



EUROPEAN CENTRAL BANK

EUROSYSTEM

SEC/GovC/X/22/467
The Executive Board

ECB-CONFIDENTIAL
20 December 2022

ECB General Salary Adjustment for 2023

1. GSA result

In application of the methodology approved by the Governing Council on 19 June 2008 (see SEC/GovC/08/235/09-SEC/GenC/08/48/09) and subsequently clarified on 16 December 2011 (see SEC/GovC/X/11/534), 5 July 2013 (see SEC/GovC/X/13/254) and 18 August 2016 (see SEC/GovC/X/16/0969-SEC/GenC/X/16/065), the Executive Board proposes an ECB General Salary Adjustment (GSA) of 4.0751% for 2022. The GSA would apply to the ECB staff members' salaries and related items as of 1 January 2023. In accordance with the methodology, this figure was calculated as the weighted development of salaries and related items at the comparator institutions, as presented in the enclosed documentation. The main drivers of the 2023 GSA are as follows:

- Annual salary adjustments in the Eurosystem NCBs and EU comparator institutions in 2022 have an overall effect of 3.7491%. This is in particular caused by the salary adjustments, at the European Commission, at Banque de France and at Banca d'Italia.
- Adjustments carried forward from last year (0.1925%) are caused by retroactive amendments in some comparator institutions, implying that last year's figure would have been 1.6747% instead of 1.4822%.
- The triennial review 2020-2022 on developments in working hours, allowances and benefits resulted in an effect of 0.1335%, based on the input received from Oesterreichische Nationalbank, Banque de France, Banca d'Italia, Central Bank of Malta, Banka Slovenije, Národná banka Slovenska and Banco de España.

2. Impact on pension adjustments

In accordance with Article 17.7 of the Retirement Plan and Article 13 of the Pension Scheme, pensions are increased¹ annually by the HICP change or the ECB's GSA, if the latter is lower than the HICP change. If the GSA is higher than the HICP change, the Governing Council shall apply the GSA if it determines, acting on actuarial advice, that the financial position of the Plan/Scheme would permit such an increase. For 2023 the HICP change was 5.4250% and as such higher than the GSA result.

¹ (a) Pensions paid following the retirement or death of a member shall be increased as follows:

- (i) annually by reference to price inflation, as determined by the Harmonised Index of Consumer Prices for the euro area (hereinafter the 'euro area HICP');
- (ii) if general salary adjustments in accordance with the Conditions of Employment have been below price inflation, as determined by the euro area HICP, the general salary adjustment shall be used to determine any increase in pension;
- (iii) if the general salary adjustment in accordance with the Conditions of Employment exceeds price inflation, as determined by the euro area HICP, the Governing Council shall apply the general salary adjustment to determine the increase in pension provided that it determines, acting on actuarial advice, that the financial position of the Scheme would permit such an increase.

(b) Any pension adjustment shall be implemented at the same time as the annual general salary adjustment.

As a consequence the ECB should increase pensions of both the Retirement Plan and the Pension Scheme by 4.0751%.

3. Consultation of the Staff Committee on the 2023 GSA

[...]

4. IPSO's opinion on the 2023 GSA

[...]

The Governing Council is invited to:

- (a) approve an increase of 4.0751% in the salaries and other items of ECB staff for the twelve-month period commencing on 1 January 2023, in accordance with the GSA methodology;
- (b) decide that an increase of 4.0751%, in line with the GSA, will be implemented to the pensions of all retired staff members for the twelve-month period commencing on 1 January 2023;
- (c) request the Executive Board to accordingly adjust the legal framework; and
- (d) [...]