



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

SOUS LA PRESIDENCE D'HONNEUR DE  
MONSIEUR LE SECRETAIRE GENERAL DE L'OTAN

06 January 2021  
CNRCSA(2021)0001

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## **Newsletter 11**

Dear retired friends,

This is the traditional CNRCSA Newsletter, to keep you updated on recent developments in matters of concern to NATO retirees.

If you have any questions about the topics addressed herein, please be sure to put them to your respective associations. And feel free to send your comments to the CNRCSA Secretariat at the address [confed@cnrcsa.nato.int](mailto:confed@cnrcsa.nato.int).

The Bureau of the Confederation wishes all members of the four retired staff associations (ARNS, ANARCP, NFSA and AROF) all the best for the New Year.

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### **1. MESSAGE FROM THE CHAIR**

My first year as Chairperson of the Confederation of NATO Retirees' Associations did not go smoothly.

First of all because of the health crisis, which has profoundly changed our habits and affected our state of mind, but also, for the less fortunate, our physical health or that of our loved ones. To all those who have been directly affected, I would like to take this opportunity to express my deep sympathy.

Then, because the Confederation has had to take on many challenges, not the least of which was to attempt to mobilize all of its vital forces to support a common cause: the defense of the rights of all retirees across NATO.

North Atlantic Treaty Organization - Organisation du Traité de l'Atlantique Nord.  
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And finally, because of the size and complexity of the issues involved, and the limited resources of retired staff ready to give of their time to assist in all the tasks that this work requires.

On the first point, allow me to briefly mention the administrative constraints that we have had to overcome since the beginning of March.

Following the lockdown measures adopted by NATO and Belgium, no face-to-face meetings could be held after the end of February, whether within the Confederation or in the context of consultations with NATO bodies. In addition, access to our offices, which are located in the Sports Centre at NATO Headquarters, has been prohibited for many months, with the exception of a period of partial relaxation of lockdown measures during the summer months.

In addition, the periodic consultation meetings (JCB and its working groups and RMCF Supervisory Committee, in particular) were seriously compromised. Several meetings were purely and simply cancelled, and for the others, NATO International Staff (IS) wanted to impose on staff representatives (both serving and retired) a software platform to which access by video conference was not possible except for those having a NATO workstation. As this is not the case for any of the representatives of the retirees and most of the representatives of the serving (teleworking) staff, it was unacceptable, and we jointly threatened to stop taking part in the meetings... as a result of which we eventually obtained in October that the IS adopt a platform accessible from personal computers. So, consultations could be resumed as usual – be it virtually.

We also learned of the passing, on 10 November 2020, of Mr Patrice Billaud-Durand, the International Staff's Deputy Assistant Secretary General for Human Resources. He was very well liked, so this news caused much distress among serving and retired NATO staff. Our Confederation extended its deepest sympathy to the members of the IS and the family of Patrice Billaud-Durand (see Annex 1) and decided, in accordance with the wishes of the deceased, to make a donation of €150 to a medical research institute.

Concerning the issues we are working on, you will find below an overview of the many challenges we have had to address on a number of fronts. In addition to the usual issues of the coordinated pension scheme, medical insurance and the RMCF, we are now also working on the DCPS. Furthermore, as you will read, our internal functioning has been sorely tested over the course of the year.

## **2. THE COORDINATED PENSION SCHEME**

You are aware that the amendment to Article 36 of the Pension Scheme Rules which entered into force on 1 January 2020 has been challenged by pensioners (as well as by serving staff) of all Coordinated Organizations. The staff were in fact opposed to any disconnect between the salary adjustment method (based on a common reference index as well as the consumer price index and purchasing power parities in the different countries) and the adjustment of pensions

(now made only on the basis of the consumer price index in each country of residence).

At NATO, five appeals have been lodged with the Administrative Tribunal, representing our four associations and a variety of situations. The case was entrusted, in coordination with AAPOCAD, to two brilliant lawyers: Maître Laure Levi and Mr Gianni Palmieri. The Confederation has done an important job of collating and commenting with a view to finalizing the case files. The parties' arguments have now been exchanged and the Administrative Tribunal should set a hearing date – presumably in remote mode – in early 2021.

Still on the subject of pension reform, in August NATO adopted new implementing instructions for Article 36 of the Rules. These result in further decoupling the adjustment of pensions from that of salaries. Indeed, henceforth, the calculation of the consumer price index for pensions will be carried out from January to December of each year – while for salaries, it remains based on trends in prices from July to June, which makes it possible to have fairly complex calculations approved in time for implementation on January 1 of the following year.

As the Pensions Unit will have informed you, this means that we will receive the annual adjustment with a delay of several months,<sup>1</sup> but with retroactive effect to 1 January. However, as a transitional measure, and to avoid any loss in the first year, the reference period has been extended to 18 months (July 2019 to December 2020) for the adjustment as of 1 January 2021.

The inflationary pressures during the reference period for the pension adjustment, which are very low at best, mean that the amount of this adjustment will be barely above 0%. It will probably even be slightly negative for residents in some countries.

### **3. MEDICAL INSURANCE**

The second major issue that has kept us very busy in 2020 is the reform of our medical insurance. For this reason, the CNRCSA Working Group on Medical Insurance, chaired by Falko Bulling, has been hard at work all year. A summary of their main activities is provided below.

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<sup>1</sup> See extract from the NPU newsletter of December 2020:

The consumer price indexes used in our calculation are published by Eurostat, typically from mid-February onwards. Once we have the relevant information from Eurostat we will be able to calculate the annual indexation of your pension and, if possible, will apply this from the following month. So if the applicable Eurostat consumer price index is available in mid-February, we would expect to be able to apply the indexation together with the payment of your pension for March 2021.

For countries for which the consumer price index will be published later, we have no choice but to carry out the annual indexation at a later point in time. However regardless of when we are able to calculate the indexation of your pension, we will in any event apply it with retroactive effect from 1 January 2021.

The JCB Working Group on insurance matters convened on 27 February 2020 at NATO HQ and noted with general appreciation a document with the title “Modernization of the NATO Medical Plan”. The main points are:

The current NATO Group Insurance Contract (NGIC) was excellent and needed to be protected.

Cost containment could be achieved by simplifying and rationalizing the NGIC and basing it on the long-lasting principle of solidarity.

The members of the JCB WG supported the proposal that the first pillar of the NATO-wide Supplementary Insurance (NWS) should be absorbed within the NATO Medical Plan, which would provide coverage for inpatient treatment, like hospitalization, serious illnesses and disabled children at 100% of the established ceilings.

The second pillar of the NWS (supplements A to D) would be replaced by “Affinity Products” (optional additional coverages) available to serving and former staff with a NATO-wide common premium.

Moreover, the CNRCSA sincerely believes that the modernization of the NATO Medical Plan will support the sustainability of the Retirees' Medical Claims Fund (RMCF), which definitely is of general interest.

During the year, several meetings took place due to the corona pandemic on a virtual basis, the last one on 19 November 2020. It is the mandate of the CNRCSA to represent the views of retired NATO staff as a whole in accordance with Article 90.3 (d) of the NATO Civilian Personnel Regulations (CPR), but also taking into account the wording of Art. 47.(1)e of the CPR, when a minority opinion has been raised, which was done so by members residing in the Netherlands and in Turkey.

A discussion is under way in the JCB and its relevant Working Groups, these being the sole fora where proposals can be formally discussed amongst the relevant stakeholders, regarding the planned modernization of the NGIC, developed by the Executive Management Division of NATO.

It is important to realize that no approval of any points was given by the CNRCSA representatives, with the exception of the general agreement that the NGIC requires remedial actions to ensure its viability.

Furthermore, the CNRCSA representatives underlined several times the necessity of an analysis of the legal implications of the proposed changes of the modernization vis-à-vis national social security regulations. It is our understanding that more facts and figures and further clarifications on issues as requested by the CNRCSA will be provided before the next meeting of the JCB WG on insurance matters, to be convened in March 2021. Consequently, the current NGIC and the NWS have not been changed.

The CNRCSA is fully aware of the fact that as always, the devil is in the details and it should therefore be expected that much work remains to be undertaken by the CNRCSA Executive Committee in the coming months. Once again, you may rest

assured that it is the CNRCSA Bureau's firm intent not only to communicate with but also to request active involvement of the four Associations concerned well ahead of any potential decision on the new NATO Medical Plan.

#### **4. THE RETIREES' MEDICAL CLAIMS FUND (RMCF)**

The Confederation remains more than ever involved in the management of the RMCF. Although having received the green light from the Supervisory Committee, the work to update the prospective study carried out by the International Service for Remunerations and Pensions (ISRP) two years ago, which is based on demographic data from the end of 2013, has unfortunately been somewhat delayed. We remain confident that the update work will finally be launched in the coming weeks.

In November 2020, the Fund's assets returned to the level reached at the end of the previous year. This shows that the losses incurred in the first half of 2020 as a result of the crisis on the financial markets have now been recovered. It also illustrates the quality of the investment management.

Most recently, the NATO Administrative Tribunal ruled on several appeals brought forward by retirees (one of whom had received financial support from the Confederation) against the amendment to the footnote in Article 51.2 of the Civilian Personnel Regulations. You will recall that as a result of this change all staff who retired after 3 August 2016, regardless of the length of their career, are required to contribute to the continued medical insurance. The judgments on the "footnote" are unfortunately unfavourable to us. A thorough review of these decisions rejecting the appeals should be undertaken in order to learn lessons for the future.

#### **5. NATO'S DEFINED CONTRIBUTION PENSION SCHEME (DCPS)**

Until now, we have not had much to do with the DCPS. Although eminently open to criticism, this scheme, established in July 2005, (previously) had no, or very little, direct impact on the retirees' associations. We were therefore happy to monitor the situation with interest, but from a distance.

Around 70% of current NATO staff are DCPS members, and we now have some former DPCS members among our number.

Recently, we found ourselves at the heart of the debate. Several former DCPS affiliates living in Germany had a nasty surprise when the money they received from NATO on their retirement was taxed by the German authorities. Under the DCPS rules, however, this money is considered to be emoluments not subject to national taxation.

The two Confederations (serving and retired staff) decided to support a first appeal against NATO to ensure compliance with the rules and get reimbursement of the tax collected.

The CNRCSA also decided that the time had come to play a more active role than before in the DCPS Management Board, on which it is entitled to have one representative. A certain number of issues discussed in the Management Board (such as passive members, payment of annuities, and invalidity pensions, to mention just a few) directly concern retirees. Ideally, our representative should be a former DCPS member. However, none of our current Executive members were affiliated to this system.

This newsletter is therefore an opportunity to put a call out to retired DCPS members who would like to get involved in defending the rights under this scheme. If that sounds like you, please contact your association!

## **6. THE STRUCTURE AND FUNCTIONING OF THE CONFEDERATION**

The CNRCSA Executive Committee met virtually in enlarged format, i.e. with its delegates in the various countries, on 23 October 2020. The Executive Committee meeting initially planned for the spring had to be cancelled due to the pandemic.

The CNRCSA Bureau held several informal meetings in remote mode to ensure activities were permanently monitored. As it was unable to hold meetings, it worked harder than ever to keep the Executive Committee and the delegates informed of developments throughout the year (see Annex 2).

The CNRCSA Bureau is comprised of the Chair, the Vice-Chair, the Secretary and the Treasurer, and the Chair of any Association not represented in this quartet. It mostly meets in enlarged format, i.e. with its advisers.

The composition of these bodies, which did not change following the elections in October 2020, is provided in Annex 3.

At its meeting in enlarged format in October, the Executive Committee also appointed the CNRCSA delegates for the coming year in the various countries. The list of delegates is provided in Annex 4.

In this regard, we must mention a subject which, let's not hesitate to say it, has "spoiled our lives" throughout the year. The plan to reform our insurance, which involves the rationalization of the many specific coverages (in particular, but not exclusively, regional "supplements", sources of inequalities and management difficulties), in fact meets with the opposition of certain national groups of retirees, who are opposed to any change whatsoever by way of principle.

You read above about how the CNRCSA and its Working Group on Medical Insurance are handling this delicate topic, with respect for minority opinions. Although the Confederation is committed to allowing all opinions to be expressed internally before formulating the views representing the interests of retirees as a whole, some of our delegates felt they could no longer trust us and "alerted" senior members of the International Staff by, repeatedly, taking direct steps. Needless to say, such initiatives – not only uncoordinated but also carried out without informing us – can solely result in discrediting the Confederation and its constituent Associations.

This repeated behaviour, which not only goes against the letter and the spirit of the mandate of a CNRCSA delegate, but is also highly detrimental to our Confederation, meant that the Executive Committee was unable to renew the mandates of the delegates for the Netherlands and Turkey at the meeting in October.

## **7. CNRCSA WEBSITE AND INTEGRATED DATABASE**

There is another project that is very close to our hearts: revamping our common database and revitalizing the Confederation's website. In the digital age – and in light of the health crisis – these instruments are more than ever essential for communicating with our members. Their shortcomings are sorely felt. Let me point out here that the new Confederation website will centralise information intended for all NATO retirees. It therefore does not duplicate that of the sites of the constituent associations, which will continue to play their role at the local level.

Intense efforts were made in this area throughout the year by a small team of dedicated computer experts. Unfortunately, the task is proving more difficult than expected and despite all the goodwill, the implementation of these instruments by the end of 2020 turned out to be impossible.

This particular case highlights our desperate need for volunteer members who want to make their skills available to our associations. We therefore take the liberty to appeal to IT specialists who would like to come and support our IT team.

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To conclude, we hope that 2021 will see the return of unity and solidarity between all retiree associations as well as, on a private level, the end of the health crisis and the resumption of social ties and conviviality that we all miss so much.

Annex 1: Condolences sent following the passing of Mr Patrice Billaud-Durand, DASG Human Resources

Annex 2: List of updates sent to the CNRCSA Executive Committee in enlarged format in 2020

Annex 3: List of Executive members and CNRCSA representatives

Annex 4: List of CNRCSA Delegates *(to be distributed later)*

**Annex 1** to CNRCSA(2021)0001

It was with great sadness and deep sorrow that we learned of the sudden passing of Mr Patrice Billaud-Durand, Deputy Assistant Secretary General for Human Resources. We have lost a man of conviction, openness and dialogue. Throughout his all-too-short time in the high ranks of NATO, Patrice was always able to use his tremendous human qualities and in-depth understanding of complex issues to serve both the Organization as a whole and the serving and retired staff, whose concerns he shared and with whom he had a special relationship. Patrice was a genuine, trustworthy person whose door was always wide open to us. On behalf of the retired staff that we represent, we extend to his family and friends and his colleagues in Executive Management our deepest sympathies and sincerest condolences.

Isabelle Tezcan

Chair of the Confederation of NATO Retired Civilian Staff Associations



## **Annex 2** to CNRCSA(2021)0001

### List of updates sent to the Enlarged EXCOM CNRCSA in 2020

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Date	Subject
21/01	Newsletter
02/02	Report Enlarged EXCOM
08/02	Information Chairperson - amendment 34 CPR
24/02	Information on appeals CPS
24/03	Webinar Allianz on COVID 19
08/04	Information on Pensions appeals and Modernization Health Insurances
05/06	Updates on Pensions and Modernization Health Insurances, New AOA CNRCSA
14/07	Update on Modernization Health Insurances
23/10	Enlarged EXCOM meeting
05/11	Summary of HIWG comments on JCB - <a href="#">WP(2020)0012</a> : Modernization Health Insurances
06/11	Judgment Laurita case
10/11	Report enlarged EXCOM meeting
23/11	<u>Results action Chairperson on answers to</u> Nato Pension Unit questionnaires
24/11	Update on Modernization Plan Health Insurances

## Annex 3 to CNRCSA(2021)0001

CNRCSA Executive Members and Representatives List 2020/2021

25 November 2020



### Bureau CNRCSA

Chair	Vice-Chair	Executive Secretary	Treasurer	Member
Isabelle Tezcan	Olivier Guidetti	Robert Goyens	Erwig Marquenie	Jean Vanderwal

Enlarged Bureau CNRCSA: Bureau + starred members listed in the table below

### Executive Committee

#### ANARCP (subject to changes after upcoming elections)

Jean Vanderwal	Chair	Gérard Malet*	Chair
Hessel Rutten	Vice-Chair	Billy Roden*	Honorary Chair
Rik Loeckx	Secretary	Erwig Marquenie	Treasurer
Falko Bülling*	Member	Isabelle Tezcan	Member

#### ARO/ARNS

#### AROF

Robert Goyens	Chair	Olivier Guidetti	Chair
Jacques Devaux	Vice-Chair	Bernard Burnet	Secretary
Jean Michel Torres	Treasurer	Patricia Munaut	Treasurer
Rodger Hickman	Member	Christiane Baretti	Member

#### NFSA/ADAN

### Technical advise(r)s Executive Committee

Alec Grant	Chair IT team
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Enlarged Executive Committee: Executive Committee joined by the CNRCSA Delegates (without deputies)

### Boards, Committees and Working Groups

Name	Primary	Replacement	Members
CNCSC (Observer)	Isabelle Tezcan	Olivier Guidetti Billy Roden	
DCPS Management Board	Erwig Marquenie		
Health Insurances	Billy Roden		Isabelle Warschburger Danielle Degrotte Robert Goyens
IT	Alec Grant	Michel Geeraerts	Klaas Van den Broek Luc Henrotay Françoise Lallé Erwig Marquenie
JCB	Isabelle Tezcan Olivier Guidetti	Jean Vanderwal	
Legal Matters	Hessel Rutten	Isabelle Tezcan	
RMCF Supervisory Committee	Gérard Malet Erwig Marquenie		
Treasurers	Erwig Marquenie		Patricia Munaut Jean Delor Jean Michel Torres