AAPOCAD

COUNCIL OF EUROPE CONSEIL DE L'EUROPE · ECMWF · esa · NATO OTAN · OCDE · EUMETSAT · UWEO

ASSOCIATION DES AGENTS PENSIONNÉS DES ORGANISATIONS COORDONNÉES ET DE LEURS AYANTS DROIT
ASSOCIATION OF PENSIONED STAFF OF THE CO-ORDINATED ORGANISATIONS AND THEIR DEPENDANTS

2, rue André-Pascal, 75775 Paris Cedex 16, France • Telephone: +33 1 45 24 85 87 • Fax: +33 1 44 30 62 22
E-mail: *aapocad@oecd.org* • Internet Site: *www.aapocad.org*

Bulletin No. 62 *(Orig. Fr.)* January 2019

In this Issue

<u>REMINDER …</u>

- If you wish to attend the **General Assembly,** please fill in the form on **page 23** and return it to us by **29 March 2019**.
- If you wish to be a candidate in the **Election of the Governing Board**, please fill in the form on **the AAPOCAD web-site** and return it to us by **1 March 2019**.
- Please inform us if you have an e-mail address not previously notified to AAPOCAD or if your e-mail address has changed recently.
- Galeries Lafayette and Printemps have unfortunately discontinued their system of cards giving reductions.

Annual Report of the Chairman

As I write these lines, I am aware of the fact that 2018, the year that has now drawn to a close, was far from being a peaceful one for many of us. Concern in the face of the political and social uncertainty of our times, personal and family difficulties, health problems and accidents… the list is long. But I hope that, for all of us, the wise words I often used to hear as a child—"Never forget that there are countless people who are far more unfortunate than you"—will help us put things in perspective, to see that our glass is not half empty, but (at least) half full. This is how I hope you can move forward into the New Year: in a spirit of rational, reasonable optimism. Let us not lose heart but be grateful for all that is precious and beautiful in our lives, and let us make the most of the opportunities that lie before us.

The life of the association

According to the figures provided by the ISRP, our headcount was unchanged between November 2017 and November 2018, and represents a little more than 35% of the total number of pensioners of the Co-ordinated Organisations. Naturally, we would like to increase membership, because the more of us there are, the more representative we are, and the further our voice carries in the arenas—Co-ordination in particular—that matter. A task force is currently examining different means of increasing our audience among the pensioners of the various Organisations. One channel is especially important: an information campaign led by our local associations (AIA, AIACE, ARES, ARNS, etc.) which will clearly explain the differences between what they do and what AAPOCAD does, and in this way will encourage people in their circle to join AAPOCAD. One such association in one Organisation has already started the movement, generating over sixty new memberships since October 2018.

It is unfortunately a sad fact of life that both AAPOCAD and local pensioner associations must, every year, accept the passing of a certain number of their members. In 2018, we lost some 80 members, including Augustin Synadinos, known as Tino, a former NATO official and honorary vice-Chairman of AAPOCAD, and this bulletin includes his obituary, written for us by Billy Roden, a member of the Governing Board and Regional Delegate for Belgium.

Co-ordination

a. Adjustment of salaries and pensions at 1 January 2019

The application of the so-called "salary moderation" clause has, for the second year running, resulted in an adjustment that is higher than it would have been under the method without the clause. The consequences of its application should naturally be assessed over time, but the alacrity with which the CCR decided to call an extraordinary meeting of the three Committees (CCR, CRSG, CRP) in December 2018 for the specific purpose of opening discussions on a review of the adjustment method says a lot about its attitude and expectations. We must remain on our guard.

The latest news is that the adjustment has been approved or is expected to be approved in five of the six Co-ordinated Organisations. I am sad to report that the Committee of Ministers of the Council of Europe has, for the second year running, invoked the affordability principle, and the only glimmer of hope is that it has undertaken to "re-examine" the issue, should the Russian Federation—which has yet to pay two thirds of its contribution to the ordinary budget for 2017 and has yet to pay anything at all into the ordinary budget for 2018—settle its debt to that Organisation.

(For the adjustment percentages in the different countries, see the *Annual Pension Adjustments* tables.)

b. Luxembourg salary scale

Since at least 2006, the subject of a separate pay scale that takes proper account of the difference between the costs of living in Belgium (Brussels) and Luxembourg has been on the agenda. At the extraordinary meeting, mentioned in the previous section, the CCR finally agreed to recommend the creation of a specific pay scale for A and L grade officials based in Luxembourg. The scale should come into force on 1 January 2020.

At the time of writing, however, the exact wording of all the provisions of the recommendation by the CCR is not known, because the CCR, or at least, some of its members, do(es) not want pensioners living in Luxembourg to be able to argue that their pensions should be recalculated according to the new Luxembourg pay scale, and hence to benefit from what it is (they are) calling a "windfall effect". This is tantamount to a rejection of Article 36 of the Pension Rules under which pensions are adjusted in the same proportion and on the same date as the salaries of serving staff (see the section below on the "Reform of the Co-ordinated Pension Scheme").

c. Reform of the Co-ordinated Pension Scheme

In the preceding Bulletins (60 and 61), we presented the long “shopping list” of the various aspects of our pension scheme that the CCR has in its sights. At the extraordinary meeting of December 2018, the Chairman of the CCR stated that the attention of his committee was turned, for the moment at least, to just two main subjects—the age from which officials could claim their pension rights without actuarial penalty (currently set at 60), and the adjustment of pensions.

As we have said on many occasions, AAPOCAD and the CRP are opposed to any change to the benefits provided for in the Co-ordinated Pension Scheme: first because the Rules themselves provide that the only adjustment variable is the contribution rate and the Scheme's benefits may not be reduced, and second because these Rules are included in the conditions which we accept when we sign our appointment contract, and which cannot be changed unilaterally. These are the principles that underlie the 1994 Noordwijk agreement, which is binding on the three parties—Member countries (through the CCR and the Councils/Committee of Ministers), Representatives of the Secretaries-/Directors-General (through the CRSG), and staff (through the CRP).

Although two Organisations (the OECD and NATO) have also rejected any change to the Scheme, others have clearly indicated that they could agree to raise the age of entitlement to pension rights without penalty to 62 or 63, provided transitional measures were applied. And the CCR's legal adviser, who is none other than its Vice-Chairman, went on record in a paper sent to the two other Committees (the CRSG and the CRP) to say that this measure may be the only one which carries a minimal risk of being overturned by a successful legal challenge before the administrative tribunals and appeals boards. ("The proposal […] to raise the age of retirement is more promising.") We shall see.

As for the terms governing the adjustment of pensions, as stated in section b above, under cover of the debate over the creation of a separate pay scale for Luxembourg, the CCR has opened a new "pensions" line of attack—namely severing the link between salaries and pensions through a redrafting of Article 36 of the Rules. The CRP, to which AAPOCAD belongs, remains fiercely opposed to any attempt to undo this provision. Not only have the pensioners of today and tomorrow paid contributions which have been and continue to be determined by factors that include future salary adjustments, but also the close link that currently exists between pensioners and serving staff is actually vital to defending the interests of pensioners both current and future.

The uncoupling that is under consideration would mean that pensions were no longer adjusted in line with salary adjustments but according to the inflation recorded in the country of the pay scale.

This approach is favoured by some administrations, which claim, or have so far claimed, that this adjustment would be guaranteed and not subject to the vagaries of the affordability clause, as applied to the adjustments of 1 January 2018 and 1 January 2019 at the Council of Europe, for example. With the linking of salaries and pensions in the Co-ordinated Scheme, the pensioners in this scheme received no adjustment, whereas pensions in the New Pension Scheme (NPS) were "automatically" increased (by 0.9% for the French scale in 2018, and by 1.6% in 2019, for example).

So some people believe that it would be a good idea to base adjustments on inflation. But don't be fooled: this so-called guarantee of an automatic adjustment is not set in stone, even in the NPS. Quite the contrary. At the Co-ordination meetings held in September 2018, the Chairman of the CCR clearly stated that, just like adjustments based on the salaries of serving staff, adjustments based on inflation would also be subject to the rules of budgetary affordability. So be warned! Danger!

d. Tax adjustment

If we believe what the Chairman of the CCR said at the extraordinary meeting of December 2018, the question of the tax adjustment has fallen off the CCR's radar. For good? We do not know. All we do know is that the threat exists and that we would do best to leave the subject well alone. The tax adjustment has few supporters among the Member countries, and it seems likely that they will continue to be strongly tempted to lobby for its abolition, even though the CCR's legal adviser seems to doubt the legal feasibility of such a move.

e. Education allowance

No final decision has been taken over the Co-ordinated education allowance. What does seem clear, however, is that the application of a flat rate to all components including school fees has been rejected by the CCR, which is still working on changes to the current provisions (164th Report by the CCR).

The risk for pensioners is that the right to this allowance disappears during the reform of the pension scheme, but it is hard to see or guess how the land lies. There are, or at least there have been, signs that some administrations would not be averse to the removal of one of the benefits of the Co-ordinated Pension Scheme (provided for under Article 28) which they feel is unjustified. The CCR has been making the same noises, even though, as mentioned above, the Chairman of the CCR seemed to indicate in December that his Committee would only be focusing on two changes to the Co-ordinated Pension Scheme: the pensionable age and pension adjustments. Whatever the case, the CCR is waiting for the CRSG to produce an analysis of the different avenues for reform mentioned above which include, à propos, the abolition of pensioners' eligibility to claim the education allowance.

The clear message from all the above is that we pensioners must remain watchful, because we know from past experience that the appetites of the CCR and the Member countries are hard to satisfy.

f. Special adjustments

Article 7 of the salary adjustment method (applying also to the pensions of the Co-ordinated Pension Scheme) currently in force (244th Report) provides for the granting of a special adjustment if inflation is higher than 7% for three consecutive months during the reference period (from 1 July to 1 July).

As inflation in Turkey had exceeded this limit in February, March and April 2018, an exceptional adjustment of 7% of the scale applied in this country has been approved, backdated to 1 March 2018.

Since then, inflation has continued to climb, to such an extent that a second special adjustment seemed to be warranted as of 1 July 2018, but the ISRP, based on a different reading of the relevant provisions from that of pensioners and serving staff in Turkey, reached another conclusion. After a detailed analysis of the question, the serving staff concerned and AAPOCAD acknowledged that there was a flaw or a deficiency in the current regulations.

This is a very complex problem (for further details, see the report below by our Regional Delegate for Turkey) to which the only possible solution seems to be to change the provisions contained in Article 7 of the method, and this change can unfortunately only be introduced within the framework of the review of the method which is planned to take place in 2019 and 2020.

Work of the regional delegates

AAPOCAD has a network of regional delegates for some countries (Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Turkey, the United Kingdom). These delegates, whose contact details are provided in their reports, which appear elsewhere in this *Bulletin*, are at your service and should be your go-to contacts if, as a resident of the relevant country, you have a query or a problem concerning your pension or administrative situation. If they are unable to answer your questions themselves, they will certainly be able to guide you to the people or services that can help you.

Deduction at source in France

We still do not have authorised information about how our pensions are to be handled; all we know is that neither the ISRP nor our Organisations will deduct tax at source on behalf of the French tax authorities.

It was announced, however, at December's Co-ordination meetings that we can expect an official statement by the French authorities in the very near future.

As soon as we receive any information, we will pass it on to you.

General Assembly

I urge you to sign up to our General Assembly, which will be held this year on 24 and 25 May at Koblenz in Germany, where the Moselle flows into the Rhine. On the initiative of our Regional Delegate for Germany, Rüdiger (Roger) Neitzel, the meeting will take place on 24 May on board the *Confluentia*, where we will also enjoy dinner and a cruise in the evening. On 25 May we will visit the historic and tourist sites in this lovely town.

I hope to see many of you in Koblenz! The detailed agenda and registration form are provided in this *Bulletin*.

An author in the Governing Board

I am pleased to inform you of the publication of the English translation, entitled *The Telegram to Stalin: My Life in Three Germanys*, of a book written by my colleague on the Governing Board of AAPOCAD, Jochen Erler. You can find more information about this release towards the end of this *Bulletin*.

Acknowledgements

At the end of my first full year as Chairman of AAPOCAD, I can fully appreciate how lucky we are to have such a close-knit and effective team in our Paris office. Elfi Lindner (Executive Secretary), Michèle Lobin (Treasurer) and Doris Cachin (Permanent Assistant) cheerfully and professionally see to the day-to-day running of our association. Doris, who is our sole employee (she is an official of the OECD, to which we repay the amount of her salary), is also responsible for relations with the administration and the different parts of the OECD with which we come into contact, which she manages with tact and good humour. My most heartfelt thanks to all three of them, and to the other volunteers, especially Cécile Poincloux, whom we are pleased to see has recovered from her terrible car accident in the summer, and Nadine L'Helgoualch—both of whom often provide back-up.

Then there are the Vice-Chairmen and other members of the Bureau and Governing Board, who oil the wheels of the association by providing advice and opinions, working in Co-ordination and elsewhere, and discreetly giving support and encouragement to me as I fulfil my duties. I am grateful to all of you.

Last but not least, I must, on behalf of everyone at AAPOCAD, voice my sincerest gratitude to Angel Gurría, the Secretary-General, and to Josée Touchette, the Executive Director, for the unwavering support they give to us and for the logistical and technical facilities that the OECD makes available to us.

John Parsons
Chairman

AAPOCAD Membership Statistics

NOMBRE D'ADHERENTS A L'AAPOCAD COMPARE AU NOMBRE DE PENSIONNES, PAR ORGANISATION (*)

PROPORTION OF PENSIONERS AFFILIATED TO THE AAPOCAD vs NUMBER OF PENSIONERS, BY ORGANISATION (*)

DATES	RUBRIQUES	AGENCE SPATIALE EUROPEENNE / EUROPEAN SPACE AGENCY	CEPMMT / ECMWF	CONSEIL DE L'EUROPE / COUNCIL OF EUROPE	OCDE / OECD	OTAN / NATO	UEO / WEU	EUMETSAT	TOTAL
30-Nov-14	Pensionnés / Pensioners <a>	1318	102	766	1524	3364	131	45	7250
	Adhérents / Affiliated <b>	499	66	307	739	1085	99	4	2799
	% b / a	**37.86%**	**64.71%**	**40.08%**	**48.49%**	**32.25%**	**75.57%**	**8.89%**	**38.61%**
30-Nov-15	Pensionnés / Pensioners <a>	1368	108	783	1548	3504	127	51	7489
	Adhérents / Affiliated <b>	497	67	301	726	1147	95	4	2837
	% b / a	**36.33%**	**62.04%**	**38.44%**	**46.90%**	**32.73%**	**74.80%**	**7.84%**	**37.88%**
30-Nov-16	Pensionnés / Pensioners <a>	1413	117	832	1587	3693	126	55	7823
	Adhérents / Affiliated <b>	489	72	306	762	1199	93	9	2930
	% b / a	**34.61%**	**61.54%**	**36.78%**	**48.02%**	**32.47%**	**73.81%**	**16.36%**	**37.45%**
30-Nov-17	Pensionnés / Pensioners <a>	1467	122	873	1646	3779	126	62	8075
	Adhérents / Affiliated <b>	481	72	301	763	1206	88	9	2920
	% b / a	**32.79%**	**59.02%**	**34.48%**	**46.35%**	**31.91%**	**69.84%**	**14.52%**	**36.16%**
30-Nov-18	Pensionnés / Pensioners <a>	1516	125	899	1660	3884	126	70	8280
	Adhérents / Affiliated <b>	471	72	326	753	1202	87	11	2922
	% b / a	**31.07%**	**57.60%**	**36.26%**	**45.36%**	**30.95%**	**69.05%**	**15.71%**	**35.29%**

(*) Ces chiffres ne tiennent pas compte des pensions d'orphelin. / These figures do not take into account orphans' pensions.
SIRP/11/2018

Annual Adjustment of Pensions in 2019 (percentage)

AUSTRALIA	+1.4	KOREA	+0.8
AUSTRIA	+1.6	LUXEMBOURG	+1.9
BELGIUM	+1.9	MEXICO	+6.0
CANADA	+2.1	NETHERLANDS	+2.0
DENMARK	+1.9	NEW ZEALAND	+0.8
FINLAND	+0.5	NORWAY	+3.3
FRANCE	+2.5	POLAND	+0.7
GERMANY	+3.3	PORTUGAL	+1.7
GREECE	+0.3	SPAIN	+1.6
HUNGARY	+3.6	SWEDEN	+3.8
ICELAND	+0.7	SWITZERLAND	+0.2
IRELAND	+1.1	TURKEY*	+14.6
ITALY	0	UNITED KINGDOM	+1.7
JAPAN	+1.5	UNITED STATES	+2.2

* Country concerned by a special adjustment.

N.B. The Councils of Organisations have adopted or are in the course of adopting these scales (except at the Council of Europe, where the Committee of Ministers has decided - for the second year running – to apply the affordability clause).

Calendar of Co-ordination Meetings for 2019

DATE	VENUE	FORMAT	ITEMS ON THE AGENDA FOR DISCUSSION/DECISION
January 16	Council of Europe, Paris (salle 1)	CRSG	Ongoing items (if necessary): – Education allowance – Co-ordinated pension scheme (CPS) – The Luxembourg scale – Remuneration adjustment method Recurring item: – 2018 Activity report by the Chairman New item: – Staff contribution rate to the CPS
February 6 (afternoon)	OECD, Boulogne (BB3)	CRP	
February 7	OECD, Boulogne (BB2 & BB3)	CRSG/CRP	
March 11 (afternoon)	NATO, Brussels	CRP	
March 12-14	NATO, Brussels	**Tripartite Session**	

April 10	OECD, Paris (CC24)	CRSG	Ongoing items (if necessary): – Co-ordinated pension scheme (CPS) – Remuneration adjustment method – Staff contribution rate to the CPS Recurring items: – Annual adjustment of remuneration at 1 January 2020 (provisional figures) – Co-ordinated pension scheme balance sheet – Programme of work for 2020 – Election of the CCR Chairman
May 20 (afternoon)	OECD, Boulogne (BB3)	CRP	
May 21	OECD, Boulogne (BB2,BB3)	CRSG/CRP	
July 1 (afternoon)	OECD, Boulogne (BB3)	CRP	
July 2-4	OECD, Boulogne (BB1, BB2, BB3)	**Tripartite Session**	

September 5	OECD, Paris (CC24)	CRSG	Ongoing item (if necessary): – Remuneration adjustment method Recurring items: – Annual adjustment of remuneration at 1 January 2020 – Adjustment of the allowances/supplements expressed in absolute value at 1 January 2020 – ISRP 2020 budget (CCR/CRSG)
September 11 (afternoon)	OECD, Boulogne (BB3)	CRP	
September 12	OECD, Boulogne (BB3 & BB2)	CRSG/CRP	
September 23 (afternoon)	OECD (Boulogne, BB3)	CRP	
September 24-26	OECD, Boulogne (BB1, BB2, BB3)	**Tripartite Session**	

The Legal Status of Pensioners of the Co-ordinated Organisations

By Laure Levi, Lawyer at the Brussels bar
and lecturer at the Institute for European Studies in Brussels (IEE-ULB)

To begin with, I would like to thank AAPOCAD for inviting me to speak at this General Assembly. It is an honour and a pleasure to be involved in its work.

I have been asked to talk about a vast topic in a short space of time. I have therefore chosen to provide a selective and succinct overview.

Legal status is generally defined as a set of legal texts, which govern the situation of a group of individuals, their rights, and their obligations.

I am not even going to try and pretend that in the 20 minutes at my disposal I could cover all the legal texts governing the legal situation of a pensioner from a Co-ordinated Organisation (hereinafter "CO"). I would need the entire morning, if not longer.

I therefore propose, after a recap of some fundamentals, to focus on two issues, which, despite being on the table for a long time, are still relevant:

1. Acquired rights applicable to the pension scheme
2. The tax adjustment

A RECAP OF SOME FUNDAMENTALS

Save in exceptional circumstances, international civil servants are not affiliated to national pension schemes. They may have acquired pension rights before being recruited by their International Organisation (hereinafter "IO"), and they may well also acquire them after the end of their appointment with the IO. In addition, some IO allow for the transfer of pension rights acquired elsewhere (for example, the European Union (Article 11 of Annex VIII of the Staff Regulations of European Union Officials) and NATO [Article 12 of the Civilian Personnel Regulations (hereinafter "CPR")].

The purpose of the pension – and the pension scheme – is to guarantee international civil servants a replacement income.

It is generally considered that the retirement pension has the same status in law as the salary of which it represents an extension following the termination of service. In other words, international civil service law considers, in principle, that pensions are a deferred salary.[1]

The pensioner remains "in a relationship" with the IO for which he worked.

This is the opinion of the doctrine, which considers that, *"the retirement pension must be regarded as having the same status in law as the salary of which its represents an extension following the termination of service, without systemically maintaining purchasing power (…). The pensioner therefore finds himself in a situation similar to that of a serving official with respect to the organisation. His pension is a factor of his situation which is governed by the same legal system as his emoluments: it is set based on the salary scale in force, the administration has the possibility of changing the salary scales, financial penalties can be levied in the event of a fault with regard to the organisation, arrears cannot be transferred or seized.. (…)"*. [2]

Accordingly, the pension is a statutory factor of an official's situation.

The Administrative Tribunal of the International Labour Organization (hereinafter "ILOAT") stated it clearly, *"The relations of staff with an international organisation do not end when they leave its employ. The pension scheme forms part of the administrative arrangements they may look forward to and, like pay, pensions are governed by basic rules that are binding on the organisation."* (Judgment of 23 November 1989, No.986, Ayoub (No. 2) and Others, consideration 7).

The pension will therefore be governed by the same legal system as emoluments: it is set based on the salary scale in force; salary scale adjustments are applied (and therefore there is an annual adjustment, like for salaries[3]), financial penalties and disciplinary action can be imposed (Article 59 of the CPR), etc. As such, pensions should be treated in the same way as remuneration and should be exempt from national taxation. This is the issue of tax adjustment, to which I will return later.

The pension scheme is a result of the Co-ordination system.[4] We know that alongside the Co-ordinated Pension

---

1 It would appear that the European Union's judge did not completely go along with this approach. At the very least, he did not recognise the pension as a form of deferred wages. He nevertheless acknowledged (and this is useful for determining the scope of vested rights in this area) that pension rights were not acquired solely at the moment of their settlement but throughout the execution of the employment relationship (Court judgment of 4 May 2016, Andres and Others v ECB, T-129/14 P, para. 144. This judgment, which was delivered on appeal, was aimed at the dispute arising from the amendment to the European Central Bank's pension scheme).

2 A. Plantey, *Droit et pratique de la fonction publique internationale*, Editions du CNRS, 1977, p. 372, para. 1160.

3 The official can choose the salary scale from among his last duty country; the country of which he or his partner is a national, if he has chosen to settle there; or the country to which he was posted at least five years before moving there.

4 The pension scheme used by the CO was established after the Councils adopted the 94th Report of the Co-ordinating Committee of Government Budget Experts (hereinafter "CCG").

Scheme (hereinafter "CPS"), the CO have introduced other schemes, which have been applied to new "entrants". The purpose of these new schemes is to alleviate the economic burden of the CPS, which is now only applicable to an older generation of officials (whether serving or not).

Accordingly, NATO's scheme is called the defined contribution pension scheme.[5] And at the OECD, Council of Europe, ESA and EUMETSAT, it is called the New Pension Scheme (hereinafter "NPS").[6]

As you all know, the CPS comprises the Pension Scheme Rules themselves and the implementing instructions.

It is a defined benefit scheme. The pension is based on the length of service (annuity) X 2% of the last salary (with a maximum pension rate of 70% of this salary). An official needs to have spent at least one year in his last grade, and one month in his last step. The minimum length of service required is ten years.

There is an early pension scheme (payment of pension possible as of the age of 50 (and not 60) in exchange for reductions or abatements).

The scheme is financed by a contribution from officials, which is set at a level designed to represent the long-term cost of one third of the benefits provided under the scheme. This rate of contribution is calculated every five years (save in exceptional circumstances) using an actuarial method (presented in the Appendix to Article 41 of the CPS Rules).

The CPS is a budgetised scheme.[7]

The risk in an IO relates, as is the case in most systems, to the financing of the cost of pensions. This results in pressure aimed at modifying the characteristics of the pension scheme. Herein lies the problem of acquired rights, which I shall return to later. The specific risk for an IO in a budgetised scheme, as opposed to a national scheme, lies in ensuring the continuation and funding of the system, in that a Member country can leave the IO and the IO can be wound up; the payment of pension benefits is not guaranteed by a fund.

Nonetheless, the payment of pension benefits must be guaranteed "to the end", regardless of the withdrawal of Member countries or the winding-up of the IO.

The guarantees underpinning the CPS are set out in Article 40 of the latter. Benefits paid under the scheme are charged to the budget; the Member countries jointly guarantee the payment of the benefits; a transformation of the CO shall not interrupt the payment of benefits, which are also guaranteed should a Member country fail to comply with its obligations.

If the CO were to be dissolved, the CPS would in principle cease to exist (pending transitional measures, as was the case when the Western European Union was abolished). Accordingly, in order to assert his rights, in particular to pension benefits and the payment thereof, the official would have to bring an action against one or more Member countries before a national court. This implies that the official could argue a subjective right against a State or States, which was/were Member(s) of a "defunct" CO.

The alternative path, which should be favoured, is to provide for transitional measures (such as the creation of a transitional entity responsible for liquidating pension rights).

ACQUIRED RIGHTS

Acquired rights are an old concept. The fact that it is such an old concept, and that judges have gone to great lengths to define it, in no way detract from its complex nature.

The case law of the international administrative tribunals[8] informs us that, subject to some subtle distinctions[9], there is a breach of acquired rights in the event that an

---

5 It is a pension fund with a rate of contribution of between 8 and 13% for officials who choose how to invest their contributions. If they leave prior to 6 years of service, they are paid the capital invested; if they leave after 6 years, they can claim their pension at 65 or it can be converted into capital. The risks are borne by the official.

6 40% is financed by officials and 60% by governments; pensions are adjusted to inflation; the accrual rate is still 2%; the tax adjustment is maintained; pension entitlement at 63 (up to 65 at the Council of Europe). Since 2013 there has even been a Third pension scheme at the Council of Europe, 45% of which is financed by officials and 55% by governments; accrual rate of 1.75%; pensions are adjusted to inflation; no tax adjustment.

7 As presented by the European Union Civil Service Tribunal (hereinafter "CST") in its judgment of 11 July 2007, Wils v European Parliament, F-105/05, EU:F:2007:128, "*Unlike so-called 'distribution' schemes, where balance, defined in budgetary terms, is attained if the total resources from employer and employee contributions during the year cover the total of the benefits paid out to pensioners in the same year, the Community pension scheme is balanced, in the actuarial sense laid down in Annex XII to the Staff Regulations, if the level of the contributions paid each year by officials in active service is sufficient to finance the future amount of the rights which those officials acquired during the same year. Unlike the budgetary approach, the actuarial approach thus envisages the long-term financing of the pension scheme. Article 83(2) of the Staff Regulations provides that officials are to contribute one third of the cost of financing the pension scheme, the other two thirds being paid by the institutions.*" (para. 85)

8 The European Union's judge has taken a different approach, "*[…] under established case-law, an official cannot claim an acquired right unless the facts giving rise to his right arose under public service rules in force prior to the amendment made to those rules which he contests by his action (…). The principle stated in this established case-law for officials is intended to apply generally […]*" (CST judgment of 11 December 2013, Andres and Others v ECB, F-15/10, EU:F:2013:194, para. 385. Thus judgment was confirmed by the Court judgment of 4 May 2016, Andres and Others v ECB, T-129/14 P, referred to above).

9 For these distinctions, see the report by the Committee on the Budget of the Parliamentary Assembly of the Council of Europe dated 1 October 2000, "Nature and scope of the contractually acquired rights of Council of Europe staff", para. 17 (available via http://assembly.coe.int/nw/xml/XRef/X2H-Xref-ViewHTML.asp?FileID=9087&lang=en).

amendment to employment conditions by the employer (with regulatory powers) or by the legislature infringes on a factor of a basic and fundamental nature.

The aforementioned report by the Committee on the Budget of the Parliamentary Assembly of the Council of Europe concludes in these terms in paragraph 19, "*A general conclusion can be drawn from this overview of case-law. The concept of acquired rights assumes in the law of international organisations a richer and deeper significance than in the law of national civil services. In the latter, it expresses – in contrast to the idea of innateness – a situation or quality not present initially which has developed over time. In the international civil service, the concept of acquired rights refers in particular to inviolable situations or qualities, i.e. which are not affected by the passing of time*". The same report also stated that, "*Acquired rights refer to the inviolability of the conditions of employment stipulated in the contract provided that such conditions could have been regarded as fundamental by the member of staff concerned when he or she decided to join the Organisation*".

In the above-mentioned ILOAT judgement of Ayoub (No. 2), (consideration 23), the ILOAT considered that, *"The further reduction in the amounts [scales of pensionable remuneration of officials at the International Labour Organisation] that are one factor of the retirement pension is in breach of the essential terms of their employment."*

What are the factors of a pension scheme, which can be modified?

Earlier this morning we heard the Chairman of the CCR ask for a review and discussion of the following factors: (i) the tax adjustment, (ii) an increase in the rate of contribution, (iii) an increase in the minimum retirement age (from 60 to 63), (iv) a levy on current pensions, (v) a calculation of pension benefits based on average remuneration and not final remuneration, and (vi) the reduction of the rate of accrual.

First of all, it is worth looking at what is provided for, or not, in the CPS.

Its Chapter IX only provides for one possibility for rebalancing the system in the event of an excessive increase in costs, namely an increase in the staff contribution rate. The principle of an adjustment of the contribution rate is set out in Article 41, paragraph 5.

The CPS does not provide for a reduction in benefits. This absence of any explicit reference does not mean that the CO would maintain the implicit authority to modify benefits for serving officials. Indeed, the preliminary work on the 94th Report of the CCG shows that the authors of the report deliberately discarded the possibility of modifying benefits.[10] It therefore seems impossible, without modifying the CPS, to "finance" the scheme by reducing the benefits paid.

Other changes (minimum retirement age, a levy, reference salary, accrual rate) could be envisaged as long as they did not breach acquired rights[11] and, in addition, were, regularly substantiated and proportionate.

Accordingly, a change cannot be arbitrary and must be able to achieve its intended purpose, in accordance with the principle of proportionality.

In this context, the ILOAT considered, admittedly during the dispute regarding the annual salary adjustment, that the simple desire to make savings at the expense of staff is not in itself a legitimate reason for deviating from a pre-established reference standard (See ILOAT judgments No. 1682 of 29 January 1998, Argos and Others, consideration No. 7; and No. 990 of 23 January 1990, Cuvillier (No. 3, consideration No. 6).

Therefore, the lack of timely financing of the CPS, through the timely and full payment of CPS contributions by Member countries and through the adoption of other measures (such as an increase in contributions) could give rise to verification of the reasons for changing factors of the CPS[12] and of the proportionality of such a change.

Lastly, a modification to the CPS with an adverse impact on officials, should, in my view, provide for transitional arrangements. This was the position of the European Union judge in any case who, in the judgment of the aforementioned Andres and Others case, stated that "*in the event that a less favourable provident scheme were to be introduced, the European Union legislature must make provisions for an appropriate transitional period*".[13]

Tax adjustment

This is an issue, which is still very topical.

10 This was reiterated in the report by the Budget Committee referred to in footnote 9 above, paragraphs 34 and 35.

11 It is worth noting that when an amendment was introduced to the Pension Scheme of Officials and Other Servants of the European Union, the CST, which had been called upon to rule on a complaint alleging a breach of the principle of the protection of legitimate expectations as a result of a change in the previous breakdown of the financing of the scheme (two thirds by the Community employer and one third by officials and other agents), dismissed the complaint by referring to the terms of the new text, "*[…] Article 4(4)(b) of Annex XII to the Staff Regulations […] contrary to the applicant's argument […] guarantees that any deficit in the Community pension scheme which might have accumulated up to 1 May 2004 will not be borne by the officials and that an increase in the contribution rate cannot be introduced in order to finance pension rights that officials have already earned".* (CST judgment, Wils v European Parliament, previously mentioned, para. 157).

12 The European Union legislator ensured that deficits in its pension scheme were not to be borne by officials and agents on the occasion of any change in said scheme. If this had not been the case, the judge would have probably imposed a sanction (See CST judgment, Wils v European Parliament, footnote …, *supra*).

13 European Union Court judgment of 4 May 2016, Andres and Others v ECB, T-129/14 P, para. 392.

While the pension paid should be treated for tax purposes in the same way as salary, we are all aware that this is not the case.

This is due to the determination of national governments to not treat those of their nationals with an international pension differently from other "national' civil servants. We are therefore dealing with social considerations.

Some NATO Member countries have decided not to tax the pensions of retired officials from the CO. This is the case of Spain, Portugal, and Turkey.

Some have decided to impose moderate rates of taxation, of around 12% to 15%.

And others, such as the Netherlands, Canada and Belgium, impose a high rate of taxation.

Taxation is only possible when the Headquarters' agreement does not provide for fiscal immunity for pensions, given that any lack of specific provisions in the Headquarters' agreement should not in principle benefit officials.[14]

Tax exemption can therefore be reduced or abolished, which runs the risk of creating inequalities between former colleagues depending upon the country where the pensioner decides to settle.

This situation gives rise to complex systems in which the sums levied by a Member country (through pension tax) are offset, at least partially, by means of the tax adjustment, which falls under the responsibility of the country in which income tax is paid[15].

The "tax adjustment" is governed by Article 42 of the CPS Rules and related instructions. This subject is highly technical and difficult for officials to understand, on account of the disparity between systems which may also be subject to change. And there are also issues relating to differences between currencies, advance payments of the tax adjustment, changes in the family status of the official, which may affect the outcome of national taxation, etc.

Tax adjustment is, to say the least, an "oddity".

Its legal justification raises issues.

Officials are beneficiaries of a specific scheme, to which they have contributed. They are paid using the "funds" of their CO. The provident scheme is also internal to the CO. The pension is a deferred salary and there is nothing to indicate that is should be treated differently.

The salary of serving officials is exempt from tax.[16] The retirement pension at NATO is comprised of monthly levies on this salary and therefore constitutes a part of this salary, which is paid at a later date. Taxing the pension could therefore appear to be a form of double taxation.

In this respect, the regional tax commission of Veneto in Italy, ruling on appeal on 12 July 2010 in response to an application by a NATO pensioner disputing the taxation of his pension, acknowledged that the pension was of the same nature as the salary. The commission granted the application and awarded the pensioner the repayment of taxes unduly levied on the said pension, considering that the NATO retirement pension to which he was entitled had to be treated as a deferred remuneration paid by NATO as an employer and not by a national pension body; this pension comprises fractions of the salary (which is exempt from tax) and which are levied every month during the official's period of employment in order to finance a pension scheme. As a result, these fractions must also be exempt from tax.

Moreover, and still according to the same regional tax commission, NATO's CPS is specific and cannot be compared to any national scheme: the funding methods are different, the liquidator/provider of the pension is the employer, who can impose disciplinary sanctions with regard to pensions on its former officials, such as the total or partial suppression, either temporarily or permanently, of the benefit of the CPS; former officials are therefore bound by the same rights and obligations as serving officials.

Lastly, it should be noted that a note by the Secretaries-General of the CO (within the Co-ordinating Committee of Government Budget Experts – Working Party No. 11) on the tax exemption of pensioners dated 27 September 1973, states, "*3. (…) It is, however, essential to bear in mind that tax exemption is not a sort of gratuitous fringe benefit. The emoluments taken into account in calculating the pensions of Co-ordinated Organisations staff will have been systematically fixed at a level, which takes account of tax exemption. It may therefore be taken that the pensions have already been implicitly adjusted for taxation and that if they were taxed again under national legislation, this would be tantamount to double taxation, which the staff would rightly deem unacceptable. 4. It is, for example, easy to see that category A and L staff of the Co-ordinated Organisations, whose net salaries are very close to those of their counterparts in the EEC would have appreciably lower pensions if they had to pay taxes in their country of origin. EEC officials, once the Community tax has been debited, are fully exempt from national taxation. (…). 5. Furthermore, since tax legisla-*

14 This is in any case what an arbitration tribunal decided with regard to the tax treatment of pensions paid to retired UNESCO officials. For information on this ruling, see Ph. Gauthier, "*Sentence rendue le 19 janvier 2003 par le tribunal arbitral constitué par le gouvernement français et l'UNESCO sur la question du régime fiscal des pensions servies aux fonctionnaires retraités de l'UNESCO résidant en France*", Annuaire Français de Droit International (AFDI), 2003, p. 29. The issue of the tax treatment of pensions paid to retired CO officials is at the heart of disputes brought before national judges who do not necessarily validate this arbitration ruling.

15 Pension Scheme Rules, Instruction 42/6.

16 In this respect, the ILOAT ruled that, "*Exemption from national taxes is an essential condition of employment in the international civil service and is an important guarantee of independence and objectivity. It cannot be made to depend upon the whim of national taxing authorities who will be understandably reluctant to admit any exceptions to their claims*" (Judgment No. 2032 of 31 January 2001, Krutzsch, consideration No. 17).

tion differs from country to country, the resources remaining to officials after payment of national taxation, would vary widely, whereas one of the principles underlying the pension scheme envisaged for the Co-ordinated Organisations is precisely that officials with equal service should be guaranteed equivalent purchasing power, whatever their country of origin. (…) 7. These several examples prove quite clearly that it is essential that the tax regime to which pensions would be subjected be the same as the one for the remuneration of serving officials (…)".

The stated aim of the tax adjustment mechanism was to guarantee "equality" between pensioners regardless of the country in which they were settled.[17]

This objective is understandable. It seems to me that there needs to be equality.

But the method for obtaining it is "all wrong". Indeed, given that practices on taxation vary between countries, in reality a provision needs to be made for tax exemption, such as exists for serving officials.

Does this mean that individual countries might lose out in terms of tax revenues?

The impact in all likelihood would be minimal in that these pensioners represent a marginal cost for countries: in principle, they do not depend on national health insurance but on an insurance scheme established through their employment relationship, they pay their taxes (local taxes, VAT, etc.), and they contribute to the national economy by spending in the country. Tax exemption would have the "virtuous" consequence of putting an end to tax considerations being used as a basis for decisions on where to reside (and therefore an end to departure from countries with high taxes).

*****

The law is like fashion –issues never disappear completely, they return on a cyclical basis.

The financing of the CPS and its application with regard to acquired rights is a subject which has been raised and reviewed on many occasions. To date, the issue of financing has never been properly resolved as the CCR was supposed to explore various avenues for reflection and discussion regarding some of the factors comprising this financing. The "closure" of the CPS and its replacement by new schemes can only be sufficient if the actuarial balance of the CPS can be guaranteed by an increase in contributions set using actuarial studies at least every five years.

It is clear that all the actors in the scheme must respect their financing obligations. An employer's failure to pay could be construed as a non-compliant reason for changing the rules in a manner that is detrimental to officials.

When assessing the damage to the economy or balance of employment conditions, the judge will take into consideration the combined impact of measures which, separately, could be considered "acceptable" but which, when taken as a whole, would constitute an inadmissible change.

Lastly, with regard to the tax adjustment, it seems to me that the time has come to abolish it. This is a sensitive issue. But if the CO want to guarantee the equal treatment of their officials, whether serving or retired, then they cannot rely on the tax systems of their Member countries. And this seems all the more improbable a solution when the doctrine and case-law agree concur in their consideration that the pension is a form of deferred salary. This being the case, the same legal regime must apply to both.

[17] While the pensions of retired European Union officials and agents are exempt from national taxation, since 1 May 2004, and subject to transitional arrangements, they are no longer adjusted by means of a correction coefficient, unlike salaries. The aim of this correction coefficient is to guarantee equal purchasing power regardless of the duty country of the serving official and agent. It was also designed to guarantee equality of purchasing power of pensioners regardless of their place of residence.

Draft Summary Record: 40th General Assembly
Held on 15 June 2018 at OECD (Paris, France)

1. Opening of the General Assembly

1. The Chairman, Mr John Parsons, opened the meeting with some words of welcome to all the participants.

2. Welcome Address

2. The speakers at the 2018 General Assembly would include Ms Josée Touchette, the OECD's Executive Director, who introduced herself to the meeting. Following Ms Touchette would be Mr Syd Maddicott, the Co-ordinating Committee on Remuneration (CCR) Chairman, Mr Patrice Billaud-Durand, Chairman of the Committee of Representatives of the Secretaries/Directors-General (CRSG), Mr Jean-Pierre Cusse, Chairman of the Committee of Staff Representatives (CRP), Ms Margaret Gilman-Jaouen, Head of the International Service for Remunerations and Pensions (ISRP) Computation Unit, and Mrs Laure Levi, Barrister.

3. Interventions by Persons Invited to the General Assembly and discussion [AAPOCAD/AG(2018)3]

3. Reacting to Mr Maddicott's speech, Mr Veldhuyzen wondered how concerned the CCR was to ensure that the Co-ordinated Organisations could attract good new staff. He had the impression that the CCR was more interested in constraints than in maintaining high quality in the Organisations. In reply, Mr Maddicott assured the meeting that the CCR's main aim was to ensure the Co-ordinated Organisations' efficient and effective functioning, but it had to be given the means to act on salaries. There were many ways of so doing, the single spine being just one.

4. Mr Jagtman wondered, for his part, whether CCR Delegates looked beyond their own salaries when considering those in the Co-ordinated Organisations, while Mr Rutten wanted to come back to the question of Turkish salaries, which had been discussed during the previous day's Governing Board meeting. The 7% threshold for a special salary adjustment was far too high. With inflation running at 15%, surely it was time to revert to the threshold of 3%. Mr Maddicott's response was that CRP representatives should be spoken to ahead of the next meeting.

5. Following the speech by Mr Billaud-Durand, Mr Neitzel asked whether it was not silly to talk about the tax adjustment, given that it was on the way out anyway. He also insisted that there must be no new rules for existing pensioners who, unlike serving staff, could do nothing to improve their situation.

6. This was a point on which Mr Maddicott could agree. The debate had gone on too long and in the past some proposals had been made without the benefit of proper legal advice. The legal framework was now better understood and the tax adjustment ought not to be a matter for concern.

7. Mr Wacquez then raised the issue of the delinking of salary and pension adjustments. And now there was talk of a levy on pensions. Mr Billaud-Durand agreed that pension reform had taken place and that there was no justification at all for a levy. And Mr Maddicott reassured the meeting that this had been no more than an idea, not a CCR position. Money could not be taken away merely because Member countries wanted to pay less.

8. Mr Maddicott then responded to Mr Cusse's statement by saying that the CCR had so far made no proposals on the education allowance. Only the CRSG had so far done that, but the CCR would be making its own proposal.

9. In response to Ms Gilman's speech, Mr Campbell asked whether ISRP archive information could be accessed via the website. The answer was no, but the solution was to contact the pension payment offices which would be able to provide Mr Campbell with the information he needed.

10. Mr Palmieri responded to Ms Levi by stressing the fundamental importance of the annual adjustment under the 1974 Pension Scheme. Any attempt to interfere with it would constitute an attack on pensioners' acquired rights. And Ms Levi agreed that it was essential to be able to act ahead of any prejudice that might be suffered.

11. There followed a discussion between Ms Levi and Mr Campbell on the issue of the taxation of pensions. Article 18 of Annex I to the ESA Convention stated that ESA's internal tax on salaries was not levied on pensions, even though, said Mr Campbell, they were a deferred salary. Ms Levi replied that pensions were acknowledged to be a deferred salary, but the problem was that the rules either said nothing about the taxation of pensions, or excluded pensions. While the ESA Convention said that salaries were not liable to national income tax, this did not apply to pensions. The problem, said Ms Levi, was that while there was nothing explicitly excluding pensions, what might be deemed implicit did not count. But if salaries were subject to internal tax, said Mr Campbell, could pensions attaching to that part of remuneration be taxed? Surely this would amount to double taxation. Ms Levi agreed that in Italy, for example, this could not be done – there was no real consistency. She maintained, however, in response to Mr Erler, that the basic intention of the legislator was to protect benefits.

12. Mr Neitzel made the point that the five relevant cases brought before the fiscal and constitutional courts in Germany had all been lost; the said courts were not concerned about the deferred salary argument. So should such cases not be brought before an international court, i.e. in Strasbourg? Ms Levi agreed that it would not be absurd to go the European Court of Human Rights; while NATO was not party to the European Convention on Human Rights, individual States of course were.

4. Adoption of the Agenda [AAPOCAD/AG/A(2018)1]

13. With the meeting resuming after lunch, the Chairman proposed that the Turkish situation be discussed under Other Business. There being no other amendments or additions, the Agenda was adopted.

5. Approval of the Draft Summary Record of the 39th General Assembly [AAPOCAD/AG/M(2017)1]

14. The Draft Summary Record was duly approved.

6. Results of the Elections to the Governing Board [AAPOCAD/AG(2018)5]

15. There had been 637 valid votes cast, out of a total of 660. Of these valid votes, 340 had been cast electronically and 297 by paper, so electronic voting was on the increase. The Chairman understood that not everyone could print out AAPOCAD documents at home, but he would ask everyone to do their best.

16. As to the results themselves, there were really no surprises, as only in NATO had there been more candidates than posts to be filled.

7. Financial Situation and Approval of the Budget [AAPOCAD/AG(2018)5]

17. Ms Lobin began by explaining that the new accounting approach she would be outlining had been approved by Mr Wacquez and Mr Parsons. Under the new approach, which reflected what was now standard accounting practice, 2017 revenue included subscriptions actually received in 2017 and also subscriptions for that year which were due but had not been received by 31 December 2017. Because 2017 was the transition year from the old to the new system, it was necessary also to include – and this was the last time this would be done – subscriptions received in the accounting year (2017) but due in the previous year (2016). In consequence, the results under this transitional hybrid approach showed a surplus of some €40k, which was substantially more than would have been shown under the previous system alone or under the new system alone. A further point to note was that henceforth draft budgets would take into account the fact that General Assembly meetings were held outside Paris every other year (as would be the case in 2019).

18. In response to a number of questions concerning participants' contributions and the extent to which they covered room rental, food and the Vaux-le-Vicomte visit, Ms Lindner and the Chairman said that costs were a little higher than contributions, the latter simply offsetting the said costs.

19. Ms Lobin having pointed out that the General Assembly was required to approve the accounts as presented, it did so by acclamation.

8. Presentation, Discussion and Approval of the Annual Report of the Chairman [AAPOCAD/AG(2018)1]

20. After thanking Mr Wacquez for his sterling efforts at the helm of AAPOCAD over the previous 8 years, the Chairman ran quickly through the contents of his report.

21. Mr Wacquez having responded by paying his predecessor, Mr Borius, the same compliments, the Chairman echoed the sentiments of a number of meeting participants in commenting on the excellent quality of the day's statements.

22. Mr Bohner then queried the content of a letter from Mr Maddicott to the CRSG and was told that it was the result of the three colleges meeting in Strasbourg in March. There had been some disagreement regarding proposals expected from the CRSG or, according to Mr Billaud-Durand, from the CCR. Mr Maddicott had said that he would be writing a letter, and it was that letter that Mr Bohner was referring to. Mention had also been made of the levy, but Mr Maddicott had said there was no real cause for concern – something the Chairman was not so sure about.

23. Mr Neitzel reiterated what others had said about the quality of the statements and also thought that there was not much to worry about. Changes could obviously occur, but not retroactivity as far as existing pensioners were concerned. The Chairman added that only serving staff might suffer from the repercussions of pension system changes, in which case it would be up to them to take action. In this event, what sort of support could AAPOCAD provide? Mr Cusse replied that AAPOCAD contributions to legal studies would always be welcome, and the Chairman added that any such contributions would of course benefit all of the Organisations.

24. It was agreed that AAPOCAD should signal its support for serving staff. As Mr Cusse said, if pensions were in future linked only to inflation, there would no longer be any tie between serving staff and pensioners. Mr Thiem proposed that a text be drafted expressing our solidarity with serving staff, while the Chairman wished to voice our continued support for any future action, depending on how circumstances evolved. This proposal received unanimous backing.

9. Other Business

25. Mr Neitzel having again described the intended venue for the 2019 General Assembly meeting, i.e. Koblenz, the discussion moved on to the plea from the Regional Delegate for Turkey, Mr Kamil Erker, concerning the 7% triggering threshold for special adjustments in high-inflation countries, coupled with the 3-month waiting period. Mr Erker wanted to see the threshold brought back to 5 or even 3%, as had formerly been the case. Mr Le Ber agreed that an improved method was certainly needed in high-inflation countries and the Chairman added that discussions along these lines would soon be starting.

26. Following a further reference to the ISRP's refusal to have some of its documents – on tax adjustment/pension issues in particular – translated into other languages, it was agreed that other solutions would have to be found.

27. On data protection, the Chairman reassured the meeting that the membership lists on the AAPOCAD website now only gave members' names, email addresses (where these had been provided and their publication authorised) and membership numbers. No other details were visible on the website.

28. With regard to withholding tax, following a "tour de table" revealing what happened in certain other countries, such as Belgium, the Netherlands, Germany, Austria and the UK, the Chairman said that nobody yet knew what was going to happen in France. Certainly, the OECD was not going to act as a tax collector, while Bercy had not yet come back to the ISRP in response to its request for clarification. We would perhaps know more after 1 January 2019.

29. Ms Basse wondered if there was to be any follow-up to the first conference of pensioners' associations and the Chairman replied that it had indeed been a success, but that nobody seemed to be in much of a hurry to volunteer to organise a second such conference. Perhaps the EPO might volunteer in 2019.

30. With that, and following Mr Vanston's thanks to Mrs Cachin for her sterling work, the Chairman declared the meeting closed at 16h30.

AAPOCAD's Regional Delegate Reports 2018

BELGIUM

Mr William RODEN +32 2 466 2273
williamroden@skynet.be

The number of AAPOCAD members residing in Belgium totalled 246. It was a particularly quiet year as none of these members contacted me for information on any specific problems which pensioners from the Co-ordinated Organisations living in Belgium might encounter. The only exception was a number of NATO pensioners who wanted details about the date on which the Brussels appeal court was expected to deliver a ruling on the issue of the taxation by the Belgium government of pensions paid to former NATO staff. A ruling is expected in 2020.

Kind regards,

Billy Roden

FRANCE

Mr Malcolm GAIN +33 6 84 30 85 43
malcom.gain@orange.fr

During the past year, members in France have enquired more about possible effects on us of the introduction by the French Government of withholding tax (retenue à la source) in 2019, than about all other matters combined. At the time of writing (late November 2018) we have no precise information about the terms according to which this new system of taxation on income will be applied to us in the years to come. What is clear is that in 2019 the French Tax Authorities will no longer be deducting our tax contributions from our bank accounts in monthly instalments as has been the case for all who have requested that form of payment up to and including in 2018. Nor will it be possible in the coming year to have tax on our pensions from the Co-ordinated Organisations deducted from our accounts in three instalments over the course of the year as has been the case in the past for those who opted for that system. Instead, it is almost certain that the totality of the tax payable on our Co-ordinated Organisations pensions will fall due for payment at the beginning of the month of September. Under those circumstances, absent a major change in their taxable income in 2019 compared to 2018, my advice to members in France has been and is to set aside each month from end December 2018 to end August 2019, the equivalent of one ninth of the total amount they paid in 2018. That way paying taxes due for the year in a lump sum at the beginning of September should be a relatively painless operation. I trust that you will find this advice helpful if you had not already decided to follow that course.

Please allow me to take this opportunity to wish you and your loved ones good health, happiness and fulfilment throughout the coming year.

Kind regards,

Malcolm Gain

GERMANY

Mr Rüdiger NEITZEL +49 261 210 0202
neitzel-ruediger@t-online.de

Dear Pensioners, Dear Members of AAPOCAD,

I could almost repeat my report from last year: the number of AAPOCAD members residing in Germany has grown to 352 (from 348 last year), and there are another 200 members who belong to local pensioners' organisations such as ANARCP (Association of NATO Retired Civilian Personnel) or ARO / ARNS. The areas of concern are also unchanged.

1. Taxation

I have repeatedly explained that in Germany there is a difference in taxation between "Pension" and "Rente". We have been fighting long to convince the German authorities that we belong to the group of "Rentners" because we contributed some 8% to our pension system (just like every other German employee). We have been to the German Federal Fiscal Court as well as to the German Constitutional Court. The latter decided that our contributions were not taxed (as part of the salary) and should, therefore, be taxed now.

Our claim that the Nations had received more than the tax by calculating our salaries on the basis of comparable "net of tax" salaries of national civil servants was dismissed.

Last year there was still a case pending at the fiscal court in Munich (12 K 2592/17), which took account of the fact that ESA has an internal tax which should be considered as equivalent to national taxation, but also claimed that our contributions came from our free-of-tax salary and therefore the part of our pensions attributable to our contributions cannot be taxed now. This case has also been lost but an appeal has been launched. We (the AAPOCAD staff) informed all members residing in Germany about the situation and we will keep you abreast of developments.

2. Health Care

Everybody living in Germany is obliged to have a "Pflegeversicherung" (long term care insurance) which will cover the cost in case we need to be "taken care of" and which should prevent costs becoming unbearable for the families. I have just become the "custodian" of a friend of mine who suffers from dementia and I have therefore become familiar with the practical side of the German system, which:

- provides financial support in case a family member provides care, or
- provides additional financial support for ambulant help by a professional person or organisation, or
- provides financial support for home care.

It is understandable that most persons like to stay at home as long as possible, but without professional help that is in most cases not possible and without financial support not affordable. I see a gap here between the German legal requirement and the health insurances of the Co ordinated Organisations which I have pointed out often enough.

I know that some retirees attempted to join the German System after retirement but I know also that this is only possible at extreme cost because of the age of the applicant.

In my opinion a co-ordinated effort should be made to provide a supplement financed by retirees only on a voluntary basis which would provide support as required by Germany and possibly other states. I am sorry to elaborate so long on the issue, but it is certainly a concern of many members.

3. Need for Translation

I see the need to stay in touch with widows, custodians or even tax advisors who do not all speak English or French and are in need of a point of contact in their mother tongue.

I know that efforts are on the way to translate important documents (the benefit guide of the health insurance for example) into other languages.

We (a group of volunteers) have started to translate some letters from the NATO administration into German and had planned to send them to all pensioners living in Germany (whether they are Members of AAPOCAD or not). Due to the move of NATO Headquarters into the new building distribution has been delayed but I do believe that this provides help to you, our members, in situations where you need it most.

4. For 2018

I have the following wishes:

- Good Health to all of you!
- There is nothing more important than to remain a pensioner as long as possible!
- I am really hoping to see many of you at the next General Assembly, which will take place in Koblenz from 24 to 25 May. I am busy with the preparations!
- The General Assembly will be on board of a ship and in the evening, we will have a romantic dinner on a cruise Rhine upstream. I believe it will be worth attending.

Best regards,

Rüdiger (Roger) Neitzel

ITALY

Mr Gianfranco ALVISI +39 340 680 6518
g.alvisi@romexport.it

The number of AAPOCAD members resident in Italy has increased to 121 (84 NATO, 27 ESA, 6 OECD, 3 CoE and 1 EUMETSAT).

The problem with the calculation of the tax adjustment mentioned in last year's report is still open. In a meeting with AAPOCAD, SIRP has confirmed the utilisation of an average value for the local taxes applied in Italy. The pension rules explicitly state that the calculation shall be done taking into account only the fiscal provisions valid in the country of residence. The average of local taxes does not exist in the Italian tax legislation and therefore cannot be used for the calculation. In the large majority of Italian regions the pensioners are penalised, and the loss can go up to more than 8.5% of the tax adjustment paid. After an exchange of emails with the ESA administration an official letter was sent to the ESA Director General requesting access to the detailed calculations and the use of the real tax scales instead of the average. In its reply, ESA confirmed the ISRP position that the use of the local taxes average is in line with the pension rules and, despite the European legislation on the transparency of administrative acts, refused to provide access to the detailed calculation "which is at exclusive use of ISRP and Italian authorities". A petition to ESA's Appeals Board is being prepared against these decisions and it will be presented before the end of 2018.

Some pensioners of Italian nationality with pension contributions in the Italian system have complained about the difficulties they are having in obtaining the aggregation of their national contributions with those paid in the International Organisations. This aggregation is provided for in Article 18 of Law N°115 of 29 July 2015. This law gives in fact the possibility to aggregate pension contributions paid in Italy with those of the Co ordinated Organisations in order to reach the minimum years of contribution necessary to obtain the pension in Italy. The amount of the Italian pension is calculated taking into account only the years of contributions paid in Italy. The requests for aggregation are refused because the implementing instructions (Circolare 71 of 11 April 2017) published by INPS (Italian Pension Institute) have introduced limitations not present in the law. Circolare 71 states in paragraph 3 that aggregation cannot be requested by holders of a pension with an International Organisations. This limitation is not present in the law and seems to be in contradiction with another sentence in the same paragraph where it is written that aggregation is not precluded where a person has acquired the right to a pension with an International Organisation. AAPOCAD is currently evaluating the best approach to follow to request the Italian Authorities to align the instructions with the law by removing the limitation introduced for holders of pensions with an International Organisation. If INPS does not modify the instructions it will be necessary to bring the case to the Italian labour courts.

Yours sincerely,

Gianfranco Alvisi

LUXEMBOURG

Mr Fortunato IACONELLI +352 399854
iaconelli@internet.lu

The main activity in 2018, as in past years, was to provide to answers to members resident in Luxembourg requesting information related to sickness insurance as well as to taxation and tax adjustments.

Presentations in both official languages, for the yearly "Workshops for future retirees", at the NATO Support and Procurement Agency were held on 17th October 2018. There were around 50 participants in both sessions, of whom more than 50% are not affiliated to the Coordinated Pension Scheme. During the presentation I had the chance to brief former colleagues on AAPOCAD'S activities and underline the importance for future pensioners of joining our Association. The AAPOCAD leaflet with the application form was distributed to all the participants. The briefings were well received.

Kind regards,

Fortunato Iaconelli

NETHERLANDS

Mr Nico DE BOER +31 0299 690 529
nicodeboer@xs4all.nl

With great regret, I have to report that again in 2018 no progress has been made in respect to the taxation of pensions of the Coordinated Organisations. In the meantime, the tax authorities continue to issue tax assessments to the pensioners of the Co-ordinated Organisations which are not based on a uniform taxation system, leading to unequal treatment of the pensioners.

Apart from following the (lack of) progress on this issue I continued to reply to day-to-day questions of (future) pensioners. As in other years most of the questions are related to tax issues, social security issues and (re-) immigration. This year many questions. In addition I received many questions related to the consequence of Brexit for UK passport holders residing in The Netherlands.

Sincerely,

Nico de Boer

TURKEY

Mr Kamil ERKER +90 532 738 9266
aapocad.regdel.turkey@gmail.com

1. BACKGROUND

I would like to provide an account of the last eleven months since I actively took over as the Regional Delegate for Turkey. I should thus begin by quoting from my answer to the AAPOCAD questionnaire for prospective Governing Board members concerning a brief description of my experience of Associations and, particularly, the reasons for my application:

"I served as Chairman, Civilian Staff Association of NATO's Headquarters LANDSOUTHEAST from 1981-1985. I represented the Linguistic Service of successive NATO military headquarters in Izmir, Turkey at NATO Linguistic Services Conferences through 2013. I have continually followed civilian staff matters affecting serving and retired NATO international status staff in Turkey. I have concluded that an active involvement in representing pensioners in Turkey is indispensable given the unacceptable level of the current salary (pension) scale, the threats facing it at the Co-ordinating Committee on Remuneration (CCR) and the general inadequacy of the (NATO Council)-approved Remuneration Adjustment Method, particularly for high inflation countries."

I would also like to quote from one of my initial mails (dated 2 December 2017) sent to our Chairman as I took office to introduce a request for a change in the Special Adjustment provision of the Remuneration Adjustment Method:

"Dear Mr. Parsons, As I stated in my application for the position of Regional Delegate, my primary tenure objective would be to explore and ensure the initiation of measures for the implementation of changes in the Co-ordinated Organisations Remuneration Adjustment Method with a view to halt the continuing deterioration and resolutely improve the level of NATO pensions in Turkey."

After almost a year, that overriding objective remains the same as the raison d'être of my representation function.

2. CHANGE SOUGHT IN THE CO-ORDINATED ORGANISATIONS REMUNERATION ADJUSTMENT METHOD

The Co-ordinated Organisations' remuneration adjustment methods have proved to be utterly inadequate in Turkey in protecting the purchasing power of active civilian staff and pensioners alike, particularly in the last decade. As pensioners who are remunerated based on the payrolls for Turkey, which is a typical high inflation country listed among the five countries with fragile economies, we have suffered from the constant rise of prices rendering the current remuneration adjustment system based on Purchasing Power Parities outdated, particularly in 2018. A recent paper prepared by the newly incoming Civilian Staff Committee of the NATO headquarters in Izmir, Turkey documented a gap of 69% between the total inflation figure and the total of salary adjustment in the 10-year period ending in 2017. It became clear that inflation had eroded salaries and pensions computed in accordance with the present adjustment method to an unacceptable level. I and my colleagues who represent NATO retired staff in Turkey who are members of the Association of NATO-ACE Retired Civilian Personnel (ANARCP), -- which is one of the constituent associations of the Confederation of NATO Retired Civilian Staff Associations (CNRCSA) -- are currently working together with the new Staff Committee in Izmir to assist with their efforts to seek within NATO an ad hoc salary level improvement for the active staff and pensioners in Turkey.

The permanent problem of the low level of pensions in Turkey is a constant agenda item for all pensioners on the payroll for Turkey and, as the AAPOCAD Regional Delegate for Turkey, I vigorously pursued the matter with my colleagues' continuing support. The problem is also due to the infrequent and slow implementation process of special adjustments. The 7% threshold in the harmonised consumer price index increases and the three-month "inflation trend watch" waiting period prior to the implementation of a special adjustment effectively reduce the desired effect of these interim adjustments. As the Regional Delegate for pensioners on the payroll applicable in Turkey, I developed and submitted to AAPOCAD a proposal with detailed justification aiming to reduce the special adjustment threshold from 7% to 3 or 4% and remove the 3-month inflation trend watch with a view to accelerate the CCR report preparation and approval process once the threshold is exceeded.

The requested improvements submitted to change the current special adjustment provision should be viewed as a feasible initial improvement measure.

The proposal was well received and supported by the Governing Board when I explained it at their 14 June 2018 meeting and the CCR Chairman was made aware of it at the AAPOCAD General Assembly the next day. However, after eleven months, the proposal has yet to be endorsed by the Committee of the Staff Representatives (CRP) and the Committee of the Representatives of Secretaries General (CRSG). Much more support will be needed in 2019 from both AAPOCAD and CRP, not to mention CRSG, for our formal dossier distributed to the AAPOCAD Governing Board members during our 12 October 2018 meeting for the CCR to consider the proposal before their deadline of 1 March 2019 for the submission of change requests concerning the adjustment method with effect from 1 January 2021.

3. IMPLEMENTATION OF THE CURRENT SPECIAL ADJUSTMENT PROVISION OF THE CO-ORDINATED ORGANISATIONS REMUNERATION ADJUSTMENT METHOD

Article 7 (special adjustments) of the aforementioned Remuneration Adjustment Method was implemented only once during the reference period 1 July 2017-1 July 2018. All pensioners on the Co ordinated Organisations payroll for Turkey received a special adjustment of 7% with effect from 1 March 2018 as a result of the Harmonised Index of Consumer Prices (HICP) exceeding +7.55% in the first eight months of said reference period (i.e. by the end of February 2018). In accordance with the aforementioned article, the inflation trend was observed for the two following consecutive months (March and April) to ascertain it remained greater than 7%, and OECD's International Service for Remunerations and Pensions (ISRP) issued the draft adjustment report in May. The CCR Chairman approved the report on 4 June 2018 (CCR's 254th Report) and NATO initiated an approval by silent procedure on 26 June. NATO approval was known on 9 July 2018 and pensioners on the payroll for Turkey received a raise of 7% with effect from 1 March with their July pensions. I followed up the process at NATO IS almost on a daily basis to ensure no delays would occur in the reimbursement to pensioners.

I have been monitoring Consumer Price Indices in Turkey on a monthly basis and promptly informing our Chairman of officially announced percentage increases. The HICP in Turkey exceeded 7% once again during the remaining four months of the same reference period to reach +7.28% from 1 March to 1 July 2018, i.e. within the relevant Reference Period. Inflation continued to remain comfortably above 7% in the two following consecutive months (July and August). I promptly reported this new data to our Chairman, noting that a second special adjustment is due with effect from 1 July 2018. Our Chairman promised he would discuss the issue with the CRP on 11 September 2018. I was later informed that the special adjustment issue was not discussed by either the CRP or the CRSG and was not on the agenda of the CCR's 27-28 September 2018 meeting when the 2019 annual adjustment report was approved (CCR's 257th Report). This is the special adjustment that our Chairman mentioned in the last AAPOCAD Bulletin (# 61) under Special Adjustments for Turkey. However, to date, the ISRP have not drafted the relevant report for the CCR Chairman's approval.

The approved 1 January 2019 annual adjustment report shows the HICP increase as recorded by ISRP for Turkey for the same reference period as +15.4%, while the annual adjustment is +14.6% as a result of the application of the eight reference country index of 99.3%. Since early September, particularly during the weeks preceding and following our 12 October 2018 Governing Board meeting, we strived to obtain an explanation from ISRP to no avail. They would even provide information on a possible special adjustment with effect from 1 October 2018, thus concerning the current reference period that started on 1 July 2018, but would not provide any justification as to the reason for not issuing the special adjustment report with effect from 1 July 2018.

During the week of 5 November 2018, the ISRP provided to CRP (and through them to NATO and AAPOCAD) the information that the special adjustment report had not been issued because the HICP had not exceeded 7% from March to the end of the relevant reference period and remained at 6.3%. I discovered that they had omitted the index for March (0.99%) from their calculations and compounded indices for only the months of April, May and June. But, the index they recorded in the CCR-approved 254th Report was 7.6% and the index they recorded in the CCR-approved 257th Report was 15.4%. Using these values from the approved reports of the CCR, the index for the last four months of the same Reference Period is found as 7.3% thus greater than 7%, warranting a Special Adjustment with effect from 1 July 2018, since the inflation trend remained above 7% in the two following consecutive months (July and August).

I have alerted our Chairman of this inconsistency and he asked for the issue to be placed on the agenda of the forthcoming 5 December 2018 meeting of the CRP, with a request for it to be discussed at also the CRSG/CRP meeting. In the event the "forgotten" special adjustment is not reimbursed with effect from 1 July 2018 and it would be left incorporated in the 1 January 2019 adjustment as in effect recommended in CCR's 257th Report, pensioners in Turkey would be deprived of arrears for the 6 months from 1 July 2018 to 1 January 2019. I would like to think the ISRP will admit the flaw in the latest calculation they provided to the CRP and that the CCR Chairman will approve a report addendum to ensure a recommendation for a special adjustment for Turkey with effect from 1 July 2018.

Given annual consumer price inflation in Turkey, which was recorded as 15.4% for the previous reference period, has been officially announced as 25.24% as at the end of October, and considering the HICP increase in the four months since the beginning of the current reference period (1 July 2018) has already reached 11.17%, I cannot overemphasise the importance of the timely preparation and swift implementation of pension adjustment reports.

I know the AAPOCAD Bureau are sympathising with the dire situation of pensioners on the payroll for Turkey and am counting on their vigorous support in our fight to secure the timely reimbursement of pensions and arrears in strict application of the remuneration adjustment rules in force.

4. MEMBERSHIP

Currently, there are 43 AAPOCAD Members residing in Turkey. This corresponds to an increase of approximately 6% over last year's number. With the help of my colleagues who represent NATO retired staff in Turkey who are AN-ARCP Members, I will be following a more persevering approach in reaching pensioners on the payroll for Turkey who are not AAPOCAD Members. Given pensioners on the Co ordinated Organisations payroll for Turkey have suffered a further significant loss of purchasing power in the face of rampant inflation in 2018 and as a result of the recalcitrant application of special adjustments, a free first year AAPOCAD membership would, if adopted, certainly encourage them to become part of our Association community.

An issue I should raise with the Governing Board in 2019 is the clarification of the proper affiliation region of AAPOCAD members depending on the country based on the currency of which their pensions are reimbursed. As the Regional Delegate for Turkey who resides in Turkey and is personally on the pension payroll for Turkey, I am agonisingly cognisant of the remuneration problems of pensioners on the Turkish payroll. However, I do not feel I can be fully aware of the problems or potential threats concerning pensioners' remuneration levels in other countries. I tend to be of the opinion that pension rights of those pensioners whose AAPOCAD dues deductions are made in currencies other than the Turkish Lira would be better protected by the Regional Delegates of the countries of their last employment, regardless of their current country of residence.

I wish to extend my heartfelt gratitude to first and foremost our Chairman, Mr. John Parsons, and his Assistant, Mrs. Doris Cachin, for ensuring my transition to office was very smooth and for patiently listening to my words of grievance throughout our Association. Special thanks go to all AAPOCAD Governing Board Members for bearing with me and assisting at every occasion. Your support is indispensable also in 2019 and beyond.

I would like to take this opportunity to wish each and every AAPOCAD member and their families a serene and joyous holiday season and a peaceful and prosperous New Year. I wish steadfast vigour to all my pensioner colleagues in their pursuit of a just world and remind them that I am here to help.

Yours sincerely,

Kamil Erker

UNITED KINGDOM

Mr Robin Adrian FLOOD +44 737 823 5253
aapocad@dragonsblood.org.uk

The main item of interest to all UK residents in receipt of overseas remuneration was the withdrawal in 2017-2018 by HMRC of the 10% pre-tax concession on our income. This was in part compensated by an automatic increase in our so-called Tax Adjustment.

UK pensioners of the organisation CERN, who do not receive a tax adjustment, complained to their Member of Parliament of the loss in their income, and he arranged a meeting with the Treasury at Westminster on June 14th to which they were invited and at which they expressed their feelings regarding cuts to pensions of former Civil Servants working overseas. The CERN pensioners, with whom I had a meeting immediately afterwards, have promised to keep me advised of the consequences, if any, but realistically I cannot see the Treasury or HMRC reversing their decision.

Following the disappointing outcome of a recent Administrative Tribunal, I would like once again to remind all pensioners, no matter where they reside, to contact AAPOCAD immediately in the case of any dispute with their former employer. As we all grow older, it is also important that our families, and where appropriate, legal guardians, are also kept aware of the relevance and expertise of AAPOCAD in dealing with matters with which many people are unfamiliar.

Sincerely,

Robin A. Flood

⌘

Elections 2019

The mandates of 13 Governing Board Members expire at the time of the 2019 General Assembly. The available posts, by Organisation, are as follows:

NATO	2
OECD	2
ESA	3
CoE	1
WEU	1
ECMWF	2
EUMETSAT	2
	_
TOTAL	13

The names of the Board Members whose mandates are expiring are shown **in bold** in the table [opposite], which for convenience indicates also all the other existing Members of the Board.

***

Board Members whose term of office is ending and who would like to stand again and pensioners or their dependants who wish to be candidates for the Governing Board are all asked to complete the application form on the website.

Candidates should keep the presentation of their previous experience and of the reasons why they wish to be a Board Member short and concise, i.e., no longer than one-half typed page. This summary should be presented in English and French.

The form is available in English and French on the website under the section "Forms". If you wish to have a paper copy of the form, please contact the AAPOCAD Secretariat (+33 1 45 24 85 87).

a) Your application form must reach the AAPOCAD Secretariat no later than the final deadline of **1st March**.

b) The Bureau will verify that the applications are formally admissible, after which the table of the candidates and the positions to be filled will be prepared along with the ballot papers, which will be sent to you the week of **18th March**.

c) You must then choose how you wish to vote, i.e. either by post following the traditional procedure or electronically on the AAPOCAD website.

The practical instructions for voting by post or electronically will be sent to you together with the ballot papers.

d) Your vote(s) must be received by the deadline of **3rd May**, and they will be counted later that week, with the results being announced at the General Assembly on **24th May 2019**.

e) Any additional information will be sent to you together with the list of candidates and the ballot papers.

Thank you for respecting these deadlines.

Elfriede Lindner
Executive Secretary

MEMBRES ÉLUS DU CONSEIL D'ADMINISTRATION À FIN 2018
ELECTED MEMBERS OF THE GOVERNING BOARD AT END 2018

Les noms en gras indiquent les mandats se terminant en 2019
Names in bold show mandates ending in 2019

Nom - Name	Mandats - Mandates 1er-1st	Fin-End
OTAN / NATO		
M. IACONELLI	**2007**	**2019**
Mme LOBIN*	**2016**	**2019**
M. EMMETT	2011	2020
M. RODEN	2011	2020
Mme TEZCAN	2017	2020
M. CORBELLINI	2015	2021
M. GOYENS	2015	2021
M. RUTTEN	2009	2021
OCDE / OECD		
M. HUGONNIER	**2016**	**2019**
M. VANSTON	**2007**	**2019**
M. GARROUSTE	2008	2020
M. MOORE**	2017	2020
Mrs LERCH	2009	2021
Mme LINDNER	2003	2021
ASE / ESA		
M. CAMPBELL	**2007**	**2019**
M. DE BOER	**2007**	**2019**
M. JAGTMAN	**2016**	**2019**
M. LE BER	2011	2020
M. VELDHUYZEN	2011	2020

Nom - Name	Mandats - Mandates 1er-1st	Fin-End
CE / CoE		
M. PARSONS	**2016**	**2019**
M. PALMIERI	2014	2020
Mme BABOCSAY***	2015	2021
M. BOHNER	2012	2021
UEO / WEU		
M. DE GOU	**2013**	**2019**
Mme BRISSET	2012	2021
CEPMMT / ECMWF		
M. ERLER	**1995**	**2019**
M. WOODS	**2016**	**2019**
EUMETSAT		
Mme HÖLLT	**2016**	**2019**
M. THIEM	**2013**	**2019**

* Membre de 2004 à 2010, réélue en 2016
** Membre de 2009 à 2015, réélu en 2017
*** Membre de 2005 à 2014, réélue en 2015

AUTRES MEMBRES DU CONSEIL / OTHER BOARD MEMBERS

PRÉSIDENTS D'HONNEUR/
HONORARY CHAIRS

M. BORIUS (OCDE)
M. WACQUEZ (OCDE)

VICE-PRÉSIDENT(ES) D'HONNEUR/
HONORARY VICE-CHAIRS

M. DIVOY (OCDE)
Mme DU VILLARD (UEO)
M. NEITZEL (OTAN)
M. SCHIMROCK (ESA)
M. VAN SCHENDEL (OTAN)

DÉLÉGUÉS RÉGIONAUX/
REGIONAL DELEGATES

France :	M. GAIN (OCDE)
Italie / Italy :	M. ALVISI (ESA)
Turquie / Turkey :	M. ERKER (OTAN)
RU / UK :	M. FLOOD (ESA)

PRÉSIDENTS DES ASSOCIATIONS/
CHAIRS OF ASSOCIATIONS

M. COMBARIEU (UEO)
M. HEMBURY (OCDE)
M. KAMLET (EUMETSAT)
M. SCHAPER (ESA)

General Assembly 2019
Koblenz, Germany

The 2019 General Assembly and related events will take place from 23rd to 25th May 2019 in Koblenz, Germany. The meetings of the Bureau and the Governing Board will be held in Hotel Mercure (see address below) and the General Assembly on the boat "Confluentia" on the quay Rheinzollstrasse.

Thursday, 23rd May:

9.30 a.m. – 12.30 p.m.	Meeting of the Bureau
2.00 p.m. – 5.00 p.m.	Meeting of the Governing Board

Friday, 24th May:

10.00 a.m. – 1.00 p.m. and 2.30 p.m. – 5.30 p.m.	General Assembly
3.00 p.m. – 5.00 p.m.	Tour of the Old Town for Partners
7.30 p.m.	Dinner cruise on the "Confluentia"

Saturday, 25th May:

9.00 a.m. – 5.00 p.m.	Visit to the Ehrenbreitstein fortress (morning), then lunch followed by a guided tour through the old town of Koblenz.

The meetings of the Bureau and the Governing Board will take place at:

Hotel MERCURE
Julius-Wegeler-Strasse 6
56068 Koblenz
Tel. +49 261 136 1107

This hotel is located near the boat *Confluentia* and the town centre. The AAPOCAD organising team will stay there. The hotel has agreed to keep 30 rooms for AAPOCAD until 3rd April 2019 at € 160 for two people and € 124 for single occupancy (per night, breakfast included).

To reserve, please call the hotel at the above number or by internet on h2004@accor.com (Reservation code: AAPOCAD).

Another hotel, Diehl's, which is located on the other side of the Rhine, with a beautiful view over the town and the confluence of Rhine and Moselle, is reserving 20 rooms for us until 3rd April. Prices vary from € 112 to € 145 depending on single or double occupancy and on the location of the room (with a view or not).

DIEHL'S Hotel
Rheinsteigufer 1
56077 Koblenz
Tel. +49 261 9707 0
www.diehls-hotel.de
(Reservation code: AAPOCAD)

To reserve, please contact the hotels directly.

There are other hotels nearby for participants who do not wish to stay at the above-mentioned hotels.

There is also the option of staying in one of the most beautiful camping sites (Knaus Campingpark – Tel. +49 261 82719) in all of Germany, located directly on the confluence of the Rhine and Moselle.

Registration Form
GENERAL ASSEMBLY 2019
24th May 2019
In Koblenz, Germany
Please fill out in capital letters and return to AAPOCAD
(See bottom of Page 1) by 29th March 2019

Name:.. First name: .... Nationality:..........................

Address: ....

Tel.: .... E-mail: ....

Name of accompanying person: ....

For Members of the Bureau and the Governing Board: **Payment due**

I will attend the meeting of the Bureau/Governing Board on Thursday, 23rd May:	YES ☐	NO ☐	€.........
And the lunch (€ 25)	YES ☐	NO ☐	€.........
For all Members:			
I will attend the General Assembly on Friday, 24th May: (Including lunch on the boat: € 25)	YES ☐	NO ☐	€.........
Programme for the partners (Cost for visit: € 6)	YES ☐	NO ☐	€.........
I will attend the dinner cruise on Friday, 24th May (Cost: € 65 per person): Number of participants:..........X € 65	YES ☐	NO ☐	€.........
I will take part in the visit of the fortress and the old town on Saturday, 25th May: (Cost for visit and lunch: € 45 per person)	YES ☐	NO ☐	€.........
Number of participants:..........X € 45			**Total Amount: €............**

We ask you to send payment for the cost of lunch(es), dinner and visits according to the number of participants with your registration.

Please note that we cannot guarantee a reimbursement of expenses
if you cancel less than 10 days before the date of the event.

How to pay:

a) By cheque (only if you have a French bank account) to the order of AAPOCAD
b) By bank transfer to the following account (mentioning “General Assembly 2019”):

Société Générale, Agence OCDE
2 Rue André Pascal, 75775 Paris Cedex 16
IBAN FR 76 30003 04994 00050260257 26
BIC-Adresse Swift : SOGEFRPP

Date:.. Signature: ....

Glossary of Co-ordination & Pensions

FORMER STAFF ASSOCIATIONS

AAPOCAD: Association of Pensioned Staff of the Co-ordinated Organisations and of their Dependants.

Its purpose is to bring together all pensioned retired staffs of the six Co-ordinated Organisations, excluding retired staff receiving only a "Provident Fund".

AAUEO: Association of Former Staff of the WEU

AIA: International Association of Former OEEC & OECD Staff

AIACE: Association Internationale des Anciens du Conseil de l'Europe (in French only)

AIACE: International Association of Former European Communities Staff

ANARCP: Association of NATO/ACE (Allied Command Europe) Retired Civilian Personnel

APE: Association of pensioners of EUMETSAT

ARES: Association of Retired ESA (European Space Agency) Staff. (ASE)

ARNF: Association of Retired NATO Agents in France

ARNS: Association of Retired NATO Civilian Staff and of their Dependents

CNRCSA: Confederation of NATO Retired Civilian Staff Associations

NOBA: NSPA (formerly NAMSA) Old Boys Association

CO-ORDINATION

Purposes of the Co-ordination system:

To make recommendations to the governing bodies of the Co-ordinated Organisations relating to:

- Basic salary scales and the method by which they are adjusted, applicable to the staff categories and all the countries where there are serving staff or pensioners,
- The Pension scheme rules,
- The purpose, amount and method of adjustment of the various allowances.

CCR: Co-ordinating Committee on Remuneration

The future of our pensions and the correct application of the 1974 Pension scheme are the subject of on-going discussion within the so-called Co-ordination system, which brings together delegates to the CCR proper (comprising some twenty Member countries) and representatives of the staffs and heads of the Co-ordinated Organisations (see below).

CRP: Committee of Staff Representatives from the six Co-ordinated Organisations (on which AAPOCAD is represented), which takes part in all Co-ordination negotiations.

CRSG: Committee of Representatives of the Secretaries/Directors-General of the Co-ordinated Organisations, which advances the views of the Secretaries/Directors-General in the Co-ordination negotiations.

ISRP: International Service for Remunerations and Pensions

This service, resulting from the merger of the JPAS and IOS, is charged essentially with:

a) The management and monitoring of all matters pertaining to the remuneration of staff of the Co-ordinated Organisations (COs) and the Pension Scheme common to the COs;

b) Providing the Secretariat of the Co-ordinating Committee, the PACCO, and working groups of the CCR.

PACCO: Pensions Administrative Committee of the Co-ordinated Organisations (CAPOC in French)

This body is appointed by the CRSG for more technical work on subjects such as the Pension Rules. This is an administrative body but has sometimes called on AAPOCAD for its expertise.

PENSIONS

The paragraphs which follow consider, in very condensed terms, some provisions of the Co-ordinated Pension scheme adopted in 1974 which are of practical interest for pensioners. Naturally, reference will have to be made to the actual Pension scheme rules for any details relating in particular to the establishment and calculation of rights to a pension and allowances. The Secretariat of AAPOCAD will, on request, supply a copy of any provision concerning our pensioners.

Right to a pension

Retirement pension:

Any permanent member of staff who has completed ten or more years actual service in one or more of the Co-ordinated Organisations is entitled to a retirement pension (for less than 10 years a "leaving allowance" is paid).

- Entitlement to a deferred pension: "entitlement to a pension" starts at the age of 60; if a member of staff retires before pensionable age, payment of his/her retirement pension is deferred until he/she reaches that age.

- Survivor's pension: the surviving spouse of a staff member who dies in service is entitled to a pension, provided they had been married to each other for at least one year at the time of the staff member's death (unless death results either from disablement or illness contracted in the performance of his duties or from an accident).

- Reversionary pension: there is entitlement to a reversionary pension for the surviving spouse:

  – Of a former staff member in receipt of a retirement pension provided they have been married for at least one year prior to the staff member's retirement;

  – Of a staff member in receipt of an invalidity pension provided they had been married when the invalidity was recognised;

  – Of a former staff member entitled to a deferred pension provided they had been married for at least one year when he/she retired.

- The pension payable to the surviving spouse of a member or former member of staff is 60% (i) of the retirement pension to which the member of staff would have been entitled while in service; (ii) of the retirement pension to which the former member of staff would have been entitled at the age 60 in the case of a pension deferred to that age; (iii) of the invalidity pension which was being paid to the former member of staff at the date of his/her death; (iv) of the retirement pension which was being paid to the member of staff at the date of his/her death.

Scales for the calculation of pensions

Pensions under our Scheme are calculated by reference to the basic monthly salary and the scale applicable to the country of the staff member's last posting. This is the basic rule, but if a former staff member settles subsequently either in a country of which he is a national or in a country of which his/her spouse is a national or in a country where he he/she has served for at least five years in one of the Co-ordinated Organisations, he/she may opt for the scale applicable to that country.

On the death of his/her spouse, a former staff member may, on settling in the country of which he/she is a national and /or of which his/her deceased spouse was a national opt for the scale applicable to the country concerned.

Once exercised, these options are irrevocable.

The salary scales for Co-ordinated Organisations staffs are on calculated in euros for the European Union countries, which have adopted the euro as their common currency.

Annual adjustment of pension benefits

AAPOCAD has consistently opposed the separation of the annual adjustment of pensions, as the Co-ordinating Committee had suggested, from the adjustment of serving staff remuneration. The question is again on the table.

The present adjustment method is set by the 244th Report of the CCR, effective 1st January 2017 and expires on 31 December 2020.

On 1st January of each year, the adjustment of remuneration and, therefore, of pensions is, in accordance with this method, the product of the reference index and the national consumer price index for each country. The reference index (which reflects changes in real terms in net remunerations in the eight national civil services chosen as reference countries) measures changes in purchasing power. The annual adjustment therefore combines a purchasing power adjustment with an adjustment correcting for inflation (as measured by the national consumer price index). To this is added an allowance, albeit partial, for changes in purchasing power parities among the countries concerned, thereby making, if incompletely, for equal purchasing power between the different scales.

"Affordability"

The "affordability" clause was brought into the Co-ordination system for the first time in 1993 and was in effect invoked as early as 1994 by all the Organisations and has since been invoked five times by the OECD - with the consequent effects on the effective co-ordination of remuneration and pensions. It has also been applied twice by the Council of Europe (salary / pension adjustments in 2018 and 2019).

This clause, the definition of which is the responsibility of each individual Organisation, can be invoked by the Councils. It allows the adjustment due on 1 January to be postponed to another date in the year or even to be cancelled for the whole year.

“Tax adjustment” applying to pensions

The "tax adjustment" established by Article 42 of the Pension scheme rules <u>is one of the provisions of the scheme which has been most fiercely defended by AAPOCAD over the last few years</u> because some Member countries would purely and simply have liked to put an end to this system.

If this had happened, the real level of pensions would have been significantly and in some cases considerably lowered depending on each pensioner's tax position.

The “tax adjustment” has recently been called into question again by some national delegations in the CCR.

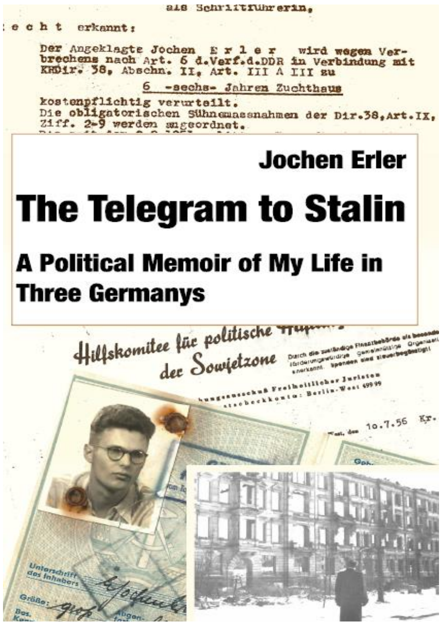
The principle underlying the fiscal adjustment is as follows: as pensions are taxable (whereas they were originally calculated by reference to a non-taxable salary) an adjustment is allowed at the rate of 50% of the amount by which the pension of the individual concerned would have to be increased so that, after deduction of any national taxes on the whole sum, the balance is the same as the pension paid. The figure of 50% is due to a compromise reached between Member countries when the 1974 scheme was started because the theoretical adjustment should logically have been 100%.

In calculating the theoretical figure indicated above account is taken only of the statutory tax regulations affecting the tax base or amount of tax for all pensioned taxpayers in the country concerned; obviously no account is taken either of the individual tax position or the assets of the pensioner; or of income other than that paid under the Pension scheme, or of the incomes of spouses or dependants.

The ISRP works out for each Member state correspondence tables, which specify for each pension paid a figure for the adjustment to be added. These tables determine the recipients' entitlements.

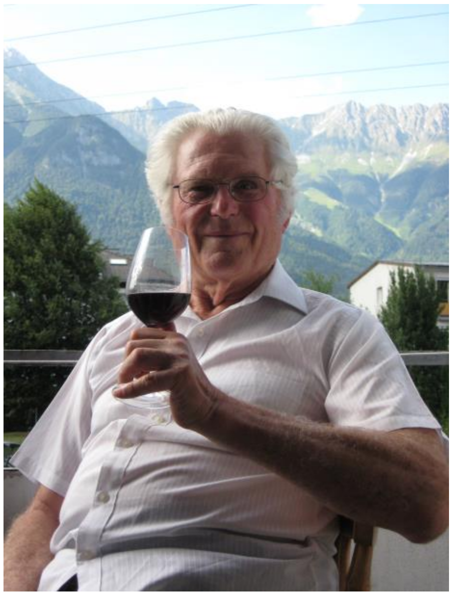
⌘

An author in the Governing Board…

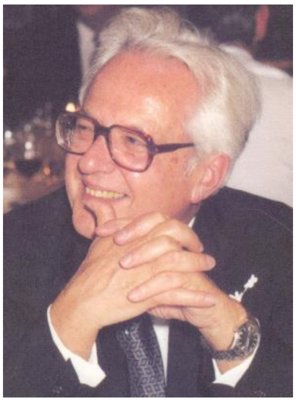


<u>Now available at Amazon</u>

Filled with intrigue and suspicion, this political memoir takes the reader through Jochen Erler’s experiences across three political systems in Germany. Troubles for Jochen begin during his youth in Hitler’s Germany and lead to his forced attendance in a Nazi boarding school. As a high school student in Russian-occupied East Germany, he becomes instrumental in an incident involving a telegram to Stalin. Soon after, his contacts with the West lead to his conviction to six years in a penitentiary. After surviving these two oppressive regimes in Germany, Jochen comes again under surveillance. This time it is the secret service of the West because his best friend from childhood is unmasked as a Russian military spy. In the book’s epilogue, the author describes the fallout following the reunification of Germany during which time he gains access to his files from the former East German secret service, the infamous Stasi.



In Memoriam



Augustinos "Tino" Synadinos
14 April 1928 to 14 November 2018

Born in Alexandria, Tino remained deeply attached throughout his life to the Greece of his forebears, to its history, culture and traditions. Left an orphan at a very young age, he rapidly came face to face with the harsh realities of life as, perched on his donkey, he worked his way through the streets of his city engaging in the activities pursued by children of his age under the watchful but kindly eye of his elder sister. This is where he earned his first stripes and forged the steely temperament for which we all knew him.

He gained further experience by working in a business owned by his family and cut his first professional teeth in the cotton trade. His studies at HEC (*Hautes études commerciales* in Paris) should have encouraged him to pursue a career in the world of business, and yet it was to the International Secretariat of NATO in Paris that he applied for a job. His ever-alert and razor-sharp mind, coupled with his rare intelligence, paved the way to a prestigious career, within the Organisation, that led him to Brussels where he occupied the highest position ever held by a Greek civil servant, namely that of Deputy Executive Secretary.

In this capacity, he was tasked in particular with the material and logistical organisation of NATO Ministerial meetings and Summits. In this endeavour he displayed an uncommonly keen sense of practicalities, but above all an unswerving commitment and loyalty towards the Organisation and those he worked with: the hallmark of the great international civil servant that he was. He was a loudmouth who spoke his mind frankly. His feigned fits of anger and outbursts of temper, as well as his carefully orchestrated displays of bad faith, were legendary. In mitigation, however, he was born under the sign of Aries and in addition with a Mediterranean temperament.

Only a few months into his well-earned retirement he set about defending the interests of former NATO officials and helped to found the Pensioners' Association for staff at NATO headquarters, of which he was Chairman, and then that of the Confederation. He foresaw the battles that would need to be fought to protect the vested rights of pensioners of the Co-ordinated Organisation with respect to their Member countries, and was convinced that winning them would require ensuring unbreakable solidarity with serving officials as well as affirmation of the vital role played by AAPOCAD in these battles.

Tino had a mischievous sense of humour. Once, having been invited to a reception hosted by the French authorities, he had himself announced at the entrance to the room as: "Monsieur Synadinos d'Alexandrie de la Muette", the latter part of his title being the name of the metro station he had just exited to attend the reception.

He loved his family above all else: his wife, about whose successes at Wimbledon he used to boast to me, as well as his children and grandchildren of whom he was immensely proud. He was a benevolent patriarch who passed on lessons from the past, values and traditions to successive generations.

He lived a rich and exemplary life.

Goodbye Tino and thank you.

Billy Roden,
ARO Chairman
Member of the AAPOCAD Governing Board

In Memoriam*

On behalf of all the AAPOCAD Members, I would like to express my deepest sympathy and sincere condolences to the families and relatives of those of our members who have left us this last year and whose names are listed below. These colleagues and friends will always be present in our memory.

The Chairman

ASE / ESA

Alberto BOTTARO	14-02-18
Jacobus BOUMAN	30-11-18
Abraham BUTLER	29-05-18
Ettore COLIZZI	16-03-18
Albert CONNOLLY	23-05-18
Jean DAURE	31-07-18
Elisabeth HAUG	05-07-18
Hermann HOOPS	29-10-18
Andrew Thomas Edward MUNRO	12-07-18
Ismelda PELLET	31-08-18
Klaus REINHARTZ	23-03-18
Serge RODGOLD	30-04-18
Horst ROESNER	28-10-18
Jan SCHEPEL	01-04-18
Johannes VAN GENT	31-10-18
Bill WALKER	16-10-18
Gerald WEBB	29-06-18

CE / CoE

Philip Moore BLAIR	19-03-18
Marthe, Irène DAVID	30-03-18
Paul GHYSEL	10-10-18
Christiane GIORDANI	22-10-18
Jean-François GIORGETTI	14-05-18
Paul HEILLY	09-08-18
Georges ILOFF	01-10-18
Annie ROTT	31-10-18
Marie-Paule SANDRIN	05-05-18
Paul SCHMITT	21-04-18
Régis SEILER	17-06-18

OCDE / OECD

Robert BONWITT	10-07-18
Joan BROWN	31-07-18
Christiane, Nicole, Chantal CLAUSENER	12-09-18
Marie-Paule DUMONT	08-01-18
Angèle GENICOT	25-10-18
Marie-Madeleine GILLE	16-01-18
Thérèse HUET	21-09-18
Gunter KEIL	28-07-18
Elizabeth LABUSSIERE	23-07-18
Robert LHERITIER	01-06-18
Josiane MEUNIER COLLIAUX	23-05-18
Jeanne NEMECEK	05-09-18
Lucienne PARISIS	02-02-18
Christiane PEYRAT	07-07-18
Gilberto PIPERNO	01-08-18
Guy PRUD'HOMME	01-04-18
Carmen ROCA DE TOGORES	24-10-18
Pierre Alain E. SCHIEB	27-04-18
Rosendo TERRON-SANTE	21-11-18
Michael WHITE	20-08-18
Iman WILKENS	31-10-18

OTAN / NATO

David ALEXANDER	19-10-18
Metin ARI	21-05-18
Johannes Jacob BALSTER	23-02-18
Gerarda Johanna BERGH-WANROOY	02-10-18
Vivian CARPENTER	11-07-18
John CLENNELL	05-11-18
Virgile, Charles CRUCQ	10-03-18
Hans DE BOER	30-01-18
Willemina DE JONGE	18-02-18
André DEUCHE	09-01-18
Denise DJABIAN	23-05-18
Hans DUNNWALD	25-02-18
Havelock GAUDOIN	30-03-18
Anne-Marie GRAVER	21-04-18
Herman HAMMING	03-04-18
Joseph HELLEC	02-02-18
Jan KEMPEN	09-02-18
Jacqueline LIGAUD	19-04-18
Ulf G. MACKRODT	07-05-18
Domenica MANGANIELLO NAPOLITANO	10-01-18
John MASELEK	23-07-18
Furio MAURO	12-10-18
Marie-Céline MEDRINAL	30-04-18
Jean-Paul MEHAUDENS	01-04-18
André MICHAUX	10-07-18
Denise MORENO-REVILLION	21-09-18
R.-M. MULHAUSEN FEYEN	12-05-18
Akin SAVAS	14-07-18
Manfred SCHLÜTER	04-05-18
Guy, Claude STENGELE	14-04-18
Augustin SYNADINOS	14-11-18
René TAFNIEZ	10-03-18
Mathijs VERDONCK	27-06-18
A. VERMEYLEN-RESPALIE	17-06-18
Silvano VOLLONNINO	13-02-18

UEO / WEU

Marthe COIGNARD	03-10-18
Lucienne LEBLANC	31-03-18
Andrée ROUAULT	17-10-18

* The information contained in this section is, to the best of our knowledge and belief, correct.

New Members by Organisation*

ASE / ESA

Julia CONNOLLY
Harold Grenville EVANS
Maria GOMARA
Marc KUDLIKOWSKI
Santiago LLORENTE DEL COTO
Jean-Alix QUEMENER
Elisabeth REINHARTZ-TERGAU
Greet VAN GENT - VAN AKEN

CE / CoE

Kornelia ACAR
Anny ATLAN
Liliane ANDRE
Gérard ARNOULT
Fifi BENABOUD
Michelle BOLLACK
Karl-Friedrich BOPP
Giovanni BUQUICCHIO
Judith BUTNER
Michèle BECKER-DANIEL
Victor CERQUEIRA
Antoine DURNER
André-Jacques DODIN
Dominique, Marie DE KERGUEZEC
Sally Jessica DOLLE
Richard ECK
Martine EL MAOUI
Monique ERDOGAN
Henriette GIRARD
Josiane GRUNENWALD
Florence Marianne GROFF
Paula HINCHY
Bernadette HORNECKER
Valérie HORNECKER
Geneviève HUCK
Véronica JEANNIN
Marian JORDAN
Catherine KLEIN
Maria LAGRANGE
Doris LOCATELLI
Joseph LEMMERS
Claude LEYMONIE
Nicole LEMAIRE
Marie-Claude LEROUX
Paul MAHONEY
Marie-Odile MENCIK
Anne-Marie NOTHIS
Bridget O'LOUGHLIN
Maria Johanna PANTHIER
Pascal PALERMITI
Françoise PETIT
Constantinos PILAVACHI
Sylvette PFISTER
Françoise PRINZ
Brigitte RALL
Catherine RUFFINI
Denise SLAVIK
Marie-France SEILER
Christine SAKHAROV
Marie-Laure SAAS
Fabienne, Gaby SCHAEFFER
Béatrice SAUVAGEOT
Guy TETON
Geneviève TUREK
François THOUVENIN
Attila VARNAI
Michèle WALLENBORN
Catherine WINKLER-HULARD
Marie-José WERNER
Henri WEILBACHER
Huguette WAGNER
Giovanna WILSON
Véronique ZILLIG-MATTERN

CEPMMT / ECMWF

Francesco DANISO
Mats HAMRUD
Deborah SALMOND

EUMETSAT

Waltraud BEVERIDGE
Mikael RATTENBORG

OCDE / OECD

Philippe ARNAL
Armande BOCARD
Jean COTE
Véronique DE SAINT-MARTIN
Jacqueline FLEURY
Claude GIORNO
Philippe GUYE
Michele KELLY
Brenda KILLEN
Sandra MATHIAS -COLEMAN
Yannick PIZZINAT
Nicole ROUAULT
Régine TEMAM
Christian WARIN

OTAN / NATO

José Francisco CABALLERO GOMEZ
Antonio CALDARELLA
Rüveyde Nimet DEMIR
May DIBARTOLOMEO
Rudolphe FRANKEN
Antonia FERRARA VALLIFUOCO
Pierrette FLAMMANG - WOOLLARD
Jésus GALENDE
Maximilian GRUBER
Léon HARDT
Marie HIRTZIG
Georg HOHLER
Christiane HOFFMANN
Patricia HUNTER
Manfred JAHN
Keith JONES
Kudret KARATEPE
John LUETTE
Jean-Michel LEBRUN
Nellie MASELEK
Georges MERGEN
Renate MACKRODT
Marilene MAES
William PICKWELL
Clara PIERONI SACCOMANI
Mauro PINI
Angela SIFAKAKI-TSUKALA
angela.tsoukala@yahoo.com
Raoul SPELTZ
Hans-Peter SCHELLARTZ
Sabahattin TERZI
Joseph VAUTOUR
Dominique VAN BOXEM
Nicola WATKINS
Renate WALLISCH GAUDOIN
Yannis YEORGAROUDAKIS
Lorna YUCEIL
Emile ZIMMERMAN

UEO / WEU

Jean KOWALSKI

* The above-mentioned members have agreed to have their name appear on the list of members. However, having regard to the EU law on data protection we are not publishing their contact details. Should you wish to contact one of them, please send an e-mail request to aapocad@oecd.org.