

Annual adjustment of remuneration and pensions

How does it affect pensioners?

For pensioners, the end of last year brought some important developments that impact the Pension Scheme of European Officials (PSEO). *Commission en plus* presents these developments in a nutshell.

Rectified annual adjustment of 2009

In line with the recent Judgment of the Court of Justice, the Council adopted on 13 December 2010 a Regulation rectifying the 2009 annual adjustment of remuneration and pensions. This Regulation, based upon the 2009 Commission proposal, leads to an adjustment of the remunerations and pensions by an additional 1.85%, with effect from 1 July 2009.

Consequently, the Institutions have recently paid the accumulated arrears for the last 18 months relating to adjusted pensions. The late-payment interest will be paid in March 2011 for the period from 1 January 2010 until the day of the payment.

Annual adjustment of 2010

On 20 December 2010, the Council also adopted a Regulation regarding the 2010 annual adjustment of remuneration and pensions (increasing them by +0.1%), along with a Regulation on the 2010 adjustment of the pension contribution – setting it

at the level of 11.6% (up from the prior rate of 11.3%).

The 2010 annual adjustment decreases, with retroactive effect as of 1 July 2010, the correction coefficients for certain Member States

– i.e. Denmark, France, Ireland, Italy, Netherlands, Austria, Finland – and increases them for Sweden and the United Kingdom. These changes follow the latest developments in inflation and the economic situation in these Member States.

Correction coefficients are calculated for pensioners living in Member States other than Belgium and Luxembourg. They guarantee the equality of purchasing power depending on the cost of living in the country of residence (see table for comparison with prior applicable weightings).

Any recoveries of sums overpaid to pensioners for the period between July 2010 and January 2011 will be automatically spread over a period of six months.

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Member State	CC* 1.7.2009	CC* 1.7.2010	% difference in PPP**
Bulgaria	100	100	-
Czech Rep.	100	100	-
Denmark	133,9	130,5	-2,5
Germany	100	100	-
Estonia	100	100	-
Greece	100	100	-
Spain	100	100	-
France	108,5	107,6	-0,8
Ireland	110,6	103,9	-6,0
Italy	106,5	102,3	-3,9
Cyprus	100	100	-
Latvia	100	100	-
Lithuania	100	100	-
Hungary	100	100	-
Malta	100	100	-
Netherlands	101,1	100	-3,0
Austria	105,9	105,1	-0,7
Poland	100	100	-
Portugal	100	100	-
Romania	100	100	-
Slovenia	100	100	-
Slovakia	100	100	-
Finland	116,6	112,4	-3,6
Sweden	100	112,6	0,7
United Kingdom	100,3	108,4	3,2

Comparative weightings for pensioners in July 2009 and July 2010.

* Correction coefficients – ** Purchasing power parities