



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

14 December 2016

Newsletter 7

The Executive Committee of the Confederation of NATO Retired Civilian Staff Associations (CNRCSA) wishes all retired staff a healthy and happy 2017. This is the seventh of a series of Newsletters which the Confederation issues periodically to keep the members of its constituent Associations (NOBA, AROF, ANARCP, and ARNS) updated on recent developments and major issues of relevance to them.

During the last months, the CNRCSA representatives have continued to defend the interests of the NATO retired community by attending the meetings of the statutory bodies where retirees are represented and by maintaining regular contacts with the NATO Pension Unit (whose members are very supportive of the retirees needs), the Personnel Support Services (PSS), and the Confederation of NATO Civilian Staff Committees (CNCSC).

All queries you may have on the topics dealt with below should preferably be addressed to your respective associations (NOBA, AROF, ANARCP, or ARNS). Do not hesitate to send your comments to the CNRCSA Secretariat (confed.cnrdsa@hq.nato.int or CNRCSA Secretariat, NATO Staff Centre, Boulevard Léopold III – B1110 Brussels, Belgium (00 32 2 707 2688).

The CNRCSA Executive Committee met on 16 March and 5 July 2016. The CNRCSA Bureau, which comprises the Chairman, the Vice-Chairman, the Secretary and the Treasurer, held several informal meetings during the year to make suggestions and prepare the Agendas of the Executive Committee. The latter held its second enlarged meeting with Regional Representatives (see list, [Annex 2](#)) on 19 October 2016, at SHAPE, back-to-back with the ANARCP Plenary. The reports of these meetings will be made available on the CNRCSA website (www.cnrdsa.nato.int). The following items on the Agendas were discussed:

NEW COMPOSITION OF THE CNRCSA BUREAU

The Executive Committee, in accordance with the Articles of Association, re-appointed Mr. H. Rutten (Vice-Chairman) and Mr. E. Marquenie (Treasurer) for a two years' term of office. The full list of the Executive Committee members has also been posted on the CNRCSA website.

NATO GROUP INSURANCE CONTRACT (NGIC) AND ALLIANZ WORLDWIDE CARE (AWC) RELATED MATTERS

The Executive Committee took note of the update report of Mr. F. Bülling, the CNRCSA focal point, on the following items:

Visit to AWC Brussels Headquarters on 4 July 2016

This visit was marked by a constructive atmosphere and valuable insights. The members received very thorough information about the various steps in the process of logging and processing claims, how the service that answered telephone calls operated, and the role of the medical service. A joint working session addressed the following topics: internal complaints procedures at AWC, the direct billing system, the rules on power of attorney, and the terms of AWC's coverage of invalidity.

NATO Group Insurance Contract 2017

The re-written NGIC 2017, which should have no negative impact on the medical coverage and benefits, is awaiting approval by the Assistant Secretary General for Executive Management since December 2015. Despite several requests for clarification made by the CNRCSA, the Administration is unwilling to provide any explanation for such delay in the approval process. It should be noted that the re-written NGIC 2017 had not been co-ordinated with the CNRCSA, the CNCSC, the Administration Panel or the Joint Consultative Board (JCB). The Administration considers this document to be for Management use only and, therefore, not requiring co-ordination nor consultation with a third party.

The Executive Committee could not accept that the NGIC be modified without consultation of or co-ordination with the JCB, and tasked its representatives to raise the matter at the next meeting of the JCB and of its Working Group on Insurance Matters which took place the last time on 25 June 2015. It is understood that this JCB WG will meet again in spring 2017, after the CNRCSA and CNCSC have raised this issue at the JCB meeting on 20 October 2016.

NATO-wide Implementation Guidelines (NGIC)

This document has been approved by the JCB in its initial version on 4 June 2013. Since then, the Administration has started implementing several amendments and changes which have been co-ordinated internally with AWC but not been formally approved by the JCB.

Here again, the Executive Committee has tasked its representatives to request, at the next meetings of the JCB and of its Working Group on Medical Insurance Matters, that the amended Guidelines be approved by the JCB.

NATO Benefit Guide 2016

Despite several requests made by the CNRCSA, the Administration has not changed its policy concerning the distribution of a hard copy of the Guide to all insured retirees, even to those who have already received an e-version, although promises had been made by AWC in December 2013 to do so. This is to be regretted. Should you not have received a copy of the new Guide, be it a hard copy or an e-version, please contact the AWC helpline for further action.

NATO-wide Supplementary Insurance (NWS)

The JCB has agreed, at its last meeting, that the Administration should provide all relevant data to the Confederation of NATO Civilian Staff Committees (CNCSC), which is the policyholder to of the NWS, to enable it to come forward with options for streamlining the Supplementary Insurance which would be an important contribution to cost containment. The Administration will now make these data available only through the JCB Working Group on Medical Insurance Matters and not directly to the CNCSC, which is hard to understand. So far the Administration has not reacted at all. The CNRCSA has offered its support to the CNCSC when starting with this important task.

Primary insurance

The Administration and AWC had agreed in 2015 that the AWC database, including all insured active and former staff members who were affiliated to another insurance/source, was lacking completeness and should be updated. Despite several requests from the CNRCSA, this has not been followed up by the competent NATO services. However, it is now understood that AWC will distribute the necessary paperwork in spring 2017 to have its database updated which was done the last time in 2011.

Complaint procedure

The procedures to be followed for lodging a complaint against the claim handling service of AWC need to be better spelled out. A complainant may avail himself, in present circumstances, of three possibilities: the internal system of AWC of which he is not fully aware, article 7 of the NGIC to which he has no access, and the complaint procedure enshrined in the Civilian Personnel Regulations. Which procedure takes precedence over the others is not clear. The Committee tasked, therefore, its representatives to raise the matter at the next meeting of the relevant JCB Working Groups.

CHANGE TO FOOTNOTE TO ARTICLE 51.2 OF THE CPRs/COMPLAINT

Because the change impinged on vested rights (see [Newsletter 6](#)), the Executive Committee agreed that the CNRCSA would support financially a complaint lodged by a member of one of its constituent Associations. The complaint was filed on 28 May 2016, but it took NATO more than six months to appoint a Chairman which will have to convene the Complaints Committee. Although the date of the hearing has not yet been set, the complainant was granted slightly more than 10 days to confirm if she wished to attend the hearing. There is obviously something flawed in our internal justice system (see relevant sub-section below).

JOINT CONSULTATIVE BOARD

The Executive Committee took note of the update report of Mr. H. Rutten, the CNRCSA lead representative to the JCB, on the following items that were discussed by the Board whose last meeting was chaired by Mr. P. Billaud-Durand the new Deputy Assistant Secretary General for Human Resources:

2017 remuneration and pension adjustment

At the date of the meeting, three NATO countries had broken silence on the CCR recommended report, although the same countries had already approved it in the CCR. This obstacle has been lifted since. However, the moderation clause, which would come over and above the affordability clause, remains a contentious issue. It will be further discussed at CCR level as from December (see [New salary adjustment method](#) below).

The NATO Council has now approved the CCR recommendations which are reflected in [Annex 1](#) and which should be implemented after the approval of the 2017 budget.

Improved Defined Contribution Pension Scheme (DCPS+)

Proposed amendments to the NCPRs were tabled to be adopted in case a DCPS+ would be agreed to. However, the CNCSC representatives expressed concerns that even with the proposed measures (mainly the “improved” DCPS), the scheme would remain flawed and unattractive for staff, and would fail to provide an adequate replacement income at retirement. They were not, therefore, in a position to agree to the measures which were far from sufficient to consider the DCPS a ‘real’ pension scheme.

Staff Representatives wanted the opportunity to undertake a ‘real’ study, without imposed constraints, which should focus on the pension schemes in the eight reference national civil services and in other Co-ordinated Organisations, and should be based on a defined benefits approach as was the case in the other Coordinated Organizations’ new pension schemes. This only would allow NATO to be still considered as a good employer.

The Executive Committee supports this position without restriction.

Single Salary Spine (SSS)

Introducing the SSS seems to be more difficult than expected and it is now foreseen that it will not be implemented before mid-2018. It was confirmed that SSS would have no negative impact on the Co-ordinated Pension Scheme and that the current salary scheme provisions would continue to apply. At the JCB meeting concerns were voiced that, if savings were seen as the driving factor by Nations for adopting the SSS, the current problems in attracting qualified personnel would only get worse.

Complaints and appeals

The CNRCSA and the CNCSC convinced the Administration to set up a JCB Working Group which has been tasked to make proposals for improving the new complaint and appeal procedures. The mandatory pre-trial procedures make no sense whatsoever for retirees as 99% of their grievances are pension-related and, as such cannot be solved through administrative reviews or Complaints Committees in which active staff only are represented.

Furthermore, the Administrative Tribunal (AT) cannot do justice under its present Terms of Reference which force it to make its decisions essentially in accordance with the CPRs. More often than not, the AT must declare itself incompetent in cases where it has no CPRs provisions to refer to. As a consequence, active and retired staff members may have to address themselves to civilian national courts to have their rights vindicated. The good image of NATO is at stake here.

The CNRCSA reaffirmed its position: failing an in-depth review of the NATO complaint and appeal procedures, which are basically flawed, it would plea for a return to the old system as far as retirees are concerned. Some NATO Administrations could support this position.

The CNRCSA representatives will continue to co-operate with their CNCSC counterparts who have made a good proposal aimed at doing away with Complaints Committees and replacing them with a conciliation process between all parties involved in a contested decision. Should conciliation fail, the matter would then be referred to an external judge, whose decision could be appealed against in an Appeals Board. This would provide NATO with a two-tier judicial system similar to those of which most international organisations of good standing may avail themselves.

Registered marital partnership

A few years ago, the definition of spouse was changed in the CPRs in an effort aimed at making it gender neutral. In short, a spouse is either married or has entered into a registered partnership. But such partnership, between persons of the same sex or not, is only recognized by NATO for those countries where no civil marriage is possible. This results in the situation where a spouse may be formally recognized as such in accordance with the laws of a given country but not necessarily by NATO if a couple has decided not to marry.

Pensioners have not been informed of this new situation which may lead to serious hardship should a spouse's rights to a survival pension and/or to medical coverage not be granted by NATO. The CNRCSA feels that it is outside NATO's jurisdiction to decide on private matters which, by definition, are within the strict purview of national legislation over which the CPRs has no precedence.

The Administration will only reconsider its position in cases of hardship. Please send a mail to the CNRCSA Secretariat should your partnership not be recognized by NATO because you and your partner could have married but had a legitimate preference for the partnership.

NEW SALARY ADJUSTMENT METHOD

The Committee took note of the latest developments concerning the new method at the CCR level in which the nations initially proposed to include a moderation clause over and above the affordability clause. The CCR ultimately agreed to adopt, as from 1 January 2017, a method for a period of four years without including a special moderation clause, provided that the three Committees committed themselves to "address the concerns expressed by a few CCR delegations that have difficulty in justifying in their capital the results of the application of the salary adjustment method" by June 2017. The CRP/CRSG could support this compromise solution.

The current situation is as follows (excerpts from [Flashinfo 20](#) issued by the CNCSC):

- Following intense negotiations, the CCR agreed to a new four-year method (it can be extended for two one-year periods if required), based on a proposal formulated by the CRSG.
- The new method is quite similar to the current one.
- One of the factors used in the calculation, the salaries of the eight reference national civil services, will no longer include certain non-pensionable bonuses that are paid to national civil servants. Instead the new method will only take into account the fully pensionable remuneration elements paid to all civil servants. What the exact impact of this change will be on the calculation of the salary adjustment remains unclear at this stage.
- However, salary adjustments will continue to be calculated on an annual basis, the purchasing power parities mechanism is maintained, inflation in host nations will continue to be factored in, and the new method includes a more favourable adjustment mechanism for high-inflation countries (a significant issue for NATO staff members residing in Turkey).

RETIREES' MEDICAL CLAIM FUND (RMCF)

The Executive Committee informed, through its representatives, the Chairman of the RMCF Supervisory Board of the following elements which should be added to the next version of the biennial actuarial study:

- taking the situation of the Fund at the end of 2016 as the starting point for the statistical data;
- drawing a distinction between retirees in the Co-ordinated Pension Scheme and those in the DCPS; for this, several scenarios for the proportion of retirees in the DCPS who were receiving (or would probably receive) RMCF coverage should be incorporated into the study;
- examining the assumptions about decreased expenditure from the Fund as a result of greater recourse to national social security systems.

REORGANIZATION OF THE CNRCSA STRUCTURE AND WORKING METHODS

The Executive Committee took note of the update report of Mr. B. Roden, Chairman of the Ad Hoc Working Group on the Reorganization of the CNRCSA Structure and Working Methods (AHWG), and agreed, with the unanimous support of the constituent Associations' Chairmen that it was needed to better react to the fast and complex NATO decision-making process and prevailing budget constraints, and also to provide an improved service and support to the increasing number of retirees who are joining the CNRCSA Associations.

For this purpose, efforts and resources should be centralized and the administration of the Associations should be streamlined to support the CNRCSA in the areas of budget and finance, public relations and website, administration and update of a centralized members' database. It was understood that each Association's autonomy should be maintained.

The following proposals have been agreed:

- the Associations' membership forms should be harmonized under the heading of the CNRCSA;
- the Associations' membership fees should be set at the same level (20 euros);
- the CNRCSA Secretariat should establish and update, with the help of the Associations' secretaries, a single membership data base.

The AHWG has been tasked to take the measures needed to implement the above proposals and to further discuss the feasibility of the proposals below:

- the CNRCSA should hold a yearly General Assembly of its four Associations' members (3200) where focal points on group insurance, pensions, and legal issues would present update reports;
- the ANARCP National Delegates' structure should merge with the CNRCSA Regional Representatives' structure. Financing of the latter travel and missions in the future should be sought through NATO.

AAPOCAD

AAPOCAD will host the first Conference of Associations of Pensioners/Retirees of Intergovernmental Organisations, at the OECD Conference Centre in Paris on Wednesday 22 (afternoon) and Thursday 23 March 2017. The aim will be to exchange information on subjects on which our Associations have common preoccupations.

Three themes for this first conference have been selected and will be treated in the course of three sessions:

1. Associations: legal status, representativeness and effective power of action of the Associations. Relations between Associations of active and of pensioned staff.
2. Pensions or retirement income: pension schemes and how pensions are adjusted. Taxation arrangements applicable to pensions.
3. Legal protection: appeal procedures, nomination and independence of jurisdictions, possibilities of appeal.

The CNRCSA will be represented at the Conference.

THE NEW NATO HEADQUARTERS

Facts and figures on the new NATO Headquarters may be found on the NATO website (www.nato.int) and e-versions of available brochures will also be posted on the CNRCSA website (www.cnrdsa.nato.int). Transition to the new premises will start in April 2017. For the time being, we do not know where the new CNRCSA Secretariat will be located and if it will keep its phone numbers. Additional information will be provided in due course.

ANNEX 1**CO-ORDINATED ORGANISATIONS
ADJUSTMENT INDICES FOR SALARY SCALES AT 1 JANUARY 2017**

| | Consumer price index HICP (otherwise CPI) | Reference index | Reference index x Consumer price index (col. 1 x col. 2 ÷ 100) | Effect of reference curves of purchasing power (Appendix 2 of the Annex to the 244 th Report) | ADJUSTMENT INDICES applicable at 01.01.2017 to salary scales in force at 31.12.2016 | |
|--------------------------------|--|------------------------|--|--|---|--------------------------------|
| AUSTRALIA | 101.0 ^{CPI} | 101.3 | 102.3 | | 102.3 | AUSTRALIA |
| AUSTRIA | 100.6 | | 101.9 | -0.5 | 101.4 | AUSTRIA |
| BELGIUM | 101.8 | | 103.1 | | 103.1 | BELGIUM |
| CANADA | 101.5 ^{CPI} | | 102.8 | | 102.8 | CANADA |
| DENMARK | 100.1 | | 101.4 | | 101.4 | DENMARK |
| FINLAND | 100.3 | | 101.6 | | 101.6 | FINLAND |
| FRANCE | 100.3 | | 101.6 | | 101.6 | FRANCE |
| GERMANY | 100.2 | | 101.5 | | 101.5 | GERMANY |
| GREECE | 100.2 | | 101.5 | | 101.5 | GREECE |
| HUNGARY | 99.9 | | 101.2 | | 101.2 | HUNGARY |
| ICELAND | 101.6 | | 102.9 | 1.4 | 104.3 | ICELAND |
| IRELAND | 100.1 | | 101.4 | | 101.4 | IRELAND |
| ITALY | 99.8 | | 101.1 | -0.3 | 100.8 | ITALY |
| JAPAN | 99.6 ^{CPI} | | 100.9 | | 100.9 | JAPAN |
| KOREA | 100.8 ^{CPI} | | 102.1 | -0.5 | 101.6 | KOREA |
| LUXEMBOURG ¹ | 101.8 | | 103.1 | | 103.1 | LUXEMBOURG ¹ |
| MEXICO | 102.5 ^{CPI} | | 103.8 | -0.4 | 103.4 | MEXICO |
| NETHERLANDS | 99.8 | | 101.1 | 1.3 | 102.4 | NETHERLANDS |
| NEW ZEALAND | 100.4 ^{CPI} | | 101.7 | | 101.7 | NEW ZEALAND |
| NORWAY | 104.1 | | 105.5 | 0.6 | 106.1 | NORWAY |
| POLAND | 99.6 | | 100.9 | | 100.9 | POLAND |
| PORTUGAL | 100.7 | | 102.0 | | 102.0 | PORTUGAL |
| SPAIN | 99.1 | | 100.4 | -0.6 | 99.8 | SPAIN |
| SWEDEN | 101.2 | | 102.5 | 1.5 | 104.0 | SWEDEN |
| SWITZERLAND | 99.4 | | 100.7 | -0.2 | 100.5 | SWITZERLAND |
| TURKEY | 107.0 | | 108.4 | | 108.4 | TURKEY |
| UNITED KINGDOM | 100.5 | | 101.8 | | 101.8 | UNITED KINGDOM |
| UNITED STATES | 101.0 ^{CPI} | | 102.3 | | 102.3 | UNITED STATES |

¹ Belgium index also applies to Luxembourg in accordance with the 244th Report.

ANNEX 2

LISTE DES REPRESENTANTS DE LA CNRCSA

LIST OF CNRCSA REGIONAL REPRESENTATIVES

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