

Your salary in 2024



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Andrei



Ion



Derek

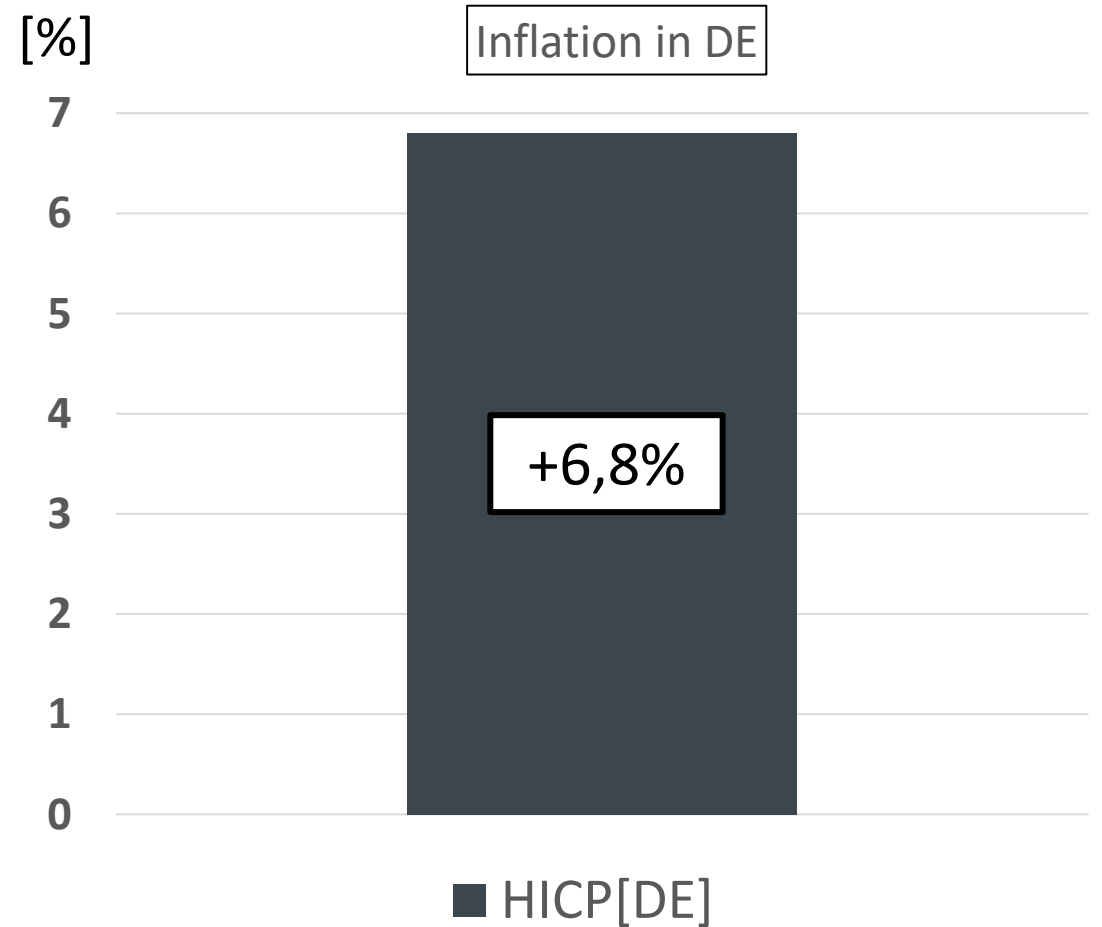
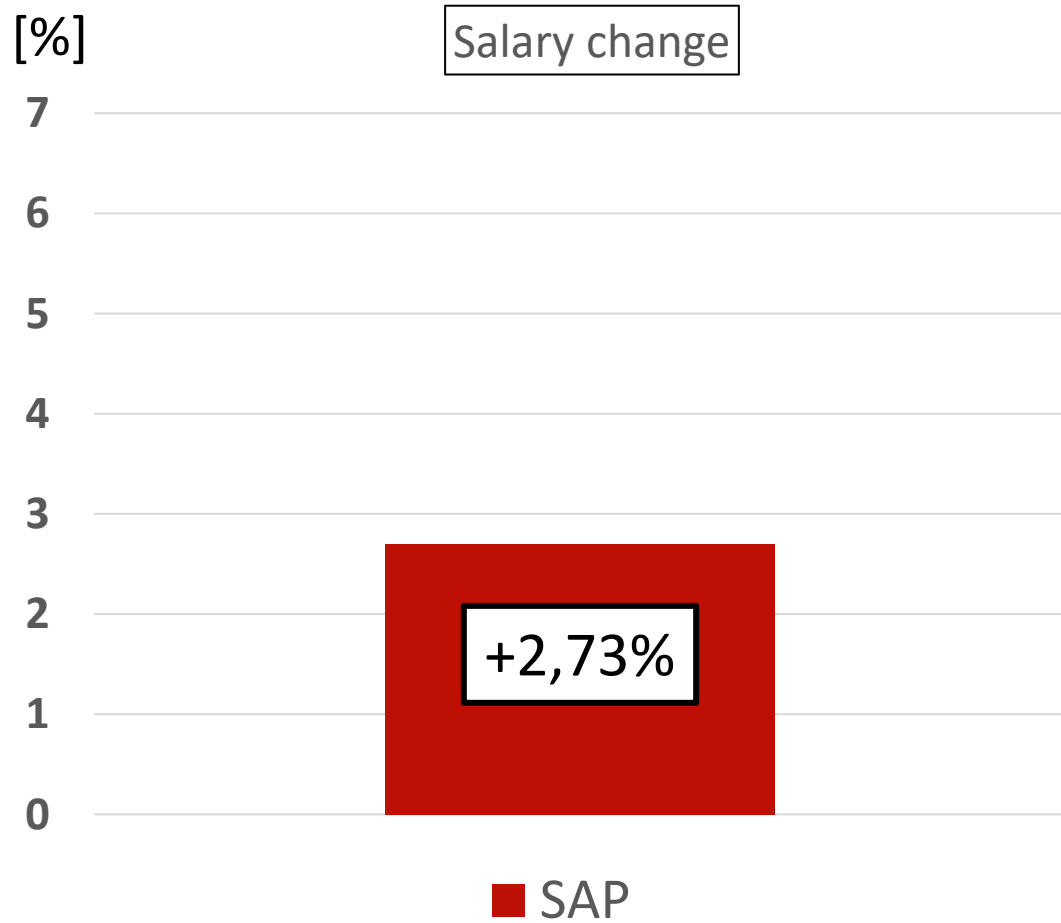


Lars

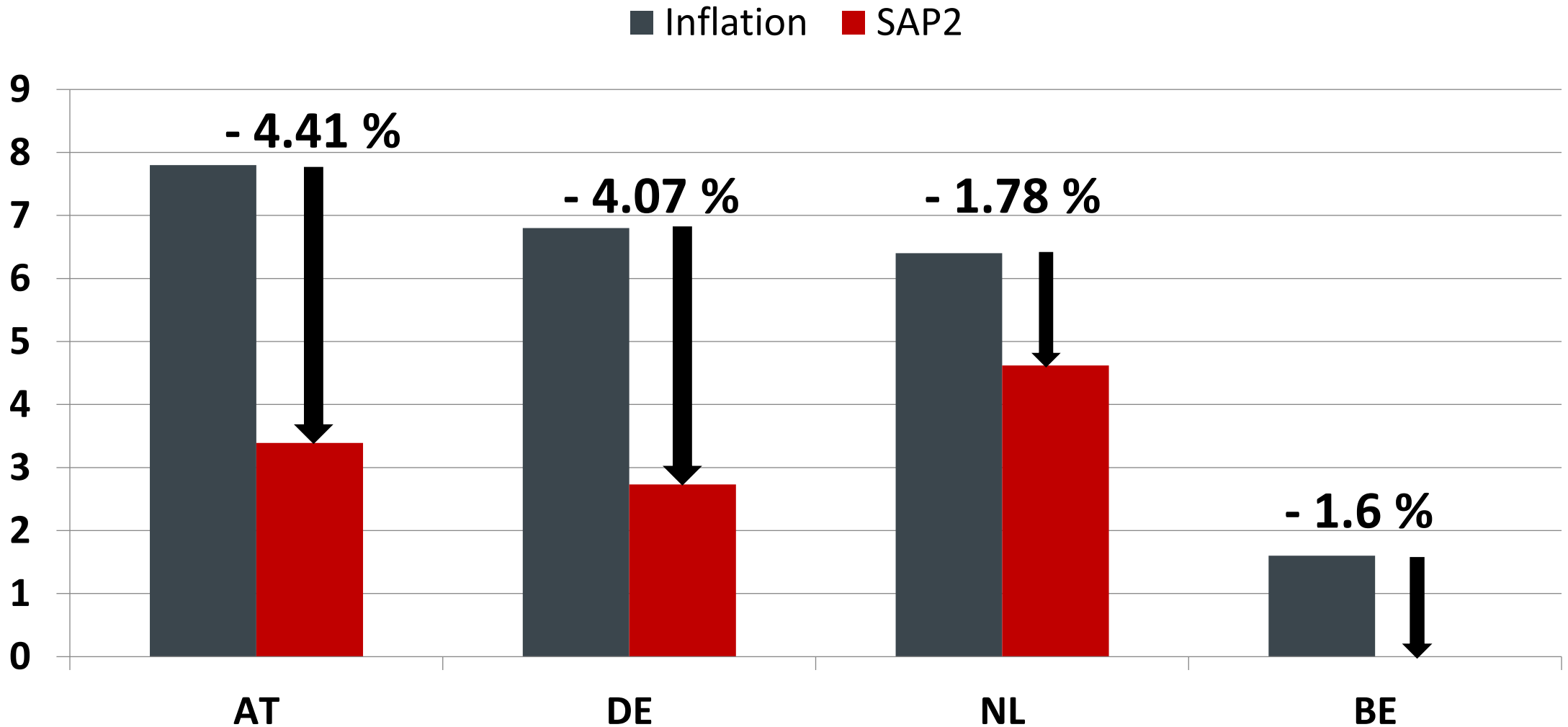


Dominik

Salary change 2024 ↔ 12 months Inflation



Loss against inflation in each site



Why these differences?

The SAP does not use the inflation of each host country

The baseline SAP uses three parameters

- The 12-months inflation of one reference country: BE.
- The specific indicator (SI) of 2023 averaged over 8 reference countries: DE,FR,IT,ES,UK,NL,BE,LU.
- The Purchasing Power Parities (PPPs) of the EPO host countries compared to the Purchasing Power in BE.

The SI used for the SAP 2024

The Specific Indicator is a number derived from an average of the changes of salaries of national civil servants.

The value of the SI for the SAP 2024 is 98,3 i.e. -1,7%.

This SI affects the adjustment in every site.

HICP[BE] of +1,6% more than cancelled out by the -1,7% of the SI.

The concept of PP

The Purchasing Power (PP) is a number describing the relative cost of a basket of goods.

The basket of goods contains pretty much everything you need to pay for: mortgage, energy, food, etc.

The relative amounts of each type of good is typical of international civil servants.



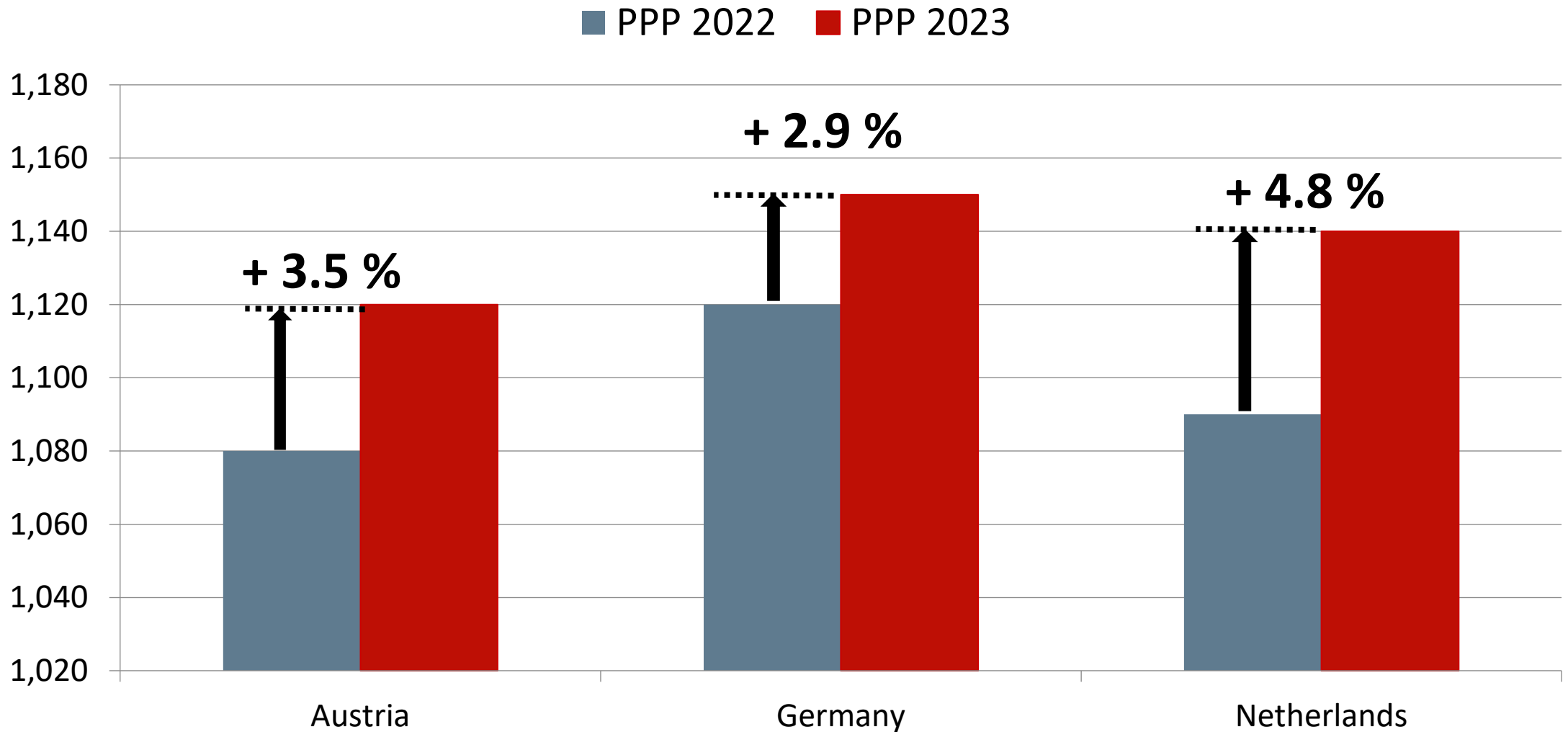
The 12-months Δ PPPs

The Purchasing Power **Parity** answers the following question:
“If a basket of goods costs 100 € in BE, how much do I have to pay for the same basket in AT,DE,NL?”

In 2022 the cost in DE would have been 112,05 € and in 2023 the cost would be 115,26 €.

The relative value of the PPPs in the SAP reflects the aim to adjust salaries with equal purchasing effect among different countries.

The changes of Δ PPPs over 12 months



Results for 2024

- In 2024 the adjustment is due entirely to the changes in PPP between the countries.
- The relative changes in PPP are quite lower than the inflation this year.
- With the slight negative effect of the HICP[BE]xSI one gets 2,73% for the final adjustment in DE.
- This year there is no capping of the adjustments and nothing goes into the redistribution pool.

The future

- If in the future a relative change in PPP is higher than the inflation would we get a higher adjustment?
 - **Possibly not, since the SAP includes said capping mechanism.**
- The capping mechanism produces an imposed **erosion of salaries** over a long time since a capping always occurs when the adjustment is above the threshold but when the average is lower there is a catch-up only under specific conditions (before the 3-year lifetime of the redistribution pool runs out).
- This capping mechanism usually causes a **violation of the PPPs.**



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Thank you for your attention



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