



CONFEDERATION DES ASSOCIATIONS DE RETRAITES DE L'OTAN
CONFEDERATION OF NATO RETIRED CIVILIAN STAFF ASSOCIATIONS

Sous la présidence d'honneur de
Monsieur le Secrétaire Général de l'OTAN

ORIGINAL: ENGLISH

CNRCSA(2015)R/3
27 November 2015

**ENLARGED MEETING OF THE CNRCSA EXECUTIVE COMMITTEE
WITH REGIONAL REPRESENTATIVES HELD AT THE SHAPE CLUB
ON THURSDAY 5 NOVEMBER 2015 AT 9 HOURS**

INTRODUCTORY REMARKS

1. The CHAIRMAN, Mr. O. Guidetti (CNRCSA Chairman), welcomed the participants to this first meeting with Regional representatives which was held back-to-back with the ANARCP Plenary meeting. He extended his special thanks to the ANARCP Chairman and Secretary for their invaluable help in organizing this meeting.
2. The CNRCSA SECRETARY, Mr. B. Roden, indicated that apologies for absence had been received from the following members: Mr. J. Devaux (AROF), Mr. R. Goyens (AROF), Mr. G. Malet (ARO), and Mr. J. Batstra (ANARCP).
3. He further stressed that all documents included in the reference file for the meeting should be considered as classified material and not be widely circulated.
4. The COMMITTEE noted the introductory remarks by the Chairman and the Secretary.

I. APPROVAL OF THE AGENDA

Document: CNRCSA(2015)A/3, dated 28 October 2015

5. The COMMITTEE approved the Agenda, with the addition of the following item under Any Other Business: "Association of NATO Retirees in France (AROF)".

II. RECORD OF THE PREVIOUS MEETING

Document: CNRCSA(2015)R/2, dated 12 August 2015, approved on 31 August 2015

6. The COMMITTEE noted that the record of its previous meeting had been approved by silence procedure on 31 August 2015.

III. FOLLOW-UP TO DECISIONS MADE

Document: Annex B to CNRCSA(2015)R/2, dated 12 August 2015

7. The COMMITTEE noted that all decisions made at the previous meeting had been followed-up, with the exception of action item 7/31. It felt that a meeting of CNRCSA representatives with the Secretary General would be very useful and tasked the Chairman to write again to Mr. J. Stoltenberg to request the holding of such a meeting (**Action Item 1**).

IV. BUREAU ELECTIONS/APPOINTMENT OF AN ALTERNATE CNRCSA REPRESENTATIVE TO THE CNCSC EXECUTIVE COMMITTEE

Reference: E-mail from Mr. B. Roden, dated 22 September 2015

8. The COMMITTEE noted that the silence procedure followed for the CNRCSA Bureau elections and the appointment of an alternate CNRCSA representative to the CNCSC Committee had not been broken and, in accordance with the Articles of Association, re-appointed Mr. O. Guidetti (Chairman) and Mr. B. Roden (Secretary) for a two years' term of office, and also appointed Mr. R. Rutten as alternate CNRCSA representative to the CNCSC Executive Committee.

V. FINANCIAL MATTERS

(a) Draft 2016 Budget

9. The TREASURER, Mr. E. Marquenie, indicated that the CNRCSA had no budget tradition. Therefore, the estimates for the 2016 budget were based on past expenditures. This could be a problem since "Missions" were the main budget item. Figures in this respect were only approximations and depended on the number of missions and the locations where they would be organised. The draft 2016 budget was a best guess and should not be considered as an upper limit not to be exceeded as far as expenditures were concerned.

10. These expenditures were to be covered by the IS subsidy and a contribution by each of the CNRCSA constituent Associations which would amount to 2 EUR per member of each Association. He would issue a call for contributions as soon as the Executive Committee had given its agreement to the draft 2016 budget.

11. The COMMITTEE took note of the verbal report by the Treasurer, approved the draft 2016 budget as reproduced in the reference file, and tasked the Treasurer to issue a call for contributions to the constituent Associations and convene a meeting of the Associations' Treasurers (Action Item 2).

(b) International Staff Subsidy for 2015

12. The Treasurer confirmed that the necessary documents to obtain the IS subsidy for 2015 had been prepared and transmitted to the Assistant Secretary General for Executive Management. The subsidy would still amount to EUR 10,200, but ASG-EM Bush confirmed that for 2016 the amount would be increased to EUR 14,000.

13. The COMMITTEE took note of the information provided by the Treasurer.

(c) Outstanding missions

14. The Treasurer insisted that each Association should send him without further delay the outstanding missions' bills so that the reimbursements could be made before the end of the year. A mail had already been sent to each Association.

15. The COMMITTEE supported the request made by the Treasurer.

VI. CNRCSA REGIONAL REPRESENTATIVES

References: Terms of Reference
List of Regional Representatives

16. The CHAIRMAN introduced the Regional Representatives who attended for the first time an enlarged meeting of the CNRCSA Executive Committee.

17. The SECRETARY stated that the setting up of a new structure of Regional Representatives was agreed in the framework of the review of the CNRCSA working methods and structures. The aim was to deliver, through Regional Representatives, one single and identical message to all NATO retirees on issues of interest to them.

18. Therefore, Regional Representatives had to be involved in the mainstream of CNRCSA activities by providing them with all relevant documents and information and inviting them to attend, once a year, an enlarged meeting of the CNRCSA Executive Committee.

19. To fulfill their mandate in accordance with their terms of reference, the Regional Representatives should contact all NATO retirees residing in the countries within their purview (on the basis of lists to be provided by each Association's Secretary), inform the Executive Committee of any issues or concerns raised in those countries, and submit a written report in anticipation of the next enlarged CNRCSA Executive Committee meeting.

20. In the ensuing exchange of views, several Regional Representatives stressed that it might be helpful if the NATO Pension Unit could provide a list of prospective retirees and prepare a retirement information package to be circulated NATO-wide. Besides, the CNRCSA should explore the most appropriate means to support and inform the surviving spouse and relatives of a deceased retiree, taking stock of the valuable experience of the Regional Representative for Norway and the Next-of-Kin brochure drafted by the ANARCP section in the Netherlands.

21. The COMMITTEE took note of the Secretary's statement and tasked:

- each Association's Secretary to provide the Regional Representatives with an updated list of NATO retirees residing in the countries for which they are competent (**Action item 3**);
- the Secretary to contact the NATO Pension Unit as proposed in para.20 (**Action item 4**);
- its members to further examine the possibility of drafting a Next-of-Kin information brochure that could be used NATO-wide (**Action item 5**).

22. On another issue, the COMMITTEE agreed that the Chairman, in co-operation with the ANARCP Chairman, should try and find a solution to the outstanding issues related to the CNRCSA national representation in France (**Action item 6**).

VII. RETIREES' MEDICAL CLAIMS FUND (RMCF)

(a) Change to footnote to Article 51.2 of the CPRs

Document: PO(2015)0453, dated 3 August 2015

References: Email from the CNRCSA Chairman, dated 25 June 2015
Email from the Chairman of the RMCF Supervisory Committee, dated 30 June 2015
CNCSC-L(2015)20, dated 8 September 2015
CNRCSA(2015)D/0001, dated 28 September 2015

23. The SECRETARY gave a general presentation on the RMCF (see Annex C) and reported on the proposed changes to footnote to Article 51.2 of the CPRs. These changes had been supported at a JCB meeting by both the CNCSC and the Administration representatives. The CNRCSA expressed, however, a dissenting view because those changes, if approved, would mean that retirees still under the bridging cover would be requested to contribute life-long to their medical coverage, if they had not met, on 1 January 2016, the double condition of 65 years/25 years of service. Vested rights of retirees were at stake in this case.

24. The CNRCSA minority view was reflected in the JCB Chairman's report to the Secretary General who subsequently recommended to the Council to approve the

proposed changes by silence procedure. Four countries broke silence, some of them requesting additional information on how the RMCF was financed. A final decision by the Council was expected before the end of the year.

25. The COMMITTEE endorsed the update report given by the Secretary and re-affirmed that it was ready and willing, while preserving the vested rights of retirees, to examine together with CNCSC representatives - and if need be jointly with the Administration - whatever proposals aimed at safeguarding the RMCF in the longer term. These proposals should however be based on objective, undisputable and verifiable data derived from an actuarial study whose final version was long overdue.

26. This position had already been supported by the CNCSC at a joint meeting held at the CNRCSA Secretariat on 5 February 2014, but had never been followed up by the active staff representatives. The COMMITTEE tasked therefore the Chairman to invite his CNCSC counterpart to agree to the setting up of an informal joint working group to break ground on the RMCF issue in anticipation of future discussions at both the JCB and RMCF Supervisory Committee (**Action item 7**).

VIII. UPDATE ON HEALTH INSURANCE MATTERS

(a) Meeting of the JCB Working Group on Insurance Matters held on 25 June 2015

Document: JCB-WP(2015)0008-FINAL, dated 1 October 2015

(b) Meeting of the CNRCSA Working Group on Insurance Matters held on 22 October 2015

Reference: Report drafted by Mr. F. Bülling, Chairman of the Working Group

27. Mr. F. BULLING, Chairman of the CNRCSA Working Group on Insurance Matters, gave a comprehensive briefing on the two above-mentioned meetings and on health insurance related matters (see Annex D).

28. The COMMITTEE took note of Mr. Bulling's briefing and agreed that it should be part of the CNRCSA Newsletter to be circulated before the end of the year (**Action item 8**).

IX. JOINT CONSULTATIVE BOARD

JCB meeting held on 22 October 2015

Reference: Report by Mr. D. Facey, CNRCSA Representative to the JCB, dated 24 October 2015

29. The COMMITTEE noted the report by its representative to the JCB and, in particular, the fact that the Council should not, in principle, deviate from the CCR recommendation on the 2016 salary and pension adjustment which was positive for all countries, except Greece, Poland and Spain.

X. SINGLE SALARY SPINE

Document: JCB-WP(2015)0007-REV1, dated 21 August 2015

30. The SECRETARY gave an update report on the progress made towards the implementation of a single salary spine system in NATO (see Annex E).

31. The COMMITTEE took note of the Secretary's report and the fact that the CNCSC and the Administrative Panel were able to accept the proposal in principle. It needed however to be agreed by the JCB before being recommended to the Council. The Single Salary Spine, which was not expected to be implemented before 1 January 2017, should have no impact on current pensions and on the co-ordinated salary/pension adjustment method.

XI. CNRCSA WEBSITE AND COMMUNICATION OF INFORMATION TO RETIREES

Reference: Email from Mr. B. Roden, dated 28 October 2015

32. Mr. A. Grant, the CNRCSA webmaster, indicated that the website was now running in its English version. An expert team of ARO volunteers had followed in-house training sessions provided by the web designer and were now able to manage the front and back-end updates of the site. A data base had been validated with the help of the Associations' Secretaries to enable their recognized members to access the website.

33. The Administration had made known that, for security and organizational reasons, it would not make use of the CNRCSA website to communicate with retirees. Should then the website be open to all retirees, even if they were not members of one of the constituent Associations ?

34. The COMMITTEE took note of the information provided on the website and agreed that the website should be accessible only to the members of one of the four Associations.

35. The SECRETARY stated that, in order to find a commonly agreed solution to the communication issue, he had discussed with the Head of the Pension Unit a three-step approach whereby the Unit would firstly inform retirees, through the pension slips, of official documents made available on line; secondly, these documents would be uploaded on the CNRCSA website; and thirdly the Unit would prepare labelled envelopes and hard copies of the documents which the ARO Secretariat members would send to all unconnected retirees (even those not members of the CNRCSA Associations).

36. The COMMITTEE agreed to the three-step approach as described and tasked the Secretary to inform the Head of the Pension Unit accordingly (**Action item 9**).

XII. ANY OTHER BUSINESS

(a) CCR-related Matters

Documents: CRSG/CRP/WD(2015)17, dated 11 September 2015
CRSG/CRP/WD(2015)15, dated 10 September 2015
Annex 1 to CCR/R(2015)3

37. The SECRETARY stated that discussions about the new salary and pension adjustment method, which would be implemented as from 1 January 2017, had started at CCR level. The Committee of Staff Representatives, where the retirees' viewpoint was expressed through AAPOCAD, had re-affirmed its position of principle:

- the results derived from the new method should be applied on an annual basis (the CCR is of a different opinion);
- the method should be stable, fair, predictable, and transparent;
- the link between salaries and pensions should be kept;
- the system of Purchasing Power Parities should be preserved (the CCR wants to replace it with a non-pensionable allowance);
- the method should be based on the evolution of net salaries in the civil services of eight reference countries (the CCR wants to take into account only the evolution of gross nominal salaries);
- the adoption of different indices for Belgium and Luxembourg;
- the method should include provisions for exceptional adjustments in high inflation countries;
- the drafting by the CCR of a single affordability clause, common to all co-ordinated organizations is not acceptable.

38. The COMMITTEE took note of the information provided by the Secretary and expressed its concerns about the CCR intent to change from a net basis to a gross basis in the salary review.

(b) NATO Retirees' Day

39. The SECRETARY indicated that the Pension Unit proposed to convene NATO retirees and their spouses to a Retirees' Day in Brussels next year, at a date to be confirmed. Participants would be able to visit the new Headquarters facilities, meet with the Secretary General and attend a series of workshops on different topics. A budget had been set aside for the event.

40. The COMMITTEE took note with interest of the Pension Unit's proposal. It agreed that ex-Provident Fund members should also be invited. The Administration should find a way to contact these retirees, as their addresses were apparently not kept in NATO's files.

41. The COMMITTEE tasked Mr. Bulling to inquire on the number of retired Provident Fund members to be contacted (**Action item 10**) and agreed to contribute financially to the organization of the Retirees' Day (3,000 euros).

(c) NATO complaints and appeals procedures

42. The SECRETARY indicated that work was still underway in the Headquarters on this subject and that when this had been completed the result would be provided to the JCB and to a JCB Working Group. He also recalled that the CRP would organize a Round Table on the Right of Appeal in International Administrative Courts, in Rome on 6 November 2015.

43. The COMMITTEE took note of the information provided.

(d) Association of NATO Retirees in France (AROF)

44. Mr. J-M TORRES (AROF) explained that the various associations of retirees of NATO Agencies in France had unanimously agreed, at a common General Assembly held on 24 November 2014, to merge together. He then presented the Statutes of the new association.

45. The COMMITTEE took note of Mr. Torres' presentation and warmly welcomed AROF among the CNRCSA constituent associations, wishing it all the best for the future.

XIII. DATE AND PLACE OF THE NEXT ENLARGED MEETING

46. The COMMITTEE agreed to hold its next enlarged meeting in Autumn 2016, at a date and place to be determined later.

Billy RODEN
CNRCSA Secretary

Distribution

Mr. Delor, Mr. Emmett, Mr. Facey, Mr. Goyens, Mr. Grant, Mr. Malet, Mr. Marquenie, Mr. Roden, Mr. Bülling, Mr. Ludford, Mr. Rutten, Ms. Baretta, Mr. Guidetti, Mr. Seleck, Mr. Voss,

Mr. Devaux, Mr. Torres, Mr. Daykin, Mr. Neitzel, Mr. Arzeni, Mr. Manocha, Mr. Vanderwal, Mr. Aktuglu, Ms. Jensen, Mr. Eiken, Mr. Wilmotte, Mr. Batstra

After approval of the record:

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

ATTENDANCE LIST

ARNS: D. Facey, E. Marquenie (Treasurer), P. Emmett, and B.Roden
(Secretary)

ANARCP: F. Bülling, H.Rutten (Vice- Chairman), P. Ludford, J. Delor

NOBA: C. Baretti, O. Guidetti (Chairman), A. Voss, J-M Seleck

AROF: J-M Torres

REGIONAL REPRESENTATIVES: R. Neitzel, V. Arzeni, D. Manocha, J. Vanderwal, O. Guidetti,
A. Aktuglu, L. Jensen, J.F. Eiken, P. Wilmotte.

Apologies for absence: G. Malet (ARO/ARNS), J. Devaux (AROF) , R. Goyens (AROF),
Mr. J. Batstra (ANARCP)

LIST OF ACTION ITEMS

<u>No./paragraph</u>	<u>Subject</u>	<u>By whom</u>
1/7	Write a letter to the Secretary General (request meeting)	Chairman
2/11	Call for contributions/Meeting with Associations' Treasurers	Treasurer
3/21	Send an updated list of NATO retirees to Regional Representatives	Associations' Secretaries
4/21	Contact NATO Pension Unit (list of prospective retirees)	Secretary
5/21	Examine possible drafting of a next-of-kin information brochure	Members
6/22	Solve outstanding issues (CNRCSA regional representation in France)	CNRCSA and ANARCP Chairmen
7/26	Write to the CNCSC Chairman (informal joint working group on RMCF)	Chairman
8/28	Include update on insurance matters in Newsletter	Secretary
9/36	Inform Pension Unit on approval by the Executive Committee of the proposal on communication	Secretary
10/41	Inquire on the number of ex-Provident Fund members	F. Bulling

RETIREES ' MEDICAL CLAIMS FUND (RMCF)

1. Article 51.2 of the NATO Civilian Personnel Regulations (CPRs) stipulates that agents who leave the Organisation after at least 10 consecutive years of service and who have reached the age of 55, are eligible for the reimbursement of medical costs for themselves and for the persons recognised as being their dependents.

2. This holds for all agents irrespective of the type of pension scheme the agent is affiliated to (provident fund, DB pension fund or DCPS), and includes spouses, widow(er)s and orphans.

3. Until the 31 December 2000, any staff member who totalised at least ten years continuous service at 65 years of age, was provided by the Organisation's insurer with a memorandum guaranteeing the coverage of his/her medical expenses for the remainder of his/her life. However this guarantee is no longer offered by the insurer and the Organisation has been taking over the responsibility for providing this guarantee from 1 January 2001 onwards.

4. In order to cover for this particular obligation resulting from Article 51.2, on 1 January 2001, the NATO Council created the RMCF, a fund covering only the medical claims of eligible retired agents, i.e. retirees having reached the age of 65. Furthermore, the eligible former agents aged between 55 and 65 years still benefit from another cover, the so-called 'bridging cover', which is financed on a budgetary basis. Once the latter agents attain the age of 65, they leave the bridging cover and start to benefit from the RMCF.

5. As for contributions, the RMCF receives an amount of 4.5% from **active** staff members' monthly emoluments, of which, one third is borne by staff members and two thirds by the Organisation. On top of that, the RMCF receives monthly, 5% of the end-of-career salaries of the **former** agents, of which, one third is borne by the former agents and two thirds by the Organisation.

6. According to the transitory measures in place, active staff members who were in post before the 1 January 2001 and who have contributed to the previous, so called "group insurance contract" for at least twenty five years are not required to contribute further to the RMCF. If they have not contributed for twenty five years when entering into the RMCF, they are required to contribute the remaining number of years in order to reach a total of twenty five years of contribution.

7. In order to consider the long term viability of the fund, NATO wishes to assess the impact of:

- repealing the current transitory measures. In this case, in the coming two years (either from 1 January 2015 or 1 January 2016), each new retiree will be required to pay from this date, a premium for the remainder of his/her life. This premium will represent 5% of the retiree's end-of-career salary, of which, one third is paid by the retiree and two thirds is funded by the organisation;

- involving the current retirees who are not contributing to the funding of the RMCF;

- increasing the active staff members' contribution rate to the RMCF.

UPDATE ON HEALTH INSURANCE MATTERS

Summary

1. One must realize that some “flexible interpretation” of the NATO Group Insurance Contract (NGIC) is no longer possible. Cost-containment measures have priority in order to safeguard the existing benefits and keep the premium rates stable. Nevertheless, experience has shown that AWC, as third party administrator, is always prepared to help the beneficiaries in their endeavours for clarification. However, the final decision concerning the interpretation of the NGIC is made by NATO, the Policy Holder, and the ALLIANZ GROUP, the Main Insurer, in line with the Belgian Social Security legislation.

Update of documentation

2. The updating of the NGIC is ongoing, merging 119 endorsements into one document, and might be completed in the year 2015. This update of the NGIC, which does not entail any change in benefits, does not imply that NATO is entering into a new contract. The current NGIC, entered into by NATO on 1 January 2012, is binding for five years. Thereafter, it will be renewed for one year at a time by tacit agreement, unless one of the parties gives notice of termination with a six months’ notice period on 1 July.

3. The revised NATO Benefit Guide, now called Employee Benefit Guide, will be available online hopefully this year. Each beneficiary will receive a hard copy distributed by AWC. At the same time, a revised Claim Form will be introduced including a change of postal address and better highlighting the primary insurance point.

4. AWC has confirmed that the adjusted Table of Benefits, in accordance with the provisions of the NGIC, will be published at the same time as the revised EBG.

5. Currently, AWC is distributing the updated Insurance Card to all beneficiaries.

Remedial Actions

6. To ensure a robust medical insurance cover and a stable premium, the Policy Holder has stressed that, as a short-term measure, several remedial actions are required which would however, not change the current NGIC).

7. In addition, measures concerning the stabilization of the RMCF have been taken. The proposed modification of the footnote to article 51.2 of the NCPRs will harm the vested rights principle, especially for bridgers. It is understood that the NAC will make a decision shortly. Further information will be provided at that time.

Proof of Payment

8. The CNRCSA has received numerous angry reactions of its members who could not understand why high dental invoices over and above € 2000 must include a proof of payment. However, the requirement to submit a Dental Cost Estimate Form (to be completed by the dentist) to the medical services of AWC remains. AWC will confirm the amount the insured is entitled to and that the treatment is medically necessary and the amount within reasonable and customary charges. Finally, it was agreed to accept direct billing to AWC in cases of hardship, which is defined as reconstruction of the teeth in case of severe disfiguration due to an accident or due to cancer surgery. It should be noted that one of the proposed remedial action is the requirement of pre-and post-dental treatment X-rays should the invoice be over € 5000.

Long-term Nursing Care at Home

9. This subject was raised by the CNRCSA for the first time in October 2010. It concerns the coverage for long-term medical nursing care at home, in lieu of staying in a medicalized nursing home. Finally, after five years' deliberations, the Policy Holder and the Insurer have agreed the CNRCSA proposal under certain conditions which will be published when approved by the JCB this year.

Transfer of national social security rights

10. The CNRCSA considers the "primary source ruling" as one of the best cost containment measure which should be explored to the maximum extent possible. The CNRCSA is aware of the possibility to transfer national social security rights by way of bilateral agreements. It works between Luxembourg, Belgium, France, Germany and Italy (http://europa.eu/youreurope/citizens/health/when-living-abroad/health-insurance-over/index_en.htm). The CNRCSA has made NATO and AWC aware of this cost containment measure and received positive support. Nevertheless, our retirees are advised to contact their Regional Representative for further information.

Way ahead

11. The Policy Holder is considering cost containment measures to be applied as short, medium and long term approaches.

12. Short term items to be looked into are: viability of the NGIC, exo-premium for invalids, high deviation in premiums, unequal coverage NATO-wide, concept of last duty station, subsidy of active staff.

13. Better cost management, increase of contributors, different benefits for non-contributors and review of benefits are some of the changes to be developed in a framework document as medium and/or long term approach. The CNRCSA will follow closely the approach to cost containment measures together with the CNCSC in the JCB WG on Medical Insurance Matters and the JCB.

THE SINGLE SALARY SPINE SYSTEM

1. NATO is introducing the Single Salary Spine (SSS) to correct anomalies in the salary structures in several countries which have and continue to create challenges to recruit and retain the staff NATO needs. At the same time, the SSS increases the flexibility available to Heads of NATO bodies also to offer lower starting salaries to new staff on appointment, when it will be feasible to do so. The work in NATO takes into account the proposal developed by the CCR, which has been carried out with the expert technical assistance of the International Service for Remunerations and Pensions (ISRP).

2. NATO cannot offer the same managed career to its staff in the same way as most national civil services. Member States are keen to place their nationals into NATO civilian posts and through the application of article 57.1 of the Civilian Personnel Regulations (CPRs), serving civilian staff must compete together with outside candidates for vacant posts. Serving staff may therefore see potential career paths and opportunities for progression as being limited.

3. In line with the NATO-wide HR strategy, the aim is to, where appropriate, better manage NATO's workforce across organizational boundaries in a consistent way and when necessary, to facilitate the transfer of staff between NATO bodies within the same country and between countries. To support this, inequities that act as a disincentive for staff to apply for posts within NATO, which are present in the current remuneration structure, should be removed.

4. The present remuneration structure dates back over 55 years and in that time, has developed a number of anomalies and inconsistencies. In particular, a marked divergence in the evolution of the B and C grade salary scales as compared to the A and L grade salary scales has emerged .

5. Disparities between the NATO salary scales applied in different countries impede NATO's ability to leverage maximum advantage from the investment in its staff. Inequitable pay for B and C grade staff in some locations, caused by the structural imbalance in the development of salaries, is potentially unfair, contributes to the difficulties NATO experiences hinders NATO's ability to attract, recruit and retain the staff needed in some locations, compromises the Organization's ability to effectively manage its people and reduces staff engagement.

6. The Single Salary Spine addresses these disparities and provides the Organization with a framework to more effectively manage the resources allocated to personnel costs. The SSS represents identical structures in all countries which are based on the Belgian salary scale. With the SSS, purchasing power parities (PPPs) will be used to create salary scales for each duty country.

7. The principles behind the system for A and L category staff would remain fundamentally the same, but would also extend to the salaries of the B and C grade staff. The proposed SSS is a single table of 224 step values divided into 16 levels of 14 steps each.