Austria

Reporting the remuneration of national civil servants for Art65 purposes
<table>
<thead>
<tr>
<th>Version</th>
<th>Author</th>
<th>Date</th>
<th>Remarks</th>
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</thead>
<tbody>
<tr>
<td>1.0</td>
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<td>1.1</td>
<td>Günther Tosstorff</td>
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1 Executive summary

Austria is a Central European country, organized as parliamentary democracy, which has been a member of the European Union since 1995. It is a federal republic composed of nine Länder (i.e. Regions): Burgenland, Carinthia ("Kärnten"), Lower Austria ("Niederösterreich"), Upper Austria ("Oberösterreich"), Salzburg, Styria ("Steiermark"), Tirol, Vorarlberg and Vienna ("Wien"). Its capital is Vienna.

The Federal Law foresees two different types of Public Employees: Civil servants ruled by the Civil Service Act (Beamten-Dienstrechtsgesetz 1979) and private-law employees regulated by the Contract Staff Act (Vertragsbedienstetengesetz 1948). (More than half of Public Employees are the latter). Civil servants of the Länder and municipalities are regulated by the specific law of each Land. For the Art65 exercise, only Federal civil servants belonging to the general administration ("Allgemeiner Verwaltungsdienst") are of importance.

Salaries are reviewed annually bearing in mind inflation, economic growth and private sector salaries. The current remuneration system is characterized by a combination of:

- An advancement-based system with functional allowances: The career is divided into up to 19 salary steps and two additional seniority steps. Advancement is based on seniority and therefore automatic. A functional allowance based on job category and seniority can be added to the base salary.

- An immediately effective remuneration for superior functions.

In Austria, two types of public employment exist: public employment as a civil servant and staff employed under private law. At the present time, no new civil servants are appointed in most areas.
of the general administration ("Pragmatisierungsstopp"). This is a political decision taken in November 2003. At the end of 2014, only 46.1% (headcount) of the staff in the federal administration were civil servants, c.f. (Gabmayer, Strantz, & Dohnal, 2015), table 10, p.26.

For the purpose of the Art65 exercise, the following components are considered part of the gross income:

- Basic salary ("Grundgehalt")
- Additional seniority steps ("Dienstalterszulagen")
- Functional allowance (Funktionszulage")
- Special payment ("Sonderzahlung")
- Child allowance ("Familienbeihilfe")
- Child grant ("Kinderzuschuss")
- Deductible child amount ("Kinderabsetzbetrag")
- School start allowance ("Schulstartgeld")

The following deductions are considered for the Art65 exercise to arrive at the net salary:

- Pension contribution ("Pensionsbeitrag")
- Social security contributions
- Payment for housing subsidies ("Wohnungsbauprämie")
- Taxation of child grant
- Income tax (both on the salary and the special payment)

2 Background information on national civil service

The following information is taken from the Spanish presidency report “Public employment in EU member states” (Directorate General of the Civil Service, 2010) and has been enhanced with public knowledge.

2.1 Regional and administrative organization

Austria is a Central European country, organized as parliamentary democracy, which has been a member of the European Union since 1995. It is a federal republic composed of nine Länder (i.e. Regions): Burgenland, Carinthia ("Kärnten"), Lower Austria ("Niederösterreich"), Upper Austria ("Oberösterreich"), Salzburg, Styria ("Steiermark"), Tirol, Vorarlberg and Vienna ("Wien"). Its capital is Vienna.

2.1.1 System of government

The head of state is the Federal President, elected by popular vote for a term of six years. The head of government is the Federal Chancellor, who heads the cabinet. Both are accountable to the parliament, which exercises legislative power through two houses:

- The Federal Council ("Bundesrat") is made up of 62 members elected by the state councils ("Landtage") for a period equivalent to that of the regional mandates, which determines party representation in accordance with the elections that are held in the federative authorities.
• The National Council ("Nationalrat") with 183 members elected every five years. The National Council is competent of most federal legislation including the law of federal civil service.

The Federal Chancellor is the head of government. He/she puts forward the other members of the cabinet, who are appointed or dismissed from their duties by the Federal President (head of state). These appointments do not require government confirmation. Parliament may present a motion of no confidence in the cabinet or any of its members, in which case, he/she should resign. There is a vice-chancellor who acts as the chancellor’s deputy. He/she endorses the president’s federal acts and assumes the president’s competences in the case of absences of less than 20 days.

Secretaries of state are appointed in the same way as ministers and take part in meetings of the council of ministers as advisers. The cabinet, as an official body of the government, exercises the competences attributed to it by law or president decree. The remaining competences are vested in the ministries.

2.1.2 Regional organization

The Federal Republic is divided into nine Länder (i.e. Regions) and these are divided into districts ("Bezirke"), which in turn, are sub-divided into municipalities ("Gemeinden") and statutory cities ("Statutarstädte"). These cities have the same powers as districts and municipalities. The Länder (i.e. Regions) have legislative powers in certain areas such as culture, social protection or the environment.

Each Land (i.e. Region) has its own assembly, government and governor. Elections are held every five years. The state constitution determines how the seats in the state government are assigned to political parties (most states have a system of proportional representation based on the number of delegates in each assembly). The governor is elected by the parliament, meaning that it may be necessary to form a coalition in order to secure the election of a particular candidate. Vienna plays a dual role as city and “Bundesland”, meaning that the mayor serves as governor and the city council acts as an assembly at the same time.

The Länder (i.e. Regions) have legislative powers in town planning, environmental protection, hunting, fishing, etc. Questions related to education, welfare, telecommunications, the health system and criminal, civil and commercial law, etc. are regulated by federal law. Exclusive power in justice lies with the federal state. However, the state governor is responsible for the application of administrative legislation in his state, in addition to other powers.

The Constitution only sets out the powers of the Land administration and not their distribution to regional administrations, which is subject to Land law, but all Land administration matters may be transferred. The fundamental principle that governs the peripheral administration is efficiency, which means that state competences are exercised by provincial bodies, particularly at district level. The District Authorities ("Bezirkshauptmannschaften") acts for the good of the province and the Land. Some areas, such as finance, police, defence and foreign affairs are the competence of specific state agencies.
2.2 Public employment structure

Regulation: The most important applicable federal legislation includes:

- The Civil Service Act (Beamten-Dienstrechtsgesetz 1979);
- Contract Staff Act (Vertragsbedienstetengesetz 1948);
- Act on the Advertising of Vacancies (Ausschreibungsgesetz 1989);
- Federal Public Employees Representation Act (Bundes-Personalvertretungsgesetz).
- Salary law (Gehaltsgesetz 1956)

The Federal Law foresees two different types of Public Employees: Civil servants ruled by the Civil Service Act (Beamten-Dienstrechtsgesetz 1979) and private-law employees regulated by the Contract Staff Act (Vertragsbedienstetengesetz 1948). (More than half of Public Employees are the latter). Civil servants of the Länder and municipalities are regulated by the specific law of each Land. For the Art65 exercise, only federal civil servants belonging to the general administration ("Allgemeiner Verwaltungsdienst") are of importance.

2.3 Rights, obligations, principles and values

Public employees must serve public interest. They must respond to all requests from citizens, unless they are bound by professional secrecy. Public sector employees must observe hierarchical obedience. If they deem that an order given is illegal, they must inform their supervisor – in this case, the order only has to be executed if the supervisor repeats it as a written order and if the order does not violate penal law. Strike is not explicitly regulated but considered to be part of the constitutional right of association and assembly. Finally, public sector employees cannot perform any other activity which might compromise the performance of their official duties.

2.4 Career and training

The Act on the Advertising of Vacancies contains systematic and comprehensive provisions governing appointments to management-level functions: all applicants have to take part in a specific competition including a hearing carried out by an independent commission. The appointment of top-managers such as director generals may not exceed a period of five years but a renewal (e.g. for another five years) is possible.

Recruitment of new staff is decentralised to the level of each federal ministry; the training of newly incorporated public employees of the general administration is provided e.g. by the Federal Administration Academy.¹

2.5 Remuneration

Salaries are reviewed annually bearing in mind inflation, economic growth and private sector salaries. The current remuneration system is characterized by a combination of:

- A promotion-based system with functional allowances: The career is divided into up to 19 salary steps and two additional seniority steps. Advancement is based on seniority and

¹ The training offered by the Federal Administration Academy is optional; administrative departments are free to use alternatives for training. Indeed, the financial administration has its own instruction facilities.
therefore automatic. A functional allowance based on job category and seniority can be added to the base salary.

- An immediately effective remuneration for superior functions.

### 2.6 Social dialogue and system of representation

The key topics of social dialogue are: salaries and reform of the salary system, the pension system and the staff regulations. The main unions are members of the Austrian Trade Union Federation (ÖGB) and are: the Union of Public Service (GÖD), which has 237,000 members by 01 January 2015 and the Union of Municipal Employees, which has 150,000 members by 31 December 2014.

Negotiation between the Government and the GÖD Union follows a procedure regulated in the Federal Public Employees Representation Act. The agreements adopted do not have legal status but often form part of the draft bills of law. Currently the employer is represented by the Federal Chancellor.

### 2.7 Senior civil servants (SCS)

There is no special senior civil servant (SCS) status but the Advertising of Vacancies Act 1989 (Ausschreibungsgesetz 1989) contains diverse provisions governing appointments to management-level functions and higher-level jobs. The highest-ranking civil servants undergo a panel recruitment and are appointed to office for a maximum of five years (renewals are possible). Furthermore, they have an annual appraisal interview, as other employees, by their direct hierarchical superiors.

**Table 1 Senior Civil Servants (SCS)**

<table>
<thead>
<tr>
<th>Functional level</th>
<th>Title</th>
<th>Part of SCS?</th>
<th>Political appointment?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Level</td>
<td>Director-General</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>2nd Level</td>
<td>Director</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>3rd Level</td>
<td>Head of Unit</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>4th Level</td>
<td>Head of Section</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

### 2.8 Recent reforms and prospects

Since several years reforms have been focusing on controlling costs and cutting staff numbers; including the restructuring of competences between different administrative levels. An important pillar of the current Austrian budget reform is the introduction of performance budgeting (output orientated).

### 3 Number and structure of employees

#### 3.1 Structure

According to (Gabmayer, Strantz, & Dohnal, 2015), p.8, Austria employs overall approximately 345,000 staff (full time equivalents, FTE) in the civil service. Of these, roughly 131,000 work in the
federal sector and of these 44,654 staff work in the administrative service. Other important sectors are education, policy, military and justice.  

Every ministry consists of (c.f. (Administration in Austria, 2011)

- A central office (“Zentralstelle”), the actual ministry, which prepares strategic decisions and legislative proposals.
- Subordinate bodies

“Subordinate bodies” is a collective name for departments of all kinds; e.g. the local tax offices are subordinate bodies of the ministry of finance and federal schools are subordinate bodies of the ministry of education. Of the 130,992 staff working in the federal civil service, only 8,965 work in Ministry headquarters.  

In Austria, two types of public employment exist: public employment as a civil servant and staff employed under private law. At the present time, no new civil servants are appointed in most areas (“Pragmatisierungsstopp”). This is a political decision taken in November 2003. At the end of 2014, only 46.1% (headcount) of the staff in the federal administration were civil servants, c.f. (Gabmayer, Strantz, & Dohnal, 2015), table 10, p. 26.  

### 3.2 Relevant legislation

The following laws are important for calculating the specific indicator. They are publicly available at [http://www.ris.bka.gv.at/](http://www.ris.bka.gv.at/) in German.

- **Beamten-Dienstrechtsgesetz**: Bundesgesetz vom 27. Juni 1979 über das Dienstrecht der Beamten
- **Gehaltsgesetz**: Bundesgesetz vom 29. Feber 1956 über die Bezüge der Bundesbeamten
- **Familienlastenausgleichsgesetz**: Bundesgesetz vom 24. Oktober 1967 betreffend den Familienlastenausgleich durch Beihilfen
- **Einkommensteuergesetz**: Bundesgesetz vom 7. Juli 1988 über die Besteuerung des Einkommens natürlicher Personen
- **Beamten Kranken- und Unfallversicherungsgesetz**: Bundesgesetz vom 31. Mai 1967 über die Kranken- und Unfallversicherung öffentlich Bediensteter


3 (Gabmayer, Strantz, & Dohnal, 2015), table 7, p. 21.

The term “Pragmatisierung” refers to the appointment of a statutory civil servant. A stop therefore means that no new civil servants are appointed. If a position held by a civil servant becomes void, the replacement will work under private law.

4 [https://www.oeffentlicherdienst.gv.at/fakten/bundespersonal/bedienstete/index.html](https://www.oeffentlicherdienst.gv.at/fakten/bundespersonal/bedienstete/index.html). If the possibility for a non-statutory career exists in a sector, no new civil servants are recruited. This is the case in the general administration, for teachers and in medical and health care. Areas where civil servants are still recruited are justice, the military and the executive authorities.
3.3 Grades, basic salary and additional seniority steps

Austrian civil servants are categorized into different pay groups ("Besoldungsgruppe") with grades ("Verwendungsgruppe"). The different pay groups are described in (GehG, 1956), §2. For the purposes of the Art65 exercise, only the general administration ("Allgemeiner Verwaltungsdienst") is considered. There are seven grades in this pay group, from A 1 ("Höherer Dienst": senior services) to A 7 ("Hilfsdienst": assistant services). A 1, being the highest grade, is intended for posts that require university education. For a post of grade A 2 ("Gehobener Dienst": higher services) a higher school education is required, while for a post of grade A 3 ("Fachdienst": special services), A 4 ("Qualifizierter mittlerer Dienst": qualified middle-level services) and A 5 ("Mittlerer Dienst": middle-level services) an apprenticeship diploma and/or additional training is required. The appointment of a civil servant to a grade strictly depends on the post she/he is appointed to. Therefore, a civil servant with an academic degree does not get paid grade A 1 as long as she/he is not appointed to a post graded A 1. Grading is done – including the functional groups for functional allowances as described below – using a variation of the ‘Hay Job Evaluation method’.

For each grade, there are up to 19 salary steps ("Gehaltstufen") and two additional seniority steps. A newly appointed civil servant with no professional experience starts in step 1 (c.f. (GehG, 1956), §8[1]) and advances one step every two years. Previous professional experience in the civil service within Austria or another member state is fully taken into account for advancement, whereas previous professional experience from a non-governmental employment can be taken into account up to ten years (which equals five salary steps). Table 2 shows the basic monthly salary grid. For civil servants in grade A 1, who passed only a bachelor degree but no master degree, a special lower salary grid applies ( (GehG, 1956), §28[3]). Compared to the normal salary grid, these salaries are lower by 5%-10%.

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6 Due to the “Pragmatisierungsstopp” in general administration, there are almost no new civil servants appointed. Therefore, the number of civil servants that are concerned by this lower salary grid is very small as Austrian universities did not provide bachelor and master programmes before the “Pragmatisierungsstopp” in 2003. Hence, they are not included for the Art65 exercise.
Table 2 Monthly basic salary (7 grades and 19 steps) for civil servants in administration as of 01.03.2015 (EUR/month) (GehG, 1956), §28 in connection with (GehG, 1956), §170a.

<table>
<thead>
<tr>
<th>Pay Group (“Verwendungsgruppe”)</th>
<th>A 1</th>
<th>A 2</th>
<th>A 3</th>
<th>A 4</th>
<th>A 5</th>
<th>A 6</th>
<th>A 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary step (“Gehaltsstufe”)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>1</td>
<td>2 352.0</td>
<td>1 818.0</td>
<td>1 630.0</td>
<td>1 597.0</td>
<td>1 567.0</td>
<td>1 536.0</td>
<td>1 505.0</td>
</tr>
<tr>
<td>2</td>
<td>2 437.0</td>
<td>1 865.0</td>
<td>1 669.0</td>
<td>1 626.0</td>
<td>1 592.0</td>
<td>1 557.0</td>
<td>1 520.0</td>
</tr>
<tr>
<td>3</td>
<td>2 565.0</td>
<td>1 912.0</td>
<td>1 707.0</td>
<td>1 655.0</td>
<td>1 619.0</td>
<td>1 577.0</td>
<td>1 536.0</td>
</tr>
<tr>
<td>4</td>
<td>2 748.0</td>
<td>1 959.0</td>
<td>1 745.0</td>
<td>1 684.0</td>
<td>1 644.0</td>
<td>1 598.0</td>
<td>1 551.0</td>
</tr>
<tr>
<td>5</td>
<td>2 932.0</td>
<td>2 006.0</td>
<td>1 784.0</td>
<td>1 713.0</td>
<td>1 671.0</td>
<td>1 619.0</td>
<td>1 568.0</td>
</tr>
<tr>
<td>6</td>
<td>3 117.0</td>
<td>2 054.0</td>
<td>1 866.0</td>
<td>1 770.0</td>
<td>1 726.0</td>
<td>1 660.0</td>
<td>1 599.0</td>
</tr>
<tr>
<td>7</td>
<td>3 301.0</td>
<td>2 173.0</td>
<td>1 821.0</td>
<td>1 742.0</td>
<td>1 697.0</td>
<td>1 639.0</td>
<td>1 584.0</td>
</tr>
<tr>
<td>8</td>
<td>3 486.0</td>
<td>2 315.0</td>
<td>1 916.0</td>
<td>1 800.0</td>
<td>1 753.0</td>
<td>1 681.0</td>
<td>1 615.0</td>
</tr>
<tr>
<td>9</td>
<td>3 672.0</td>
<td>2 455.0</td>
<td>1 967.0</td>
<td>1 829.0</td>
<td>1 780.0</td>
<td>1 702.0</td>
<td>1 631.0</td>
</tr>
<tr>
<td>10</td>
<td>3 858.0</td>
<td>2 597.0</td>
<td>2 018.0</td>
<td>1 861.0</td>
<td>1 723.0</td>
<td>1 647.0</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>4 043.0</td>
<td>2 736.0</td>
<td>2 068.0</td>
<td>1 891.0</td>
<td>1 836.0</td>
<td>1 745.0</td>
<td>1 663.0</td>
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<tr>
<td>12</td>
<td>4 228.0</td>
<td>2 889.0</td>
<td>2 124.0</td>
<td>1 923.0</td>
<td>1 865.0</td>
<td>1 767.0</td>
<td>1 681.0</td>
</tr>
<tr>
<td>13</td>
<td>4 414.0</td>
<td>3 043.0</td>
<td>2 186.0</td>
<td>1 954.0</td>
<td>1 895.0</td>
<td>1 789.0</td>
<td>1 697.0</td>
</tr>
<tr>
<td>14</td>
<td>4 599.0</td>
<td>3 155.0</td>
<td>2 253.0</td>
<td>1 986.0</td>
<td>1 929.0</td>
<td>1 810.0</td>
<td>1 714.0</td>
</tr>
<tr>
<td>15</td>
<td>4 804.0</td>
<td>3 253.0</td>
<td>2 328.0</td>
<td>2 037.0</td>
<td>1 983.0</td>
<td>1 832.0</td>
<td>1 732.0</td>
</tr>
<tr>
<td>16</td>
<td>4 996.0</td>
<td>3 352.0</td>
<td>2 404.0</td>
<td>2 107.0</td>
<td>2 059.0</td>
<td>1 856.0</td>
<td>1 748.0</td>
</tr>
<tr>
<td>17</td>
<td>5 190.0</td>
<td>3 451.0</td>
<td>2 483.0</td>
<td>2 177.0</td>
<td>2 136.0</td>
<td>1 878.0</td>
<td>1 765.0</td>
</tr>
<tr>
<td>18</td>
<td>5 384.0</td>
<td>3 550.0</td>
<td>2 560.0</td>
<td>2 226.0</td>
<td>2 188.0</td>
<td>1 902.0</td>
<td>1 782.0</td>
</tr>
<tr>
<td>19</td>
<td>5 578.0</td>
<td>3 649.0</td>
<td>2 638.0</td>
<td>2 255.0</td>
<td>2 216.0</td>
<td>1 925.0</td>
<td>1 799.0</td>
</tr>
</tbody>
</table>

Civil servants of the general administration receive two additional seniority steps: a “small” seniority step (“kleine Dienstalterszulage”) after having spent two years in the last step of her/his grade. This small seniority step increases to a “large” seniority step (“große Dienstalterszulage”) after two more years. (GehG, 1956), §29. In practice, the small and the large seniority allowance work like ordinary salary steps in the basic salary scheme. The reasons for their separation from the basic salary scheme can be found in legislative history and do not affect their function as basic salary.

Table 3 Monthly additional seniority steps (7 grades and 19 steps) for civil servants in administration as of 01.03.2015 (EUR/month) (GehG, 1956), §29(2) in connection with (GehG, 1956), §170a.

<table>
<thead>
<tr>
<th>Pay Group (“Verwendungsgruppe”)</th>
<th>A 1</th>
<th>A 2</th>
<th>A 3</th>
<th>A 4</th>
<th>A 5</th>
<th>A 6</th>
<th>A 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small seniority step</td>
<td>97.0</td>
<td>244.0</td>
<td>97.0</td>
<td>36.0</td>
<td>36.0</td>
<td>29.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Large seniority step</td>
<td>387.0</td>
<td>324.0</td>
<td>156.0</td>
<td>56.0</td>
<td>59.0</td>
<td>47.0</td>
<td>34.0</td>
</tr>
</tbody>
</table>

3.4 Allowances

As part of the salary negotiations with the trade union, an index is agreed upon that determines how indexed allowances are raised. Thus, we will note in the following sections which allowances are indexed and which are not (if it is not clear from the context).
3.4.1 Functional allowance ("Funktionszulage")

In the federal general administration, each post must be classified in a functional group ("Funktionsgruppe"). Every post is graded in one of up to nine functional groups using a job evaluation method (functional categorisation). The functional categorisation is based on the know-how and intellectual capacity required of the person holding the post in question, as well as the level of responsibility associated with it. If a post does not meet the minimum categorisation required for functional group 1, it is classified as a post of basic tenure ("Grundlaufbahn"): This means, the civil servant will only receive the basic salary and no functional allowance. Posts of the grades A 6 and A 7 are not graded in functional groups – therefore all civil servants of those grades are paid basic tenure. Table 4 shows the possible functional groups in the general administration as found in (BDG, 1979), §136.

Table 4 functional groups for grades in general administration

<table>
<thead>
<tr>
<th>Grade</th>
<th>A1</th>
<th>A2</th>
<th>A3</th>
<th>A4</th>
<th>A5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Functional groups</td>
<td>1-9</td>
<td>1-8</td>
<td>1-8</td>
<td>1-2</td>
<td>1-2</td>
</tr>
</tbody>
</table>

For each functional group, there exist functional steps from 1-4. The functional steps are attached to seniority of service (including previous professional experience taken into account at appointment). The seniority required for advancement in functional steps differs by grade for historic reasons. Before 2015 and the judgement of the European Court of Justice(C-530/13), the functional steps were simply linked to salary steps of the basic salary scheme, but different rules for grading and advancement applied in that basic salary scheme. After a reform of those rules and the basic salary scheme, more complex rules for the functional steps were necessary to ensure that civil servants will advance to next functional step as they expected – even within the new legal framework. (GehG, 1956), §30(2):

Table 5 Required seniority of service (including previous professional experience) for the functional steps

<table>
<thead>
<tr>
<th>Corresponding functional steps</th>
<th>Required seniority of service Grade A 1</th>
<th>Required seniority of service Grade A 2</th>
<th>Required seniority of service Grades A 3 to A 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>less than eleven years and six months</td>
<td>less than 16 years and six months</td>
<td>less than 17 years</td>
</tr>
<tr>
<td>2</td>
<td>eleven years and six months</td>
<td>16 years ans six months</td>
<td>17 years</td>
</tr>
<tr>
<td>3</td>
<td>23 years and six months</td>
<td>28 years and six months</td>
<td>29 years</td>
</tr>
<tr>
<td>4</td>
<td>35 years and six months</td>
<td>40 years and six months</td>
<td>41 years</td>
</tr>
</tbody>
</table>

The importance of the functional groups and functional steps now lies with the fact that there exists a functional allowance ("Funktionszulage"), (GehG, 1956), §30. Table 6 shows the relationship between the different grades, the functional groups and the functional steps. The functional allowance is indexed and contributes to the pensions ("ruhegehaltsfähig").
Table 6 Functional allowance as of 01.03.2015 (EUR/month)
(GehG, 1956), § 30 in connection with (GehG, 1956), §170a.

<table>
<thead>
<tr>
<th>Pay grade</th>
<th>Functional group</th>
<th>Functional step</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>A 1</td>
<td>1</td>
<td>55.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>271.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>293.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>312.0</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>717.0</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>864.0</td>
</tr>
<tr>
<td>A 2</td>
<td>1</td>
<td>33.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>55.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>185.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>239.0</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>293.0</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>325.0</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>379.0</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>764.0</td>
</tr>
<tr>
<td>A 3</td>
<td>1</td>
<td>33.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>55.0</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>87.0</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>119.0</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>163.0</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>217.0</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>271.0</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>325.0</td>
</tr>
<tr>
<td>A 4</td>
<td>1</td>
<td>27.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>55.0</td>
</tr>
<tr>
<td>A 5</td>
<td>1</td>
<td>27.0</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>39.0</td>
</tr>
</tbody>
</table>

There are additional requirements in order to reach functional step 4 for staff in functional group 5 and 6 of grade A 1 and functional group 8 of grade A 2. (GehG, 1956), §30(3). Furthermore, 30.89% of the functional allowances for these grades A 1/5, A 1/6 and A 2/8 count for possible overtime.

According to (GehG, 1956), §31, civil servants in grade A 1 with functional group 7 - 9 do not receive a basic salary, a seniority step or a functional allowance. Instead, they have a fixed salary and 13.65% of this fixed salary count for possible overtime. Examples of positions in these groups can be found in attachment 1 to the (BDG, 1979).
Table 7 Fixed salaries for pay grade A 1 and function group 7-9 as of 01.03.2015 (EUR/month) (GehG, 1956), § 31 in connection with (GehG, 1956), §170a.

<table>
<thead>
<tr>
<th>Functional group</th>
<th>First 5 years in the functional group</th>
<th>From year 6 onwards</th>
<th>Example positions</th>
</tr>
</thead>
</table>
| 7                | 8 391.0                                | 8 891.0             | Deputy Director General  
Director in central offices |
| 8                | 8 984.0                                | 9 485.0             | Vice Director of Parliament  
(“Parlamentsvizedirektor”)  
Director General of directorates in the central administration |
| 9                | 9 485.0                                | 10 181.0            | Director of Parliament ("Parlamentsdirektor")  
Director General of major directorates in the central administration |

3.4.2 Special payment ("Sonderzahlung")

Following (GehG, 1956), §3, a civil servant receives each quarter a special payment. It amounts to 50% of the salary which he/she receives in the month when the special payment is due. Other allowances are taken into account for the special payment (i.e., they increase the special payment). The child grant (see section 3.4.3) and salary for overtime are however not taken into account for the special payment! Following (GehG, 1956), §22.(2a), a pension contribution must be paid on the special payment in the same way as for the normal salary.

3.4.3 Child allowances

Every person with first residence in Austria is entitled to a general child allowance ("Familienbeihilfe"), the amount of which is subject to the number and the age of the children. Together with the general child allowance, a child amount ("Kinderabsetzbetrag") of 58.40 EUR per month is paid for each child. (EstG, 1988), §33.(3). Additionally, civil servants who are entitled to the child allowance also receive a child grant ("Kinderzuschuss") for each child. The child grant amounts to 15.60 EUR/month for each child, c.f. (GehG, 1956), §4. The child grant is not taken into account for the special payment ("Sonderzahlung"), c.f. (GehG, 1956), §3.

The child allowance is regulated in (FLAG, 1967), §8. The amounts as of 01.07.2014 can be seen in Table 8.

7 Contract employees ("Vertragsbediinstete") also receive this child grant.
As the amount of the general child allowance depends on the age of the children, Eurostat and the Austrian authorities agreed on the following assumptions for the scale of the Art65 exercise:

- Minimum: 2 children between 0-2 years
- Middle: 2 children between 10-18 years
- Maximum: 2 children of 19+ years

For each child between the age of 6 and 15, a school start allowance ("Schulstartgeld") is paid in the September of each year. It amounts to 100 EUR. (FLAG, 1967), §8.(8). As with the general child allowance, a special agreement was concluded between Eurostat and the Austrian authorities. The school start allowance is only taken into account for the middle of the scale, as only these children fall into the corresponding age category.

The following table summarizes the amounts that are taken into account for the married model civil servant with two children depending on the scale (minimum, middle, maximum). The first three allowances are tax-free, the child grant ("Kinderzuschuss") forms a part of the civil servant’s income and is taxed accordingly.

Table 8 General child allowance ("Familienbeihilfe") as of 01.07.2014 (FLAG, 1967), §8.

<table>
<thead>
<tr>
<th>Age (years)</th>
<th>Amount per child (EUR/month)</th>
<th>Additional amount for each child⁸</th>
<th>Total amount for two children</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2</td>
<td>109.70</td>
<td>6.70</td>
<td>232.80</td>
</tr>
<tr>
<td>3-9</td>
<td>117.30</td>
<td>6.70</td>
<td>248.00</td>
</tr>
<tr>
<td>10-18</td>
<td>136.20</td>
<td>6.70</td>
<td>285.80</td>
</tr>
<tr>
<td>19+³</td>
<td>158.90</td>
<td>6.70</td>
<td>331.20</td>
</tr>
</tbody>
</table>

As with the general child allowance, a special agreement was concluded between Eurostat and the Austrian authorities. The school start allowance is only taken into account for the middle of the scale, as only these children fall into the corresponding age category.

The following table summarizes the amounts that are taken into account for the married model civil servant with two children depending on the scale (minimum, middle, maximum). The first three allowances are tax-free, the child grant ("Kinderzuschuss") forms a part of the civil servant’s income and is taxed accordingly.

Table 9 Allowances for 2 children per month in the different Art65 scales

<table>
<thead>
<tr>
<th>Allowance</th>
<th>Minimum (EUR/month)</th>
<th>Middle (EUR/month)</th>
<th>Maximum (EUR/month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General child allowance (&quot;Familienbeihilfe&quot;)</td>
<td>232.80</td>
<td>285.80</td>
<td>331.20</td>
</tr>
<tr>
<td>Child amount (&quot;Kinderabsetzbetrag&quot;)</td>
<td>116.80</td>
<td>116.80</td>
<td>116.80</td>
</tr>
<tr>
<td>School start allowance (&quot;Schulstartgeld&quot;)</td>
<td>0</td>
<td>200/12</td>
<td>0</td>
</tr>
<tr>
<td>Child grant (&quot;Kinderzuschuss&quot;)</td>
<td>31.20</td>
<td>31.20</td>
<td>31.20</td>
</tr>
<tr>
<td>Total</td>
<td>380.80</td>
<td>450.47</td>
<td>479.20</td>
</tr>
</tbody>
</table>

⁸ Under the condition that there are two children, c.f. (FLAG, 1967), §8(3)b
⁹ For children of age, the child allowance is only paid if they are still in education. For details, see (FLAG, 1967), §2.
3.4.4 Travelling allowance
Under the Austrian income tax law, every person is eligible for tax reductions ("Verkehrsabsetzbetrag", (EstG, 1988) §33.(5).1; "Pendlerpauschale", (EstG, 1988) §16.(1).6). The first one is available for everybody, the latter only under certain conditions (minimum distance 20km for the "Pendlerpauschale"). Additionally, Austrian civil servants receive a travel allowance if they fulfil the requirements for the "Pendlerpauschale". This latter allowance is indexed by the Austrian consumer price index. Details can be found in (GehG, 1956), §20b. The "Verkehrsabsetzbetrag" is not indexed but updated occasionally.

This "Pendlerpauschale" (and the associated travel allowance) are NOT taken into account for Art65 purposes, however the "Verkehrsabsetzbetrag" IS.

3.4.5 Language allowance
Civil servants who have to work in one of the foreign languages mentioned in (Volksgruppengesetz), §13 are eligible for a foreign language allowance according to (Volksgruppengesetz), §23 and (GehG, 1956), §20d. Currently, these languages are Croatian, Slovenian and Hungarian. The amount of this allowance is regulated in (GehG, 1956), §59a.(2) and amounts currently to the full sum of 85,40 EUR/month. If the civil servant only works partially in the foreign language, the allowance is reduced accordingly. The allowance is not paid to professional translators.

This allowance is NOT taken into account for Art65 purposes.

3.4.6 Expatriation allowance
A civil servant who is employed in a foreign country is eligible for an expatriation allowance, (GehG, 1956), §21. The allowance is split up into different parts:

- Basic amount
- Functional amount, according to the function the civil servant has in the foreign country
- Zone amount, depending on the distance of the workplace from Vienna
- Additional amount for a spouse (there are two amounts, depending on whether the spouse lives together with the civil servant abroad or has to stay in Austria to care for children)
- Child amount
- Various amounts for difficult living conditions

The amounts are regulated in (AVV) and expressed in unit values ("Werteinheit"). One basic unit corresponds to 72.52 EUR/month. The basic amount equals 8 basic units or 580.16 EUR/month. The functional amount is not expressed in basic units and varies from 185.78 EUR/month for a civil servant in grades A6 and A7 to 1,461.44 EUR/month for an ambassador.\(^\text{10}\)

\(^\text{10}\) The amounts mentioned in this paragraph are updated following inflation. The update for 2014 can be found at [http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/20004023/AVV%2c%20Fassung%20vom%2027.05.2015.pdf](http://www.ris.bka.gv.at/GeltendeFassung/Bundesnormen/20004023/AVV%2c%20Fassung%20vom%2027.05.2015.pdf).
The zone amount varies from 1 basic unit (for e.g. Budapest or Prague) to 9 basic units (Sao Paulo, Singapore, etc.). The zone amount for Brussels and Luxembourg equals 3 basic units or 217.56 EUR/month.

The amount for a spouse is calculated as 2.8 basic units plus 35% of the zone amounts and the amounts for difficult living conditions. (AVV), §2.(8). The percentage part is only paid if the spouse moves with the civil servant to the foreign place. If the spouse already lived in the foreign place (e.g., the civil servants marries a local resident), the percentage part is not paid.

The child amount depends on the age of the child and is paid for each child:

- 0-9 years: 1.2 basic units plus 15% of the zone amounts and the amounts for difficult living conditions
- 10+ years: 1.6 basis units and 20% of the already mentioned amounts.

Following (GehG, 1956), §21b, the expatriation allowance and related payments are subject to a correction coefficient (Kaufkraftausgleichszulage), if the purchasing power of the Euro in the foreign location is lower than in Vienna. The percentages can be found in (Festsetzung von Hundertsätzen für die Bemessung von Kaufkraftausgleichszulagen, 2015). The correction coefficient October 2015 for Brussels is 8, meaning that Brussels is 8% more expensive than Vienna.11

If a civil servant is not allocated a service accommodation, he/she is entitled to an allowance for housing costs, (GehG, 1956), §21.c. Details are regulated in (AVV), §4 and an attachment to this regulation. Basically, the entitlement of the civil servant is expressed in points depending on the number of dependent persons for whom he/she has to care and the place of living. This budget of points is then compared to the chosen residence with higher quality of accommodation costing more points. If the civil servant stays within the budget of points, the allowance for housing cost is measured such that it will cover all housing costs.

This allowance is NOT taken into account for Art65 purposes.

### 3.5 Reference population for Art65 purposes

Due to the “Pragmatisierungsstopp”, no new civil servants are appointed in the sections of the Austrian central government that are of relevance for the Art65 exercise. The situation is complicated by the fact that from a certain position onwards, private-law employees can be appointed as civil servant, but they continue to be paid as if they were a private-law employee.12

Austria calculates the data for virtual civil servants and the percentage of salary adaptions for civil servants and private-law employees is always the same. The main problem from the “Pragmatisierungsstopp” for the Art65 exercise thus derives from the fact that over time, the

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11 (GehG, 1956), §21b.(1).(3) mentions briefly the method to calculate this CC. Up until 2005, Statistik Austria calculated this CC. Since then, the corresponding data is purchased from a private third party supplier. The responsible department would be “Abteilung VI.2” in the Austrian foreign ministry.

12 Which means that they are paid less than a corresponding “normal” civil servant.
The reference population will be distorted with respect to the represented grades – higher grades will prevail.

Eurostat and the Austrian authorities discussed this issue in 2014. It was agreed that for the lifetime of the 2014 statute, the remaining Austrian civil servants would suffice to give a correct picture of the development of remuneration of national civil servants.

The Austrian Federal Chancellery ("Bundeskanzleramt") publishes each year a report about the staff in the federal administration "Das Personal des Bundes"). It is available for download at https://www.oeffentlicherdienst.gv.at/publikationen.html. The report for 2015 is referenced in this document as (Gabmayer, Strantz, & Dohnal, 2015).

### 4 Calculation of Gross Remuneration

For the purpose of the Art65 exercise, the following components are considered part of the gross income:

- Basic salary ("Grundgehalt")
- Additional seniority steps ("Dienstalterszulagen")
- Functional allowance (Funktionszulage")
- Special payment ("Sonderzahlung")
- Child allowance ("Familienbeihilfe")
- Child grant ("Kinderzuschuss")
- Deductible child amount ("Kinderabsetzbetrag")
- School start allowance ("Schulstartgeld")

As some of the allowances and contributions depend on age, Eurostat and the Austrian authorities agreed on some assumptions about the model civil servants used for the calculations.

<table>
<thead>
<tr>
<th>Assumption</th>
<th>Minimum</th>
<th>Middle</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seniority</td>
<td>Newcomer</td>
<td>15 years</td>
<td>37 years</td>
</tr>
<tr>
<td>Seniority allowance included</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Salary step (&quot;Gehaltsstufe&quot;)</td>
<td>1</td>
<td>9</td>
<td>&quot;Large&quot; seniority step (&quot;große Dienstalterszulage&quot;)</td>
</tr>
<tr>
<td>Functional step</td>
<td>1</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

13 The functional step depends on seniority and is thus linked to the salary step!
4.1 Senior management

As already explained, the salary for the most senior management is not composed of a basic salary plus allowances; instead, it is a fixed amount (see Table 7) on page 14. Those civil servants do however receive the special payment and are entitled to both child allowances and child grants.

5 Calculation of Net Remuneration

5.1 Taxation

Taxation follows the law on income tax ("Einkommenssteuergesetz"), see (EstG, 1988). The basis for taxation is the annual income without the special payment and without the contribution to the social security systems. The special payment is treated differently, see section 5.2. Additionally, a lump-sum ("Pauschbetrag") for income-related expenses of 132 EUR is deductible from the annual gross income, see (EstG, 1988), §16.(3) without any proof for expenses. Furthermore, an amount of 60 EUR can be deducted for extraordinary expenses ("Sonderausgaben"), see (EstG, 1988), §18.(2).

Table 11 Progressive taxation of income\textsuperscript{14}

\textsuperscript{(EstG, 1988), §33. (1)}

<table>
<thead>
<tr>
<th>Yearly income (EUR)</th>
<th>Tax (EUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 11,000</td>
<td>0</td>
</tr>
<tr>
<td>11,001 – 25,000</td>
<td>(Income – 11,000) / 14,000 x 5,110</td>
</tr>
<tr>
<td>25,001 – 60,000</td>
<td>(Income – 25,000) / 35,000 x 15,125 + 5,110</td>
</tr>
<tr>
<td>60,001 - ∞</td>
<td>(Income – 60,000) x 0.5 + 20,235</td>
</tr>
</tbody>
</table>

From the so calculated tax, the following allowances are deducted:

- Tax allowance of 345 EUR (sum of "Verkehrsabsetzbetrag" (291 EUR) and "Arbeitnehmerabsetzbetrag" (54 EUR), (EstG, 1988), §33.(5).

5.2 Taxation of special payment

As the special payment is not paid monthly, it is subject to §67 of the law on income tax.\textsuperscript{16} This means that all 4 special payments are added up and taxed following Table 12. The rules are that the first 620 EUR remain tax-free and everything above is taxed by 6%. For sums above 25,000 EUR, the tax rate is higher, but that is of no concern for the Art65 exercise.

\textsuperscript{14} We would like to clarify at this point that we are using the point "." as decimal mark and the comma as thousands separator. So 1,000.34 EUR are one thousand EUR and 34 cents.
\textsuperscript{15} The model civil servant for Art65 purpose is a sole wage earner.
\textsuperscript{16} If there are other additional payments, they are as well subject to this taxation rules. For the scope of the Art65 exercise, other payments are not taken into consideration.
Table 12 Taxation of special payment

<table>
<thead>
<tr>
<th>Special payment (yearly sum)</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-620 EUR</td>
<td>0 EUR</td>
</tr>
<tr>
<td>621 – 25,000 EUR</td>
<td>(Amount – 620 EUR) x 0.06</td>
</tr>
</tbody>
</table>

5.3 Taxation of child allowance and child grant
The deductible child amount (“Kinderabsetzbetrag”) is not taxed (GehG, 1956), §33.(8). The child allowance (“Familienbeihilfe”) is tax-free as well, as is the school start allowance (“Schulstartgeld”).

The child grant (“Kinderzuschuss”) is taxed and taken into account for social contributions and for the pension contribution.

5.4 Social security contribution
Civil servants are compulsorily insured in the „Versicherungsanstalt öffentlich Bediensteter“ (BVA), see (B-KUVG, 1967), §1.(1).1. This social insurance covers illness and accidents. It is not possible to choose a private insurance scheme instead. The civil servants do not pay into the general pension scheme; instead, they pay pension contributions, which are deducted from their salary. Their pension is then later paid for by the state.

The following components of the salary are taken into account for calculating the social security contributions, see (B-KUVG, 1967), §19:

- Basic salary (“Grundgehalt”)
- Functional allowance (“Funktionszulage”)
- Special payment (“Sonderzahlung”), (B-KUVG, 1967), §21.
- Child grant (“Kinderzuschuss”)

It should be noted that the special payment (“Sonderzahlung”) does not form part of the normal basis of assessment for the social contributions. Instead, it is explicitly mentioned in a later paragraph of the applicable law, see (B-KUVG, 1967), §19 and (B-KUVG, 1967), §21. Thus, the special payment does not form an inherent part of the basis of assessment for the social security contribution. This is an important factor for the calculation of the housing subsidy (“Wohnungsbauprämie”), see section 5.5.

There exists an upper limit for the basis of assessment ("Höchstbeitragsgrundlage") that is taken into account for the social insurance scheme. As of 01.01.2015, that amount is 4,650 EUR, see (B-KUVG, 1967), §19.[6].

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17 https://www.help.gv.at/Portal.Node/hlpd/public/content/8/Seite.080720.html
18 http://www.bva.at/
19 There exists also a lower limit of 405,98 EUR/month, see (Beitragsrechtliche Werte in der Sozialversicherung, 2015) p.3. However, this does not concern the Art65 exercise. Both upper and lower limit are updated yearly. Up to date values can be found at http://www.sozialversicherung.at => Über uns => Aktuelle Werte =>.
The general contribution rate amounts to 6.72% of the basis of assessment. (B-KUVG, 1967), §20.(1). Of these 6.72%, the civil servant pays 3.75% and the employer pays 2.97%, see (B-KUVG, 1967), §22.(1). For the accidence insurance, an additional amount ("Ergänzungsbeitrag zur Finanzierung unfallbedingter Leistungen in der Krankenversicherung") of 0.1% of the basis assessment must be paid by the employee alone, see (B-KUVG, 1967), §20c. For the health insurance, an additional amount of 0.25% is to be paid by the civil servant. (B-KUVG, 1967), §20a. For dependants, an additional amount of 3.4% is to be paid by the civil servant. (B-KUVG, 1967), §20b. This additional amount needs not be paid for the spouse as long as the spouse raises children in the household. The children in the household are free as well, see (B-KUVG, 1967) §56.(2).2 in connection with §20b.(3).1.

In summary, the civil servant pays $3.75\% + 0.1\% + 0.25\% = 4.1\%$ for health and accidence assurance.

### 5.5 Payment for housing subsidies ("Wohnungsbauträume")

Employees and employers are obliged to pay an amount for subsidising housing, see (Wohnbauförderungsbeitragsgesetz, 1951). It amounts to 1% of basis for assessment without the special payment. The employer has to pay half of this, e.g. 0.5%.

### 5.6 Pension contribution ("Pensionsbeitrag")

Civil servants pay a pension contribution, the amount of which depends on the year of birth. (GehG, 1956), §22.(1a) contains a table detailing the percentages to be paid. There are two percentages, one for contributions up to the maximal basis of assessment and a lower one for income above the maximal basis of assessment. The basis of assessment for the pension contribution is formed by the basic salary and all allowances that contribute to the later pension. This includes the special payment and the child grant ("Kinderzuschuss").

As the pension contribution depends on the year of birth, Eurostat and the Austrian authorities agreed on a fixed age for the model civil servants used for the Art65 exercise. The ages have been fixed as

- 60 years for the maximum;
- 38 years for the middle of the scale;
- the minimum applicable age found in the corresponding table.

Thus, each year the year of birth for these cases is increased by one year.

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20 The employer has to pay another 0.25%.
21 The special payment does not form an inherent part of the basis of assessment for the housing subsidy, because the latter is defined as being the same as the basis of assessment for the health insurance. The latter basis is defined in (B-KUVG, 1967), §15, whereas the special payment is explicitly added in §23 of the same law.
22 The law indeed uses the term maximal basis of assessment ("Höchstbeitragsgrundlage"), but then defines a percentage for income above this maximal basis. However, for a calculation of the pension contribution, one has to take into account (PG, 1965), §1(14). This paragraphs stipulates that civil servants born after a certain point in time fall under the (ASVG, 1955). This law states in §51.(3).2 that such a civil servant pays a pensions contribution of 10.25%.
6   Annual adjustment of remuneration
The annual adjustment of salaries for both civil servants and private-law employees are negotiated between the Austrian government and the Union of Public Service ("Gewerkschaft öffentlicher Dienst, (GÖD)"). After the negotiations have been concluded, the parliament passes an amendment which changes the respective laws.

7   Other issues
Austria is part of the sample of 11 countries to be taken into account for Art65 purposes from 01.01.2014. They report data on the situation of an unmarried civil servant and a married civil servant with 2 children. For these civil servants, they report minimum, median and maximum values.

7.1   Working time
Austrian civil servants work 40 hours per week. (BDG, 1979), §48.(2). If the time worked during a day is longer than 6 hours, the civil servant is entitled to a break of 30 minutes, see (BDG, 1979), §48b. This break counts as working time.

8   Conclusion: worked example calculation
8.1   Gross income
In the following section, we will replicate the gross and net income of a specified civil servant. For this, we will consider the median salary of an A2/5+6 civil servant, both single and married, as reported by Austria. The 5+6 refers to the functional group ("Funktionsgruppe"); we will thus calculate the arithmetic average of an A2 civil servant in functional group 5 and 6. In order to calculate the median salaries, it was agreed to assume that the civil servant is classified in step ("Gehaltsstufe") 9.

The reported gross salaries are calculated from the basic salaries in the respective 'Verwendungsgruppe' und den 'Gehaltsstufen' per 'Verwendungsgruppe'. For the minimum salary per 'Verwendungsgruppe' the 'Gehaltsstufe 1' is taken. The 'Gehaltsstufe to be taken into account for the middle salary varies from Gehaltsstufe 7 for 'Verwendungsgruppe' A1, to Gehaltsstufe 8 for 'Verwendungsgruppe' A2 and to Gehaltsstufe 9 for the Verwendungsgruppe A3 to A7. To this basic salary the 'Funktionszulage' has to be added. For the minimum salary group no 'Funktionszulage' is added, for the middle salary 'Funktionszulage' 2 and for the maximum salary 'Funktionszulage' 4.

8.1.1   Single civil servant
As can be seen from Table 2, the monthly basis salary of an A2 in step 9 is 2491.0 EUR.23 With a step of 9, the civil servant has a corresponding functional step of 2, see Table 5. From Table 6, we see that

\[ 2491.0 = 2447.0 + 1.77\% \times 2447.0 \]

The amount of 2491 for step 9 is calculated taking the basic salary of an A 10 from 2014 (i.e. 2447 EUR), adding 1.77% to it and rounding upwards to the next full euro. This is the calculation basis during the transition following a ruling by the European Court of Justice (see section 3.4.1). Indeed, the salary table currently in use is using an implicit transition in that a current A 9 would have received the salary of an A 10 in 2014. The additional 1.77% are based on (GehG, 1956), §170a. As the transition has to respect the principle of legitimate
the functional allowance for the functional groups 5 and 6 amounts to 379.0 and 434.0 EUR respectively. This gives an average functional allowance of 406.5 EUR and a corresponding monthly gross salary of 2491.0 + 406.5 = 2897.50 EUR.

We need to add the special payment ("Sonderzahlung") to this monthly amount, see section 3.4.2. As this is paid each quarter and amounts to 50% of a monthly salary, we can multiply the just calculated monthly gross salary by 2 to arrive at the whole sum. Thus, the monthly gross income for our example civil servant is 14*2897.50/12 = 3380.42 EUR.

### 8.1.2 Married civil servant

For the married civil servant with 2 children, we need to add the amount of the child grant to the gross income. As described in section 3.4.3, the amount for one child is 15.60 EUR and it is not taken into account for the special payment, so the total gross income for the married civil servant without the special payment ("Sonderzahlung") is 2897.50 + 31.20 = 2928.70 EUR and with the special payment it is 3380.42 EUR + 31.20 EUR = 3411.62 EUR.

However, these amounts do not include the general child allowances, see Table 9 on page 1514. Adding these amounts gives a gross income of 3380.42 + 450.47 = 3830.88 EUR, including all child allowances.

<table>
<thead>
<tr>
<th>Gross income situation</th>
<th>Amount [EUR/month]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single, without special payment (&quot;Sonderzahlung&quot;)</td>
<td>2897.50</td>
</tr>
<tr>
<td>Single, with special payment (&quot;Sonderzahlung&quot;)</td>
<td>3380.42</td>
</tr>
<tr>
<td>Married, without special payment (&quot;Sonderzahlung&quot;) and with child grant (&quot;Kinderzuschuss&quot;) only</td>
<td>2928.70</td>
</tr>
<tr>
<td>Married, with special payment (&quot;Sonderzahlung&quot;) and child grant (&quot;Kinderzuschuss&quot;) only</td>
<td>3411.62</td>
</tr>
<tr>
<td>Married, with special payment (&quot;Sonderzahlung&quot;) and all child allowances</td>
<td>3830.88</td>
</tr>
</tbody>
</table>

### 8.2 Net income

For the net income, we have to consider that the special payment is taxed differently than the normal monthly income, see section 5.2. Thus, we have to split the just calculated monthly gross income for the calculation of the income tax; for the other contributions however, the special payment is taken into account by calculating with 14 monthly incomes per year and 12 times the child grant ("Kinderzuschuss").

The following deductions are made from the gross income:

- Pension contribution ("Pensionsbeitrag") (section 5.6)
- Social security contributions (section 5.4)

expectations, the transition will probably take some years. Until the end of the transition, published salary tables may not fully reflect the real salary situation of a civil servant.
8.2.1 Pension contribution ("Pensionsbeitrag")
As described in section 5.6, the pension contribution depends on the year of birth of the civil servant. For the middle of the scale, Eurostat and the Austrian authorities agreed on a model age of 38 years. For 2015, this means that 1977 is the year of birth. Although §22 (GehG, 1956) contains a table with the contribution rate, it also contains an exception for those civil servants that are mentioned in section XIV (PG, 1965). This section refers to (PG, 1965), §1(14), which indicates that civil servants born after 1975 fall under this exception. The corresponding contribution rate is thus to be found in (ASVG, 1955), §51.(3).2 and amounts to 10.25%, but it only applies up to the maximal basis of assessment. As was mentioned in section 5.4, the maximal basis of assessment for 2015 is equal to 4,650 EUR. The basis of assessment for the pension contribution includes the special payment ("Sonderzahlung"), c.f. section 3.4.2 and the child grant ("Kinderzuschuss"), c.f. section 5.3.

As our example civil servant falls below the maximal basis of assessment, the pension contribution for an unmarried civil servant is equal to 3380.42 EUR * 10.25% = 346.49 EUR. For the married civil servant, the child grant ("Kinderzuschuss") has to be taken into account: 3411.62 EUR * 10.25% = 349.69 EUR.

8.2.2 Social security contribution and payment for housing subsidies
The basis of payment for the social security contribution is the same as for the pension contribution. Thus, with a value of 4.1% for the social security contribution, we get (c.f. section 5.4):
3380.42 EUR * 4.1% = 138.60 EUR for the single civil servant and
3411.62 EUR * 4.1% = 139.88 EUR for the married civil servant.

8.2.3 Payment for housing subsidies
The basis of payment for the housing subsidy is not the same as for the calculation of the pension contribution, see (Wohnbauförderungsbeitragsgesetz, 1951), §3.(1)a). This is due to the fact that the special payment ("Sonderzahlung") is mentioned in a different paragraph of the corresponding law, see section 5.4. The same limit for a maximum basis of assessment as for the pension contribution applies, see (Wohnbauförderungsbeitragsgesetz, 1951), §3 and the child grant ("Kinderzuschuss") is taken into account as well, thus
2897.50 EUR * 0.5% = 14.49 EUR for the single civil servant and
2928.70 EUR * 0.5% = 14.64 EUR for the married civil servant.

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24 This is not generally true, but holds for all allowances that are taken into account for the Art65 exercise!
8.2.4 Income tax and taxation of special payment

The following table summarizes the deductions for the calculation of the income tax as explained in section 5.1. The deductions are made either from the gross income before tax or from the calculated income tax.

Table 14 Deductions from the taxable gross income

<table>
<thead>
<tr>
<th>Deduction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lump-sum for income-related expenses (&quot;Pauschbetrag&quot;)</td>
<td>132 EUR / year</td>
</tr>
<tr>
<td>Extraordinary expenses (&quot;Sonderausgaben&quot;),</td>
<td>60 EUR / year</td>
</tr>
</tbody>
</table>

Table 15 Deductions from the income tax as of 01.01.2014

<table>
<thead>
<tr>
<th>Deduction</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deduction for travel expenses (&quot;Verkehrsabsetzbetrag&quot;)</td>
<td>291 EUR / year</td>
</tr>
<tr>
<td>General tax credit for employees (&quot;Arbeitnehmerabsetzbetrag&quot;)</td>
<td>54 EUR / year</td>
</tr>
<tr>
<td>Single wage earner (&quot;Alleinverdienerabsetzbetrag&quot;)</td>
<td>669 EUR / year</td>
</tr>
</tbody>
</table>

The calculation of the income tax is split into the taxation of the special payment ("Sonderzahlung") and the taxation of the normal salary. The normal salary is taxed according to Table 11.

8.2.4.1 Single civil servant

For our model civil servant, the assessment base for the normal income tax is the monthly gross income without the special payment and without the social insurance contributions. We need to ensure that we do not include the special payment in this calculation, so we will refer to first principles for the calculation.

\[ 12 \times (2897.50 - 2897.50 \times (10.25\% + 4.1\% + 0.5\%)) - 60 - 132 = 29414.66 \text{ EUR/year}. \]

The above calculation uses the monthly gross income without the special payment and deducts the pension contribution, the social security contribution and the payment for housing subsidies. Furthermore, the lump-sums of 132 EUR for income-related expenses ("Pauschbetrag") and of 60 EUR for extraordinary expenses ("Sonderausgaben") are deducted. So, the assessment base for our

\[ 25 \text{ in the context of the Art65 exercise, this is only applicable to the married civil servant.} \]
model civil servant is 29414.66 EUR. Using Table 11 and the deduction for travel expenses as well as the general tax credit for employees, we calculate the yearly income tax for the normal salary as

\[(29414.66 \text{ – } 25000) \text{ / } 35000 \ast 15125 + 5110 \text{ – } 54 \text{ – } 291 = 6672.76 \text{ EUR.}\]

For the taxation of the special payment, the situation is as follows:

- The pension contribution paid on the special payment is deducted.
- Social contributions of 4.1% (calculated in section 8.2.2) are deducted from the special payment, see section 5.4.
- The payment for housing subsidies (“Wohnungsbaurämie”) of 0.5% is not deducted from the special payment, see sections 5.4 and 5.5 and footnote 2122.
- 620 EUR are deducted from the result and the rest is taxed with 6%, see section 5.2.

We use 2 normal monthly amounts (obviously these amounts do not include the special payment) for the calculation of the taxes on the special payment:

\[6\% \ast (2 \ast (2897.50 - 2897.50 \ast (10.25\% + 4.1\%)) - 620) = 260.61 \text{ EUR.}\]

Thus, for a single civil servant, the monthly income tax amounts to

\[(6672.76 \text{ + } 260.61) \text{ / } 12 = 577.78 \text{ EUR.}\]

### 8.2.4.2 Married civil servant

The income tax calculation for the married civil servant is similar to the previous calculation for the single civil servant, but the child grant has to be taken into account.

\[12 \ast (2928.70 - 2928.70 \ast (10.25\% + 4.1\% + 0.5\%)) \text{ – } 60 \text{ – } 132 = 29733.46 \text{ EUR/year}.\]

The above calculation uses the monthly gross income without the special payment and deducts the pension contribution, the social security contribution and the payment for housing subsidies. Furthermore, the lump-sums of 132 EUR for income-related expenses (“Pauschbetrag”) and of 60 EUR for extraordinary expenses (“Sonderausgaben”) are deducted. This gives a yearly income tax of

\[(29733.46 \text{ – } 25000) \text{ / } 35000 \ast 15125 + 5110 \text{ – } 54 \text{ – } 291 \text{ – } 669 = 6141.53 \text{ EUR.}\]

The above calculation is similar to the calculation for the single civil servant. The only difference is the additional deduction for a single wage earner, see Table 15.

The tax calculation for the special payment (“Sonderzahlung”) is similar to the case of the single civil servant. We need to take the salary without the child grant (“Kinderzuschuss”), c.f. section 3.4.3.

\[6\% \ast (2 \ast (2897.50 - 2897.50 \ast (10.25\% + 4.1\%)) - 620) = 260.61 \text{ EUR.}\]

Thus, for a married civil servant, the monthly income tax amounts to

\[(6141.53 \text{ + } 260.61) \text{ / } 12 = 533.51 \text{ EUR.}\]

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26 We included the special payment in the calculation of the pension contribution in section 8.2.1.
8.2.5 Summary of income and deductions

The following table summarises the calculated values.

Table 16 Summary of monthly income and deductions for the Art65 exercise (all values in EUR)

<table>
<thead>
<tr>
<th></th>
<th>Single</th>
<th>Married with 2 children</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly gross income</td>
<td>3380.42</td>
<td>3830.88</td>
</tr>
<tr>
<td>Pension contribution</td>
<td>346.49</td>
<td>349.69</td>
</tr>
<tr>
<td>Social security</td>
<td>138.60</td>
<td>139.88</td>
</tr>
<tr>
<td>Payment for housing subsidy</td>
<td>14.49</td>
<td>14.64</td>
</tr>
<tr>
<td>Sum of social security and</td>
<td>153.08</td>
<td>154.52</td>
</tr>
<tr>
<td>payment for housing subsidy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax</td>
<td>577.78</td>
<td>533.51</td>
</tr>
<tr>
<td>Net income</td>
<td>2303.06</td>
<td>2793.16</td>
</tr>
</tbody>
</table>

Comparing the numbers for the married civil servant with the 2015 REM file, we note a difference in the gross income, and the income tax. Comparing with the 2015 SRQ, we note a difference in the income tax and the gross and net salary. The reasons for these differences are:

1. A different treatment of the child amount ("Kinderabsetzbetrag"). The example calculation in this manual adds it to the gross income, as it is paid out each month. The SRQ treats it as a deduction from the income tax. Indeed, the name "Kinderabsetzbetrag" suggests that it should be deducted from the taxable income or the income tax. As a result, the gross income in the example calculation and the income tax differ by 2*58.40 EUR = 116.80 EUR from the REM values. The net income is identical for both calculations.

2. The different treatment of the child amount ("Kinderabsetzbetrag") features in the SRQ as well, explaining the full difference of the income tax and part of the difference of the gross income. The remaining difference is explained by the non-inclusion of some child allowances in the SRQ values, namely the general child allowance ("Familienbeihilfe") and the school start allowance ("Schulstartgeld"). For the example calculation, the difference is 285.80 + 16.66 = 302.46 EUR.
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