



Termination of contracts

The rules for the termination of the contracts are set in the ECB Conditions of Employment and in the ECB Staff Rules. As a separate set of rules we have Staff Rules for Short Term Contract Employees which also covers ESCB/IO Experts and Assistants¹. The rules for terminating a contract at the ECB are the following.

The Conditions of Employment for Staff of the European Central Bank

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.

¹ The ECB offers various short-term assignments which are open exclusively to the 27 national central banks of the European System of Central Banks (ESCB), European public institutions and agencies and international public institutions (e.g. IMF, BIS, EBRD).

(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.²

European Central Bank - Staff Rules

2.1.3 During the probationary period the Executive Board may terminate the contract, giving one month's notice, **should the probationer's performance or suitability prove inadequate**. The probationer may resign at any time during the probationary period, giving one month's notice, unless otherwise agreed. The Executive Board may release a probationer from actual duty during his/her period of notice.³

2.2 Termination of contract

The provisions of Article 11 of the Conditions of Employment are applied as follows:

2.2.1 Contracts shall be terminated in writing.

2.2.2 In the event of dismissal for **gross misconduct**, contracts may be terminated by the Executive Board either without notice or with reduced notice.⁴

2.2.3 The period of notice shall in no case run beyond the normal end of the contract.

2.2.4 The Executive Board may release a member of staff from actual duty during his/her period of notice.

2.2.5 The conditions under which the ECB's right to terminate a contract of employment on the basis of a member of staff's continued unsatisfactory performance can be exercised are as follows:

(a) Specific performance problems must have been determined and documented.

(b) The member of staff concerned must have been given the opportunity and in particular sufficient time (taking into account the level of the job and the performance problems) to address and correct the performance issues raised. In this respect, the member of staff concerned must be informed in writing that the performance issues being addressed are of such a serious nature that termination of the employment contract is envisaged at the end of the procedure unless the performance issues are addressed to the satisfaction of the Manager concerned.

² P. 6 Conditions of Employment for Staff of the European Central Bank, Directorate General Human Resources, Budget and Organisation .Adopted on 9 June 1998. Last amended on 1 June 2009.

³ p. 14 European Central Bank - Staff Rules. Directorate General Human Resources, Budget and Organisation. Provisionally adopted on 1 July 1998. Last amended on 1 January 2009.

⁴ This is in conflict with the 11 (b) of the Conditions of Employment.



(c) The proposal to terminate an employment contract under this procedure must be fully documented and given to the member of staff concerned one week before the said proposal is due to be placed on the agenda of the Executive Board for its decision.⁵

Reservations regarding the rules

In conclusion according to the ECB internal rules the contracts can be terminated due to following reasons:

Continued unsatisfactory performance

Redundancy

Accession process will not be completed by the accession country

Disciplinary reasons

Suitability

Gross misconduct

Additionally there are contracts where the ECB has added a clause to the contracts where the employee is covering for someone and which says that if the holder of the position comes back earlier than originally planned this would lead to an earlier termination of the contract.

As the rules refer to different criteria concerning suitability, unsatisfactory performance, gross misconduct the position of the employees is relatively weak.

The number of cases where the suitability has been used as a reason has increased recently and it would be important that the ECB would come up with the rules for determining the unsuitability. Currently it seems to be a matter of personal dislike.

Also as our performance evaluation does not have any rules and is left to discretion of the local management. This makes it impossible for the employees to know what is required to get a satisfactory performance (i.e. at more than 0 steps in the Annual Salary and Bonus Review).

What is not mentioned in the part handling termination of the contracts is that employees on fixed-term contracts are eligible for an indefinite contract if:

Subject to the interest of the service, such contracts (hereinafter 'convertible contracts') may be converted in case of at least overall satisfactory performance of the member of staff over the period of the convertible contract.

⁵ p. 14 European Central Bank - Staff Rules. Directorate General Human Resources, Budget and Organisation. Provisionally adopted on 1 July 1998. Last amended on 1 January 2009.

This is in conflict with the definition of the satisfactory performance when it comes to termination on grounds of under performance (0 steps = satisfactory

and 0 steps = underperformance). For the fulfilment of the conversion rule the performance average needs to be 3 steps.