

European Central Bank

**Conditions of Employment for Staff
of the European Central Bank**

Directorate General Human Resources, Budget and Organisation

Adopted on 9 June 1998

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Conditions of Employment for Staff of the European Central Bank

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* Decision ECB/2009/NP7 of 4 May 2009 amending the Conditions of Employment for Staff of the European Central Bank freezes the ECB Retirement Plan and introduces the ECB Pension Scheme. Subject to detailed transitional arrangements, the ECB Retirement Plan relates to service up to 31 May 2009, and the ECB Pension Scheme relates to service from 1 June 2009.

PART 1 GENERAL PROVISIONS

1. For the purposes of these Conditions of Employment, “member of staff” of the European Central Bank (hereinafter referred to as the ECB) shall mean any person who has countersigned an employment contract appointing him/her for an indefinite period or a definite period of more than one year to a position within the ECB and who has taken up his/her appointment.
2. Whenever these Conditions of Employment make reference to a specific European Community legal act, they shall be understood as also referring to any subsequent amendment, specification or consolidation of the said legal act.
3. To ensure the ECB’s independence and impartiality and to safeguard its reputation, members of staff shall comply with the provisions of the ECB’s ethics framework as laid down in the European Central Bank Staff Rules (hereinafter the ‘Staff Rules’).
- 5(a). All rights in respect of any writings, inventions or other works produced by members of staff in the performance of their duties shall automatically be vested in the ECB, except for any moral rights. The Executive Board may authorise members of staff to exercise specific rights relating to writings, inventions or works produced by them for their own benefit.
6. Members of staff shall not be liable for any damages caused to the ECB or to third parties because of or in the due performance of their respective functions, unless such damages are due to gross negligence or wilful misconduct.
7. The ECB shall keep a personal file for each member of staff. The regime applicable to these files is defined in the Staff Rules in accordance with the principles set out in Commission Recommendation 81/679/EEC of 29 July 1981 and European Parliament and Council Directive 95/46/EC of 24 October 1994 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.
8. The right to strike shall be subject to prior written notice from the organising body and to the maintenance of such minimum services as may be required by the Executive Board. The Staff Rules shall further specify these limitations.

PART 2 EMPLOYMENT RELATIONS

9. (a) Employment relations between the ECB and its members of staff shall be governed by employment contracts issued in conjunction with these Conditions of Employment. The Staff Rules adopted by the Executive Board shall further specify the application of these Conditions of Employment.

The employment relations between the European Central Bank and its members of staff shall be subject to mobility in the interest of the service.

- (b) Specific conditions of employment for participants in the graduate programme are contained in Annex IIa.

Specific conditions of employment for (i) contracts of less than one year; and (ii) for participants in the European System of Central Banks/international organisation (ESCB/IO) programme are contained in Annex IIb.

- (c) No specific national law governs these Conditions of Employment. The ECB shall apply (i) the general principles of law common to the Member States, (ii) the general principles of European Community (EC) law, and (iii) the rules contained in the EC regulations and directives concerning social policy which are addressed to Member States. Whenever necessary, these legal instruments will be implemented by the ECB. EC recommendations in the area of social policy will be given due consideration. In interpreting the rights and obligations under the present Conditions of Employment, due regard shall be shown for the authoritative principles of the regulations, rules and case law which apply to the staff of the EC institutions.

The ECB shall provide to its members of staff a work place which complies with health and safety standards at least equivalent to the minimum requirements under Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work and the individual Directives adopted on the basis of Article 16 thereof. In interpreting the rights and obligations under these Directives, due regard shall be shown for the legal acts transposing them into German law, a list of which shall be made available by DG-H, to the extent that the ECB has not adopted its own rules and that such application is without prejudice to the legislative powers accorded to the Governing Council and the Executive Board and the ECB's independence as guaranteed by the Headquarters Agreement and the Protocol on Privileges and Immunities.

10. (a) Employment contracts between the ECB and its members of staff shall take the form of letters of appointment which shall be countersigned by members of staff. The letters of appointment shall specify the terms of employment as required by Council Directive 91/533/EEC of 14 October 1991. Unless stated otherwise, the place of work shall be Frankfurt am Main.
- (b) Employment with the ECB shall be subject to medical and security clearance. Appointments may be subject to a probationary period in accordance with the provisions laid down in the Staff Rules. The probationary period shall in no circumstances exceed twelve months.

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- (c) Employment contracts for a definite period of more than one year, issued against a permanent and vacant post, may be converted into employment contracts for an indefinite period in accordance with the conditions laid down in the Staff Rules.
11. (a) Contracts of members of staff may be terminated by the ECB on a reasoned decision of the Executive Board in accordance with the procedure laid down in the Staff Rules and on the following grounds:
- (i) in the case of continued unsatisfactory performance. Termination of a contract by the ECB for this reason shall be subject to a period of notice of three months and to a severance payment of **one month's salary per completed year of service, up to a maximum of twelve months.** The Executive Board may release a member of staff from actual duty during his/her period of notice;
 - (ii) in the case of redundancy. For the purposes of these Conditions of Employment, "redundancy" means a reduction in the number of positions at the ECB attributable wholly or mainly to the permanent termination of the function or activity for which the member of staff was employed or to the policy decision to dispense with the said function or activity for an indefinite period. Specific measures of compensation which shall be at least equal to those given under (i) above shall be decided by the Governing Council;
 - (iii) where the accession process will not be completed by the accession country of which the member of staff is a national within the timetable laid down by the Council of the European Union. A severance payment as provided under (i) above shall be granted;
 - (iv) for disciplinary reasons.
- (b) During the probationary period or in the case of dismissal for disciplinary reasons, the period of notice shall be one month.
- (c) Termination of contract by members of staff shall be subject to a period of notice of three months unless a shorter period is agreed.
- (d) On retirement a member of staff's employment contract with the ECB shall be considered to be terminated without any severance payment or payment in lieu of notice being due.

PART 3 BASIC SALARY AND ALLOWANCES

12. The salary structure is contained in Annex I.
13. The Governing Council, on a proposal from the Executive Board, shall adopt general salary adjustments, which shall take effect on 1 January of each year.

14. In accordance with the Protocol on the Privileges and Immunities of the European Communities and Council Regulation No. 260/68 of 29 February 1968 as modified by Council Regulation (EC, ECSC, EURATOM) No. 1197/98 of 5 June 1998, amending Regulation (EEC, Euratom, ECSC) No. 260/68 laying down the conditions and procedure for applying the tax for the benefit of the European Communities, members of staff of the ECB and recipients of pensions from the ECB shall be subject to the tax for the benefit of the European Communities with regard to salaries, wages and emoluments and pensions paid by the ECB.

15. Members of staff who are heads of household and satisfy the conditions laid down in the Staff Rules shall be paid a household allowance equal to 5% of their basic salary.

In respect of this provision, “head of household” means:

- (i) a married member of staff; or
- (ii) a member of staff who is engaged in a non-marital partnership recognised by the ECB; or
- (iii) a member of staff who is widowed, divorced, legally separated or unmarried and has in his/her custody one or more dependent children.

A head of household shall receive the household allowance only when the gross annual income of his/her spouse or recognised partner does not exceed EUR 53,326.

The allowance shall not be less than EUR 251 per month.

16. Members of staff who have dependent children aged under twenty-six and who satisfy the conditions laid down in the Staff Rules shall be paid a child allowance of EUR 319 per month for each child.

The child allowance shall be doubled in the month in which the child is born.

Under the conditions laid down in the Staff Rules, the child allowance may be doubled in favour of children suffering from a serious illness or disability.

Under the conditions laid down in the Staff Rules, the child allowance may be granted or extended after the age of twenty-six in favour of children suffering from a serious illness or disability.

17. Under the conditions laid down in the Staff Rules, an expatriation allowance equal to 16% of the total amount of the basic salary, household allowance and child allowance shall be paid to:

- (i) members of staff who are not and never have been nationals of the State in whose territory their place of employment is situated, unless they have habitually resided or carried out their main occupation within the present territory of that State for the entire five-year period ending six months before they entered the service of the ECB; and
- (ii) members of staff who are or have been nationals of the State in whose territory their place of employment is situated and who have habitually resided outside the present territory of

that State for the entire ten-year period ending at the date of their entering the service of the ECB.

The allowance shall not be less than EUR 562 per month.

18. Under the conditions laid down in the Staff Rules, an expatriation allowance equal to 4% of the total amount of the basic salary, household allowance and child allowance shall be paid to members of staff who are not and never have been nationals of the State in whose territory their place of employment is situated and who have habitually resided or carried out their main occupation within the present territory of that State for the entire five-year period ending six months before they entered the service of the ECB.

The allowance shall not be less than EUR 148 per month.

19. Members of staff shall be entitled to an education allowance for each dependent child who is in regular full-time attendance at a primary, secondary or higher educational establishment, subject to the following conditions and in accordance with the Staff Rules:

- (i) for attendance at a primary and secondary educational establishment, the actual education costs, i.e. tuition fees and boarding fees, and the costs of daily local transportation shall be reimbursed up to a maximum of EUR 285 per month.

The reimbursement shall be increased up to a maximum of EUR 562 per month, provided that:

- (a) the child attends a primary or secondary educational establishment outside Germany; or
(b) the child attends a school for certified, imperative educational needs as defined in the Staff Rules.

Entitlement to the above allowance shall commence on the first day of the month in which the child begins to attend a primary educational establishment;

- (ii) for attendance at a higher educational establishment, an allowance of EUR 285 per month shall be paid.

Alternatively, where the child attends a higher educational establishment outside Germany, an allowance up to a maximum of EUR 562 per month shall be reimbursed for the actual education costs, i.e. tuition fees, boarding fees and prescribed books.

- 19bis. Under the conditions laid down in the Staff Rules, members of staff shall be entitled to a pre-school allowance of EUR 104 per month for each dependent child until the first day of the month in which the child begins to attend a primary educational establishment.

20. The amounts mentioned in relation to the above allowances are subject to revision in conjunction and in line with general salary reviews.

21. The above allowances are complementary to any other allowances of the same nature provided by other sources. Members of staff shall claim and declare such allowances, which shall be deducted from those payable by the ECB.

PART 4 BENEFITS ON APPOINTMENT AND TERMINATION OF SERVICE

22. Under the conditions laid down in the Staff Rules, members of staff whose change of place of residence in order to take up their appointment has been approved by the ECB shall be:
- (i) reimbursed for travel and removal expenses; and
 - (ii) granted a subsistence allowance; and
 - (iii) granted an installation allowance equal to 200% of the basic monthly salary in the case of members of staff who are entitled to a household allowance or 100% of the basic monthly salary in other cases; and
 - (iv) granted a one-off reimbursement of 50% of any estate agent's fee for assistance in finding permanent rented accommodation.
23. Under the conditions laid down in the Staff Rules, members of staff who on termination of service, resettle shall be:
- (i) reimbursed for travel and removal expenses;
 - (ii) granted a resettlement allowance equal to 200% of the monthly basic salary in the case of members of staff who are entitled to a household allowance or 100% of the basic monthly salary in other cases.
24. The above benefits are complementary to any other benefits of the same nature provided by other sources. Members of staff shall claim and declare such benefits, which shall be deducted from those payable by the ECB.

PART 5 WORKING HOURS AND LEAVE

25. The standard working week shall be forty hours excluding lunch breaks, unless otherwise agreed. Under the conditions laid down in the Staff Rules, members of staff may be allowed to work part-time. The entitlements of members of staff working part time shall be prorated in line with their working time. However, such members of staff shall be entitled to the full child and education allowances.

26. (a) In accordance with the conditions laid down in the Staff Rules, all members of staff may be required to work overtime in addition to their normal working hours in cases of urgency or exceptional pressure of work.
- Compensation shall be granted to members of staff with a basic salary up to step 59 of salary band E as follows:
- (i) one hour for each hour of overtime worked in excess of the applicable working hours for part-time work up to and including the 40th hour per week;
 - (ii) one hour and a half for each hour of overtime worked after a standard 40-hour week;
 - (iii) two hours for each hour of overtime worked after a standard eight-hour working day if the excess is more than six hours per day;
 - (iv) two hours for each hour of overtime worked on Saturdays, Sundays and public holidays.
- (b) Members of staff required to perform shift work duties or on-call duties may be granted an allowance under the conditions laid down in the Staff Rules.
27. Members of staff shall be entitled to thirty and a half working days of paid leave per annum. Public holidays observed by the ECB shall be additional to this leave entitlement.
28. Subject to the conditions laid down in the Staff Rules, members of staff shall be entitled to:
- (i) paid maternity leave of twenty weeks;
 - (ii) in the event of multiple birth an additional four weeks paid leave;
 - (iii) special leave for personal or family reasons in the event of the marriage of the member of staff or of a relative, death of a relative, birth or adoption of a child, change of residence of the member of staff, compliance with legal duties or other special cases. Travelling time shall also be granted where relevant.
29. Subject to the conditions laid down in the Staff Rules, members of staff shall be entitled to unpaid parental leave, which shall at least satisfy the provisions of Council Directive 96/34/EC of 3 June 1996 on the framework agreement on parental leave.
30. Under the conditions laid down in the Staff Rules, unpaid leave may be authorised on personal grounds.
31. Under the conditions laid down in the Staff Rules, members of staff who provide evidence of incapacity to perform their duties because of illness or accident shall be granted paid sick leave.

PART 6 SOCIAL SECURITY

32. (a) In the event of absence from work caused by illness or accident, remuneration shall be extended for a maximum period of one year. Subject to medical advice confirming incapacity to perform their duties, members of staff whose absence exceeds one year shall be granted a disability allowance.
- (b) Members of staff may nevertheless ask for a disability allowance to be granted before the absence from work has continued for a full year.
- (c) The Executive Board may examine the question of whether, in accordance with the Staff Rules, the repeated absence of a member of staff constitutes a case of disability entitling him/her to a disability allowance.
- (d) The detailed rules applying to disability benefits are set out in Annex IV.

33. A mandatory and contributory medical benefits and dental plan shall provide members of staff, their dependent spouses or dependent recognised partners and their dependent children with comprehensive cover against medical and dental expenses. Members of staff shall contribute one-third of the cost of this plan.

Members of staff on a fixed-term contract and part-time members of staff may be authorised to opt out of the medical plan on production of evidence that their medical expenses are otherwise covered.

34. The ECB shall provide members of staff with full cover against medical and dental expenses incurred as a result of an accident at work or an occupational disease.
35. A mandatory and contributory accident insurance scheme shall provide members of staff with comprehensive twenty-four-hour world-wide cover against accidents. Members of staff shall contribute one third of the costs of this insurance. This contribution may be changed in line with the cost development of the policy.

36. Under the conditions laid down in the Staff Rules, members of staff who are unemployed following termination of their contract with the ECB shall be entitled to:

- (i) a monthly unemployment allowance equal to:
- 60% of their last basic salary for six months; and
 - 30% of their last basic salary for the subsequent six months and additional months in relation to years of service and age;
- (ii) household and child allowances; and
- (iii) cover under the ECB medical scheme and accident insurance scheme.

The period of entitlement to these benefits shall in no case exceed two years.

Should a member of staff resign or refuse an extension of contract, he/she will not be entitled to these unemployment benefits, unless the Executive Board decides otherwise.

The above benefits are complementary to any other benefits of the same nature provided by other sources. Members of staff shall claim and declare such benefits, which shall be deducted from those payable by the ECB.

Members of staff whose service is terminated during or at the end of the probationary period are not entitled to the above benefits.

37. In the event of the death of a member of staff payment of his/her salary and allowances shall be extended for three months.
- 37a. (a) A former member of staff who receives a pension on retirement immediately following active service, or after their death their dependants who receive a spouse's or children's pension in accordance with Article 38, shall be entitled to household and child allowances subject to the conditions set out in Articles 15 and 16.
- (b) Pre-school allowances in payment at the date of retirement or death of a member of staff, as determined in Article 19bis, shall continue to be payable, but no new entitlement to a pre-school allowance shall arise, except in the following circumstances:
- (i) where the spouse or recognised partner is pregnant at the date of retirement or death of the member of staff and the child is born following the member of staff's retirement or death;
 - (ii) where the member of staff and their spouse or recognised partner had commenced adoption proceedings prior to the date of the member of staff's retirement or death and such proceedings result in the adoption of a child following the member of staff's retirement or death.
- (c) Educational allowances pursuant to Article 19 shall be payable for every child for which pre-school allowance was paid. No new entitlement to educational allowance shall arise, however, except for a child whose adoption is completed following the member of staff's retirement or death as described in point (b)(ii).
- (d) A former member of staff who receives a pension on retirement immediately following active service, or following their death their dependants who receive a spouse's or children's pension in accordance with Article 38, shall have access to the medical benefits and dental plan referred to in Article 33. The participation of such persons shall be governed by the same terms and conditions in force for members of staff. For the calculation of the premium, however, 'salary' shall be substituted by 'pension', as determined under point (e).
- (e) In the case of former member of staff, the basis of the premium for the medical benefits and dental plan shall be the pension to which they were entitled on retirement pursuant to:

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- (i) Article 11.2 of Annex III, before any part of such pension was converted to a lump sum under Article 11.4 of Annex III; and/or (ii) Appendix 1 to Annex IIIa. The premium may be increased in line with increases to such pension.
 - (f) In the case of persons in receipt of a spouse's pension, the basis of the premium for the medical benefits and dental plan shall be the spouse's pension.
 - (g) A child for whom a children's pension is being paid shall not be required to contribute to the medical benefits and dental plan if they have a surviving parent. However, if they have no surviving parent, the child's contribution to the plan shall be calculated on the basis of the children's pension paid.

PART 7 PENSION

38. The pension arrangements applicable to members of staff of the ECB, which include provisions for retirement and dependants' pensions, are contained in Annexes III and IIIa.

PART 8 APPEALS AND DISCIPLINARY PROCEDURES

41. Members of staff may ask for an administrative review of decisions taken in their individual cases, using the procedure laid down in Part 8 of the Staff Rules. Members of staff who remain dissatisfied following the administrative review procedure may use the grievance procedure laid down in Part 8 of the Staff Rules.

Such procedures may not be used to challenge any of the following:

- (i) a Governing Council decision or any ECB policy, including any policy laid down in these Conditions of Employment or in the Staff Rules;
- (ii) a decision for which special appeals procedures exist;
- (iii) a decision not to confirm the appointment of a member of staff serving a probationary period;
- (iv) a decision to initiate an internal administrative inquiry and/or disciplinary proceedings;
- (v) a decision by the Executive Board, or the member of the Executive Board to whom the Directorate Human Resources, Budget and Organisation reports, that imposes a disciplinary measure.

Disciplinary measures may only be challenged by means of the special appeals procedure laid down in the Staff Rules.

42. After all available internal procedures have been exhausted, the Court of Justice of the European Communities shall have jurisdiction in any dispute between the ECB and a member of its staff to whom these Conditions of Employment apply.

Such jurisdiction shall be restricted to the legality of the measure or decision, unless the dispute is of a financial nature, in which case the Court of Justice of the European Communities shall have unlimited jurisdiction.

43. Articles 41 and 42 shall apply by analogy to any former member of staff to whom these Conditions of Employment apply. For disputes on pension arrangements as referred to in Part 7, Articles 41 and 42 shall apply by analogy to any beneficiary of pension arrangements.

44. The following disciplinary measures may be taken, as appropriate, against members of staff or former members of staff to whom these Conditions of Employment apply who, whether intentionally or through their negligence, breach their professional duties:

- (i) the Director General Human Resources, Budget and Organisation or their Deputy Director General (for members of staff in salary bands A to J), or the member of the Executive Board to whom the Directorate Human Resources, Budget and Organisation reports (for members of staff in salary bands K to L), may impose any of the following:

- a written warning,
- a written reprimand;

- (ii) in addition, the Executive Board may impose any of the following:

- a temporary reduction in salary,
- a permanent reduction in salary,
- demotion with a corresponding change in the employment position of the member of staff within the organisation,
- dismissal with or without notice, accompanied, in duly justified circumstances, by a reduction of benefits under the pension arrangements as referred to in Part 7 or the disability allowance; the effects of this measure shall not extend to dependants. However, in case of such reduction the part withheld shall not be more than half of the benefits under the pension arrangements as referred to in Part 7 or the disability allowance,
- where a member of staff is in receipt of a retirement pension or disability allowance, withdrawal in whole or in part either temporarily or permanently of entitlement to a retirement pension or disability allowance; the effects of this measure shall not extend to dependants. In case of such reduction however, the part withheld shall not be more than half of the benefits under the pension arrangements as referred to in Part 7 or the disability allowance.

45. Disciplinary measures shall be proportional to the seriousness of the breach of professional duties and shall state the grounds on which they are based. To determine the seriousness of the breach of professional duties and the disciplinary measure to be imposed, account shall be taken in particular of:

- the nature of the breach of professional duties and the circumstances in which it occurred,
- the extent to which the misconduct adversely affects the ECB's integrity, reputation or interests,
- the extent to which the misconduct involves intentional actions or negligence,
- the motives of the member of staff's breach of professional duties,
- the member of staff's grade and seniority,
- the degree of the member of staff's responsibility,
- whether the breach of professional duties involves repeated action or behaviour,
- the conduct of the member of staff throughout the course of their career.

Disciplinary measures shall be adopted in accordance with the procedure laid down in the Staff Rules. The said procedure shall ensure that no member of staff or former member of staff to whom these Conditions of Employment apply may be subjected to a disciplinary measure without first being offered an opportunity to reply to the relevant charges. A single case of breach of professional duties shall not give rise to more than one disciplinary measure.

46. The Executive Board may suspend a member of staff against whom an allegation of serious breach of professional duties has been made immediately after they have been heard, save in exceptional circumstances.

The decision shall specify whether the ECB will continue to pay the full basic salary during the period of suspension or whether to withhold a part thereof. In the latter case, the part withheld shall not be more than half of the member of staff's basic salary and the member of staff's income may not be less than the basic salary of a member of staff in salary band A at step 1 with the addition of any family allowances payable.

If within four months from the suspension no final decision has been taken, or no measure other than a written warning or a written reprimand has been adopted, the ECB shall reimburse the member of staff the amount of salary withheld.

47. If the Executive Board or the Director General Human Resources, Budget and Organisation or their Deputy Director General decides to close the case without imposing a disciplinary measure, the member of staff may request that the ECB make good the damage that they have suffered through suitable publicity of such decision. Where new facts supported by relevant evidence come to light, the Executive Board may reopen disciplinary proceedings on its own initiative or on application by the member of staff concerned.

PART 9 STAFF REPRESENTATION

48. A Staff Committee whose members are elected by secret ballot shall represent the general interests of all members of staff in relation to contracts of employment; staff regulations and remuneration; employment, working, health and safety conditions at the ECB; social security cover; and pension schemes.
49. The Staff Committee shall be consulted prior to changes in these Conditions of Employment, the Staff Rules and related matters as defined under paragraph 48 above.
50. In the event of a dispute of an individual nature, a member of staff shall be entitled to seek the assistance of a Staff Representative in internal procedures.
51. No prejudice may be caused to the professional situation or career prospects of Staff Representatives on account of their fulfilment of their duties. Except on the grounds of gross misconduct, the ECB may not terminate the employment contracts held by Staff Representatives during their respective terms of office before the date on which their contracts were due to expire.
52. The ECB shall make available to the Staff Representatives the requisite assistance for them to fulfil their duties.