter 1 of this document examines the changes in the purchasing power of salaries of central government civil servants in the Member States (specific indicator).

In Chapter 2 information is provided about control indicators (compensation of employees in central government; labour cost index for total public administration).

In Chapter 3 some information about working time in central governments of the Member States is given.

All calculations and figures presented in this appendix relating to specific indicators are based on data supplied and validated by the responsible authorities in the Member States.

More information about methodology can be found in the detailed procedural manuals²⁴.

For any information concerning this report, please contact the Eurostat Remuneration Team in Luxembourg:

*Eurostat, Unit C3
BECH – A2/004
L-2920 Luxembourg
tel.: (+352) 4301-33659
Email: estat-a64ia65@ec.europa.eu*

²⁴ Op cit (4) Doc.A6465/14/26rev

1. PARALLELISM WITH EVOLUTION OF PURCHASING POWER OF NATIONAL OFFICIALS

1.1. General remarks on the calculation of the specific indicator

The *specific indicator* is a measure to represent the average change in the purchasing power of central government civil servants in Member States of the European Communities. It is measured by the real net salary increase in the central government civil service.

One of the basic elements of the annual salary adjustment procedure is the principle of **parallel development** of the salaries, in terms of purchasing power of national central government civil servants and of officials of the European Communities. The **specific indicator** is the methodological tool allowing the implementation of this principle of parallelism.

Article 65 and Annex XI determine the basic principles of the method, but these have to be complemented with practical procedures²⁵. Therefore, we provide here a set of commonly agreed basic definitions. If a specific situation in a given country makes it meaningful to deviate from these definitions to ensure a better application of the spirit of the method, then Eurostat, in agreement with that country may do so.

1.1.1. Elements of remuneration

All elements of remuneration that affect the purchasing power of civil servants should be taken into account in calculating the gross remuneration. All general bonuses and premiums, which are part of the salary, should be reported. In general the following elements should be taken into account:

- basic salaries,
- all allowances and bonuses (e.g. general premiums, child benefit, family allowances),
- non-pensionable lump-sum payments (e.g. annual holiday pay, Christmas bonus).

Not to be included:

- regional allowances granted to compensate for 'cost-of-living' differences,
- increase due to promotion or seniority,
- person-specific special allowances, for example individual bonuses for exceptional performance.

1.1.2. Net remuneration

In order to get the net remuneration the following elements should be deducted from the gross remuneration:

- the amount of compulsory social deductions (social security and occupational pension scheme contributions),
- general taxes on income and
- other compulsory deductions (mutual assistance contribution, temporary contribution, etc.).

Not to be included:

- voluntary contributions.

1.1.3. Reference period

In order to calculate the specific indicators for the year (t) the remuneration of central government civil servants on a fixed month of the year (t-1) is to be compared with the remuneration on the same date of the year (t).

²⁵ For full details, see the latest version of the methodology manual.

The method is based on the comparison of a snapshot of a national remuneration system in the month of July of the current year with the equivalent snapshot in the month of July of the previous year. A snapshot of the system, however, does not simply mean the remuneration grid in a particular month; rather, the remuneration level of the reference population employees in that month, including 1/12 of all annually paid elements such as Christmas bonuses, annual holiday pay, lump-sum payments etc.

If Member States report remuneration data of a given month/year again (e.g. data concerning remuneration of July 2014 sent in 2014 and re-sent in 2015), the data should be exactly the same. If not, they have to provide Eurostat with a clear justification (e.g. change in the structure of grades and categories in the public administration).

1.1.4. Reference population

The reference population relates to permanent statutory staff of the sub-sector “**central governments**” (S.1311 of ESA 2010) of Member States. It should be noted that the sub-sector S.1311 in ESA 2010 is defined as follows:

“This sub-sector includes all administrative departments of the state and other central agencies whose competence extends normally over the whole economic territory, except for the administration of social security funds.”

The reference population for calculating the specific indicator consists of subsector central government, with the following exclusions:

- state and local governments;
- social security funds;
- the armed forces, security forces, police forces, frontier guards, etc.;
- teaching staff,
- medical staff of national health services;
- ministers of religion, if directly paid by central government;
- diplomats and magistrates.

1.1.5. Sample of family types

The specific indicator for each country is calculated on the basis of remuneration data of officials of two different family statuses - **single** and **married with two dependent children**, and each with a weight of 50%. Where relevant, spouses are assumed to have zero income.

1.1.6. Function groups

According to Annex XI, Art. 1 Eurostat is obliged to provide a specific indicator for each of the three function groups: Administrators (AD), Assistants (AST) and Secretaries and Clerks (AST/SC). Therefore, the posts in the national reference population should be classified, according to the nature of the duties to which they relate, in these three function groups – each should comprise several grades.

- Function group **AD** relates to staff engaged in administrative, advisory, linguistic and scientific duties that require university education or equivalent professional experience.
- Function group **AST** relates to staff engaged in executive and technical duties that require an advanced level of secondary education or equivalent professional experience.
- Function group **AST/SC** relates to staff engaged in clerical and secretarial duties that require an advanced level of secondary education or equivalent professional experience.

1.1.7. Sample of grades

Out of the reference population the Member States may select a sample of the more important grades in terms of staff numbers for each of the above mentioned function groups. Grades having only a small proportion of the total number of staff may be excluded from the sample.

The sample should be representative of the reference population. The ratio between the number of staff in the grades covered by the sample and the number in the reference population should normally be more than 75%.

1.1.8. Sample of countries

Prior to 2004, data for all EU15 Member States was used. The version of the Annex XI which was adopted in 2004 specified that to establish a global specific indicator for the European Union, Eurostat should use a sample composed of the following 8 Member States: Belgium, Germany, Spain, France, Italy, Luxembourg, Netherlands and United Kingdom. However this annex expired with effect from 31 December 2012, and a proposal to continue applying it until a replacement was adopted was explicitly rejected. For 2013 it was agreed to use data for all 28 Member States.

A new version of the Annex XI was subsequently adopted in October 2013, and specifies a sample composed of 11 Member States (the same 8 as for 2004-12 plus Austria, Poland and Sweden). This took effect from January 2014.

1.1.9. Calculation of country specific indicator

On receipt of the data from the Member States Eurostat calculates specific indicators for each of the countries separately. The steps leading to these calculations are:

- For each grade, Eurostat will calculate average gross and net remunerations for the available steps (eg. minimum, maximum, median) and the family types.
- Average gross and net remunerations for each grade are then aggregated to three function groups (AD, AST and AST/SC). They are calculated by taking weighted averages of the grades belonging to these groups. The sample size (number of civil servants in the sample of each grade) is taken as weight.
- The average gross and net remunerations for the three function groups are then aggregated to overall gross and net remunerations in the central government civil service by taking the weighted average of the remunerations of these three groups, where the total actual number of civil servants in each of the groups is taken as weights.
- For each of the function groups as well as for the overall remunerations the following changes for the period July – July are calculated:
 - Gross nominal
 - Net nominal
 - Gross real
 - Net real
- The increases/decreases in real terms are calculated by taking into account the increase/decrease in the harmonized index of consumer price (HICP) for this period.
- The overall real net increase/decrease in remuneration is called the **country specific indicator**.

1.2. Specific indicator - results by functional groups

Table 1.1 sets out the gross and net specific indicators for each of the three function-groups, both in nominal and real terms, for the sample of countries specified in the Staff Regulations.

Table 1.1
Nominal and real changes in the remuneration of national civil servants
in the twelve-month period to 1st July 2015 (1.7.2014 = 100)

Country		Nominal change				Real change			
		AD	AST	SC	Total	AD	AST	SC	Total
BE	Gross	100.0	100.0		100.0	99.1	99.1		99.1
	Net	100.5	100.6		100.5	99.6	99.7		99.6
DE	Gross	103.5	103.6	104.2	103.6	103.4	103.5	104.1	103.5
	Net	103.0	103.0	103.8	103.0	102.9	102.9	103.7	102.9
ES	Gross	100.4	100.2	100.3	100.4	100.4	100.2	100.3	100.4
	Net	101.5	101.1	100.9	101.2	101.5	101.1	100.9	101.2
FR	Gross	99.9	101.1		100.5	99.6	100.8		100.2
	Net	99.9	101.2		100.6	99.6	100.9		100.3
IT	Gross	100.0	100.0	100.0	100.0	99.8	99.8	99.8	99.8
	Net	98.7	101.5	102.7	100.6	98.5	101.3	102.5	100.4
LU	Gross	103.0	102.9	102.8	102.9	102.5	102.4	102.3	102.4
	Net	101.7	101.7	101.9	101.7	101.2	101.2	101.4	101.2
NL	Gross	100.8	100.8	100.8	100.8	100.3	100.3	100.3	100.3
	Net	101.9	100.4	100.2	101.2	101.4	99.9	99.7	100.7
AT	Gross	102.4	101.9		102.0	101.4	100.9		101.0
	Net	102.1	101.5		101.7	101.1	100.1		100.7
PL	Gross	101.5		99.8	101.3	102.1		100.4	101.9
	Net	101.2		99.8	101.1	101.8		100.4	101.7
SE	Gross	102.5	102.7	102.9	102.5	102.1	102.3	102.5	102.1
	Net	102.3	102.4	102.6	102.3	101.9	102.0	102.2	101.9
UK	Gross	100.6	100.7		100.7	100.6	100.7		100.7
	Net	100.1	100.6		100.5	100.1	100.6		100.5
Total	Gross	101.2	101.4	101.9	101.3	101.1	101.2	101.8	101.2
	Net	101.0	101.6	102.3	101.4	100.8	101.3	102.2	101.2

1.3. Ratio of AD-equivalent to AST-equivalent and to AST/SC-equivalent personnel

Table 1.2 summarises the ratio of AD-equivalent to AST-equivalent and to AST/SC-equivalent personnel amongst central government personnel (total population), as reported in SRQ for the sample of countries specified in the Staff Regulations.

Table 1.2a presents the corresponding information for the remaining Member States.

Table 1.2

**Central government personnel ratios
(total population)
July 2015**

Country	Percentage			
	AD	AST	SC	Total
BE	46.1	53.9		100.0
DE	47.3	41.0		88.3
ES	43.0	34.5		77.5
FR	33.3	66.7		100.0
IT	31.1	62.2		93.4
LU	41.4	51.9		93.3
NL	48.5	48.7		97.2
AT	17.8	82.2		100.0
PL	86.4	0.0		86.4
SE	80.8	13.9		94.7
UK	6.6	93.4		100.0

Table 1.2a

**Central government personnel ratios
(total population)
July 2015**

Country	Percentage			
	AD	AST	SC	Total
BG	74.6	25.4		100.0
CZ	92.5	4.7		97.2
DK	60.1	39.9		100.0
EE	50.0	50.0		100.0
EI	13.0	40.3		53.3
EL	49.7	50.3		100.0
HR	46.3	52.0		98.3
CY	39.7	36.6		76.4
LV	90.1	4.1		94.2
LT	95.4	4.6		100.0
HU	82.0	16.0		98.0
MT	47.1	40.5		87.6
PT	38.6	12.2		50.9
RO	94.4	5.6		100.0
SI	67.2	8.6		75.8
SK	72.0	16.4		88.5
FI	60.0	40.0		100.0

1.4. The impact of statutory deductions

Table 1.3 provides comparative information on the evolution of gross and net nominal remuneration for the sample of countries specified in the Staff Regulations.

Table 1.3a presents the corresponding information for the remaining Member States.

Table 1.3

Changes in the nominal gross and nominal net specific indicators for the twelve-month period to 1st July 2015

Country	Gross remuneration	Net remuneration	Difference
	[1]	[2]	[2] - [1]
BE	100.0	100.5	0.5
DE	103.6	103.0	-0.6
ES	100.4	101.2	0.8
FR	100.5	99.9	-0.6
IT	100.0	100.6	0.6
LU	102.9	101.7	-1.2
NL	100.8	101.2	0.4
AT	102.0	101.7	-0.3
PL	101.3	101.1	-0.2
SE	102.5	102.3	-0.2
UK	100.7	100.5	-0.2
Total	101.3	101.2	-0.1

Table 1.3a

Changes in the nominal gross and nominal net specific indicators for the twelve-month period to 1st July 2015

Country	Gross remuneration	Net remuneration	Difference
	[1]	[2]	[2] - [1]
BG	101.3	101.2	-0.1
CZ	101.9	102.1	0.2
DK	100.6	100.1	-0.5
EE	102.0	105.7	3.7
EI	99.2	101.3	2.1
EL	100.0	100.0	0.0
HR	100.0	100.0	0.0
CY	100.0	100.0	0.0
LV	108.0	109.6	1.6
LT	102.2	102.2	0.0
HU	101.5	101.3	-0.2
MT	102.5	102.2	-0.3
PT	96.5	97.5	1.0
RO	104.1	103.8	-0.3
SI	99.8	99.9	0.1
SK	101.0	100.9	-0.1
FI	100.3	100.1	-0.2

The following table summarises the movement in nominal **gross** remuneration for the countries in the sample:

Range	Member States	
$0\% \leq x < 1\%$	6	BE, ES, FR, IT, NL, UK
$1\% \leq x < 2\%$	1	PL
$2\% \leq x < 3\%$	3	LU, AT, SE
$3\% \leq x < 4\%$	1	DE
Total	11	

The following table summarises the movement in nominal **net** remuneration for the countries in the sample:

Range	Member States	
$0\% \leq x < 1\%$	4	BE, FR, IT, UK
$1\% \leq x < 2\%$	5	ES, LU, NL, AT, PL
$2\% \leq x < 3\%$	3	DE, SE
Total	11	

1.5. The impact of statutory deductions

Table 1 in the main report shows the change in net remuneration of central government civil servants in real terms for the sample of countries specified in the Staff Regulations. The corresponding information for the remaining Member States is shown in **Table 1.4** below.

Table 1.4

**Change in the net remuneration of central government civil servants
July 2014 - July 2015**

Country	Weight ¹ EU28=100	Nominal net specific indicator	Consumer price indices	Real net specific indicator
	(%)	(%)	(%)	(%)
BG	0.7	1.2	-0.6	1.8
CZ	1.7	2.1	0.9	1.2
DK	1.4	0.1	0.4	-0.3
EE	0.2	5.7	0.3	5.4
EI	1.2	1.3	0.4	0.9
EL	1.5	0.0	-1.1	1.1
HR	0.5	0.0	0.1	-0.1
CY	0.1	0.0	-2.1	2.1
LV	0.2	9.6	0.7	8.8
LT	0.4	2.2	-0.2	2.4
HU	1.3	1.3	0.7	0.6
MT	0.1	2.2	1.1	1.1
PT	1.6	-2.5	0.8	-3.3
RO	2.1	3.8	-0.9	4.7
SI	0.3	-0.1	-0.9	0.8
SK	0.8	0.9	-0.1	1.0
FI	1.2	0.1	0.1	0.0

¹ Basis: GDP expressed in PPP, 2014

Combining the information in Table 1.4 with the information in Table 1 of the main report, it is possible to calculate a hypothetical global specific indicator for the EU28 as a whole. For the year 2015, this would be +1.2% (the same as the definitive figure calculated for the sample of countries specified in the Staff Regulations).

1.6. Major changes in the country specific indicators

The main changes affecting the individual country specific indicators for the period are as follows:

Belgium: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

The last automatic wage indexation was in 2012. The threshold of the “spilindex” was exceeded during the reference period, however the Government introduced an “index leap” by legislation and therefore there is no increase in basic salaries. No changes to other components of gross remuneration, thus gross remuneration nominal indicator evolution is +0.0%.

There was an increase to the lump sum deduction allowed for income tax purposes from 1.1.2015, which resulted in a higher nominal net remuneration +0.5%.

Bulgaria: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

Following major reforms in 2012 there were general pay increases in 2013-14. By contrast in 2014-15 pay increases were mainly for lower grades and minimum step in grade (contracts with greater flexibility), whereas pay decreases were recorded for highest grades and maximum step in grade. Reported changes in gross remuneration ranged between -33% and +41%. In part these reflect mobility of personnel (retirement) rather than changes to pay scale. On average, nominal gross remuneration increased by +1.3%.

There were no changes to statutory deductions: nominal net remuneration increased by +1.2%.

Czech Republic: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

There was an increase in salaries of +3.5% by government resolution in October 2014. Reported changes in gross remuneration ranged between -24% and +33%, which reflects changes to bonuses, premiums and allowances. On average, nominal gross remuneration increased by +1.9%.

The data does not include child benefit: this omission will be corrected for the 2016 exercise.

There were slight changes to statutory deductions; in consequence the increase in net remuneration was +2.1%.

Denmark: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

The nominal gross remuneration increased by +0.6%. Ongoing programme of changes to statutory deductions are reflected in the calculation of nominal net remuneration, which increased by +0.1%.

Germany: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

Nominal gross remuneration increased by +2.2% with effect from March 2015, and by +2.8% (minimum €90) with effect from July 2014 (retrospective legislation for March 2014 adopted only during the current period). However, as German authorities have calculated the salary figure for July 2015 using annual average data, rather than direct extraction of monthly salary for July 2015, the impact is diluted: the reported change in nominal gross remuneration is +3.6%.

Germany also introduced some changes to its tax regimes, notably affecting the treatment of married couples with children. Discussions on how to incorporate these changes required some time, and as a result final data was submitted later than usual. The nominal net remuneration increased by +3.0%.

Estonia: Figures are supplied in accordance with bilateral discussions December 2014 and subsequently. Note: no figures were supplied for inclusion in the 2014 Annual Report, and the availability of 2015 data and retrospective 2014 data represents welcome progress.

By comparison to 2014, the central public administration has expanded to include information for the Agricultural Registers Board.

Nominal gross salary has increased on average by +2.0%, which masks a significant increase in remuneration of minimum step and a slight decrease in remuneration of middle step.

Civil servants are eligible for state child benefit, which increased from €9.59 to €45 per child per month with effect from January 2015. This is reflected in the reported data for married officials with dependent spouse and children.

The personal income tax rate reduced by 1%, and the tax-free amount increased, both generating a decrease in reported statutory deductions. Employee contributions to unemployment insurance decreased as well.

Taking all these elements into account, the nominal net remuneration increased by +5.7%.

Ireland: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

In accordance with existing collective agreement 2013-2016, a pay freeze continues to apply and there was no change in the nominal gross remuneration for single officials: 0.0%.

State child benefit increased from €130 to €135 per child per month, which affects the income of married officials with children.

There were slight changes to tax thresholds and a 1% reduction in the top rate of tax. Other statutory deductions were unchanged.

Taking all these elements into account, the nominal net remuneration increased by +1.3%.

Greece: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

Salaries are set by legislation: in accordance with continuing austerity programme the remuneration questionnaire identifies zero change in gross salaries.

There were no changes to statutory deductions or state benefits. Consequently, the nominal net remuneration indicator evolution is also +0.0%.

Spain: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

The existing pay freeze is extended. Minor changes to other components of gross remuneration explain the small increase on average +0.4%.

Statutory deductions reflect annual Budget Law. There was a reduction in regional tax payable for Madrid. Consequently, nominal net remuneration has increased on average by +1.2%.

France: Figures are supplied in accordance with country manual validated in 2010.

Database improvements have allowed a switch from Ile-de-France staff sample to pure central public administration.

The existing pay freeze is extended. There was an upgrading of the index scale for certain C and B grades with effect from 1.1.2015. Changes to income-related family allowances with effect from June 2015 affected reported values for higher grades. On average, nominal gross remuneration increased by +0.5%.

Pension contributions increased from 9.14% to 9.54%. Overall, the nominal change in net remuneration was +0.6%.

Croatia: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates including bilateral discussion May 2015.

Building on a mission to Zagreb in May 2015, bilateral discussions are ongoing between Eurostat and Croatian authorities regarding the precise methodology for reporting of remuneration data. For the current report, by mutual agreement the forecast figures are used. The evolution in nominal gross remuneration is assumed to be 0.0%, and the impact of changes in state benefits and in statutory deductions is assumed to be 0.0%, thus the movement in nominal net remuneration is consequently 0.0%.

Italy: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

Basic salary was unchanged in accordance with the ongoing public sector pay freeze since 2011. Gross remuneration evolution is +0.0%.

Lazio regional income tax surcharge rose by +1.0% with effect from January 2015, however a new tax credit ("Renzi bonus") reduced personal income tax payable. There was also a change to the threshold for calculation of social security contributions.

Taking all elements into account, the nominal change in net remuneration was +0.6%.

Cyprus: Figures are supplied in accordance with country manual validated in April 2015.

Pay freeze from 2013 continues to apply, including suspension of automatic indexation. Indicator of evolution of nominal gross remuneration is therefore +0.0%.

No change to statutory deductions or state benefits. The consequent movement in net remuneration is also +0.0%.

Latvia: Figures are supplied in accordance with bilateral correspondence.

There was a significant increase in staff numbers.

Nominal gross remuneration increased by around +8% on average. In addition, as from 1 January 2015 the family state benefit continued as 11.38 euros per months for the first child and increased from 11.38 to 22.76 euros per month for the second child (total 34.14 euros for purposes of the A65 exercise). In consequence, the nominal gross indicator increased by +8.2%

Personal income tax rate decreased from 24% to 23%, and personal income tax relief for dependent children increased. Compulsory employee's contributions to social security is unchanged at 10.5%.

In consequence, nominal net remuneration increased by +9.9% on average.

Lithuania: Figures are supplied in accordance with bilateral correspondence.

There was no change to basic salaries or bonuses of civil servants however lump sum payments and additional payments increased; nominal gross remuneration rose on average by +2.2%.

There were no changes to statutory deductions. Nominal net remuneration increased by +2.2%.

Luxembourg: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

New salary scale legislation March 2015. Delayed application of the 2013 wage indexation +2.2% occurred with effect from January 2015. Together with +0.9% bonus, nominal gross remuneration indicator increased by +2.9%.

New temporary tax 0.5% of income introduced for 2015. No change to other compulsory deductions. Under the progressive tax system, nominal net remuneration increased by +1.7%.

Hungary: Figures are supplied in accordance with country manual as sent for validation in July 2014 and presented at A6465WG March 2015.

Ongoing recruitment policy affects ratio between AD and other function groups.

Pay freeze continues to apply to basic salary. In some cases, remuneration for minimum step has increased to match increase in national minimum wage. Nevertheless, various changes to nominal gross remuneration reported, ranging between -30% and +78%. Indicator of nominal gross remuneration increased on average by +1.5%.

No changes to statutory deductions or to state benefits (child allowance). Net remuneration increased by +1.3%.

Malta: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

New schedule of grades 2015 reflects +2.5% increase to gross remuneration under multi-year agreement. Some minor variations but nominal gross indicator increased on average by +2.5%.

No changes to state child benefit. Personal taxes increased and net remuneration therefore increased by lesser amount +2.2%.

Netherlands: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

Per ministerial announcement April 2015 gross salaries rose by +0.8% to compensate change to pension scheme contributions.

Lower deduction for personal tax in 2015. Net salary for married officials is impacted more negatively than for single officials, because over time the possibility to transfer the general tax reduction of the spouse to the wage earner is cut back gradually. In 2014 the general tax reduction of the spouse could be taken into account for 60% when calculating taxes for the wage earner, in 2015 for only 53.33%.

Nominal net indicator increased by +1.2%.

Austria: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

Austria is in the state of changing its remuneration system. The salary scales currently in use are not yet published. They are based on the 2014 scales + 1.77%. On average the increase of nominal gross remuneration was +2.0%.

Rules for income taxes and other compulsory deductions did not change. Nominal net specific indicator increased by +1.7%.

Poland: Figures are supplied in accordance with country manual as sent for validation in September 2015.

Civil servant salaries are still subject to pay freeze, however adjustments to middle scale values explain the reported increase in nominal gross remuneration (+1.3% on average).

No change in statutory deductions or state benefits (child allowance), except that higher eligibility threshold for child tax credit affects one grade.

Consequently, nominal net remuneration increased by lower figure of +1.1%.

Portugal: Figures are supplied in accordance with country manual validated in August 2014.

With the transition to ESA2010 there was a change in the entities included within "central public administration", which is the reason for the increased staff numbers.

On May 31, 2014, the Portuguese Constitutional court ruled against previous wage cuts. As a result, civil servant wages were restored to pre-2011 levels, resulting in a high increase for the 2014 A65 exercise.

In July 2014 a new austerity package was proposed by the government, which was partially approved by the court in August 2014. This included pay cuts of between 3-12% in the final quarter of 2014 on salaries above €1500 per month. These cuts were then reduced by 20% in January 2015, and will be totally reversed within four years. On this basis, the nominal gross remuneration indicator reported for Portugal is -3.5%

There was a reduction in personal income tax for workers with dependent children. Consequently the nominal net remuneration only decreased by -2.5%.

Romania: Figures are supplied in accordance with bilateral correspondence.

In the absence of a completed remuneration questionnaire for 2015 and 2014, values are estimated using best available information including forecast validated in March 2015. The nominal gross remuneration has increased by +4.1%.

There were no changes to state benefits or compulsory deductions for 2015. Under the progressive tax system, nominal net remuneration increased by +3.8%.

Slovenia: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates including bilateral discussion in Ljubljana in May 2015.

Due to extension of existing austerity agreement until end-2015 there was no change in basic salary. Minor changes to nominal gross remuneration values reflects staff mobility: the indicator decreased by -0.2%.

No changes to state child benefit or to compulsory deductions. Nominal net remuneration decreased by -0.1%.

Slovakia: Figures are supplied in accordance with bilateral correspondence.

Reported nominal gross remuneration reflects +1.5% increase in pay scale with effect from July 2015, as well as changes to personal allowances. On average nominal gross indicator increased by +1.0%.

Statutory deductions are unchanged by comparison with 2014. Net remuneration increased by +0.9%.

Finland: Figures are supplied in accordance with bilateral discussions December 2014 and subsequently.

Note: no figures were supplied for inclusion in the 2014 Annual Report, and the availability of 2015 data and retrospective 2014 data represents welcome progress.

In accordance with collective agreement, there was a flat increase of €20 per month with effect from August 2014. On average, nominal gross remuneration increased by +0.3%.

State child benefit decreased from €219.32 (1st child 104.19, 2nd child 115.13) in 2014 to €201.55 (1st child 95.75, 2nd child 105.80) in 2015.

A child tax credit is in effect 2015-2017 where gross income is below a certain limit. By contrast, employees' unemployment insurance premium increased from 0.50% to 0.65% of gross income. Employees' pension premium for under 53 year olds increased from 5.5% to 5.7 % and the premium for over 53 year olds increased from 7.05% to 7.20%.

Taking all these elements into account nominal net remuneration increased on average by +0.1%.

Sweden: Figures are supplied in accordance with draft country manual as presented at A6465WG meeting in March 2015 and subsequent updates.

The reported evolution in nominal gross remuneration (average of multiple local agreements) is +2.5%. State child allowance was unchanged.

Due to slight changes in taxes and deductions, the nominal net remuneration increased by +2.3%.

United Kingdom: Figures are supplied in accordance with country manual validated in June 2015.

The average increase in gross remuneration (all 8 departments) was +0.7%. This change is broadly in line with the Treasury policy ceiling for the year (+1.0%): increases above this ceiling are due to grade range shortening, although there was no pay increase in one large department. Unconsolidated payments are not included.

This is the first time statutory deductions and state benefits are reflected in the UK indicator calculation. There were minor tax changes for 2015. Transition to the new pension scheme with higher contributions caused a reduction in net remuneration. The nominal net specific indicator is +0.5%.

1.7. Comparison with forecast

An initial forecast about the expected changes in net remuneration in nominal terms during the period 1 July 2014 – 1 July 2015 was compiled from Member States. Where these forecasts were not available, Eurostat or DG ECFIN estimates were used instead.

National estimates of expected changes in the harmonized consumer price indices (inflation rates) during the period were used to transform the nominal changes in remuneration into movements in real terms. Where these forecasts were not available, Eurostat or DG ECFIN estimates were used instead.

Values were confirmed by national delegates at the March 2015 meeting of the Working Group on Articles 64 & 65 of the Staff Regulations, and published in the Intermediate Report²⁶.

The information presented in that report is a best estimate based on available information at the time. The results of the definitive annual data collection exercise may vary by comparison to those forecasts, for example due to factors arising between the date of the Working Group meeting and the date of drafting the Annual Report.

Table 1.5 provides comparative information on the evolution of net remuneration in nominal and real terms.

Table 1.5

Comparison of the net specific indicator and the forecast in nominal and real terms for the twelve-month period to 1st July 2015

Country	Net specific indicator in nominal terms			Net specific indicator in real terms		
	Actual [1]	Forecast * [2]	Difference [3]	Actual [4]	Forecast * [5]	Difference [6]
BE	100.5	100.3	-0.2	99.6	100.1	0.5
DE	103.0	102.8	-0.2	102.9	103.8	0.9
ES	101.2	100.6	-0.6	101.2	101.5	0.3
FR	100.6	100.7	0.1	100.3	100.7	0.4
IT	100.6	100.6	0.0	100.4	100.5	0.1
LU	101.7	102.2	0.5	101.2	102.6	1.4
NL	101.2	100.5	-0.7	100.7	101.0	0.3
AT	101.7	101.8	0.1	100.7	101.3	0.6
PL	101.1	100.0	-1.1	101.7	101.3	-0.4
SE	102.3	102.3	0.0	101.9	102.3	0.4
UK	100.5	101.0	0.5	100.5	99.9	-0.6
Total	101.3	101.2	-0.1	101.2	101.4	0.2

* Per Intermediate Report.

²⁶ Ares(2015)1660037.

2. CONTROL INDICATORS

2.1. Compensation of employees in central government

Table 1.6 shows the calculation of this control indicator for the countries in the sample specified in the Staff Regulations.

Table 1.6

Control indicator: compensation of employees in central government

2014-2015 Eurostat estimates based on data supplied by Member States

Country	Compensation of employees ¹		Number of employees ²	Nominal change	HICP ³	Change in real terms	GDP in PPS ⁴
	2014	2015	2014	(%)	(%)	(%)	(%)
BE	9,385.4	9,417.0	430.500	0.3	0.9	-0.6	2.6
DE	28,620.0	29,332.0	2,535.000	2.5	0.1	2.4	20.1
ES	23,189.0	22,841.0	1,384.400	-1.5	0.0	-1.5	8.3
FR	136,727.0	137,570.0	2,393.000	0.6	0.3	0.3	13.9
IT	93,422.0	93,391.0	1,274.500	0.0	0.2	-0.2	11.5
LU	3,020.9	3,193.0	22.600	5.7	0.5	5.2	0.3
NL	21,372.0	21,627.0	492.000	1.2	0.5	0.7	4.4
AT	13,821.7	14,096.0	20.519	2.0	1.0	1.0	2.1
PL	80,438.0	84,196.0	1,063.100	4.7	-0.6	5.3	5.1
SE	117,472.0	120,864.0	258.000	2.9	0.4	2.5	2.4
UK	104,525.0	109,762.0	1,533.000	5.0	0.0	5.0	13.9
Global	-	-	-	1.9	0.2	1.7	84.6

¹ Numerator: ESA 2010 expenditure on compensation of employees in Central Government (NAC million) per Eurostat website 15.10.2015, extrapolated to 2015 using growth rate 2013-2014

² Denominator: ESA 2010 employment in Central Government (thousand persons) per SRQ.

If no figure supplied then NACE R2 employment in Public administration; defence; social security (thousand persons) per Eurostat website 15.10.2015. Not supplied: BE, DE, ES, FE, IT, LU, NL, PL, SE, UK.

³ HICP June 2014 - June 2015 per Eurostat website 02.09.2015

⁴ GDP 2014 in PPS per Eurostat website 14.10.2015

Table 1.6a shows the corresponding figures for the remaining Member States.

Table 1.6a

Control indicator: compensation of employees in central government

2014-2015 Eurostat estimates based on data supplied by Member States

Country	Compensation of employees ¹		Number of employees ²	Nominal change	HICP ³	Change in real terms	GDP in PPS ⁴
	2014	2015	2014	(%)	(%)	(%)	(%)
BG	5,393.5	5,650.0	336.375	4.8	0.9	3.8	0.7
CZ	154,347.0	160,208.0	277.940	3.8	-0.6	4.4	1.7
DK	86,884.0	89,078.0	151.000	2.5	0.9	1.6	1.4
EE	1,282.7	1,395.0	47.900	8.8	0.1	8.6	0.2
IE	16,697.4	16,829.0	96.570	0.8	0.3	0.5	1.2
EL	18,927.0	18,984.0	67.947	0.3	0.4	-0.1	1.5
HR	19,966.8	18,954.0	109.700	-5.1	0.3	-5.4	0.5
CY	2,163.4	1,918.0	52.924	-11.3	0.2	-11.5	0.1
LV	1,230.7	1,330.0	5.320	8.1	-2.1	10.4	0.2
LT	1,885.2	1,980.0	146.288	5.0	0.7	4.3	0.4
HU	2,545,513.4	2,805,236.0	581.837	10.2	0.5	9.7	1.3
MT	1,044.7	1,125.0	15.800	7.7	0.7	6.9	0.1
PT	16,615.2	16,229.0	497.133	-2.3	-0.6	-1.7	1.6
RO	30,298.6	30,549.0	417.600	0.8	0.8	0.0	2.1
SI	2,788.8	2,662.0	96.881	-4.5	-0.9	-3.7	0.3
SK	4,014.0	4,177.0	184.670	4.1	-0.9	5.0	0.8
FI	6,920.0	6,924.0	165.700	0.1	-0.1	0.2	1.2

¹ Numerator: ESA 2010 expenditure on compensation of employees in Central Government (NAC million) per Eurostat website 15.10.2015, extrapolated to 2015 using growth rate 2013-2014

² Denominator: ESA 2010 employment in Central Government (thousand persons) per SRQ.

If no figure supplied then NACE R2 employment in Public administration; defence; social security (thousand persons) per Eurostat website 15.10.2015. Not supplied: DK, EE, IE, HR, MT, RO, FI.

³ HICP June 2014 - June 2015 per Eurostat website 02.09.2015

⁴ GDP 2014 in PPS per Eurostat website 14.10.2015

2.2. Labour cost index for total public administration

Table 1.7 shows the calculation of this control indicator for the countries in the sample specified in the Staff Regulations.

Table 1.7

Control indicator: labour cost index for total public administration

2014-2015 Eurostat estimates based on data supplied by Member States

Country	Labour cost index ¹		Nominal change	HICP 2	Change in real terms	GDP in PPS ³
	2014	2015	(%)	(%)	(%)	(%)
BE	103.4	104.0	0.6	0.9	-0.3	2.6
DE	106.7	110.3	3.4	0.1	3.3	20.1
ES	105.4	107.0	1.5	0.0	1.5	8.3
FR	:	:	:	0.3	:	13.9
IT	100.4	100.6	0.2	0.2	0.0	11.5
LU	105.6	108.3	2.5	0.5	2.0	0.3
NL	99.4	99.2	-0.2	0.5	-0.7	4.4
AT	107.5	111.2	3.5	1.0	2.4	2.1
PL	105.1	108.2	2.9	-0.6	3.6	5.1
SE	104.6	107.0	2.2	0.4	1.8	2.4
UK	101.3	103.2	1.9	0.0	1.9	13.9
Global	-	-	2.0	0.1	1.8	84.6

¹ Labour cost index (nominal value, annual data, wages and salaries component) NACE R2 group O per Eurostat website 08.10.2015, extrapolated to 2015 using growth rate 2013-2014

² HICP June 2014 - June 2015 per Eurostat website 02.09.2015

³ GDP 2014 in PPS per Eurostat website 14.10.2015

Table 1.7a shows the corresponding figures for the remaining Member States.

Table 1.7a

Control indicator: labour cost index for total public administration

2014-2015 Eurostat estimates based on data supplied by Member States

Country	Labour cost index ¹		Nominal change	HICP ²	Change in real terms	GDP in PPS ³
	2014	2015	(%)	(%)	(%)	(%)
BG	110.6	115.8	4.7	-0.6	5.4	0.7
CZ	104.8	107.9	2.9	0.9	2.0	1.7
DK	100.3	101.1	0.8	0.4	0.4	1.4
EE	117.9	128.1	8.7	0.3	8.3	0.2
IE	97.1	95.6	-1.5	0.4	-1.9	1.2
EL	97.9	101.9	4.0	-1.1	5.2	1.5
HR	:	:	:	0.1	:	0.5
CY	92.2	87.2	-5.4	-2.1	-3.4	0.1
LV	115.7	124.1	7.2	0.7	6.5	0.2
LT	112.0	120.5	7.6	-0.2	7.8	0.4
HU	105.5	106.5	1.0	0.7	0.3	1.3
MT	107.3	111.0	3.5	1.1	2.3	0.1
PT	101.1	95.2	-5.9	0.8	-6.6	1.6
RO	118.9	124.4	4.7	-0.9	5.6	2.1
SI	99.5	102.9	3.4	-0.9	4.4	0.3
SK	106.9	111.7	4.5	-0.1	4.6	0.8
FI	103.7	104.8	1.1	0.1	1.0	1.2

¹ Labour cost index (nominal value, annual data, wages and salaries component) NACE R2 group O per Eurostat website 08.10.2015, extrapolated to 2015 using growth rate 2013-2014

² HICP June 2014 - June 2015 per Eurostat website 02.09.2015

³ GDP 2014 in PPS per Eurostat website 14.10.2015

3. INFORMATION ABOUT WORKING TIME

Through the standard remuneration questionnaire, Eurostat also collects statistical information on differences in the working hours of national officials in all Member States. Information about statutory or contractual weekly working hours in central governments (**Table 10.1**), number of days of annual leave (**Table 10.2**) and number of public holidays per year (**Table 10.3**) are shown below. In all these tables the situation in July 2015 has been compared with that in July 2014.

Similarly, information is also collected about retirement age in central government. The situation at July 2015 is shown in **Table 10.4**.

Important note: this information is supplied to help understand the situation in Member States. No adjustment is made to the remuneration data used to establish specific indicators, for any differences in working hours per week or yearly number of days on holiday.

Table 10.1
Statutory or contractual weekly working hours in central governments

Country	Weekly working hours		Remarks
	July 2014	July 2015	
BE	38	38	
BG	40	40	
CZ	40	40	
DK	35	35	
DE	41	41	40 for special family reasons
EE	40	40	
EI	37	37	
EL	40	40	
ES	37.30-40	37.30-40	
FR	35	35	
HR	37.30	37.30	
IT	36	36	
CY	37.30	37.30	
LV	40	40	
LT	40	40	
LU	40	40	
HU	40	40	
MT	40	40	
NL	36	36	
AT	40	40	
PL	40	40	
PT	40	40	some categories 35 hours
RO	:	:	figure provided in 2013: 40h
SI	37.30	37.30	
SK	37.30	38	
FI	36.15	36.15	
SE	39.45	39.45	
UK (London)	36	36	2014 and 2015: 8 depts
UK (Country)	37	37	2014 and 2015: 8 depts

Table 10.2
Number of days annual leave

Country	Number of days		Remarks - 2015
	July 2014	July 2015	
BE	26 - 33	26 - 33	Depends on age
BG	20	20	
CZ	25	25	
DK	30	30	
DE	30	30	
EE	35	35	
EI	22-32	22-32	Depends on grade
EL	20-25	20 - 25	
ES	26	27	
FR	25	25	2 days bonus maximum
HR	20-30	20-30	Depends on age and grade
IT	32	32	Under 3 years of service: 30 days
CY	20-29	20-29	Depends on years of service
LV	28	28	
LT	28-42	28-42	Depends on years of service
LU	32-36	32-36	Depends on age
HU	25	25	Additional days by length of service
MT	24	192 hours	
NL	23-27	23-27	Depends on age
AT	25-30	25-30	Depends on age
PL	20-38	20-38	Depends on grade
PT	25	22	
RO	:	:	Depends on years of service figures provided in 2013: 21-25 days
SI	20-35	20-35	Under special conditions
SK	25-30	25-30	Under special conditions
FI	32	30-38	Depends on years of service
SE	28-35	28-35	Depends on age
UK	22 - 31.50	22-31.50	Differences between Ministries. Depends on grade and years of service

Table 10.3
Number of public holidays per year (statutory, contractual, etc)

Country	Number of days		Remarks - 2015
	July 2014	July 2015	
BE	13	13	Time off when the public holiday falls on Saturday or Sunday
BG	14	15	
CZ	9	9	
DK	9 - 10	9 - 10	
DE	9	9	Berlin
EE	12	12	
EI	10	10	Time off when the public holiday falls on Saturday or Sunday
EL	12	12	
ES	14	14	Time off when the public holiday falls on Sunday
FR	10	10	
HR	14	14	Only if civil servant works on the day of public holiday
IT	11	11	
CY	15	15	
LV	15	15	
LT	15	15	
LU	11	11	Time off when the public holiday falls on Sunday
HU	none	none	
MT	14	14	
NL	7	7	
AT	none	none	
PL	12	13	Compensation when public holiday falls on Saturday or Sunday (6x this year)
PT	7	6	
RO	:	:	figure provided in 2013: 12
SI	9	6	Public holidays on Saturday/Sunday not included in this number
SK	13	11	
FI	10	9	
SE	13	13	Time off when the public holiday falls on Saturday or Sunday
UK	9-11	9-11	Time off when the public holiday falls on Saturday or Sunday

Table 10.4
Age of retirement and early retirement

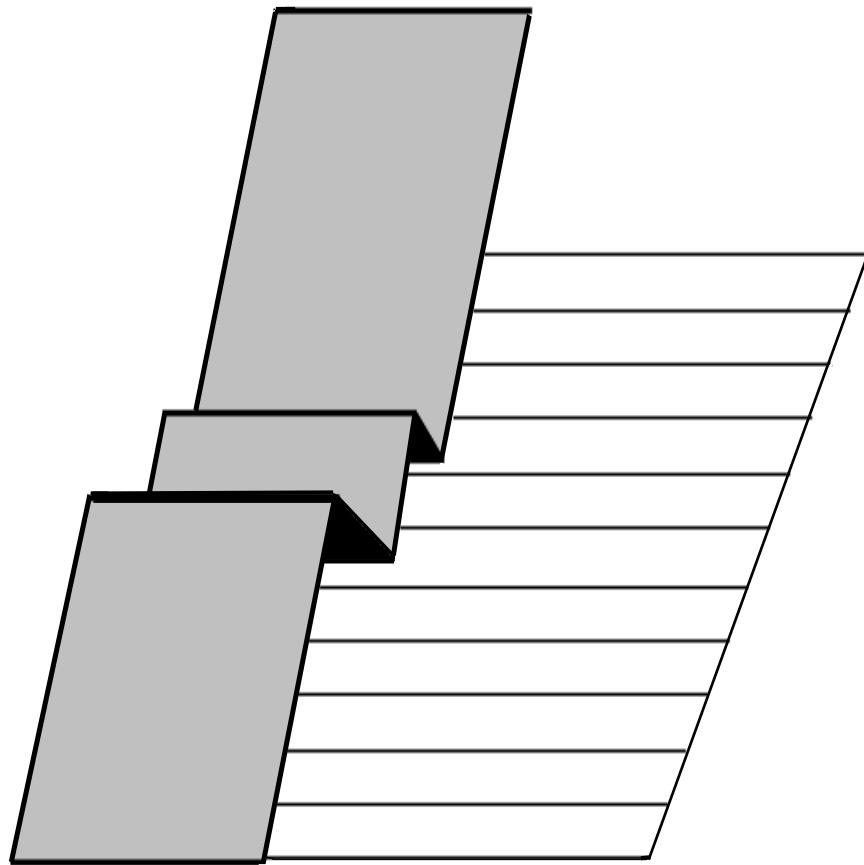
Country	Age		Remarks
	Retirement	Early retirement	
BE	65	60*	* 2012: 60, 2013: 60.5, 2014: 61, 2015: 61.5, from 2016: 62
BG	Man 63 y 8 months, Woman 60 y 8 months	yes*	*depends on job
CZ	Man 63 y, Woman 62 y 4 months	yes*	*first 3 years before pensionable age
DK	60 - 70*	60	*depends on grade
DE	67*	63	*variations of retirement depending on age
EE	63*	60	*depends on age and sex
EI	65-70	50-65	depends on years of service
EL	67*	62	*depends on age
ES	65	60-64*	*at least 30 years of service
FR	60	51 - 55	
HR	65*	Man 60 y, Woman 56 y**	*at least 15 y of pension insurance **man 41 y/woman 31 y of pension insurance
IT	66 y 3 months*	yes**	*depends on age **depends on age, sex, contributions
CY	65	45*	*45 y with 3 years in Government Post. Lump sum received immediately while the monthly pension at 55 y
LV	62	60	Both depending on age
LT	Man 63 y 2 months, Woman 61 y 4 months	5 years till the set age of retirement	Both depending on sex and age
LU	60	57	
HU	65	60-65*	*depends on age
MT	62	any age on medical grounds/ early retirement schemes	
NL	65 y and 3 months	from 60 years on	
AT	65	62	
PL	60 y and 8 months-65 y and 8 months*	none	*depends on age and sex
PT	66*	55**	*depends on age and grade **depends on age and grade, with min. 30 y of service
RO	:	:	
SI	Man 59 y, Woman 58 y 8 months	Man 58, Women 56	Depending on age, sex and contributions/conditions
SK	57-62*	55-60**	*depends on age and sex **early retirement max. 2 y before normal age
FI	63-68	60-62	Depends on age
SE	65	yes	
UK	60 - 65	50-55	Most depts no limit in retirement age, early retirement more restricted

Appendix 1c

Appendix 1c to the Eurostat Report on the Annual Adjustment of Remuneration and Pensions

Explanations and statistical analyses:
the cost of living in Brussels and Luxembourg

Reference period:
Year to 1 July 2015



October 2015

Statistical Office of the European Union
Unit C3, Statistics for administrative purposes
Luxembourg

CONTENTS

1. Changes in the cost of living (Joint Belgium-Luxembourg Index).....	94
2. Belgium HICP	94
3. Luxembourg CPI.....	95
4. Staff ratio Brussels : Luxembourg	95
5. Joint BELU index, compared with Belgian HICP and Luxembourg CPI.....	96

INTRODUCTION

This document is an appendix to the 2015 Eurostat report on the annual adjustment of remuneration and pensions. While the principal results concerning changes in the cost of living in Brussels and Luxembourg are presented in the main report, the purpose of this appendix is to give some explanations and statistical analyses of the results as well as detailed tables with statistical information.

Chapters 1 to 4 of this document examine respectively:

- the evolution of the Joint Index;
- the evolution of the Belgium HICP;
- the evolution of the Luxembourg CPI;
- staff numbers

With the exception of the information about staff numbers which is obtained from internal Commission services, and the information about consumption expenditure pattern which is compiled by Eurostat from direct surveys of staff, all calculations and figures presented in this appendix relating to the cost of living in Brussels and Luxembourg are based on data supplied and validated by the responsible authorities in the Member States.

More information about methodology can be found in the detailed procedural manuals²⁷.

For any information concerning this report, please contact the Eurostat Remuneration Team in Luxembourg:

*Eurostat, Unit C3
BECH – A2/004
L-2920 Luxembourg
tel.: (+352) 4301-33659
Email: estat-a64ia65@ec.europa.eu*

²⁷ Op cit (4) Doc.A6465/14/58rev

1. CHANGES IN THE COST OF LIVING (JOINT BELGIUM-LUXEMBOURG INDEX)

Annex XI Article 2 of the Staff Regulations requests that Eurostat shall draw up an index to measure the changes in the cost of living for EU officials in Belgium and Luxembourg²⁸. This index, known as the Joint Belgium-Luxembourg Index of consumer prices (JBLI) is calculated by weighting national inflation as measured by the Harmonised Index of Consumer Prices (HICP) for Belgium, and the Consumer Prices Index (CPI) for Luxembourg, between June of the previous year and June of the current year, according to the distribution of EU staff serving in Belgium and Luxembourg. This is done at the level of the detailed sub-indices for the 80 basic headings, aggregated using weights derived from the latest of the periodic "Survey of Household Expenditures" conducted amongst EU staff in Brussels (2009). Precise methodology has been defined by the Working Group on Articles 64 & 65 of the Staff Regulations.

The Joint Index represents a weighted average of national indices, and may not reflect the specific price evolution in either of the reference cities (Brussels and Luxembourg).

2. BELGIUM HICP

Table 3.1 presents the published HICP values for June 2014 and June 2015, base 2005 = 100, and the final figure in the right-hand column shows the variation for the period, 0.9%.

Table 3.1

Belgian HICP index, 2005=100

HICP weights

Rents from HICP

	WEIGHTS from HICP 2014	INDICES 01/06/2014	WEIGHTS from HICP 2015	INDICES 01/06/2015	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	170.7	127.6	159.9	129.5	101.5
2 ALCOHOLIC BEVERAGES AND TOBACCO	45.8	132.0	47.6	136.6	103.5
3 CLOTHING AND FOOTWEAR	66.7	113.2	57.3	113.9	100.6
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	135.6	129.4	146.5	128.9	99.6
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	71.6	117.3	78.3	118.1	100.7
6 HEALTH	54.1	103.6	71.6	105.2	101.5
7 TRANSPORT	139.8	122.0	142.1	120.3	98.7
8 COMMUNICATIONS	26.6	85.0	34.2	84.4	99.2
9 RECREATION AND CULTURE	103.1	108.6	91.9	109.3	100.7
10 EDUCATION	6.5	117.5	5.5	119.1	101.3
11 HOTELS, CAFES AND RESTAURANTS	75.1	126.7	72.7	130.4	102.9
12 MISCELLANEOUS GOODS AND SERVICES	104.5	126.5	92.5	129.1	102.1
TOTAL WITHOUT RENTS	956.9	120.9	954.9	121.9	100.9
RENTS	43.1	115.3	45.1	116.5	101.0
TOTAL	1000.0	120.7	1000.0	121.7	100.9

This information is provided by the Belgian authorities "Service public fédéral, Economie, P.M.E., Classes moyennes et Energie, division des prix" (Federal Public Service, Economy, Small and medium-sized enterprises, Middle classes and Energy, Price indices department), and reformatted by Eurostat.

²⁸ This definition was introduced by Regulation 1023/2013 and applies with effect from 1.1.2014. For the calendar year 2013, the Working Group on Articles 64 & 65 of the Staff Regulations approved the use of the Belgian HICP. Regulation 723/2004 defined a "Brussels International Index" which applied for the period 2004-2012.

3. LUXEMBOURG CPI

Table 3.2 presents the published CPI values for June 2014 and June 2015, base 2005 = 100, and the final figure in the right-hand column again shows the variation for the period, 0.7%.

Table 3.2

Luxembourg CPI index, 2005=100

CPI weights

Rents from CPI

	WEIGHTS from CPI 2014	INDICES 01/06/2014	WEIGHTS from CPI 2015	INDICES 01/06/2015	VARIATION
1 FOOD AND NON-ALCOHOLIC BEVERAGES	104.4	125.4	100.2	126.3	100.7
2 ALCOHOLIC BEVERAGES AND TOBACCO	34.0	132.8	40.4	136.3	102.7
3 CLOTHING AND FOOTWEAR	59.1	109.8	56.7	109.9	100.1
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	156.6	133.1	159.5	133.1	100.0
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	70.7	118.2	76.7	119.7	101.3
6 HEALTH	25.5	119.1	26.1	118.6	99.6
7 TRANSPORT	199.9	118.0	180.5	117.8	99.9
8 COMMUNICATIONS	26.8	93.2	29.6	91.8	98.5
9 RECREATION AND CULTURE	82.0	116.7	86.2	117.9	101.0
10 EDUCATION	27.4	128.9	34.4	130.0	100.9
11 HOTELS, CAFES AND RESTAURANTS	69.6	129.7	70.0	135.0	104.1
12 MISCELLANEOUS GOODS AND SERVICES	157.9	123.7	156.8	124.6	100.7
TOTAL WITHOUT RENTS	942.2	121.9	936.1	122.7	100.6
RENTS	57.8	118.2	63.9	120.5	101.9
TOTAL	1000.0	121.7	1000.0	122.5	100.7

This information is provided by the Luxembourg authorities "Institut national de la statistique et des études économiques, STATEC, unité SOC4-Prix" (National Institute for Statistics and Economic Analysis, STATEC, Unit SOC4-Prices), and reformatted by Eurostat.

The only distinction between the Luxembourg CPI and the Luxembourg HICP is that for the CPI the weights used for aggregation purposes exclude expenditures by non-residents on the Luxembourg territory, whereas these are included for the HICP.

4. STAFF RATIO BRUSSELS : LUXEMBOURG

In accordance with the agreed methodology, the staff weights available for the base period are used. The information is obtained from Commission internal services.

Number of permanent officials and other servants in active service at December 2013 (July 2014)

Duty station	No.	%
Brussels	26,944	81.6
Luxembourg	6,074	18.4
Total	44,608	100.0

Source: PMO, as included in PSEO database (Eurostat)

5. JOINT BELU INDEX, COMPARED WITH BELGIAN HICP AND LUXEMBOURG CPI

By comparing the results at the level of the 12 main COICOP groups, reasons for the difference in the value of the overall index can be identified. **Table 3.3** below summarises the principal differences.

The first column and the last column are taken from the tables in sections 2) and 1) respectively. The second and fourth columns show the components of the total difference.

Note: in this analysis, the impact of differing numbers of underlying basic headings and different aggregation approaches is not considered.

It should be remembered that the Belgian HICP and Luxembourg CPI weights do not include imputed expenditure of owner-occupiers.

Table 3.3

Joint BELU Index

2015m6/2014m6

	BE HICP Variation (nat wgt)	Impact SHE	BE HICP Variation (SHE)	Impact LU	BELU Variation (SHE)
1 FOOD AND NON-ALCOHOLIC BEVERAGES	101.5	-0.2	101.3	0.0	101.3
2 ALCOHOLIC BEVERAGES AND TOBACCO	103.5	-1.0	102.5	-0.1	102.4
3 CLOTHING AND FOOTWEAR	100.6	0.2	100.8	-0.1	100.7
4 HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	99.6	0.6	100.2	0.4	100.6
5 FURNISHINGS, HOUSEHOLD EQUIPMENT AND MAINTENANCE OF HOUSE	100.7	0.5	101.2	-0.1	101.1
6 HEALTH	101.5	0.0	101.5	-0.4	101.1
7 TRANSPORT	98.7	4.5	103.2	-0.7	102.5
8 COMMUNICATIONS	99.2	0.2	99.4	-0.1	99.3
9 RECREATION AND CULTURE	100.7	0.6	101.3	-1.0	100.3
10 EDUCATION	101.3	0.0	101.3	-0.1	101.2
11 HOTELS, CAFES AND RESTAURANTS	102.9	-0.3	102.6	0.1	102.7
12 MISCELLANEOUS GOODS AND SERVICES	102.1	-0.3	101.8	-0.3	101.5
TOTAL WITHOUT RENTS	100.9	0.5	101.4	-0.2	101.2
RENTS	101.0	0.0	101.0	0.2	101.2
TOTAL	100.9	0.4	101.3	-0.1	101.2