



GAC – EPA
general Assembly

December 2022

SA position

Based on the Director General's explicit request to the Staff Association to reflect with the Management on how the personnel could contribute to the savings sought by the Organisation

The Staff Association wishes to show that in the exceptional conditions encountered by the Organisation (increase in the cost of energy and supplies, inflation and strengthen of CHF)

The personnel can participate actively in the savings exercise which has been launched, thus demonstrating its commitment, its sense of responsibility and its proactivity

Savings sought by the Organisation



SA survey on potential savings

- Launched in September
- Sent to MPEs and MPAs members of the SA
- 255 answers received and 307 proposals
- Independent analysis by Pr. Philippe Wanner (Geneva University)

Why this questionnaire ?

- Explore new ideas
- Develop a bottom-up approach
- Involve the personnel in decisions affecting CERN's future

SA survey on potential savings

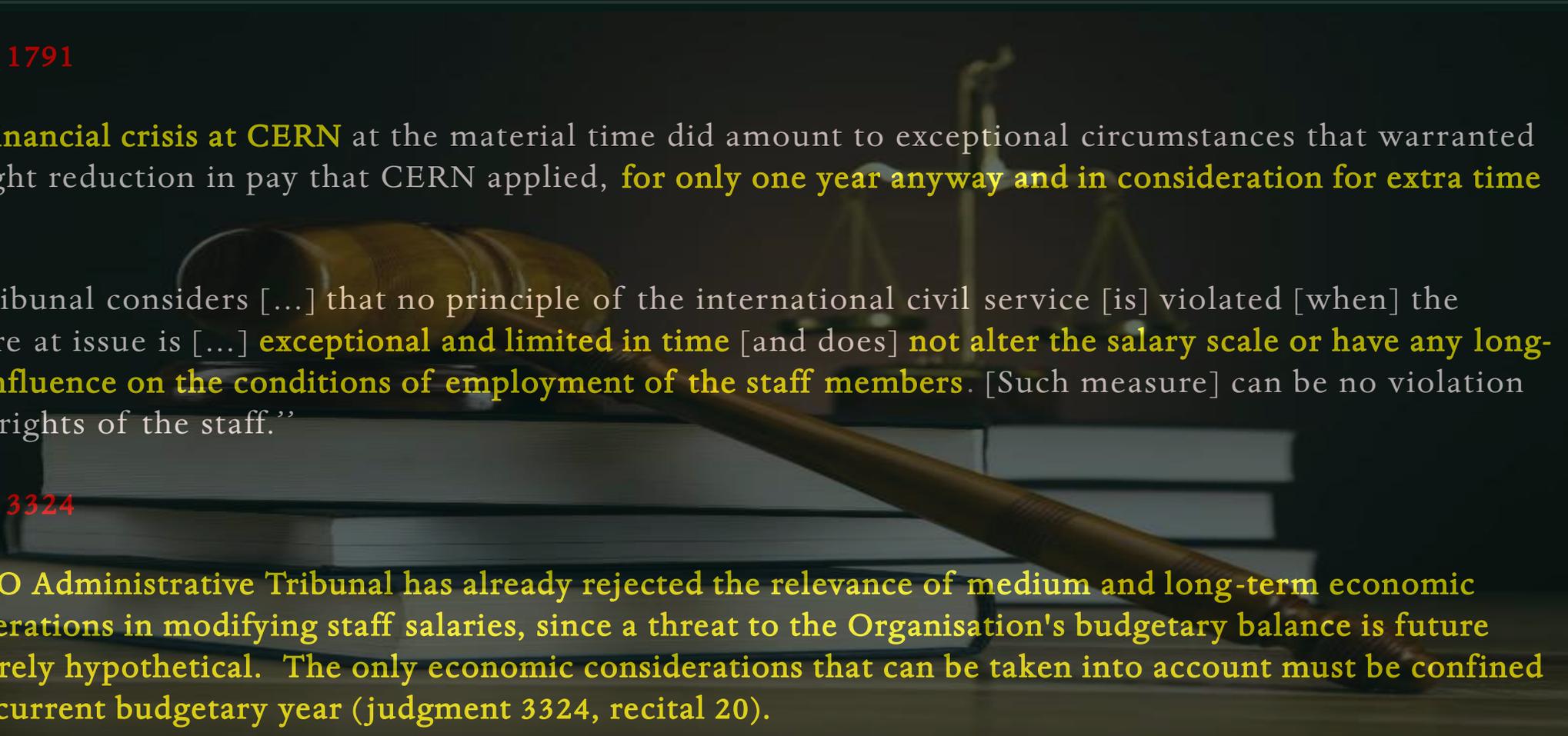
- The proposals were analysed by a qualitative approach and divided into 17 themes (Energy saving, Personnel expenses, Work hours and place of work, Energy production, Reduction of scientific activities, Travel and conferences, Human resources, Processes, Vehicles, Buildings, Purchasing, Offices, Equipment, External expertise, Financing, Pension fund, Museum)
- The themes were then grouped into 4 main areas:
 - Energy (Savings and production)
 - Personnel
 - Scientific activities, processes, purchasing and infrastructure
 - CERN's general policy

The Management welcomed them and will examine suggestions made

Already savings and efforts of the personnel done since 2015 and still producing savings for years to come

50 MCHF of savings by 2025 following the 2015 5YR	Non-residence allowance became international indemnity - Up to 12% of savings	2021 5YR No salary catch-up despite the 9% gap with our benchmarks	Reduction of the yearly advancement and promotion budget from 2.1% to 1.55%
Further reduction in the promotion budget by no longer including people in personal positions and at the top of their grade	Reduction of stipends for fellows	Reduction of pension levels following 5YR results	Salary grid generating persons blocked at the top of their grade

Legal framework



ILOAT 1791

“**The financial crisis at CERN** at the material time did amount to exceptional circumstances that warranted the slight reduction in pay that CERN applied, **for only one year anyway and in consideration for extra time off**

The Tribunal considers [...] that no principle of the international civil service [is] violated [when] the measure at issue is [...] **exceptional and limited in time** [and does] **not alter the salary scale or have any long-term influence on the conditions of employment of the staff members**. [Such measure] can be no violation of the rights of the staff.”

ILOAT 3324

The ILO Administrative Tribunal has already rejected the relevance of **medium and long-term economic considerations in modifying staff salaries**, since a threat to the Organisation's budgetary balance is future and purely hypothetical. The only economic considerations that can be taken into account must be confined to the current budgetary year (judgment 3324, recital 20).

Proposals with long-term impact would have severe negative impacts that **must** be avoided

C V I

- The CVI formula takes fully into account the economic situation in the Member States via how well or how little they compensate their own civil servants for inflation
- Since approved, 20 years ago, the formula has been applied

M E R I T

- Undermine the Organisation's ability to recruit, retain and motivate personnel of the highest expertise from all Member States to carry out its tasks
- Care must be taken when changing a system that is linked to motivation, commitment and productivity
- The best performing staff will be most affected. This goes against the fundamental principle of performance-based systems

W O R K F O R C E R E D U C T I O N

- Need to protect the physics programme
- Impact on staff motivation, the additional burden on already overburdened staff, and the increased loss of expertise will far outweigh the financial benefits to be expected from such a proposal

All of them impact the equilibrium of both the CHIS and the Pension Fund and the attractiveness of the Organisation Indexation of salary grid

Unanimous vote of the Staff Council on 18 October 2022 AND referendum results : 71.2% in favor and 28.8% against - Clear message from those against: Already an important sacrifice required from the personnel

SA balanced and supported proposal

Ask management to study as a priority and implement technical savings measures proposed by the personnel when promising, in order to limit the impact of the savings sought by the Organisation on the personnel budget and the physics

Postpone investments in new tertiary buildings, considering it more of a priority and fairer to focus on the renovation of existing buildings housing the vast majority of the Organisation's staff

Study and implement as soon as possible the partial and then full internal taxation of pensions paid by CERN *

Carry out, within the limits of ILOAT 1791 and for the year 2023 only, a crisis deduction of 2.5% maximum on the basic salary, compensated by days of leave to be taken on dates chosen by the Management in the exclusive interest of the Organisation

To study, propose and encourage voluntary measures such as early departure package, gift of leave, number of additional SLS tranches etc. This list is not exhaustive through concertation process

Internal taxation of pensions[★]

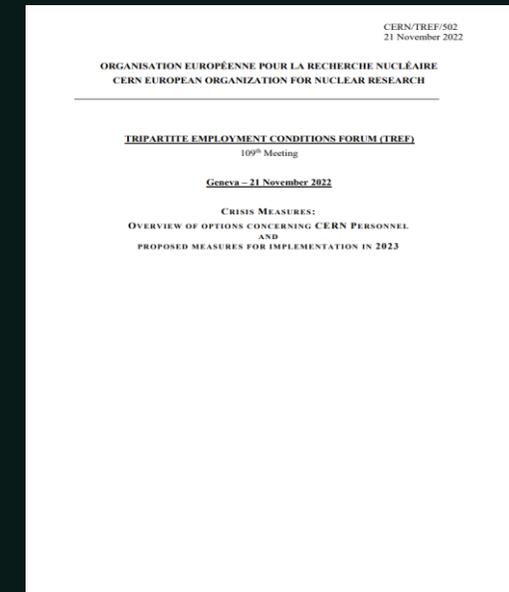
- This mechanism or similar one is already applied in other international organizations (CO, EPO, EU, Eurocontrol)
- Generating additional revenues for the Organisation
 - A fair approach between retirees
 - A fair approach between member states

Feasibility to be studied through a working group

Proposals from the Management

- Deduct a crisis levy of 2.5% from basic salaries in 2023, compensated by an extension of the leave period associated with the annual closure commencing on 18 December 2023
- The Management and the Staff Association will work together to explore voluntary departure measure

Fully supported by the Staff Association



Social Protection System – CHIS long-term guarantee

- In 1986, the Council adopted a Resolution in which the Organization undertook to "guarantee the payment of the statutory benefits accruing to the members and beneficiaries of the Pension Fund (...) until the rights of the last beneficiary are extinguished"
- In 1996, the Council adopted a Resolution making it possible to create a Foundation under Swiss law to receive the assets of the Fund at the time of the Organization's dissolution (CERN/2165)
- On that occasion, the Council also decided to examine, with the participation of the Tripartite Forum on Conditions of Service (TREF), four other aspects of the problem of guarantees:
 - The withdrawal of one or more member states during the existence of the Organization and its consequences for the Pension Fund
 - The maintenance of the level of benefits to be paid by the Foundation after the dissolution of the Organization and the preservation of the purchasing power of the beneficiaries
 - The guarantee that, in the event of dissolution, the Organization will settle its debts to the Pension Fund
 - Health insurance for the beneficiaries of the Foundation

Social Protection System

Recommended by TREF



- Article of major importance recommended by TREF in October and to be approved by Council in December 2022
- Codify an acquired right
- Allow to continue the work about the foundation on clearly documented basis

Thank you

Questions ?

