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Ref. : 2019-10-D-26-en-2

Orig.: EN

Interpretation of National Salary Slips (Article 49 of the Regulations for Members of the Seconded Staff of the European Schools)

Board of Governors – 03, 04 & 05 December 2019 – Platon room

BSGEE – Rue de la Science 23, 1040 Brussels

1. **Background**

In December 2017 the Board of Governors decided (Ref: 2017-10-D-46-en-2) to launch the work related to the preparation of common guidelines on the interpretation of national salary slips with internal European Schools resources. This decision was taken in response to a recommendation from the Internal Audit Service of the European Commission regarding the transparent and harmonized calculation of salaries for seconded staff in the European Schools[[1]](#endnote-1).

In addition, the external study which was commissioned in preparation for the new governance model (PWC – 2017) suggested that a more consistent approach could be found across schools when calculating salaries of seconded staff. This study also suggested that simplification measures could be found in this process, as well as economies of scale.

1. **Follow up**

A task force was created (Annex I) in May 2019 with two objectives:

1. To produce common interpretations of all national salary slips.
2. To identify possible areas of rationalisation in the process of calculating the salaries of seconded staff.

Concerning the first objective, a number of workshops took place in June and July of 2019 where each individual pay slip was analyzed by the payroll accountants of the Brussels schools together with the Tax service in the Office of the Secretary General (OSG), Deputy Financial Controller, Head of Human Resources and Head of Accounting Unit in the OSG. Payroll accountants in other schools were also involved on request (Varese, Alicante, Bergen, Karlsruhe and Luxembourg II) to assist on the pay slips of their respective Member States.

The bulk of the discussions concerned the identification and classification of each component of salary slips into pre-defined categories, namely:

* Gross pay
* Extra pay
* Social security deductions (compulsory and voluntary)
* Other deductions
* National tax
* Other

This categorization was then used as a means to determine the manner in which each component shall be interpreted in the calculation of the European remuneration. The outcome of this process can be found in Annex II.

The individual draft interpretations were transmitted to the representatives of the Budgetary Committee on 16 September 2019 for validation. Thirteen delegation provided comments before the deadline of 10th October 2019, which have been taken into account. The absence of a reaction from the remaining fifteen delegations is understood as a tacit agreement with the proposed interpretations.

The revised interpretations were transmitted to the Budgetary Committee. One more delegation provided comments afterwards, which have been incorporated into the version which is now transmitted to the Board of Governors.

Concerning the second objective, a separate document has been transmitted to the Board of Governors including proposals for rationalization of the process of calculation of salaries of seconded staff (Reference: 2019-10-D-27-en-1).

1. **The Budget Committee**

The Budget Committee discussed the proposal for the common interpretation of national salary slips, provided a favorable opinion and agreed to transmit it to the Board of Governors for approval.

1. **The Board of Governors**

The Board of Governors is hereby invited to validate the common interpretation of all salary slips which will be the basis for the calculation of the salaries of seconded staff of all the schools and the OSG effective beginning of 2020.

1. (Ref ARES 2014 – 923752 – point 7) [↑](#endnote-ref-1)