



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

SOUS LA PRÉSIDENTICE D'HONNEUR DE
MONSIEUR LE SECRÉTAIRE GÉNÉRAL DE L'OTAN

ORIGINAL: ENGLISH

CNRCSA(2021)R/2

25 November 2021

REPORT ON THE VIRTUAL ENLARGED MEETING OF THE CNRCSA EXECUTIVE
COMMITTEE WITH CNRCSA DELEGATES HELD BY VIDEO CONFERENCE
ON TUESDAY 19 OCTOBER 2021 AT 10:00 A.M.

OPENING REMARKS

- a. The meeting was preceded by an EXCOM meeting of the four constituent Associations to elect a Chairperson and an Executive Secretary of CNRCSA for two years. As no consensus on the new Chairperson could be reached, and no candidate Executive Secretary had been found, it was decided that Olivier Guidetti would take on the role of Acting Chairman (A/Chairman) and Bob Goyens the role of Acting Executive Secretary (A/Executive Secretary), on a temporary basis, until a solution would emerge. This interim solution should not exceed 6 months and candidates for replacement should be sought without delay.
- b. Isabelle Tezcan, Chairperson CNRCSA up to the start of the meeting, had pointed out in a recent letter that, giving the appointment of a new ARO member to the EXCOM, the AOs of CNRCSA no longer authorized her to be an EXCOM member and that consequently, she would not be attending the meeting.
- c. The A/Chairman and A/Executive Secretary welcomed Mr. Helmut Hassink, Chairman of the CNCSC as well as the new ARO member to the EXCOM, Emilio Gasparini, and noted that Mrs. Baretta, Mrs. Degrotte, Mrs. Munaut, Mrs. Holmen and Mr. Rait had sent their apologies.

I. ADOPTION OF THE AGENDA

Document: CNRCSA(2021)A/2, dated 9 October 2021

The EXCOM adopted the Agenda noting that item 6.4 should be treated before noon.

II. ELECTION RESULTS

See opening remarks.

III. APPROVAL OF THE REPORT OF THE PREVIOUS MEETING

Documents: a. CNRCSA(2020)R/1
b. Email, dated 25 November 2020

The document with its attached email was approved.

IV. FOLLOW-UP TO DECISIONS MADE AT THE PREVIOUS MEETING

Document: CNRCSA(2019)R/2, dated 18 November 2019, Annex 4

The few uncompleted actions, shown in Annex 1 to this report, would be taken up ASAP. (Annexes would be sent out after the upcoming December meeting of the Bureau).

V. CCR/AAPOCAD/PENSION ISSUES

5.1. Annual Pension Adjustment 2021 and forecast 2022.

Based on statistics from the Nations, AAPOCAD followed the evolution of the official inflation indices of approximately 10 nations monthly and compared the differences in evolution between the salaries of active staff and the pensions of retired staff. Although the differences for some countries over a period of 2 years amounted to 5% and more (11% for Portugal!), the AAPOCAD Governing Board believed it was necessary to wait until the 15% threshold was reached before undertaking any actions at CCR level.

The 2022 pension adjustment was not an item at the last CCR meeting as it would be based on the inflation rates from 1 January 2021 to 31 December 2021. As a result, our pensions would be adjusted when the indices of all the nations concerned had been published with effective date of 31 December 2021. The adjustment would therefore be somewhat delayed but would apply retroactively with effect from 1 January 2022 and normally paid in February 2022. As inflation was growing rapidly in several countries, it would be most interesting to study the results on salaries and pensions in 2022.

5.2. Relations with the NATO Pension Unit

A videoconference meeting with the Pension Unit held end of February 2021 led to several positive developments, which are listed under the corresponding item of the invitation to this meeting. We remind ALL SECRETARIES OF ASSOCIATIONS THAT THEY SHOULD PROVIDE THE LIST OF MEMBERS WHO WANT THE INDIVIDUAL YEARLY CONTRIBUTION TO THEIR ASSOCIATION TO BE DEDUCTED FROM THEIR PENSION (In January for all Associations) TO THE PENSION UNIT BEFORE 10 JANUARY 2022, UNDER THE NEW FORMAT I.E. INCLUDING THE DATE OF BIRTH OF THE MEMBERS. **(Action 1)**.

The NATO PU recently opened a brand-new website which is under test. It can be reached at www.nato-pensions.com.

5.3. Pension Taxation Issues

a. Taxation Health Insurances Premiums in Belgium and Luxembourg

These issues (both BE and LU authorities have a restrictive approach regarding the deductibility of these premiums from the tax returns) having been brought to the attention of the JCB, our representatives were tasked to follow them up. **(Action2)**.

b. Info on an AAPOCAD initiative on Taxation in France

As local tax inspectors seemed to apply different rules, some of them requested pensioners to pay the special contributions to the French Social Security System. An informal AAPOCAD WG for FRANCE had been set up to follow this issue closely but discretely, as the matter was under discussion between the CRSG, the IRSP and the French tax authorities. More detailed info would be made available in due time, at the latest in February 2022. **(Action3)**.

5.4. Bank fees

After an AAPOCAD/CNRCSA combined initiative failed because of a lack of interest for this issue, a new initiative with more detailed info about the number of people concerned was under preparation.

5.5. DCPS Issues

It was stressed again that the DCPS was an unsatisfactory system that could in no way be considered as a valid new pension scheme as those applied in other Coordinated Organizations. Therefore, both Confederations (active and retired staff) would continue to fight for a real pension scheme, although it became more and more clear that the NATO Nations seemed to refuse any liability for such a system. The other issues on DCPS were to be found in the former chairperson's report dated 12 July 2021.

VI. HEALTH INSURANCE ISSUES

6.1. General information on the Status of the Modernization Project

Recent meetings to be held in June and July on the subject were either cancelled or had no representation from both Confederations. The latter considered that no sufficient progress had been made and criticized the fact that an in-depth legal analysis of the acceptability by Host Nations (in particular the Netherlands) had still not been conducted.

During a meeting in September between the newly appointed DASG HR, Mrs. Nathalie Matthijs and the CNRCSA Chairperson Isabelle Tezcan, it was announced that an information meeting through videoconference would be organized with representatives of the NATO Administration and CNRCSA representatives. This meeting took place on 08 October and was considered as positive by the representatives of the four CNRCSA Associations. A similar meeting with the CNCSC was to be organized at the end of the month.

The NATO Administration insisted on receiving constructive remarks on their JCB-WP (2020)0012/Rev1 document to update the revised document for further discussion during a JCB WG to be held before year's end.

As a result, this meeting set up a new HIWG working group, with Huub Simons as the new chairman, with a double mission:

- develop TORs for the new HIWG;
- try to formulate a common CNRCSA view on the Modernization project as soon as possible. **(Action4)**

6.2. ANARCP position on Modernization

The meeting took note of the ANARCP document dated 20 September 2021 but invited the HIWG to come up with new proposals for a common viewpoint as outlined in 6.1.

6.3. Report on the activities of the HIWG by Billy Roden

As former chairman of this WG, Billy Roden commented on the various subjects discussed during the last meeting in May. He stressed that this WG was not a lone player and that it expected active participation and endorsement of its decisions from the EXCOM as a whole. He further underlined the excellent relationship with the CNCSC counterpart under the chairmanship of Mr. Lon Raets: a common standpoint of both confederations should always be sought to strengthen the positions of both in the JCB.

6.4. CMC premium in Luxembourg

NFSA considered that this item had been sufficiently discussed under 5.3.b.

6.5. Creation of a Stability fund

The DASG was considering the creation of a fund with the unused part of the premiums paid by staff in 2020 due to the COVID-19 pandemic. This meeting had asked the CNRCSA Delegate(s) attending the JCB meeting on 27 October to inquire about the details and follow up on this fund. (Note: during the JCB, it was indicated that this fund should only benefit Active Staff but that the JCB members would be fully informed about the evolution of this 'reserve').

6.6. No other issues were brought up under this item.

VII. RMCF

G rard Malet provided the following status report:

- a. First, some highlights about the development in the value of the Fund:
 - At the end of 2020, the Fund assets not only offset the losses incurred at the beginning of the year, but also recorded some gains as compared with the situation one year before. Such development continued during the first half of 2021 with the value of the Fund reaching  418 million at the end of June. In the third quarter, a slight loss was noted with the Fund assets amounting to   410 million at the end of September.
 - On average, the value of the assets increased by 14.5% as compared to end September 2020. The yearly rate of increase had been 7.4% over the last 3 years and 6.4% over the last 5 years.
 - This reflected the quality of the management by Vanguard. However, the increased dependence on the return on investment and hence on the volatility of financial markets should not be overlooked.
- b. Information concerning the update of the RMCF Assets and Management Study:
 - NATO had officially requested ISRP to update the Study;

- a technical meeting took place on 11 May, chaired by the NATO Head of Staff. Participants included the Head Insurances in Executive Management, the representatives of both Confederations in the RMCF Supervisory Committee as well as two ISRP statisticians in charge of the study;
- a useful exchange of views on technical issues helped clarify the assumptions and parameters to be considered in the study;
- ISRP would first submit a draft study and members of the Supervisory Committee would be given one month to make comments.

VIII. LEGAL MATTERS

8.1. Administrative Tribunal

Please note the yearly AT report, AT practice directions and the appointment in July of two new judges (see the annexes to the invitation to this meeting).

8.2. Pension Appeals against new Article 36 of the CPR

For the time being, 4 out of 6 appeals filed by the Coordinated Organizations and supported by AAPOCAD had been lost.

Following comments and recommendations were made by Gianni Palmieri, legal advisor for AAPOCAD:

- numerous unfounded comments - even wrong statements - were made by the judges, which showed poor knowledge of the functioning of the different organizations;
- it was probably unwise to seek a second appeal level as experience in other International Organizations showed that this would have adverse effects;
- it was recommended that CRP should not conclude any further “deals” (such as the Noordwijk agreement) as they could simply be ignored by the CCR the year after.

It was to be noted that AAPOCAD would decide in 2022 on the level of contribution to the costs of these appeals to be provided for each Associations’ member (between 1 and 5 EUR).

8.3. DCPS appeals

Our EXCOM voted to contribute to the costs of the legal proceedings initiated by Mr. Klockenhof (up to a ceiling of 2500 EUR each by both Confederations) and Mr. Bappert (1250 EUR paid for by CNRCSA). This was about the taxation by the German Government of DCPS payments made AFTER the date of employment termination with NATO.

The legal actions would continue to be followed up by Isabelle Tezcan.

IX. JCB MEETINGS

9.1. Report on the meetings: see annexes to the invitation.

9.2. Next meeting is scheduled for 27 October 2021

During the pre-meeting it had been decided that Hessel Rutten should represent the Confederation as alternate and that Billy Roden would be asked to replace Olivier Guidetti due to his unavailability at this date.

(Note: due to unforeseen circumstances, only Hessel Rutten attended this meeting on behalf of CNRCSA. The two issues which the Enlarged Excom meeting wanted to add were considered and were mentioned in the report submitted by Hessel to the EXCOM: the follow-up on the Stability Fund (item 6.5.) and the increased representation of CNRCSA at JCB meetings).

X. RELATIONS WITH CNCSC

For the time being, these relations are excellent, and we cannot but report the same message as last year: in different WG meetings, as well as during JCB meetings, our Confederations are coordinating their standpoints and supporting each other whenever possible: united we are stronger. When different viewpoints are inevitable, these are brought to each other's knowledge in advance to the extent possible.

XI. NEW CNRCSA WEBSITE WITH INTEGRATED DATABASE

Due to medical problems which affected several IT WG members, there had been delays. In principle, the new site could be online before the end of the year. This Enlarged EXCOM endorsed an action of the WG to try and find a cost-effective company to maintain the Website in the long term and tasked the chairman of the WG to report during next EXCOM. **(Action 5)**

XII. FINANCIAL MATTERS

Documents: (See invitation: Audit report 2020, Financial situation 2021, CNRCSA Draft Budget 2022)

12.1 The Enlarged EXCOM noted that the 2020 figures had been audited and the auditor had issued an “unqualified opinion”.

Accordingly, the CNRCSA EXCOM gave discharge to the treasurer for 2020.

12.2 Financial Situation. The Enlarged EXCOM took note of the verbal report by the Treasurer and approved, without comments, the 2021 Financial Situation.

12.3. Draft Budget 2021. The EXCOM approved the 2022 Draft Budget.

12.4 NATO Subsidy. The EXCOM noted that the discussion with NATO IS on the yearly subsidies should resume as soon as possible. The request for 2022 would be submitted by the Treasurer to the Chair's signature and then transmitted to IS Executive Management.

12.5 The yearly contributions to the CNRCSA by the constituent Associations would remain unchanged at 2 EUR per member.

XIII. ANNUAL REPORTS BY DELEGATES

The reports sent by Delegates contained several action points for CNRCSA. They would be listed and discussed by the Bureau and actions for improvement would be undertaken. This action list would then be published and added to this report as an integral part thereof.

XIV. MANDATES AND TASKS OF EXCOM MEMBERS AND DELEGATES

14.1. Distribution of tasks to EXCOM members

Note: due to several changes which occurred after the meeting (composition of the new HIWG, withdrawal of DCPS representatives etc.), this list would be reconsidered by the Bureau and published afterwards as an integral part of this report.

14.2. Appointment or re-appointment of CNRCSA delegates.

It was agreed that the Bureau would reconsider the status of the different representatives and delegates. Once an agreement had been reached, the list(s) would be published and be an integral part of this report.

XV. Any Other Business

Attention was drawn to the mail issued by ARO concerning the current access rules to NATO HQ Brussels.

XVI. DATE AND PLACE OF NEXT MEETING

The next Enlarged EXCOM would normally be held in NATO HQ Brussels at the end of October 2022.

At the end of the meeting, we expressed our deep appreciation to Isabelle Tezcan for the tremendous amount of work and energy she put in the activities of our Confederation. We thanked her in particular for the confidence and cooperation during this difficult period of pandemic.

Robert Goyens
A/Executive Secretary

Annex(es): To be followed later.

Distribution:

Mr. Acar, Mr. Arzeni, Mrs. Baretti, Mr. Batstra, Mr. Beauchamp, Mr. van den Broek, Mr. Bülling, Mr. Burnet, Mrs. Degrotte, Mr. Devaux, Mr. Gasparini, Mr. Geeraerts, Mr. Goyens, Mr. Gucer, Mr. Guidetti, Mr. Hickman, Mr. Hill, Mrs. Holmen, Mr. Malet, Mr. Marquenie, Mrs. Munaut, Mrs. Overby, Mr. Rait, Mr. Roden, Mr. Rutten, Mr. Sanders, Mr. Simons, Mr. Stevenson, Mr. E. Thorsen, Mr. Veltri, Mr. Woodcock, Ms. Jongbloed,

Observer: CNCSC Chairman, Mr. Hassink

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