



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

Sous la présidence d'honneur de  
Monsieur le Secrétaire Général de l'OTAN

16 December 2015

### **Newsletter 6**

The Executive Committee of the Confederation of NATO Retired Civilian Staff Associations (CNRCSA) wishes all retired staff a healthy and happy 2016. This is the sixth of a series of Newsletters which the Confederation issues periodically to keep the members of its constituent Associations (NOBA, AROF, ANARCP, and ARNS) updated on recent developments and major issues of relevance to them.

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

All queries you may have on the topics dealt with below should preferably be addressed to your respective associations (NOBA, AROF, ANARCP, or ARNS). Do not hesitate to send your comments to the CNRCSA Secretariat ([confed.cnrdsa@hq.nato.int](mailto:confed.cnrdsa@hq.nato.int) or CNRCSA Secretariat, NATO Staff Centre, Boulevard Léopold III – B1110 Bruxelles, Belgique (00322 707 2688)).

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The CNRCSA Executive Committee met on 17 March and 19 June 2015. The CNRCSA Bureau, which comprises the Chairman, the Vice-Chairman, the Secretary and the Treasurer, held several informal meetings during the year to make suggestions to and prepare the Agendas of the Executive Committee. The latter held its first enlarged meeting with Regional Representatives on 5 November 2015, at SHAPE, back-to-back with the ANARCP Plenary. The reports of these meetings are available on the CNRCSA website ([www.cnrdsa.nato.int](http://www.cnrdsa.nato.int)). The following items on the Agendas were discussed:

## **NEW COMPOSITION OF THE CNRCSA BUREAU**

The Executive Committee, in accordance with the Articles of Association, re-appointed Mr. O. Guidetti (Chairman) and Mr. B. Roden (Secretary) for a two years' term of office, and also appointed Mr. R. Rutten (Vice-Chairman) as alternate CNRCSA representative to the CNCSC Executive Committee.

## **NATO GROUP INSURANCE CONTRACT AND AWC RELATED MATTERS**

The Executive Committee took note of the update report of Mr. F. Bülling, the CNRCSA focal point, on the meeting of the Joint Consultative Board Working Group on Medical Insurance Matters which was held on 25 June 2015. In summary, it must be realized that some "flexible interpretation" of the NATO Group Insurance Contract (NGIC) is no longer possible. Cost-containment measures have priority in order to safeguard the existing benefits and keep the premium rates stable. Nevertheless, experience has shown that AWC, as third party administrator, is always prepared to help the beneficiaries in their endeavours for clarification. However, the final decision concerning the interpretation of the NGIC is made by NATO, the Policy Holder, and the ALLIANZ GROUP, the Main Insurer, in line with the Belgian Social Security legislation.

### **Update of documentation**

The *updating of the NGIC* is ongoing, merging 119 endorsements into one document, and might be completed in the year 2015. This update of the NGIC, which does not entail any change in benefits, does not imply that NATO is entering into a new contract. The current NGIC, entered into by NATO on 1 January 2012, is binding for five years. Thereafter, it will be renewed for one year at a time by tacit agreement, unless one of the parties gives notice of termination with a six months' notice period on 1 July.

The revised *NATO Benefit Guide*, now called Employee Benefit Guide (EBG), will be available online hopefully this year. Each beneficiary will receive a hard copy distributed by AWC. At the same time, a revised Claim Form will be introduced including a change of postal address and better highlighting the primary insurance point.

AWC has confirmed that the adjusted *Table of Benefits*, in accordance with the provisions of the NGIC, will be published at the same time as the revised EBG. Currently, AWC is distributing the updated *Insurance Card* to all beneficiaries.

### **Proof of Payment**

The CNRCSA has received numerous angry reactions of its members who could not understand why high dental invoices over and above € 2000 must include a proof of payment. However, the requirement to submit a Dental Cost Estimate Form (to be completed by the dentist) to the medical services of AWC remains. AWC will confirm the amount the insured is entitled to and that the treatment is medically necessary and the amount within reasonable and customary charges. Finally, it was agreed to accept direct billing to AWC in cases of hardship, which is defined as reconstruction of the teeth in case of severe disfiguration due to an accident or due to cancer surgery.

### **Long-term Nursing Care at Home**

This subject was raised by the CNRCSA for the first time in October 2010. It concerns the coverage for long-term medical nursing care at home, in lieu of staying in a medicalized nursing home. Finally, after five years' deliberations, the Policy Holder and the Insurer have agreed the CNRCSA proposal under certain conditions which will be published when approved by the JCB. An advance copy of these conditions are provided in Annex1.

### **Transfer of national social security rights**

The CNRCSA considers the "primary source ruling" as one of the best cost containment measure which should be explored to the maximum extent possible. The CNRCSA is aware of the possibility to transfer national social security rights by way of bilateral agreements. It works between Luxembourg, Belgium, France, Germany and Italy ([http://europa.eu/youreurope/citizens/health/when-living-abroad/health-insurance-ver/index\\_en.htm](http://europa.eu/youreurope/citizens/health/when-living-abroad/health-insurance-ver/index_en.htm)). The CNRCSA has made NATO and AWC aware of this cost containment measure and received positive support. Nevertheless, our retirees are advised to contact their Regional Representative for further information.

### **Gainful employment**

NATO has just given the official definition on "gainful employment" in accordance with the NGIC: "If the employment of a NATO bridger can give access to a national or private social security scheme, it is by default considered as gainful employment".

This implies that a bridger who takes up employment has to prove that the employment does not entitle him/her to a national or private social security scheme (for medical expenses) because otherwise, his/her NATO coverage will be suspended.

This also implies that the suspension of NATO coverage is not linked to the

income the person will receive but to the entitlement to a national or private coverage for his/her medical expenses. The same holds true for 'periodic' work or 'self-employment'.

Thus, if a former staff member takes up gainful employment when entitled to Bridging Cover (i.e. between age 55 and 65) the insurance cover (and that of recognized dependents) with Allianz will be suspended for as long as he/she is gainfully employed. This does not apply, once the former staff member becomes entitled to CMC when reaching age 65.

### **Thermal cures/Rehabilitation**

In general, no benefits have been changed, only the administrative procedure has been made more cumbersome but should be seen as a cost containment measure. If the beneficiary asks for prior approval concerning the medical treatment prescribed by a medical practitioner (specialist/doctor) in a thermal cure center or rehabilitation facility, the AWC medical services grant permission, with the following exclusions: parking fees and other non-medical expenses (wellness treatments, cure taxes ('Kurtaxe' in Germany), group activities, etc.) are excluded from the terms and conditions of the health insurance policy.

However, cure taxes and group activities ('Kurtaxe and Krankengymnastik in der Gruppe' in Germany) will be taken into consideration for reimbursement under the following conditions:

-If the cure tax is a daily tax charged by a communal or municipal ordinance, it is reimbursable. If the cure tax is charged by the centre to have access to the wellness facilities, it is **not** reimbursable.

-If the group activities add value to the rehabilitation of the patient and are a medical necessity, these expenses are reimbursable. Needless to say that approved individual rehabilitation sessions under (para)medical supervision are also reimbursable. As in the past, expenses for acquagym, pilates or yoga lessons are **not** reimbursable. However, expenses for medically approved "under water massages" are reimbursable.

In summary, if the beneficiary can provide the necessary documents as mentioned above and requests reconsideration, AWC will examine the case and these additional expenses will be taken into consideration for reimbursement.

### **Funeral expenses**

NATO and AWC have decided that the flat rate concerning funeral expenses will be the country of the official residence of the insured member, irrespectively where the member has died or has been buried. In view of the fact that the NGIC does not cover repatriation expenses, the CNRCSA re-emphasizes the need for an individual travel insurance which covers these substantial costs.

### **Remedial actions**

To ensure a robust medical insurance cover and a stable premium, the Policy Holder has stressed that, as a short-term measure, several remedial actions are required which would however, not change the current NGIC. In addition, measures concerning the stabilization of the RMCF have been taken. The proposed modification of the footnote to article 51.2 of the NCPRs will harm the vested rights principle, especially for bridgers. It is understood that the NAC will make a decision shortly. Further information will be provided at that time.

The below list of remedial actions has been approved by the JCB to come into force most probably on 1 January 2016:

- for dental treatment over € 5000, pre- and post-treatment X rays would be required ;
- cosmetic dental veneers would no longer be covered ;
- vitamins and minerals would only be reimbursed when prescribed and only when they are vitamins or minerals – multivitamins would not be covered ;
- for natural medicine practitioners, naturopaths and 'Heilpraktiker', only recognized treatments would be reimbursed, and not unproven or experimental treatments ;
- thermal cures would be reimbursed only in cases of serious illness, during the post operation period after a major surgery or for chronic disabling conditions like osteoarthritis, lumboischialgia, spinalstenosis,etc.;
- accommodation for outpatient surgeries and day cases in hospitals would only be covered in a semi-private room;
- the NGIC provides cover for medical telephone consultations; however, any other type of remote consultation like Skype or any other on-line based service is not covered.

### **Way ahead**

The Policy Holder is considering cost containment measures to be applied as short, medium and long term approaches. Short term items to be looked into are: viability of the NGIC, premiums for invalids, high deviation in premiums, unequal coverage NATO-wide, concept of last duty station, subsidy of active staff. Better cost management, increase of contributors, different benefits for non-contributors and review of benefits are some of the

changes to be developed in a framework document as medium and/or long term approach. The CNRCSA will follow closely the approach to cost containment measures together with the CNCSC in the JCB WG on Medical Insurance Matters and the JCB.

### **RETIREES' MEDICAL CLAIMS FUND (RMCF)**

The changes to the footnote to article 51.2 of the CPRs which the CNCSC had recommended to the JCB (see Newsletter 3, 15 April 2015, and Newsletter 4, 15 December 2015) have been examined at its two last meetings. They were supported by both the CNCSC and the Administration representatives. The CNRCSA expressed, however, a dissenting view because those changes, if approved, would mean that retirees still under the bridging cover would be requested to contribute life-long to their medical coverage, if they had not met, on 1 January 2016, the double condition of 65 years/25 years of service. Vested rights of retirees are at stake here.

The CNRCSA minority was reflected in the JCB Chairman's report to the Secretary General who subsequently recommended to the Council to approve the proposed changes by silence procedure. Four countries broke silence, some of them requesting additional information on how the RMCF was financed. A final decision by the Council is expected to be made before the end of the year.

The Executive Committee re-affirmed that it was ready and willing, while preserving the vested rights of retirees, to examine together with CNCSC representatives - and if need be jointly with the Administration - whatever proposals that were aimed at safeguarding the RMCF in the longer term. These proposals should however be based on objective, undisputable and verifiable data derived from an actuarial study whose final version was long overdue.

This position had already been supported by the CNCSC at a joint meeting held at the CNRCSA Secretariat on 5 February 2014, but had never been followed up by the active staff representatives. The CNRCSA Chairman will again invite his CNCSC counterpart to agree to the setting up of an informal joint working group to break ground on the RMCF issue in anticipation of future discussions at both the JCB and RMCF Supervisory Committee.

### **2016 REMUNERATION AND PENSION ADJUSTMENT**

The Co-ordinating Committee on Remuneration has submitted its recommendations on the 2016 remuneration and pension adjustment to the Secretaries/Directors General of the Co-ordinated Organisations. The NATO Council has now approved these recommendations which are reflected in Annex 2, and which should be implemented after the approval of the 2016 budget.

## **NEW REMUNERATION AND PENSION ADJUSTMENT METHOD**

Discussions about the new salary and pension adjustment method, which would be implemented as from 1 January 2017, has started at CCR level. The Committee of Staff Representatives, where the retirees' viewpoint is expressed through AAPOCAD, had re-affirmed its position of principle:

- the results derived from the new method should be applied on an annual basis (the CCR is of a different opinion);
- the method should be stable, fair, predictable, and transparent;
- the link between salaries and pensions should be kept;
- the system of Purchasing Power Parities should be preserved (the CCR wants to replace it with a non-pensionable allowance);
- the method should be based on the evolution of real salaries in the civil services of eight reference countries (the CCR wants to take into account only the evolution of gross nominal salaries);
- the adoption of different indices for Belgium and Luxembourg;
- the method should include provisions for exceptional adjustments in high inflation countries;
- the drafting by the CCR of a single affordability clause, common to all co-ordinated organizations is not acceptable.

## **NATO COMPLAINTS AND APPEALS PROCEDURES**

The CNRCSA has stressed many times through its Newsletters that NATO's internal judicial system fails to meet international standards and that NATO staff should be able to lodge an appeal to against contested decisions made by the Administrative Tribunal. The requirement for a two-tier judicial system at Co-ordination level is also upheld by the Committee of Staff Representatives (CRP) and AAPOCAD.

Work is still underway at NATO on the subject and when this has been completed the result will be provided to the JCB and to a JCB Working Group. The CRP organized a Round Table on the Right of Appeal in International Administrative Courts, in Rome on 6 November 2015 where the CNRCSA was represented. The proceedings of the Round Table will be published in due course by Aracne Edition.

The legal experts who took the floor were broadly in agreement with the analyses over the past five years which the CRP - here including AAPOCAD - have carried out. These include composition of the Administrative Tribunals (appointment and tenure of judges, impartiality, transparency, recusement), rights of appeal against the decisions of such

Tribunals (establishment of courts of second appeal), and commonality and coordination between different Organisations.

The concept of a single system of Administrative Tribunals for all organisations was the obvious point of agreement although the difficulties of implementing this were not overlooked.

### **CNRCSA WEBSITE AND COMMUNICATION OF INFORMATION TO RETIREES**

The CNRCSA website is running in its English version ([www.cnrdsa.nato.int](http://www.cnrdsa.nato.int)). An expert team of ARNS volunteers has followed in-house training sessions provided by the web designer and are now able to manage the front and back-end updates of the site. A data base had been validated with the help of the Associations' Secretaries to enable their recognized members to access the website. Due to limited retired manpower resources, the finalization of the French version will take a bit longer than expected.

The Administration had made known that, for security and organizational reasons, it could not make use of the CNRCSA website to communicate with retirees. The CNRCSA has quickly followed up this issue with the useful co-operation of the NATO Pension Unit and agreed a procedure whereby the Unit would firstly inform retirees, through the pension slips, of official documents made available on line; secondly, these documents would be uploaded on the CNRCSA website; and, thirdly, the Unit would prepare labelled envelopes and hard copies of the documents which the ARNS Secretariat members would send to all unconnected retirees (even those not members of the CNRCSA Associations). The Administration still needs to find a way to communicate with retired ex-Provident Fund members whose addresses are only known to AWC.

### **CNRCSA REGIONAL REPRESENTATIVES**

The CNRCSA Regional Representatives (see [Newsletter 3](#), 15 April 2014) attended for the first time an enlarged meeting of the Executive Committee on 5 November 2015. The setting up of a new structure of Regional Representatives was agreed in the framework of the review of the CNRCSA working methods and structures. The aim is to deliver, through Regional Representatives, one single and identical message to all NATO retirees on issues of interest to them. Therefore, Regional Representatives have to be involved in the mainstream of CNRCSA activities by providing them with all relevant documents and information and inviting them to attend, once a year, an enlarged meeting of the Executive Committee.

To fulfill their mandate in accordance with their terms of reference, the Regional Representatives will contact all NATO retirees residing in the countries within their purview (on the basis of lists to be provided by each Association's Secretary), inform the Executive



Committee of any issues or concerns raised in those countries, and submit a written report in anticipation of the next enlarged Executive Committee meeting.

### **ASSOCIATION OF NATO RETIREES IN FRANCE (AROF)**

The various associations of retirees of NATO Agencies in France( FARAOF, ARAR, ARH and ARCC) have unanimously agreed, at a common General Assembly held on 24 November 2014, to merge together under the name Association of NATO Retirees in France (AROF). All former associations have been dissolved and the Statutes of AROF have been approved. The Executive Committee warmly welcomed AROF among the CNRCSA constituent associations, wishing it all the best for the future.

### **NATO RETIREES' DAY**

The NATO Pension Unit proposes to convene all NATO retirees and their spouses to a Retirees' Day in Brussels next year, at a date to be confirmed. Participants would be able to visit the new Headquarters facilities, meet with the Secretary General and attend a series of workshops on different topics. A budget had been set aside for the event by both the Executive Management and the Executive Committee and a small working group will be set up. Further information will be provided in due course.

### **CHANGE ON EUROPEAN UNION LEGISLATION ON WILLS**

Foreign residents in Belgium may avail themselves of an important new European legislation on wills. They can opt out of having the Belgian state deal with their estate, and choose to have their estate dealt with under the legislation of their country of origin. It should be noted, however, that this new legislation does not apply to nationals of the United Kingdom, Denmark and Ireland who are resident in Belgium ([http://ec.europa.eu/justice/civil/family-matters/successions/index\\_en.htm](http://ec.europa.eu/justice/civil/family-matters/successions/index_en.htm)).

### **NEW CNRCSA ASSISTANT**

The Executive Committee is pleased to announce that Ms. Irene Jongbloed has joined the CNRCSA Secretariat team in Brussels and is now its new Assistant. Irene may be reached at +322 707 2688; [confed.cnrdsa@hq.nato.int](mailto:confed.cnrdsa@hq.nato.int) or [jongbloed.irene@hq.nato.int](mailto:jongbloed.irene@hq.nato.int).

<b>Long Term Nursing Care at Home</b>
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Issue:

In CE(2010)110 of 21 October 2010, Billy Roden (currently the ARO Chairman), proposed an amendment to the NATO Group Insurance contract, to allow that "anyone who meets all the conditions set out in the insurance contract would be entitled to the reimbursement ceilings for periods spent in nursing homes even if they choose to stay in their own home".

The Contract:

- The NATO Group Insurance Contract foresees a cover for reimbursement of medical costs in a medicalized nursing home, in case there is a medical indication and the stay is approved by the insurer's Medical Team. The expenses for the stay in the medicalized nursing home are then reimbursed up to the limit foreseen in the contract.
- The NATO Group Insurance Contract does not provide specific coverage for long-term medical nursing care at home, in lieu of staying in a medicalized nursing home.

The Practical Implementation:

Although it is not stipulated as such in the contract, the possibility to allow beneficiaries to be covered while residing at home in lieu of a medicalized nursing home is already implemented on a case by case basis.

The reimbursement for nursing care at home can be approved under the following conditions:

- There must be an objectively proven medical condition that requires a stay in a medicalized nursing home and for which the insurer's Medical Team gives the approval;
- The stay at home must be practically and medically feasible. The insurer verifies if from a medical point of view the patient can be treated at home or if his/her medical condition is too severe to be treated at home and the patient should be treated in a medical institution
- The insurer benchmarks the care given at home with the costs for treatment in a nursing home, and the reimbursements for the home care will never be higher than what is 'reasonable and customary' in the region where the patient resides.
- Only treatment is reimbursed that is medical in nature. Non-medical care (cooking, cleaning, patient care,...) is not covered

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(\*) To be approved by the JCB

- Only treatment is reimbursed that is given by medically qualified personnel, who can provide official invoices for the care given

If the above conditions are all fulfilled, the reimbursement of medical nursing care at home is normally approved, up to the limit foreseen in the contract for a stay in a medicalized nursing home.

## ANNEXE 1

**ORGANISATIONS COORDONÉES**  
**INDICES D'AJUSTEMENT POUR LES BARÈMES DES TRAITEMENTS ET INDEMNITÉS AU 1er JANVIER 2016**

	Indice des Prix de la Consommation (IPC ou IPC)	Indice de Référence	Indice de Référence x (IPC) / (1) x (2) x 100	Effet de la courbe de référence de pouvoir d'achat (Appendice 2 de l'Annexe 1 du 211 <sup>e</sup> Rapport)	INDICES D'AJUSTEMENT FINAUX applicables au 01.01.2016 aux barèmes en vigueur au 31.12.2015	
	(1)	(2)	(3)	(4)	(5)	
AUSTRALIE	101.5 <sup>IPC</sup>	101.4	102.9		102.9	AUSTRALIE
AUTRICHE	101.0		102.4	- 1.0	101.4	AUTRICHE
BELGIQUE	100.9		102.3		102.3	BELGIQUE
CANADA	101.0 <sup>IPC</sup>		102.4	2.0	104.4	CANADA
DANEMARK	100.4		101.8		101.8	DANEMARK
FINLANDE	100.1		101.5		101.5	FINLANDE
FRANCE	100.3		101.7		101.7	FRANCE
ALLEMAGNE	100.1		101.5		101.5	ALLEMAGNE
GRECE	98.9		100.3	- 5.9	94.4	GRECE
HONGRIE	100.7		102.1	- 1.1	101.0	HONGRIE
ISLANDE	100.0		101.4	1.7	103.1	ISLANDE
IRLANDE	100.4		101.8	4.0	105.9	IRLANDE
ITALIE	100.2		101.6		101.6	ITALIE
JAPON	100.4 <sup>IPC</sup>		101.8		101.8	JAPON
COREE	100.7 <sup>IPC</sup>		102.1	- 1.7	100.4	COREE
LUXEMBOURG <sup>(a)</sup>	100.9		102.3		102.3	<sup>(a)</sup> LUXEMBOURG
MEXIQUE	102.9 <sup>IPC</sup>		104.3	- 1.8	102.4	MEXIQUE
PAYS-BAS	100.5		101.9		101.9	PAYS-BAS
NOUVELLE-ZELANDE	100.3 <sup>IPC</sup>		101.7		101.7	NOUVELLE-ZELANDE
NORVEGE	102.6		104.0	0.1	104.1	NORVEGE
POLOGNE	99.4		100.8	- 1.3	99.5	POLOGNE
PORTUGAL	100.8		102.2	- 1.9	100.3	PORTUGAL
ESPAGNE	100.0		101.4	- 3.2	98.2	ESPAGNE
SUEDE	100.4		101.8	1.7	103.5	SUEDE
SUISSE	99.4		100.8		100.8	SUISSE
TURQUIE <sup>(a)</sup>	107.6		109.1		109.1	<sup>(a)</sup> TURQUIE
ROYAUME-UNI	99.9		101.3		101.3	ROYAUME-UNI
ETATS-UNIS	100.1 <sup>IPC</sup>	101.5		101.5	ETATS-UNIS	

<sup>(a)</sup> L'indice Belgique s'applique également au Luxembourg comme prévu par le 211<sup>e</sup> rapport du CCR

<sup>(a)</sup> Pays concerné par un ajustement exceptionnel