

MEETING OF THE CNRCSA EXECUTIVE COMMITTEE
HELD AT NATO HEADQUARTERS
ON FRIDAY, 23 JUNE 2017 AT 10.00 HOURS

INTRODUCTORY REMARKS

1. The VICE-CHAIRMAN, Mr. H. Rutten, welcomed the participants and in particular Mr. J. Vanderwal (ANARCP), who attended for the first time a meeting of the Executive Committee, and Mr. C. Suarez (CNCSC representative). He indicated that the Chairman, Mr. O. Guidetti, would join the meeting later in the morning and would then take over the Chair. He recalled that the dates of the Committee meetings were set well in advance to enable members to make their own practical arrangements.
2. The CNRCSA SECRETARY, Mr. B. Roden, indicated that apologies for absence had been received from Mrs. D. Degrotte (NOBA), Mrs. I. Tezcan (ARO), Mr. J. Devaux (AROF), Mr. J.-M. Torrès (AROF), and Mr. P. Ludford (ANARCP).
3. He further stressed that all documents included in the reference file and those distributed at the meeting should be considered as classified material and, as usual, not be widely circulated.
4. The COMMITTEE noted the introductory remarks by the Vice-Chairman and the Secretary and insisted that the CNRCSA Assistant presence and support was requested at all Committee meetings.

I. APPROVAL OF THE AGENDA

Document: CNRCSA(2017)A/2, dated 13 June 2017

5. The COMMITTEE approved the Agenda with the following addition under item VI. (d): Interpretation of article 47.1 (e) of the CPRs.

II. RECORD OF THE PREVIOUS MEETING

Document: CNRCSA(2017)R/1, dated 10 April 2017, approved by silence procedure on 28 April 2017

6. The COMMITTEE noted that the record of its previous meeting had been approved under a silence procedure ending on 28 April 2017.

III. FOLLOW-UP TO DECISIONS MADE

Document: Annex B to CNRCSA(2017)R/1, dated 10 April 2017

7. The COMMITTEE noted that all decisions made at the previous meeting had been followed-up, with the exception of action item 5/15 (Finalization of the CNRCSA membership data base). With respect to action item 4/15 (Harmonisation of membership fees), it further noted that NOBA and AROF would present the proposal at their respective General Assemblies in October.

IV. FINANCIAL MATTERS

(a) Travel reimbursement policy

References: E-mail from Mr. E. Marquenie, dated 2 May 2017
E-mail from Mr. F. Bülling, dated 17 May 2017

8. The COMMITTEE noted the statement by the Treasurer, Mr. E. Marquenie, that the only purpose of the policy document he had drafted following the Treasurers' meeting was to provide general guidelines for those constituent Associations which needed them and that he would prepare an updated version of the document (**Action 1**).

V. REORGANIZATION OF THE CNRCSA STRUCTURE AND WORKING METHODS

(a) Appointment of Regional Representatives (Belgium, Germany, Luxembourg, United Kingdom)

References: E-mails from Mr. F. Bülling, dated 28 and 30 May 2017
E-mail from Mr. O. Guidetti, dated 31 May 2017
E-mail from Mr. P. Ludford, dated 31 May 2017
E-mail from Mr. F. Bülling, dated 31 May 2017
E-mail from Mr. D. Manocha, dated 1 June 2017
E-mail from Mr. G. Franzreb, dated 1 June 2017
E-mail from Mr. F. Bülling, dated 7 June 2017

9. The COMMITTEE formally appointed Mrs. D. Degrotte as Regional Representative for Luxembourg and Mr. M. Stevenson as Regional Representative for Belgium. It noted that the ANARCP Executive Committee would pursue its efforts to find replacements for the departing Regional Representatives for the United Kingdom and Germany, and propose the suppression of its National Representatives' structure to the ANARCP General Assembly (**Action 2**).

10. The COMMITTEE agreed that the Terms of Reference of the CNRCSA Regional Representatives should be reviewed to better reflect the on-going integration of the CNRCSA with the constituent Associations, and that a revised version of the TORs should be presented and discussed at the next enlarged Executive Committee meeting in October (**Action 3**).¹

(b) Draft CNRCSA membership form

References: E-mail from Mr. C. Bulca, dated 22 May 2017
E-mail from Mr. A. Grant, dated 10 June 2017

11. The COMMITTEE took note of the information provided by Mr. M. Geeraerts (Expert Team) on a draft CNRCSA membership form circulated at the meeting and felt that the form, when approved, could be pre-populated by the Pension Unit. It further noted that ARNS could approve the form in principle and tasked the other constituent Associations to provide their comments at the next meeting (**Action 4**).

(c) CNRCSA website

References: E-mail from Mr. F. Bülling, dated 16 May 2017
E-mail from Mr. J. Stokes, dated 17 May 2017

12. The COMMITTEE was informed that the Pension Unit was considering the possibility of creating its own dedicated website for pensioners.

13. Responding to a specific request, it tasked the Webmaster to upload the Bye-Laws on the CNRCSA website (**Action 5**).

(d) Proposal to hold a yearly CNRCSA General Assembly

Reference: Update oral report by the ARNS Chairman

14. The COMMITTEE was informed by the ARNS Chairman that a vast majority of ARNS members were supporting the proposal to hold a CNRCSA yearly General Assembly. It noted that neither ANARCP nor AROF were in favour of it, and tasked the Bureau to further investigate the matter (**Action 6**).

VI. HEALTH INSURANCE MATTERS

¹ At an informal meeting of the ANARCP Executive Committee held on 7 August 2017 at SHAPE, with the participation of the CNRCSA Chairman and Secretary, it was confirmed that the agreed proposal to suppress the ANARCP National Representatives' structure would be tabled at the next ANARCP General Assembly in May 2018. In the meantime, it was agreed that the revised TORs of the CNRCSA Regional Representatives should provide for a better description of their roles and interrelationships with the constituent Associations' and CNRCSA Secretariats and the appointment of a Dean and Deputies if needed. It was also agreed to hold a get-acquainted meeting with the Regional Representatives in the margins of the next enlarged Executive Committee meeting in October 2017.

- (a) CNRCSA/CNCSC/JCB Working Groups on Health Insurance Matters
- (b) Harmonization of names

References: E-mails from Mrs. I. Tezcan, dated 2 and 5 May 2017
E-mail from Mr. F. Bülling, dated 4 May 2017
E-mail from Mr. L. Raets, dated 5 May 2017

15. The COMMITTEE approved the proposed harmonization of names of the subject working groups and noted that the CNCSC would approve it at its next Executive Committee meeting in October, as well as the merging of its Working Groups on Group Insurance Policy and RMCF.

16. The COMMITTEE agreed that the CNRCSA Working Group on Health Insurance Matters and RMCF Working Group should not merge but would meet jointly on a case-by-case basis.

- (a) CNRCSA Working Group on Policy Insurance Matters

Reference: Report on the meeting held on 4 April 2017, approved by silence procedure on 12 May 2017

17. The COMMITTEE took note of additional information provided on the very useful joint meeting which was held on 19 June with the counterpart CNCSC Working Group and which focused on the harmonization of the various supplementary insurance regimes (see VI. (c) below).

18. The COMMITTEE agreed that, when the supplementary insurance harmonization proposal would be finalized and approved by the CNCSC, a common information package should be prepared jointly by the CNCSC and CNRCSA for both active and retired staff. It tasked the Bureau, with the help of members of its Working Group on Health Insurance Matters, to contribute to this package (**Action 7**).

- (a) Harmonization of NATO supplementary insurance

References: Non-document drafted by Mr. C. Suarez, CNCSC Vice-Chairman, dated 14 March 2017
E-mails from Mr. F. Bülling, dated 18 May 2017
E-mail from Mr. C. Suarez, dated 18 May 2017
E-mails from Mr. F. Bülling, dated 19 May 2017
E-mail from Mr. R. Goyens, dated 21 May 2017
E-mail from Mr. C. Suarez, dated 22 May 2017
E-mail from Mr. F. Bülling, dated 25 May 2017
E-mail from Mr. C. Suarez, dated 30 May 2017
E-mails from Mr. F. Bülling, dated 30 May and 11 June 2017

19. The COMMITTEE took note of the updated information provided by Mr. C. Suarez, CNCSC Vice-Chairman, on progress made towards the harmonization of NATO-wide supplementary insurance (NWS) regimes (Supplements A, B, C, and D) which is a positive move in the right direction made by the policy holder; it is indeed important that the financial burden of the NWS be spread NATO-wide and financed by both the active and former staff members.

20. The COMMITTEE noted in particular:

- that the NWS may be terminated by the insurer;
- the updated premium rates provided by AWC for the various Supplements;
- that the aim is to go for a single NWS with a NATO-wide premium;
- that it would be possible to opt in or out of the NWS for active and retired staff;
- that a referendum on the harmonization proposal might be organized among active staff;
- that the cost of the various NWS Supplements was now impacting the basic medical coverage and attracting the attention of member countries.

(a) Interpretation of article 47.1 (e) of the CPRs

21. The COMMITTEE considered that article 41.1 (e) was drafted at a time when the CNRCSA did not exist. It resulted that active Staff Associations concluded a supplementary insurance applicable also to retirees who had not their say in the negotiating process. The CNRCSA which represented today about 3200 retirees should be put on equal footing with the CNCSC, if and when the current insurance regime would be renegotiated.

(a) Primary insurance

References: E-mails from Mr. F. Bülling, dated 28 March and 1 May 2017
E-mail from Mr. P. Vieillemard, dated 11 May 2017
E-mail from Mr. F. Bülling, dated 11 May 2017
E-mail from Mrs. I. Tezcan, dated 11 May 2017
E-mails from Mr. F. Bülling, dated 11, 15 May, and 2 June 2017
E-mail from Mr. B. Popadic, dated 2 June 2016

22. The COMMITTEE was informed that NATO had no legal possibility to force affiliation to a national medical coverage system and that NATO/AWC would send out a form to be completed by all active and retired staff in order to update their data bases of staff affiliated to a private or national social security system.

23. The COMMITTEE also took note of additional information provided by Mr. F. Bülling (see Annex C).

(a) Delays in AWC claims processing time

Reference: E-mail from Mr. F. Bülling, dated 9 May 2017

24. The COMMITTEE noted that NATO had triggered off a Service Level Agreement clause enabling it to impose a penalty to AWC (250 euros a day) for breach in agreed claims processing time (48 hours). Things should now improve after AWC had recruited additional staff.

(a) Fraud procedures

References: E-mails from Mr. F. Bülling, dated 25 and 30 May 2017
E-mail from Ms. Y. Brems, dated 30 May 2017
E-mail from Mr. F. Bülling, dated 7 June 2017

25. The COMMITTEE supported the very effective fraud procedures implemented by AWC but considered that the disciplinary procedures as provided for in the NATO Benefit Guide and the CPRs needed to be clarified by the Administration and, therefore, tasked the CNRCSA representatives to raise the issue at the JCB Working Groups on Health Insurance Matters and on Complaints and Appeals Procedures (**Action 8**).

(a) Questionable billing

Reference: E-mail from Mr. F. Bülling, dated 2 June 2017

26. The COMMITTEE agreed that if an insured staff member had received an invoice from a medical provider who had added on the bill treatments not provided, he should not pay the bill, request clarification from the medical provider and, in case of no success, advise AWC accordingly.

VII. RMCF

(a) Meeting of the RMCF Supervisory Committee held on 14 June 2017

Reference: Oral report by the CNRCSA representatives

27. The COMMITTEE took note of the report on the subject meeting as reproduced in Annex D.

VIII. JOINT CONSULTATIVE BOARD

(a) JCB meeting held on 31 March 2017

Reference: Report by Mr. B. Roden, CNRCSA Alternate Representative to the JCB, dated 1 April 2017

28. The COMMITTEE took note of the subject report as reproduced in the meeting hand-out.

(a) JCB meeting to be held on 29 June 2017

Reference: JCB-A(2017)0002, dated 22 May 2017

29. The COMMITTEE discussed the Agenda of the subject meeting.

(a) JCB Working Group on Complaints and Appeals to be held on 26 June 2017

References: Legitimacy Index, dated October 2016
E-mail from Mr. H. Rutten, dated 12 May 2017

30. The COMMITTEE reviewed the items on the Agenda of the JCB Working Group.

IX. FOOTNOTE TO ARTICLE 51.2/COMPLAINT

References: E-mails from the complainant, dated 8 and 12 May 2017

31. The COMMITTEE noted that the complainant had received a negative answer from the ASG for Executive Management acting on behalf of the Secretary General and that an appeal to the Administrative Tribunal would be drafted by the complainant's lawyer.

X. RELATIONS WITH THE CNCSC

(a) Meeting of the CNCSC Executive Committee held at NATO HQs on 20 and 21 June 2017

Reference: Oral report by the CNRCSA Chairman, observer

32. The COMMITTEE took note of the report on the subject meeting.

XI. CCR RELATED MATTERS

33. The COMMITTEE was informed that on 14 June 2017 the CCR, CRSG and CRP reached a compromise agreement in principle on the moderation clause : the mechanism aimed to prevent what appeared to some Nations as 'inappropriate pay awards' and came on top of the affordability clause; the Addendum to the 244th CCR report respected the two pillars of the method : parallelism and the equivalence of purchasing power) and was to be considered the best possible achievement in current circumstances.

XII. ANY OTHER BUSINESS

34. The COMMITTEE agreed that a CNRCSA Newsletter providing an update on all items of interest to the retired community should be issued after the summer recess (**Action 9**).

XIII. DATE AND PLACE OF THE NEXT ENLARGED MEETING

35. The COMMITTEE noted that its next enlarged meeting would be held back-to-back with the ANARCP Plenary at SHAPE on 25 October 2017.

Billy Roden
CNRCSA Secretary

Distribution:

- Members of the Executive Committee
- Regional Representatives

After approval of the record:

- Chairman, Confederation of NATO Civilian Staff Committees (CNCSC)
- Chairman of AAPOCAD
- Editor of the NATO Staff Bulletin

ATTENDANCE LIST

- ARNS: E. Marquenie (Treasurer), P. Emmett, G. Malet,
B.Roden (Secretary),
- ANARCP: F. Bülling, H.Rutten (Vice- Chairman), J. Vanderwal
- NOBA: O. Guidetti (Chairman), D. Schoder, I. Warschburger
- AROF: R. Goyens
- CNCSC: C. Suarez (Vice-Chairman)

LIST OF ACTION ITEMS

<u>No./paragraph</u>	<u>Subject</u>	<u>By whom</u>
1/8	Prepare an updated version of the travel reimbursement policy	Treasurer
2/9	Find replacements for Regional Representatives (United Kingdom and Germany) and propose suppression of National Delegates structure	ANARCP representatives
3/10	Prepare a revised version of the Regional Representatives TORs	Bureau
4/11	Provide comments on draft CNRCSA membership form	Constituent Associations
5/13	Upload Bye-Laws on CNRCSA website	Webmaster
6/14	Further investigate the possibility of holding a yearly CNRCSA General Assembly	Bureau
7/18	Prepare information package on NWS harmonization	Bureau
8/25	Raise issue of disciplinary procedures applicable to fraud related to the NGIC	Representatives to the JCB WGs on Health Insurance Matters and Complaints and Appeals
9/34	Prepare a CNRCSA Newsletter	Bureau

General principle

Before claiming reimbursement of medical claims, the insured persons must first have recovered the reimbursement to which they and their dependent family members are entitled under another insurance contract (private) and/or a national social security scheme. It is implicit that this procedure, which is in existence from the beginning of the NGIC, is mandatory even if it is not written as clearly in the NGIC.

Enforce application

Former NATO staff members and their dependents who have already been affiliated to a private or national social security scheme when joining or departing from NATO must first exhaust their rights under these health coverages before claiming reimbursement under the NGIC. Consequently, there should be a control mechanism in place at AWC to guarantee full application of this procedure with the help of a database which is unfortunately still lacking completion. Updating the database will hopefully be done during the year 2017.

Encourage application

The possibility exists of transferring national social security rights within the EU countries in accordance with the European Regulations no. 883/2004, articles 17, 22, 24, 25, 26 and 34 and no. 987/2009 articles 24 and 28. However, the process of transfer can only be initiated by the individual former staff member. The CNRCSA considers these transfer possibilities also as a vehicle to ensure cost containment. Consequently, relevant former staff members should be encouraged by means of information/awareness campaigns to make use of these cost containment measures.

Recommend application

The CNRCSA recommends at each workshop/ information campaign that retiring staff members, if possible, should affiliate to a national or private social security scheme, especially when such schemes provide a better medical coverage as the NGIC, e.g. Long Term Care and Care at Home. However, the CNRCSA is strictly against any attempt to enforce former staff members to subscribe mandatorily to the national social security scheme of the country of residence thru a change in the NCPR.

To be discussed

The NGIC offers worldwide protection with respect to medical coverage. It allows a free choice of medical providers worldwide. However, the medical coverage is only applicable to reasonable and customary expenses for medical treatment prescribed or given by a qualified physician. AWC has stated that they have administrative problems in countries like Turkey and Italy to obtain the necessary documentation to comply with the primary insurance principles. It is also understood that in countries like Denmark and Norway in which mandatory affiliation to the national social security scheme is mandatory for former staff members, they are bound to respect the free choice of medical providers thus deviating from the principle of primary insurance. The CNRCSA would welcome relevant clarification from AWC at the JCB WG meeting on 27/06/2017.

COMITE DE SURVEILLANCE DU RMCF
Réunion tenue le 14 juin 2017

Il s'agissait de la première réunion du Comité depuis le 8/12/2015.

Elle était présidée par le Contrôleur des Finances avec participation du côté de la Gestion Exécutive de A. Shallow (désormais Secrétaire du Comité, en remplacement de Myriam Smets) et de Ph. Vieillemard. La CNRCSA et la Confédération des actifs étaient représentées chacune par leurs deux membres titulaires.

Les discussions – il faut le souligner – se sont déroulées dans une très bonne atmosphère et il est d'ores et déjà acquis que le rythme annuel de deux réunions sera respecté en 2017. En particulier, il y a lieu de d'insister sur notre excellente relation de coopération avec les représentants du personnel actif et notamment Lon Raets.

Il y avait trois points principaux à l'ordre du jour :

- Présentation des gestionnaires du Fonds (Vanguard)
- Etats financiers 2015
- Etude du SIRP

Etats financiers 2015 : nous avons en document de référence l'audit de l'IBAN des états financiers 2015 du RMCF.

- Au plan général, tout d'abord, L'IBAN a donné un avis qualifié sur la conformité (compliance) en raison du retard apporté à la publication des comptes, retard lui-même imputable aux difficultés de mise en œuvre de l'ERP : les comptes ont ainsi été présentés en juillet au lieu de la fin mars. En fait, il s'agit plutôt d'une constatation administrative.
- La dette actuarielle (€ 1,8 milliards) du Fonds a peu évolué : légère régression imputable à la hausse du taux d'escompte lui-même lié à la hausse des taux d'intérêts des obligations souveraines en €. De toute façon, comme l'a souligné le Contrôleur, le RMCF a été dès le début en situation de dette actuarielle puisqu'il n'a pas été provisionné. Cette situation a été expliquée aux nations.
- Le rapport de l'IBAN – et cela est très intéressant – contient des données sur l'évolution du cashflow annuel : en dehors du rendement des placements du Fonds (intérêts perçus), on voit ainsi qu'en 2015 (dernière année du rapport) , les paiements de prestations (€19,6 millions) approchent désormais le montant des contributions financières reçues (€22,9 millions) . Il convient donc de suivre la situation.

- En revanche le rendement du Fonds a été supérieur aux hypothèses du SIRP (4%) mais il faut voir qu'à moyen terme les prévisions de Vanguard et du SIRP (3 à 5%) sont identiques.

Etude du SIRP

Quant à la procédure tout d'abord :

- Les résultats de l'étude du SIRP vont être transmis aux Délégations pour discussion au Comité du Budget à l'automne.
- La démarche envisagée par le Contrôleur est de présenter aux nations un résumé des conclusions en insistant sur le scénario central afin d'éviter les confusions que pourraient engendrer la multiplicité des variantes d'évolution. Toutefois, on ne peut exclure que certaines délégations demandent à voir l'intégralité de l'analyse.
- Un projet de résumé sera diffusé en septembre et sera discuté lors d'une nouvelle réunion du Comité de surveillance également prévue en septembre.
- Le Comité du Budget devrait se saisir de ce point en octobre.
- En outre un rapport sera adressé au Secrétaire Général.

Quant au fond de l'étude ensuite :

- Nous avons rappelé **deux éléments essentiels** :
- l'importance capitale de la maîtrise des coûts : ce point est admis par tous les participants. A cet égard, Ph. Vieillemand a fait observer que cette problématique concernait la pérennité de l'ensemble du système de couverture médicale, c'est-à-dire non seulement les retraités mais aussi le personnel actif. Dans ces conditions, la question n'est pas du ressort du seul Comité de surveillance du RMCF et devrait être traitée au sein du JCB WG on Health Insurances.
- Nous avons souligné que la modification de la politique du personnel à l'OTAN allait se traduire à l'avenir par un fléchissement du nombre de retraités susceptibles de bénéficier du RMCF et par voie de conséquence par une moindre croissance des dépenses. Sur ce point, le Comité du personnel de l'OTAN est totalement en phase avec nous.
- Nous avons enfin insisté sur la nécessité de commencer à élaborer les hypothèses – et notamment les hypothèses démographiques – à prendre en compte pour une nouvelle révision de l'étude du SIRP. Nous avons encore fait part de notre disponibilité pour contribuer à cette réflexion.