



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

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

15 April 2014

**Newsletter 3**

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 NATO Executive Management and Personnel Support Services (PSS).

All queries you may have on the topics dealt with below should preferably be addressed to your respective associations (NOBA, FARAOF, 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 held a meeting, on 19 February 2014, to discuss the following topics:

**RETIRES MEDICAL CLAIMS FUND (RMCF)**

The latest updated draft of the Assets and Liability Management Study of the Fund, prepared by the NATO-commissioned actuaries, reveals that with an expected return on assets of 4%, in nominal terms, the RMCF would disappear in the year 2041 (or 2039 with a 3% returns rate). The breakeven point would then be reached in 2021.

The Administration has requested the actuaries to recommend measures which could safeguard the RMCF in the longer term and the International Board of Auditors for NATO has tasked the International Staff to provide an estimate of the minimum financial injection and remedial actions necessary to make the RMCF sustainable.

The CNRCSA representatives met on several occasions with their active staff counterparts of the Confederation of NATO Civilian Staff Committees (CNCSC) to fine-tune a common position on measures likely to safeguard the RMCF.

It was agreed that the final recommendations made by the actuaries, when available, should be discussed jointly, as a matter of urgency, at the Supervisory Committee of the RMCF. The commissioning of a separate actuarial study, co-financed by the CNRCSA and the CNCSC was not ruled out for the future but should be re-discussed in the light of further developments.

A letter signed by the CNRCSA and CNCSC Chairmen will be sent to the Chairman of the Supervisory Committee requesting an urgent meeting of the Committee which has not been convened since October 2012.

It was also jointly agreed that any fundamental change made to the financing pattern of the RMCF could and should only apply to new retirees. The CNRCSA shall remain vigilant and continue to defend retirees' vested rights in this matter.

### **Latest developments**

On 14 April 2014, the CNCSC Chairman sent a Point Paper to the Chairman of the Joint Consultative Board proposing the deletion of footnote 2 to CPRs article 51.2 which recognizes that certain retired staff will not have to contribute towards the financing of the RMCF. He requested that the proposal be brought forward without delay to the other JCB members for co-ordination in order to obtain Council approval and implementation as soon as possible.

The CNCSC proposes to analyse all possible avenues which could safeguard the RMCF:

- “- by looking more critically into the scope of the current medical cover;
- into the present contributions and their repartition amongst (former) staff;
- level of reimbursement to currently retired staff not contributing to the Fund;
- into the gratuity of medical cover for retirees aged 65 or more who have contributed for at least 25 years.”

The consequences of this proposal, as far as the retirees' vested rights are concerned, will be discussed at the next General Assemblies of both ARO/ARNS and ANARCP.

### **COMMUNICATION OF INFORMATION TO RETIREES**

This long-standing issue remains unsolved (see Newsletter 2, 6 December 2013, page 2). A meeting was held, last November, with Mr. Wayne Bush, the new Assistant Secretary General for Executive Management, where the idea of designing a NATO-run website for retirees was discussed. Essential information could be uploaded on such website and be easily retrieved by retirees.

We insisted that such information should also be communicated, in hard copy, by the Administration to retirees who do not have access to the internet. Nearly six months have elapsed and no significant progress has been made. This is a matter of utmost concern. The Executive Committee agreed that, from a legal point of view, recent changes made to the Civilian Personnel Regulations (CPRs), among others the new NATO Administrative Tribunal rules of procedure, could not apply to retirees because they had not been formally communicated to them. The issue was raised at the recent Joint Consultative Board meeting held on 4 April 2014 (see below).

### **ALLIANZ WORLDWIDE CARE**

The Executive Committee took note of the report of Mr. F. Bülling, the CNRCSA focal point on insurance-related matters, on the following topics:

#### **NATO Group Insurance Contract (NGIC)**

NATO PSS has retaken the lead on the NGIC which is currently being rewritten with external support. It is understood that all remedial actions will be discussed with the CNRCSA and CNCSC and the new NGIC will be approved by the JCB during the second half of 2014. NATO PSS has indicated that the current Supplementary Insurance Scheme requires reconsideration. It is their opinion that one single SIS with the same benefits for all beneficiaries would be more beneficial.

#### **NATO Benefit Guide**

There will be a new version of the NBG in April 2014 which will be available on-line and a hard copy will be sent to the retired community as well. It is understood that the Table of Benefits remains unchanged. It is to be regretted that an advance copy has not been provided to the

CNRCSA representatives who had, however, largely contributed to the improvement of the text.

#### Proof of Payment

AWC has introduced a proof of payment policy in accordance with the NATO Group Insurance Contract (NGIC) which will probably be reflected in the new NATO Benefit Guide to be published soon. AWC has underlined that all original invoices must have been paid and settled before when claiming reimbursement. AWC strongly recommends that a proof of payment is sent along with the claim immediately to avoid all sorts of delay in the claims processing. Especially dental invoices over € 2000, optical bills over € 500, hearing aids and orthopedic appliances, higher pharmacy prescriptions and doctors' bills require a proof of payment. The signature of the beneficiary on the invoices indicating that the bill has been paid is no proof of payment. Furthermore, AWC reserves the right to ask for a proof of payment at any time in case of doubt. We have asked NATO PSS and AWC to discuss with the CNRCSA the issue of "out-patient invoices of high amounts" to find a realistic solution for both sides.

#### Hospitalisation Direct Billing

The CNRCSA representatives contacted again AWC on this issue (see Newsletter no. 2, page 5) and the Executive Committee supported the need for control by the beneficiary of his hospital bills, as an important cost-containment measure. However, AWC cannot, for technical/financial reasons, systematically provide a copy of the bills. These can now be obtained by simple request made to the AWC helpdesk. The issue will not be further pursued.

#### Bill Keeping

NATO PSS and AWC have tacitly changed the claim handling procedure. They have decided that claim handling via internet implied automatically that the original bills should be kept, for two years, by the beneficiary for possible post-settlement auditing. However, the insured community has not been informed of the change. We have made AWC aware that approximately 50% of the CNRCSA members are not accustomed to internet and/or unwilling to utilize it. Consequently, claim handling by postal service might be the solution as the original bill keeping would then become a non-issue.

#### Transportation Costs

No clarification could be provided by Personnel Support Services (PSS) and AWC on the reasons why reimbursement of certain transportation costs for out-patients had been refused. PSS will harmonise the rules in the NGIC and the Benefit Guide on that specific issue.

### Turkish Retirees' Insurance Cards

AWC has confirmed that it had no intention, for cost- containment reasons, to issue new insurance cards to those Turkish retirees whose card showed a wrong toll-free telephone number. The issue will not be further pursued.

### Personal Data Protection

AWC has also confirmed that the disclosure of sensitive medical information to a third party, including a spouse with his/her own insurance number, would require the written consent of the principal insured member. AWC has provided a template for the purpose.

### Invalidity Pension Taxation in Germany

Different taxation rates are applied to invalidity pensions in Germany, depending on whether they are paid by the insurer or by NATO. However, the CNRCSA is not able to answer the queries raised by its members in Germany, because it does not have its own tax advisers. Members residing in Germany are therefore requested to turn to the NATO Pension Unit or AAPOCAD for support and guidance.

### Bank Charges

Many CNRCSA members have reported that they had to pay bank charges for the transfer of money from AWC, which explained that its finance department did not use the international SEPA transfer system but another platform. Nevertheless, AWC agreed that bank transfer fees had to be borne by AWC and not by the insured recipient. It promised to look into the matter, regretting any inconveniences.

In summary, the claim handling service of AWC has improved and the support system, including helpline and medical service, has now been better understood by the beneficiaries. However, it must be realized that some "flexible interpretations" of the NGIC are no longer possible e.g. transportation costs, copy of hospital bills, personal data protection, insurance cards. Cost containment measures have priority in order to safeguard the existing benefits and keep the premium rates stable. Nevertheless, experience has shown that AWC is always prepared to help the beneficiaries in their endeavors for clarification.

### MARITAL RELATIONSHIP

The Preamble to the NATO Civilian Personnel Regulations has been updated to include a definition of "spouse". This term describes a person with whom a staff member has entered

into a marital relationship, "as defined, recognized and regulated by a national authority." A spouse is also recognized by NATO when a staff member and his/her partner register with a national public authority the conditions of their marital relationship, provided that neither partner is married nor has entered into another partnership ; that the kinship between the partners does not preclude their marriage; that the couple does not have legally access to civil marriage under the legislation of the State of which the official is a national or of the country of residence of the couple.

The retired community has not been informed of the change which, however, may have far-reaching consequences as far as the granting of NATO benefits and allowances to the (surviving) spouse is concerned (household allowances, pensions, medical coverage). It should be well understood that, according to NATO, if civil marriage is available to the official in a same/different sex couple but he/she chooses not to get married, then the NATO Benefits continue as though the official is single.

Consequently, when the "single official" dies, having lived in a registered partnership when civil marriage would have been available to one of the partners in the couple, his/her spouse will get no medical cover and no survivor's pension.

The CNRSCA cannot support the discrimination made between civil marriage and marital/registered partnership because it precludes the free choice by the officials concerned. These provisions of the CPRs may be at odds with the European Convention on Human Rights. The issue will be raised with the ASG for Executive Management and at NATO's highest level.

Given that there are too many exceptions to be included into this Newsletter, our members are strongly advised to address themselves directly to NATO Executive Management and Personnel Support Services to obtain additional information.

## **REGIONAL DELEGATES**

Following the adoption of the revised CNRCSA structure and working arrangements, a single network of Regional Delegates has been established (see appended list). They act as the focal points for the flow of information to and queries from the NATO retirees in their respective regions, highlighting any specific problems they may encounter.

On that basis, the Regional Delegates should address their requests for assistance and guidance, and forward their problems, directly to the CNRCSA Secretariat for further action.

This procedure does not apply, however, to issues concerning more specifically NGIC and AWC-related matters, for which the Regional Delegates may continue to send their queries directly to the CNRCSA Focal Point on Insurance matters (Mr. F. Bulling).

In this respect, it would also be very helpful if individual members in the various regions channel their initial “medical” requests/complaints, first to their respective Regional Delegates and parent associations.

### **JOINT CONSULTATIVE BOARD**

The JCB met on the 4<sup>th</sup> April, 2014, almost 18 months after the last meeting in October 2012, when the serving staff representatives walked out of the meeting because of their dissatisfaction with the consultation process. There was a full delegation from the staff at this meeting.

Improvement of the NATO-wide consultation process was a major item on the agenda and the Board agreed substantive changes to the process which should restore the JCB as the principal forum for addressing personnel policy. The proposed changes now have to be agreed by the Secretary General and the Supreme Commanders, and ultimately by the Council, so there is still some way to go. It is not clear at this stage what the staff representatives will do if the proposed changes are not accepted in full.

There should be a review of the functioning of the Administrative Tribunal after one year, which should start in July. A JCB working group will undertake this review and the Confederation will participate in this group.

The Defined Contribution Pension Scheme came under some scrutiny and it was agreed that it is not particularly attractive and not as good as similar schemes in other international organisations. So any move to eliminate the tax adjustment element, as proposed by several nations, would further damage the scheme and most probably result in more difficulties in recruitment. The JCB agreed that either the current scheme should be improved or a new scheme should be established and this will be a matter for the DCPS Board.

We raised the matter of providing former staff with information on relevant changes to the Civilian Personnel Regulations to former staff, which we thought should be the responsibility of the administrations. It was accepted that the Pensions Unit could play a rôle for pensioners, but that would still leave many former staff without knowledge of relevant changes. The Board agreed that former staff needed to be kept properly informed, using all available means; one additional idea is a regular ‘newsletter’ from the administration addressed to former staff.

It was agreed that the RMCF needed some restructuring (see the RMCF news above). The chairman said that he would be reviewing the situation with the chairman of the RMCF Supervisory Committee.

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**LIST OF CNRCSA REGIONAL REPRESENTATIVES**

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