



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

5 June 2014
CNRCSA(2014)D/4

Mr. Wayne J Bush
ASG Executive Management
AB 212/213

Dear Ambassador Bush,

Firstly, I would like to inform you that the CNRCSA decided during its recent meeting to nominate me as Chairman to succeed Mr. P. Emmett who remains a member of the Executive Committee. My successor as vice chairman is Mr R.H.H. Rutten.

Concerning the Retirees Medical Claim Fund, the Confederation of NATO Civilian Staff Associations has proposed the deletion of the footnote to Article 51.2 of the Civilian Personnel Regulations as a "first immediate measure" so that "new retirees shall be requested to financially contribute to the Fund" (JCB-WP(2014)0004 refers). At its recent meeting, the Confederation of NATO Retired Civilian Staff Associations discussed this proposal and requested that I send you prior to the July meeting of the Joint Consultative Board our view as regards the RMCF funding issue and to make you aware that we are very concerned about this proposal. The CNRCSA believes the proposal is ill considered and goes beyond affecting the vested rights of both current and future pensioners.

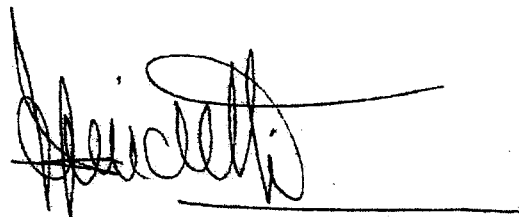
It is our opinion that deletion of the footnote will mean that Continued Medical Coverage, which is an integral element of the NATO group insurance scheme, will disintegrate, not only violating vested rights but also upsetting the balance of the contract of all staff and retirees. The continuation of medical coverage which is fundamental to the conditions of work, for which premiums have always been paid by NATO and staff, will no longer be ruled by the CPR and will thus be in a vacuum. It is a legal requirement for the staff that CMC is covered by the CPR and not just in the bilateral NATO Group Insurance Contract.

The CNCSC and CNRCSA have agreed to jointly finance an actuarial study, but contrary to paragraph 2.3 of the CNCSC point paper, this study has not yet been undertaken. No final conclusions can therefore be drawn at this moment. The CNRCSA considers that two factors, that were not part of prior studies may have an important effect on the results from a new study, namely the current contract policy of NATO severely limiting the number of staff that can reach 25 service years and the stricter adherence to the policy where it is stated that if a medical claim can be covered from another source the NATO Group Insurance contract must be seen as secondary. We believe that taking these factors into account in a new actuarial study may well extend the currently predicted RMCF lifetime.

The CNRCSA accepts that steps may need to be taken to ensure the viability of the RMCF in the longer term but is of the opinion that deletion of the footnote should not be the first solution. It goes too far and is not warranted. The predicted shortage of funds in the RMCF several decades in the future poses problems that require careful consideration based on facts and figures.

Yours sincerely,

O. Guidetti
Chairman

A handwritten signature in black ink, appearing to read 'O. Guidetti', written over a horizontal line. The signature is stylized and cursive.