



## BULLETIN 2022.2

Dear Members,

This is our second bulletin for 2022, updating you on the various things going on that may affect you. In the February 2022 ANARCP bulletin, the annual call for candidates to be elected as EXCOM members was made. Exceptionally, four candidates were needed following the stepping down after one year of Jelle Batstra and Klaas van den Broek on health grounds. We thank both for their valuable contribution to ANARCP in a time of many challenges especially related to the Modernisation of the Health Insurance contract. Klaas has indicated that he is most probably able to finalise his important work to bring the CNRCSA website to completion.

Initially you were asked for candidates within one month. This period had to be prolonged to 15 April because the paper version of the Bulletin left SHAPE somewhat later than expected due to other priorities at SHAPE.

It turned out on 19 April that there were only four (two new) candidates that came forward so that an election made no sense. The four were thus members of the EXCOM. On an interim basis prior to the first EXCOM meeting with the new members Huub Simons and Süleyman Acar were asked to fill the two empty places of the four (including Marc and myself) we have in the CNRCSA EXCOM that was held on 22 April in view of their expertise in the Modernisation issue. During the recent ANARCP EXCOM meeting the functions in the CNRCSA EXCOM were confirmed and the functions in our EXCOM were decided to be as follows:

Member	Function
Hessel Rutten	Chairperson
Huub Simons	Vice-Chairperson
Marc Stevenson	Secretary
Jean Vanderwal	Treasurer
Süleyman Acar	Member
Aad van der Zanden	Member

## **ANARCP GENERAL ASSEMBLY**

Due to the expectation that Covid will not go away in autumn or may even become a problem again the EXCOM decided that we better not schedule the ANARCP General Assembly in 2022. We really hope to have the Assembly in May (next year), as you are accustomed to.

## **NATREPs**

Last year we were fortunate to have a NATREP in Germany but this came to an end at the turn of the year. We appeal to you to come with candidates for the vacant post of German NATREP, also in view of the importance to properly represent the German position in relation to the proposal to terminate Supplement B to the Health Insurance Contract.

Please submit any candidates to our Secretary or contact any of the other EXCOM committee members for more information.

## **CNRCSA EXCOM MEETING**

Jonathan Parish, who retired earlier this as ASG OPS at NATO HQ was asked to become the new CNRCSA Chair to fill the gap since last August when no agreement on candidates for the Chair could be reached. We are happy to have him with his experience in the centre of NATO. He was formally accepted in the CNRCSA EXCOM meeting on 22 April that had the health insurance issues as main item. In the JCB meeting of 31 March the Modernisation Plan was on the agenda for information only. However, the ASG (EM) decided to approve the Plan for recommendation to Sec Gen after the CNCSC (active staff) agreed subject to many conditions. The CNRCSA position was, as you can read under the next heading, that we had just sent a letter with an Annex of 31 pages of comments to the ASG that was not answered and the CNRCSA cannot accept the current Modernisation Plan. The CNRCSA also raised a point of order that agreement was not on the agenda but that was ignored.

The Retired Medical Claims Fund (RMCF) that pays for the medical claims of retired staff was in a very good financial status at the end of the year. Despite prognoses dating back more than 10 years ago that the Fund would be depleted soon, there is an average accrual of some 10M Euro each year. The change to the footnote of art 51.2 of the CPR to force retirees to continue to pay bridging cover after August 2016 was, as stated by us at the time not necessary at all. The CNRCSA sees no reason to continue to be pessimistic about the Fund that is taken care of by Vanguard. A dip in the financial markets as we experience these days will certainly be followed by a reverse trend.

Some retirees of the new Defined Contribution Pension Scheme (DCPS) have become CNRCSA member and asked the CNRCSA two years ago to represent them when they found out that the lump sum they received after retirement was taxed. They stated, and this was acknowledged by the International Staff, that they were informed that that sum would be exempt from taxation. Appeals are ongoing.

The CNRCSA also discussed the decisions to separate the salary from the pension adjustments and noted that not only the NATO Admin Tribunal but also the Appeals Boards of the Coordinated Organisations included in their decisions wording that can be interpreted to mean that retirees are more or less at the mercy of their Organisations and have lost acquired rights upon retirement. The discussion will continue within the AAPOCAD.

## **MODERNISATION OF THE NATO MEDICAL PLAN**

As reported in the January 2022 CNRCSA newsletter, the efforts to modernize the NATO Medical Plan are still ongoing. In this update we want to present you with the latest developments.

Following the release of the revision 1 (REV1) of the Modernisation Plan in May 2021, the CNRCSA has coordinated a common position of all four Associations of retired personnel, through the CNRCSA Health Insurance Working Group (HIWG) and this position was shared with the Joint Consultative Board (JCB) Working Group (WG) on Insurances at its 30 November 2021 meeting. In its position the CNRCSA had clearly stated that the current REV1 proposal for the Modernisation of the NATO Medical Plan could not be accepted without several proposed necessary changes. The CNRCSA proposed changes included, keeping the regional Supplements A, B and C, adding provisions for long-term care and home care and introducing new measures for cost containment. Unfortunately the JCB WG did not discuss the CNRCSA proposals, but mentioned that a further revision would be produced to further address all concerns.

In anticipation of the new revision, the CNRCSA took action to meet with staff of NATO Human Resources (HR) responsible for the preparation of the Modernisation Plan to further explain our position and concerns. Following this meeting, the CNRCSA also wrote to the Head HR of NATO HQ requesting that the next revision would first be discussed within the JCB WG before being forwarded to the JCB for consideration. To our surprise this request was not honoured and the revision 2 (REV2) was issued on 24 February 2022 and was submitted to the JCB directly.

After a quick review of the REV2 Modernisation Plan, the HIWG prepared a new set of detailed comments, which already indicated that none of our previous concerns and comments had been taken into consideration and that the REV2 plan just repeated the REV1 plan with some more details on the actual cost of the new Affinity Products that will replace the regional supplements. With no further JCB WG meetings, the CNRCSA submitted its comments directly to the JCB for discussion at the 31 March 2022 JCB meeting. To the surprise of the CNRCSA, the JCB just stated at the meeting that the CNRCSA comments had all been taken into consideration and needed no further discussion and as a further surprise the JCB wanted to accept the REV2 Modernisation Plan and forward this to the Secretary General (SG) for approval. The CNRCSA objections were ignored. Instead the proposal of the Confederation of NATO Civilian Staff Committees (CNCSC), representing the active staff associations, was discussed. The CNCSC had decided in its joint meeting to accept the REV2 plan, even though not unanimously but through a majority vote. Also the CNCSC had included a few essential minimum requirements among others related to cost containment measures, long-term care and protection of the Supplement B holders in case the Dutch Government would not consider the new plan as equivalent to the old plan. Since no agreement could be reached on the CNCSC proposal, the CNRCSA was given a final opportunity to summarise their concerns to be included in the package that will be presented to the SG. The CNRCSA did produce such statement on 24 May 2022 which repeats our concerns regarding the Affinity Products, in particular related to the much higher cost and non-equivalent cover as compared to Supplements B and C, and mentions the lack of clear implementation plans that cover the long-term care, update of the list of serious illnesses, impact of introducing yearly treatment limits and premium calculations.

As a summary the current version of the proposal for the new NATO Medical Plan includes the following adjustments:

1. The NATO Wide Supplement (applicable to all insured members and covering 100% for hospitalisation, treatment of serious illnesses and handicapped children) will go to the Basic Cover. For retired staff this implies that we no longer have to pay that part of the premium, but future premium increases to cover the cost are not excluded.
2. Supplement D (for those with a last duty station in France and covering 100% of treatment by a doctor that is affiliated to the national health care system) will go to the Base Cover. This then implies that this cover is also available to all that seek medical treatment in France and not only for those with a last duty station in France.
3. Supplements A, B and C will be replaced by so-called Affinity Products with three coverage options with increasing cover. Our current assessment is that none of the Affinity Products match the Supplements and the cost will be dependent on family status (single, married, married with children) and age with higher premiums for older staff. Current calculations show a 2 to 10 fold increase in premiums as compared to the current Supplements B or C dependent on family status and age.
4. The Affinity Products are offered as a new commercial product through a new insurance provider, but still managed through the Allianz claims handling process. Oversight of the contract will still be with NATO IS and active and retired staff representatives can be present in the management board. Advantage is that Affinity Products are offered to all staff independent of the current or last duty station and that the choice is optional and not mandatory, but with very limited opportunities to opt-in or opt-out. Disadvantage is that in some nations insurance premium tax will be added on top of the insurance premiums which will make the cost even higher.
5. The Table of Benefits will be adjusted by merging a number of categories and by introducing annual coverage limits for certain treatments rather than per treatment limits. This seems to be introduced as a cost containment measure, but in our view can lead to hardship cases when insured members have high medical cost. A procedure to address these hardship cases is promised but is not yet available.

The Final version of the Modernisation of the NATO Medical Plan is ready for submission to the office of the SG for consideration and approval. This leaves us very little opportunities to still influence the outcome of this, but ANARCP in coordination with the CNRCSA are still looking at options to further address our concerns. We will keep you updated of any further developments.

## **ALLIANZ CLAIMS EXPERIENCE**

During this year ANARCP has received several complaints from members related to the claims handling by Allianz Worldwide Care. ANARCP has summarised these issues and has addressed these with the NATO insurance holder and with Allianz management directly. Below are some of the common problems that we have seen so far and the recommended resolution or action.

1. Members that submit their claim through filling in a claims form and sending this to [unityclaims@allianzworldwidecare.com](mailto:unityclaims@allianzworldwidecare.com) in the past received an automatic reply with a claim number, but since this year that is no longer the case leaving the members uncertain about the status of their claim. This is recognised by Allianz as related to an IT problem and the resolution of this is taking longer than expected. Members can then also choose to submit their claim to the Allianz helpdesk at [unityhelpline@allianzworldwidecare.com](mailto:unityhelpline@allianzworldwidecare.com), who will ac-

knowledge the receipt of a claim.

Alternatively, claims can also be submitted through the MyHealth app or through the Allianz MyHealth portal (<https://my.allianzcare.com/myhealth>). All claims methods can be used at any time, but the app or portal has the strong advantage that a full claims history can easily be accessed.

2. Since this year Allianz has acknowledged that several mistakes have been made in processing claims that should have been covered under any of the supplemental insurances. While as a percentage of the total processed claims these errors may be relatively small, their impact can be severe. Allianz has meanwhile updated their procedures to prevent similar mistakes and has provided additional training to the claims handling team. In case claims are rejected on expected unfair grounds then first this should be reported to the Allianz helpdesk and if this does not resolve the issue contact should be made with the ANARCP national representative to try to resolve the issue.
3. Since this year Allianz has introduced modifications to the claims submission through the MyHealth app and portal. In the new claims submission an additional question is added in case of a claim for pharmacy expenses. The additional question asks for a copy of the medicine prescription from a qualified doctor. Allianz is aware that in some nations those prescriptions go directly to the pharmacies and are not available for the members. Where this is the case the question about the prescription can be ignored and only the full amount of the claim then needs to be produced.

## **HIGH INFLATION AND PENSION ADJUSTMENTS**

At the beginning of the year your pension was adjusted based on the national inflation rates using the EUROSTAT calculation of the HICP (Harmonised Indices of Consumer Prices) increase or CPI (Consumer Price Index) increase if HICP is not available. Our members on the pension scale for Türkiye (Turkey), who have been in a situation of constant high inflation, receive a special interim adjustment each time the inflation threshold of 6% is reached. This was also exceptionally the case for the Belgium pension scales at the end of last year, so that no annual adjustment balance was left over at the beginning of the year. Please note that the period 1 January to 1 January has been applied for our adjustments as the new Reference Period since January 2020. In the newspapers you may read every month the current high yearly inflation of the last 12 months and this may exceed the 6% threshold. It is noted though that the inflation rates are often calculated nationally and are calculated over the past 12 months, which is of course different from the period effective for us. Also since in most nations a pension correction was already applied in January, this correction then has to be subtracted from the reported current 12 month inflation figures. Only if the result is more than 6% will an additional pension correction be considered.

The Netherlands pensions were increased by 6.2% in May.

Based on the inflation rules, there should be pension adjustments effective as of 1 June 2022 for Germany (+ 6.2%), Luxembourg (+ 6.1%) and for Portugal (+ 6.8%). Pensions on the Turkish pension scale were increased by 11.1% in February, 10.5 % in April, and 7.3% in May. There was no adjustment in June for Türkiye, as inflation between April and May was “only” 2.96%.

At the recent Coordinating Committee on Remuneration (CCR) meetings in Darmstadt, special salary adjustments (+ 7% in each) were recommended for active staff in Belgium, Luxembourg, Netherlands, Poland and Spain, and another exceptional salary adjustment for Türkiye of + 18.6%.

This confirms that the rules for high inflation are also being applied for active staff. Note however that these adjustments do not fully compensate for actual inflation.

Please also note that CCR-recommended salary adjustments concern only active staff and NOT pensioners. Pensions are adjusted for inflation upon CRSG/PACCO's silent concurrence in accordance with Art. 36 of the new pension adjustment method since 1 January 2020. However, because pensioner medical premiums are derived from the salary scales of active staff, we expect that the medical premiums will also be increased in those nations where a salary increase was implemented.

## **EXPATRIATE EMPLOYEE ASSISTANCE PROGRAMME**

Please find in the annex the Expatriate Employee Assistance Program (EEAP), which is available to all NATO staff members as well as to retirees in the framework of the NATO Group Insurance Contract. The EEAP offers confidential access to professional problem assessment, short-term counselling and referrals to appropriate community and private services. The EEAP is strictly confidential and is designed to safeguard staff member's privacy and rights, and is available at no cost for staff members or their dependents.

The EEAP summary in the Annex shows the services provided including 24/7 helpline access, short-term goal oriented counselling, LifeWorks app/website, etc.

## **TREASURER'S REPORT**

a. BALANCE PER END 2020:	151,044.16 €
b. PLUS INCOME 2021	+ 17,681,79 €
Bank transfers:	2,636.95 € (dues)
NPU auto-deduct:	14,920.01 € (dues)
Bank interest:	124.83 €
c. MINUS EXPENDITURES 2021	- 3.668,94 €
CNRCSA contribution:	2.362.00 €
Travel cost:	741.50 €
Bank charges:	45.00 €
ADP and web:	128.45 €
Local activities:	391.99 €
d. BALANCE PER END 2021	165.057,01 €
Bank account:	7,410.76 €
Savings account:	157,646.25 €
e. CHANGE END 2020 TO END 2021 (d-a)	+ 14,012.85 €

The positive change resulted from the reduction in travel expenses due to COVID-19. Face-to-face meetings were replaced by video conferences and the General Assemblies were cancelled. Overall, our financial situation remains very safe.

## **AAPOCAD**

We recommend that our members also apply to be members of AAPOCAD. AAPOCAD represents retirees and Associations of retired staff from the 7 Coordinated Organisations in the international fora that are responsible for coordinated matters like salary, pensions and emoluments. AAPOCAD has a seat and a vote in the CRP (Committee of Personnel Representatives) together with the staff representatives. See the AAPOCAD website for further information: [www.aapocad.org](http://www.aapocad.org).

## **REPLIES**

For all communication relating to this Bulletin, please reply to: [anarcp@cnrcsa.nato.int](mailto:anarcp@cnrcsa.nato.int).

Or by post:

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Allow us to again request all members who still receive this Bulletin in hard copy, but who have an e-mail address to communicate that to us. It will make the life of our Secretary a lot easier and it allows us to spend our financial means to better courses.

## **ANARCP WEBSITE**

Also the url for our website remains unchanged: [www.anarcp.org](http://www.anarcp.org)

There is a restricted part for members only. To login use the following:

Username : anarcp

Password : lamretired (first character upper case)

With warmest regards,  
For the Executive Committee

Hessel Rutten  
ANARCP EXCOM Chair

Annexes:     A: EXPATRIATE EMPLOYEE ASSISTANCE PROGRAMME