

EU Civil Servants

Need to reform privileges

With its roughly 45,000 employees, the EU's civil service is by far the best-paid in Europe. The lavish network of privileges needs to be thinned out when the EU's Staff Regulations are revised this year.

Overpaid, privileged, and with tax benefits to boot. The EU's civil servants receive salaries, allowances and leave that other public servants can only dream of – let alone employees in free enterprise. These privileges are rooted in the EU's Staff Regulations, which have been at the receiving end of plenty of criticism from the German Taxpayers' Association (Bund der Steuerzahler – BdSt) in the past.

13 weeks off

The starting salary for EU civil servants is in the region of 2,650 Euro. The basic salary in the top grade is 18,370 Euro. On top of this comes a 16 percent foreign service allowance, even if the civil servant lives in Germany and works just over the border in Luxembourg. EU employees likewise receive subsidies for the schooling and higher education of their children. A sum of almost 500 Euro per month is paid for their university studies.

The EU is equally generous when it comes to its civil servants travelling home. Once per year, the employees and their families are given a lump-sum reimbursement for a journey home, corresponding to the cost of a first-class rail ticket – regardless of whether or not the employee actually takes the trip. And they also get extra leave for the purpose, of course. Six days of special leave are given for distances in excess of 2,000 km. That, too, is granted globally, without any need for an application.

But there's still worse to come: five years ago, the Commission introduced flexitime in order to grant dedicated employees up to two days' additional leave per month. In Commission-speak, "dedicated" means working more than 37.5 hours per week! In 2010, one-half of the top civil servants claimed this compensation in the form of time off – from Heads of Unit to Directors-General with a monthly basic salary in excess of 10,000. This resulted in a total of just under 19,200 additional lost days. That is equivalent to 96 jobs! The worst thing about it is that, according to the EU Staff Regulations, top-level civil servants are not entitled to compensation for overtime at all. In other words, the Commission offers a voluntary payment in this respect, for which there is no legal basis. If privileges of this kind are added up, along with further work-free days and the annual leave, the result is up to 67 days off – more than double the normal entitlement to leave.

High salary, low taxes

Also deserving of criticism is the fact that only little tax has to be paid on the opulent gross salary. EU civil servants are not subject to national tax laws, but pay a Community tax that goes into the EU budget. The system favours the civil servants in such a way that they not only receive a significantly higher gross salary than comparable civil servants in Germany, but also pay less than half as much tax on it in some cases.



picture: Fotolia, sad dog design

The automatic increase in EU salaries, in particular, is time and again the cause of disputes. The mechanism is geared to the cost of living and the civil servant salaries in selected Member States. In the midst of the economic and financial crisis, this has led to a hefty 3.7 percent rise in the salaries of the civil servants, and thus automatically also in the remuneration of the Members of the European Parliament.

Finally, the pension regulations must also be reformed. On average, an EU civil servant receives a pension of 4,500 Euro, a top-level employee even receiving 9,000 Euro. Early retirement can already be taken at the age of 55. The Commission has in the meantime reacted and plans to increase the pensionable age to 65 and the early retirement age to 58, but that cannot be the final word. To control the avalanche of costs caused by EU pensioners, the retirement age needs to be increased to 67, as in Germany. At the same time, the pensions must be determined on the basis of the average income during the entire career, not on the basis of the more expensive, most recent salary.

Extensive reforms necessary

The only ray of hope at the moment is that the EU plans to increase the weekly working time to 40 hours. However, there is still a lot of work to be done on the EU Staff Regulations. Special leave, expensive extra reimbursements, compensation in the form of time off, tax benefits, pension regulations and automatic salary increases – all that needs to be radically curtailed. EU civil servants must be made to face the realities in the Member States. In times of the sovereign debt crisis, the Commission needs to cut back, too. The BdSt will, in collaboration with the Taxpayers' Association of Europe (TAE), urge the Commission and the European Parliament to at last abolish absurd benefits in the EU Staff Regulations. SP