

# AAPOCAD



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

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## **REMINDER ...**

- Information about the 2024 General Assembly will be sent out separately.
- If you wish to be a candidate in the **Election of the Governing Board**, please fill in the form on **the AAPOCAD website** and return it to us by **Monday, 15 April 2024**.
- Please inform us if you have a new e-mail address not yet notified to AAPOCAD or if any of your other contact details have changed recently. The GDPR regulations do not allow the pension units to share this information with us.

# Annual Report of the Chairman

## Introduction

After COVID and the subsequent adjustments required in 2020, 2021 and even, to a certain extent, 2022, in 2023 AAPOCAD returned to operating as per (almost) normal. I hope, dear members, that your lives have also managed to return to "normal", despite the concerns arising from the growing instability we are witnessing in Europe and the rest of the world. As we enter 2024, I wish you all the best for a healthy, happy and fulfilling year.

*In addition to this report, I strongly recommend that you (re-)read my 2022 Annual Report and the addendum to it, published in the collection of documents distributed in the run-up to the Venice General Assembly.*

## 1. THE LIFE OF THE ASSOCIATION

### a. General Assembly on 13 October 2023

Thanks to Angela Nicholas, member of the Governing Board for EUMETSAT and a former member of Italian broadcaster RAI, our 2023 General Assembly and the Bureau and Governing Board meetings that preceded it were held in the magnificent setting of Palazzo Labia (RAI's headquarters in Venice), just a stone's throw from the Rialto Bridge. You will find information on the work of the General Assembly later on in this bulletin.

I would like to take this opportunity to thank Dr Giovanni De Luca, Director of RAI Venice, and Angela Nicholas for their contribution to this most memorable event.

### b. Composition of the Governing Board

In Venice, the General Assembly ratified the results of the Governing Board elections held in the spring, which saw the election of three new members. However, the new member for the OECD resigned shortly before the General Assembly, so only two new members were officially appointed at the Board meeting that followed the Assembly: Yann De Buyer (for the Council of Europe) and Jean-Philippe Prouteau (for NATO). One OECD seat remains vacant.

### c. Composition of the Bureau

At its meeting held immediately after the General Assembly, the Governing Board reappointed the Chairman (John Parsons), two Vice-Chairmen (Nico De Boer and Hessel Rutten), the Executive Secretary (Elfi Lindner) and the Legal Advisor (Gianni Palmieri) for a three-year term (Article 12.g of the *Statutes*). Jean Le Ber and James Moore also remain on the Board. Michel Garrouste, who did not stand for re-election in spring 2023, has become Honorary Vice-Chairman.

### d. Appointment of a new Treasurer

For more than a year we had been looking for a Treasurer to take over from Nico De Boer, who had agreed to take on the role from October 2022 on an interim basis only. It gives me great pleasure to announce that on 13 October 2023, the Governing Board appointed as Treasurer Yann De Buyer, the newly elected representative for the Council of Europe. Yann is by no means new to a role like this, as for many years he was responsible for managing the budget of the Parliamentary Assembly of the Council of Europe that represented several million euros per year.

We extend you a very warm welcome, Yann!

### e. New AAPOCAD membership category

With minor amendments to the wording (and not the substance), the draft resolution presented initially at the 2022 General Assembly was resubmitted for vote to the Venice General Assembly and adopted unanimously.

The resolution as adopted aims to broaden membership of AAPOCAD by allowing pensioners of a Co-ordinated Organisation who are affiliated to a pension scheme other than the Co-ordinated Pension Scheme or a scheme based thereon to become AAPOCAD members, if only to keep abreast of what is happening in these Organisations and to maintain contact with their fellow pensioners.

At present, the only retirees/pensioners concerned are those who joined NATO after July 2005 and were affiliated to the Defined Contribution Pension Scheme (DCPS). Will many of them want to join us? Only time will tell.

### f. AAPOCAD membership

I have previously had cause to draw attention to the fact that AAPOCAD's total membership has fallen over the last few years, and have also mentioned that

the Governing Board has set up a working group to look into ways of reversing this trend.

As you can see in the annual table from the ISRP (p. 9), at the end of November 2023 the ISRP was collecting contributions from a total of 2 934 members, i.e. 31.18% of the total population managed by the ISRP and the NATO Pensions Unit (9 411 pensioners), with the small number of pensioners who pay their contributions directly only boosting this percentage very, very marginally. When you consider that the corresponding figures in 2019 were 3029 members, representing 35.97% of the total population of pensioners in the Co-ordinated Organisations, you have a trend that is worrying, while not yet alarming.

What are the reasons for this "disaffection"? One of the mooted reasons is the closing of the Co-ordinated Pension Scheme (CPS) to new entrants between 2002 and 2011 (depending on the Organisation), and therefore a reduction in the "pool" of potential members. However, according to statistics from the ISRP in 2018, the number of pensioners covered by the CPS should remain more or less constant - at around 10 000 - until at least 2035.

There is, however, another very important factor to consider. While the schemes that have replaced the CPS in five of the six Co-ordinated Organisations (NPS and TPS) are in fact derived from the CPS, the DCPS, to which all new NATO recruits have been affiliated since July 2005, has completely different origins. Accordingly, AAPOCAD, whose main mission is to defend the CPS (and now, we might say, its incarnations), does not hold the same interest as it once did for a growing number of NATO pensioners. Given that NATO has traditionally provided the largest contingent (around 30%) of AAPOCAD members, it is undeniable that this change is a cause for concern.

There are other explanations too. We know, for example, that all forms of collective action (trade unions, associations, etc.) are feeling the pinch in one way or another, so it would be surprising if this were not the case for AAPOCAD as well. But there are maybe - even certainly - also shortcomings in our communication, which we need to improve. This will certainly require a joint effort by the AAPOCAD leadership and the "local" retirees/pensioners associations specific to each Organisation (one per Organisation) and whose Chairs sit *ex officio* on our Governing Board if they are not elected members. Efforts to this end will begin in 2024.

In addition, as mentioned above, the New Pension Scheme (NPS) and the Third Pension Scheme (TPS - Council of Europe only), although not co-ordinated,

are derived from the Co-ordinated Pension Scheme (CPS). It is more than likely that any changes to the latter will sooner or later be incorporated into the NPS and TPS. It is therefore in the best interests of pensioners affiliated to these schemes to join AAPOCAD as the first line of defence of their interests, especially as the major difference that used to exist between the CPS and the other two schemes (i.e. the method of calculating adjustments) disappeared with the amendment of Article 36 of the CPS. From now on, pensions under all three schemes will be adjusted in line with inflation as measured by the HICP (or CPI) index for the country whose salary scale was used to calculate the initial pension. There is always strength in numbers, so we need to rally round and encourage our colleagues and friends covered by the NPS and the TPS to join AAPOCAD!

#### **g. Participation in the General Assemblies of "local" associations**

Co-operation between AAPOCAD and the so-called "local" associations is not only very important per se but undoubtedly one of the ways in which AAPOCAD can - and does - increase its visibility. In this context, I had the honour of being invited in 2023 to speak at the General Assemblies of three of these associations - the International Association of Retired NATO Civilian Staff and their Dependents (ARNS/ARO) in Brussels in June 2023, the NATO Support and Procurement Agency Former Staff Association (NFSA) in Capellen (Luxembourg) in December 2023, and the International Association of Former OEEC and OECD Staff (AIA) in Paris, also in December, a presentation that I had to make by video. I would like to extend my warmest thanks to the Chairs of each of these associations - Gérard Malet, Olivier Guidetti and Bernard Hugonnier respectively - for the warm welcome they extended to me on each occasion. And it is with great pleasure that I have already accepted the invitation from Gordon Bridge, Chairman of the EUMETSAT Pensioners' Association, to speak at the General Assembly of his association this summer 2024 in Darmstadt.

#### **h. Participation in seminars for future pensioners (OECD, CoE)**

The "seminars for future pensioners" and "retirement preparation courses" organised by some of our Organisations, in particular the Council of Europe (every two years) and the OECD (every year as of recently), also enable AAPOCAD to raise its profile. At these events, the Chairman of AAPOCAD or his representative (a Vice-Chairman, the Executive Secretary, etc.) has the opportunity to explain what our association is, what it does, and why membership is not only

a good idea but also necessary for any pensioners wishing to defend themselves against the deterioration of their situation.

## 2. ADJUSTMENT OF OUR PENSIONS

### a. Pension adjustments / Salary adjustments (CCR)

As you are aware, since the amendment of Article 36 of the Co-ordinated Pension Scheme Rules implemented on 1 January 2020, our pensions are adjusted according to the development of the Harmonised Index of Consumer Prices (HICP) published by Eurostat or, where the HICP index does not exist (or no longer exists), the national consumer price index is used as calculated by the national statistics office of the country concerned. For the pension adjustment on 1 January 2024, it is the change in the index between 1 January 2023 and 1 January 2024 that is applied. You will find the results of these calculations for the various countries later in this bulletin. (see p. 9).

We must thank and congratulate the ISRP for its responsiveness and speed. As soon as the final monthly indices are published (generally around the 19th of the month for Eurostat), the ISRP makes the necessary calculations and sets the procedure in motion by alerting CAPOC to the ensuing adjustment(s); CAPOC in turn gives its technical opinion to the CRSG, which then sends the adjustment figure(s) (annual or special) to the Organisations for automatic application. For technical and management reasons, annual adjustments are normally included in the February

pension (but are retroactive to January), whereas special adjustments are included in the pay (pension) for the month following the month in which the index was exceeded.

We are aware that the delay of a few weeks in applying the adjustments - whether annual or exceptional - does not make life any easier for our colleagues in countries with very high inflation, but the schedules for publishing the indices being what they are, it is clearly impossible to speed up the procedure.

After this lengthy introduction, I would like to talk about the situation as it affects us since the amendment to Article 36 of the CPS Rules, which we challenged - unsuccessfully - before all our Organisations' administrative tribunals and appeals bodies.

***The table below shows how pensions changed in line with inflation from 1 January 2020 to 1 January 2024, as well the change in salaries in line with the CCR's recommendations.***

***Reminder:*** the reference period for pension adjustments runs from 1 January of year n-1 to 1 January of year n, while for salary adjustments at 1 January of year n, the reference period runs from 1 July of year n-2 to 1 July of year n-1. Barring special salary adjustments - as, for example, for the salary scale in Türkiye in September and November 2023 - the change in the HICP or CPI between 1 July of year n-1 and 1 January of year n is not taken into account in the salary adjustment, whereas it is for pension adjustments.

In any case, the table below compares the actual change in our pensions since 1 January 2020 with the changes that would have occurred if they had continued to follow the same trend as salaries.

	<b>SALARIES</b>		<b>PENSIONS</b>		<b>DIFFERENCE</b>
	<i>Progression salaires/salaries 2020-2024 (CCR Recommendations)</i>		<i>Progression pensions 2020-2024</i>		<i>Difference between pension progression 2020-2024 and CCR-recommended salary progression 2020-2024</i>
					<b>(l) - (f)</b>
B	13.8%	B	20.3%	B	6.5%
F	19.1%	F	16.9%	F	-2.2%
D	23.2%	D	21.2%	D	-2.0%
I	14.2%	I	17.7%	I	3.5%
L	14.2%	L	17.3%	L	3.1%
NL	21.6%	NL	24.3%	NL	2.7%
E	21.5%	E	15.9%	E	-5.6%
UK	20.6%	UK	25.0%	UK	4.4%
P	35.4%	P	13.4%	P	-22.0%
CH	8.2%	CH	5.3%	CH	-2.9%
USA	20.4%	USA	21.7%	USA	1.3%
TR* (CCR 332)	309.3%	TR*	420.7%	TR	111.4%
TR*A/L (Jan.24)	377,9%	TR*	420.7%	TR*	42,8%
TR*B6 (Jan.24)	406,5%	TR*	420.7%	TR*	14,2%
TR*B1-5/C1-6 (Jan.24)	440,0%	TR*	420.7%	TR*	-19,3%

\*Türkiye

Since the CCR's 332nd Report recommending salary adjustments w.e.f. 01.01.2024 (TR: +45.4% year-on-year)), further CCR reports have recommended new scales for the B and C categories and a special temporary allowance for A and L categories (338th Report), as well as special adjustments for all categories of +9,1% w.e.f. 01.09.2023 (340th Report) and +7.0% w.e.f. 01.11.2023 (341st Report). Lines TR\*B6 (Jan.24) and TR\*B1-5/C1-6 (Jan.24) take into account the new scales and the September and November 2023 special adjustments of salaries.

Line TR\*A/L (Jan.24) includes the September and November 2023 special adjustments of salaries but does not take into account the special allowance recommended in the 338th Report.

The situation is clearly somewhat varied. In France and Germany, which, according to the information provided by the ISRP at our General Assembly, are home to 60% of pensioners from the Co-ordinated Organisations, pensions have grown at a slightly slower pace than salaries.

In Spain and Portugal, on the other hand, pensions have grown much more slowly than salaries, which in these countries benefited from significant adjustments to purchasing power parities (PPPs) during the period under review.



Then, in some countries – particularly those where PPPs have had little or no effect on salary adjustments – adjusting pensions in line with inflation has, at least until now, been beneficial. However, we should not think that the situation is set to last. Inflation is easing almost everywhere, and it is obvious that governments will be put under pressure by national civil servants' unions demanding that salaries be raised again after years of often very meagre progression; the increases that will inevitably be granted will be reflected in future reference indices that will determine salary adjustments but will not affect the pensions already being paid.

Türkiye is already an exceptional case, requiring, as it does, four lines in the table; we will come back to this in section 3, which is given over to the work at Co-ordination level.

#### **b. Implementing Instructions for Article 36.2 of the PSR**

It is against this general backdrop that we must address the issue of the Implementing Instructions, currently missing, for Article 36.2 of the Rules of the Co-ordinated Pension Scheme (PSR) in force since 1 January 2020. This article provides that:

*“2. At regular intervals, the Secretary General shall establish a comparison of the difference between increases in salary and increases in pensions, and may, where appropriate, propose measures to reduce it.”*

In addition to the disparities noted in the previous section, the case of Türkiye will require particular attention. As I write this report, the Committee of Staff Representatives (CRP) at Co-ordination level, which includes representatives from AAPOCAD, has decided to address this issue at its February 2024 meetings and to check with the CRSG on the current situation of CAPOC's discussions.

### **3. CO-ORDINATION**

The AAPOCAD delegation at Co-ordination level continues to contribute actively to ongoing discussions, and even though these currently concern only serving employees, AAPOCAD's input, based on its long experience of the issues involved, is appreciated.

The main topics in 2023 and which will remain on the agenda in 2024 were the Salary Adjustment Method (SAM) due to come into force on 1 January 2026, the rate of contribution of serving officials to the Co-ordinated Pension Scheme, and salary scales in Hungary and Türkiye.

#### **a. New Salary Adjustment Method (2026)**

The main principles underlying the method, in particular the calculation of a benchmark index using eight national civil services to ensure parallelism, is expected to remain unchanged. The major innovation concerns purchasing power parities (PPP). For four organisations (ECMWF, ESA, EUMETSAT, NATO), PPP will continue to be calculated using Brussels as the base city for the salary scales applicable in other duty countries. However, PPP will be “neutralised” in the France salary scale used for Council of Europe and OECD staff based in France. In other words, from 2026 the salary scale for France will only be adjusted in line with the reference index and inflation as recorded by the Harmonised Index of Consumer Prices (HICP) published by Eurostat. This is clearly a measure designed to curb the growth of the wage bill in these two Organisations, where salaries are by far the largest item in the budget. While this will not affect current pensioners, it will have an impact on the pensions of future retirees.

The CRSG also has a proposal to enshrine permanently in the new method a clause that has been adopted from time to time in recent years in order to ensure a rapid response to situations of very high inflation, namely that if inflation exceeds 7% or more in a single month, salaries should be adjusted the following month to the level of inflation reached, rather than after three consecutive months of inflation above this threshold.

#### **b. Rate of contribution to the CPS as of 1 January 2025**

The contribution rate of serving officials to the Co-ordinated Pension Scheme is recalculated every five years in accordance with the principles set out in Article 41 of the Rules. This time around, under pressure from the CRP, it was agreed that the calculation of the discount rate used to determine the contribution rate for the years 2025-2029 should be based on a weighted average of 30-year government bonds rather than their 10-year equivalent, in order to better reflect the reality of a scheme whose beneficiaries could still be alive in 50 years or more. The proposal presented to the CCR in February 2024, for application from 1 January 2025, raises the contribution rate from 11.8% to 12.5%.

#### **c. Salary scales: Hungary and Türkiye**

In view of the recruitment problems linked to the salary scales in force in Hungary and Türkiye, the CCR, at the Co-ordination meeting in September 2023,

issued two recommendations based on a CRSG proposal. The recommendation for Hungary calls for a 62% increase in B and C salary scales (all grades) from 1 January 2024, while the co-ordinated A and L scales are considered satisfactory.

For Türkiye, the CCR has recommended that categories A and L be granted a special pensionable allowance of 100% of basic salary as of 1 January 2024, pending a complete overhaul of the salary scale, which could take place on 1 January 2025. For grade B6, the CCR recommends a 6% increase in the salary scale on 1 January 2024, and for grades B1 to B5 and C1 to C6, a 13% increase in the salary scale.

Discussions are underway concerning the impact that these measures may/should have on pensions based on the Turkish salary scale.

#### **4. SOCIAL CONTRIBUTIONS ON PENSIONS IN FRANCE**

As I mentioned in my 2022 Annual Report and in the update published with the documents for the 2023 General Assembly in Venice, the issue of the liability for social contributions on pensions paid by International Organisations to pensioners domiciled in France for tax purposes **and** affiliated to the French social security system has become all the more topical since the summer of 2023, especially for Council of Europe pensioners, as around 150-200 of them have now received a "proposal" from the French tax authorities to regularise their situation. There are a few similar cases among pensioners from other Co-ordinated Organisations scattered across France.

The Administration of the Council of Europe, which has broken ranks with the other Co-ordinated Organisations that prefer to do nothing, is attempting, via a firm of tax specialists, to clarify the situation. However, the answers it has received to its questions are either incomplete and/or inconsistent with current tax practice, or they have raised other issues that have so far remained unaddressed.

A number of Council of Europe pensioners are expected to lodge formal complaints which, if rejected by the Secretary General, could turn into appeals before the Administrative Tribunal of the Council of Europe.

In this case, and although we are not yet certain of the nature of all the claims that could be put forward by the various parties, financial support from AAPOCAD will certainly be requested. This is already the case for the only appeal so far envisaged (but not yet lodged), which the Governing Board will be discussing at its February meeting.

We will keep you informed of any developments.

#### **5. REGIONAL DELEGATES**

In several countries that are home to large numbers of pensioners from the Co-ordinated Organisations, AAPOCAD is fortunate to have a regional delegate who is familiar with how the country works and its local and national administrative structures and who is tasked with answering questions relating to them. At present, the countries "covered" in this way are Belgium, France, Italy, the Netherlands, Spain, Türkiye and the United Kingdom.

I would like to take this opportunity to thank our delegates for these countries - Billy Roden, Robin Flood, Malcolm Gain, Franco Veltri, Nico De Boer, Kamil Erker and Robin Flood (again!) - for all their hard work, which takes some of the workload off our secretariat.

You can read their individual reports later in this bulletin.

I would also like to thank Rüdiger (Roger) Neitzel (Germany) who, after many years of outstanding and loyal service, has finally decided to hang up his boots, as well as Marie-Yvonne Thill (Luxembourg) who, for personal reasons, has decided not to continue in the role to which she was appointed quite recently.

Although it is too early to reveal their identities, we are confident that the Governing Board will soon be presented with candidates for the position of Regional Delegate for Germany and Luxembourg.

#### **6. RELATIONS WITH OTHER PENSIONERS' GROUPS**

Almost seven years ago - in March 2017 - AAPOCAD organised, at the OECD, a first conference of associations of pensioners from International Organisations. This conference, which was considered a great success at the time, was to be followed – on a regular, not necessarily annual, basis – by other similar conferences, organised in turn by the different associations involved. Talks along these lines began in 2019 but were quickly curtailed by the pandemic.

Towards the end of last year, an official from the CERN pensioners' association contacted me to revive this project, possibly along the lines of the Conference of Staff Associations of International Organisations (CSAIO). This colleague has already been given a green

light to go ahead from his association, and the AAPOCAD Governing Board will be asked to consider the proposal at its meeting in February 2024.

A conference of this kind could be an ideal forum for discussing issues that do not fall within the scope of either the Co-ordinated Pension Scheme or Co-ordination but which are nonetheless of great interest to us pensioners.

## **7. THANKS**

The Annual Report of the Chairman would never be complete without a series of acknowledgements, first and foremost to our permanent assistant, Doris Cachin, whose dedication and professionalism throughout the year have ensured the smooth running of this association. In this task, she has always been able to count on the support and advice of our Executive Secretary, Elfi Lindner.

Nadine L'helgoualch and Michèle Lobin, who are "invisible" to the vast majority of members, but nevertheless very much present in the secretariat on certain days of the week, give Doris a helping hand with some of the routine tasks that are so necessary for the smooth running of AAPOCAD, for which I would like to thank them.

For my part, I am very grateful to Vice-Chairmen Nico De Boer (who was also acting Treasurer throughout the year), Hessel Rutten and Michel Garrouste (who became Honorary Vice-Chairman after the Venice General Assembly) for their support and sound advice, which have made it much easier for me to cope

with the intricacies of what can sometimes be a complicated position.

As for AAPOCAD's participation in the Co-ordination process, I would like to acknowledge the role played by Isabelle Tezcan and Alain Bataillé, who mainly worked alongside me in face-to-face meetings, not forgetting our veterans Bernard Wacquez, Jean Le Ber and Michel Garrouste, who continued to contribute, for the most part remotely.

At regular meetings, the members of the Bureau and Governing Board always bring their experience and vision to bear on the issues and problems addressed. I would like to thank them for the advice they give, the ideas they put forward, the proposals they make, and above all for the support they give to the Association's officers.

And - last but definitely not least - I would like to express my most sincere thanks, on behalf of all the members of this great association which is ours, to OECD Secretary-General Mathias Cormann and his Executive Director Josée Touchette, not forgetting the internal services which report to them, both for their constant moral support and for the logistical and other resources which they provide to AAPOCAD, thus enabling the association to carry out its tasks in optimal conditions.

*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	CEPMMT	CONSEIL DE L'EUROPE	OCDE	OTAN	UEO	EUMETSAT	TOTAL
		EUROPEAN SPACE AGENCY	ECMWF	COUNCIL OF EUROPE	OECD	NATO	WEU		
30-Nov-19	Pensionnés / Pensioners <a>	1550	131	903	1653	3989	122	73	8421
	Adhérents / Affiliated <b>	476	84	369	756	1239	86	19	3029
	% b / a	30.71%	64.12%	40.86%	45.74%	31.06%	70.49%	26.03%	35.97%
30-Nov-20	Pensionnés / Pensioners <a>	1610	134	942	1661	4122	114	80	8663
	Adhérents / Affiliated <b>	465	91	366	741	1251	82	19	3015
	% b / a	28.88%	67.91%	38.85%	44.61%	30.35%	71.93%	23.75%	34.80%
30-Nov-21	Pensionnés / Pensioners <a>	1676	139	986	1690	4154	112	90	8847
	Adhérents / Affiliated <b>	449	98	357	740	1259	80	19	3002
	% b / a	26.79%	70.50%	36.21%	43.79%	30.31%	71.43%	21.11%	33.93%
30-Nov-22	Pensionnés / Pensioners <a>	1746	147	1043	1711	4276	105	108	9136
	Adhérents / Affiliated <b>	435	103	354	721	1257	72	19	2961
	% b / a	24.91%	70.07%	33.94%	42.14%	29.40%	68.57%	17.59%	32.41%
30-Nov-23	Pensionnés / Pensioners <a>	1847	153	1080	1747	4359	104	121	9411
	Adhérents / Affiliated <b>	418	104	343	738	1241	71	19	2934
	% b / a	22.63%	67.97%	31.76%	42.24%	28.47%	68.27%	15.70%	31.18%

(\*) Ces chiffres ne tiennent pas compte des pensions d'orphelin. / These figures do not take into account orphans' pensions.  
SIRP/11/2023

### Annual Adjustment of Pensions w.e.f. 1.1.2024 (percentage) after taking into account special adjustments granted during 2023

AUSTRALIA	+4.1	LUXEMBOURG	+3.2
AUSTRIA	+5.7	NETHERLANDS	+1.0
BELGIUM	+0.5	NEW ZEALAND	+4.7
CANADA	+3.4	NORWAY	+4.7
DENMARK	+0.4	PORTUGAL	+1.9
FINLAND	+1.3	SPAIN	+3.3
FRANCE	+4.1	SWEDEN	+1.9
GERMANY	+3.8	SWITZERLAND	+2.1
GREECE	+3.7	TURKEY	+6.3*
IRELAND	+3.2	UNITED KINGDOM	+4.0
ITALY	+0.5	UNITED STATES	+3.4
JAPAN	+2.6		

\*Balance after deduction of special adjustments applied in the course of 2023 (February, May, August, September, November).

N.B. In accordance with the amended Article 36.1 of the Pension Scheme Rules, the adjustments should be applied automatically.

## Pension adjustments

### Reminder:

- Since 2020, pensions are adjusted according to the Harmonised Index of Consumer Prices (HICP, published by Eurostat) for the country whose salary scale is used as the basis for calculating the pension.
- The national consumer price index (CPI) is used for countries where there is no HICP.
- The annual adjustment takes effect on 1 January of each year. It reflects the change in the HICP or CPI from December to December.
- The final indices for December are usually not available until the beginning of the second half of the following January, so too late to be taken into account for pensions paid in January. The annual adjustment is therefore only reflected in the February pay/pension slip; the adjustment is nevertheless applied retroactively to 1 January.
- The annual adjustment can be positive or negative, depending on the development of the HICP or CPI indices.
- A special adjustment occurs as soon as inflation exceeds 6% since the previous annual or special adjustment. Special adjustments of this kind are deducted from the inflation percentage recorded from December to December.

### N.B.:

- The ISRP monitors the development of the HICP or CPI for all countries involved in the payment of pensions and immediately informs CAPOC, which, through its technical opinion, clears the way for the adjustments resulting from the indices.
- **It is therefore unnecessary to contact the ISRP (by phone or e-mail) regarding pension adjustments - and you are asked to refrain from doing so. The relevant information will appear at the bottom of your pay/pension slip (normally the one for February).**

## Calendar of Co-ordination Meetings for 2024

DATE	VENUE	FORMAT	ITEMS ON THE AGENDA FOR DISCUSSION/DECISION
11 January	OECD, Boulogne /videoconference	CRSG/CRP	<u>Items from 2023 to be continued (if necessary):</u> – Salary adjustment method for 2026
6-8 February	OECD, Boulogne	<b>Tripartite Session</b>	<u>Recurrent items:</u> – Chairman’s activity report for 2023
15 May	OECD, Boulogne /videoconference	CRSG/CRP	<u>Items to be continued (if necessary):</u> – See list above
11-13 June	ESA, Paris	<b>Tripartite Session</b>	<u>Recurrent items:</u> – Balance sheet of the Co-ordinated Pension Scheme – 2025 Programme of work – Election of the CCR Chairperson – Pensions’ adjustment at 1 January 2024 (for information)  <u>New items:</u> – Co-ordinated Pension Scheme staff contribution rate review
12 September	OECD, Boulogne /videoconference	CRSG/CRP	<u>Items to be continued (if necessary):</u> – See list above
24-26 September	OECD, Boulogne	<b>Tripartite Session</b>	<u>Recurrent items:</u> – Annual adjustment of salaries at 1 January 2025 – Adjustment of allowances/supplements expressed in absolute values at 1 January 2025 – 2025 ISRP Budget (CCR/CRSG)



## Statements by the speakers at the AAPOCAD General Assembly 2023

**Mr Syd Maddicott**

*Chairman of the Co-ordinating Committee  
on Remuneration (CCR)*

*(Original English)*

Chairman of AAPOCAD, Members of the AAPOCAD Board, Members of AAPOCAD, Fellow Pensioners,

It is again my pleasure to stand before you and address you on the occasion of your annual General Assembly. I will probably avail myself of the opportunity to say some time after this meeting something like “As I said in the General Assembly recently...”

But to be entirely serious, I think it’s important to keep those who have retired from active service in the Co-ordinated Organisations (COs) abreast of developments within Co-ordination and that’s why I was pleased to accept your invitation.

This year has been taken up mainly with discussions in the CCR and with the other colleges on the Salary Adjustment Method (the SAM).

Member states in the Governing Councils of the OECD and the Council of Europe made it clear some time ago that they wanted to see the Purchasing Power Parity (PPP) provisions in force altered to permit those two organisations to avoid having to apply PPP based on comparisons with Brussels. The reason for this was that the vast majority of staff in both organisations is based in France – in Paris and in Strasbourg.

At our meeting in Darmstadt last year, the CCR received legal advice that it would not be possible to make such a radical change during the current SAM – it would have to wait for the introduction of a new SAM to take effect at the earliest in January 2026. For the two organisations anxious to remove PPP based on Brussels this was frustrating but they were bound by the legal principle ‘*par-tere legem*’, to respect the SAM that they had agreed to.

CCR delegates decided to start work on a new SAM straight away with the aim of reassuring the two organisations pressing for a change that their concerns could be met. It was clear that for the two organisations concerned this was a such a crucial question that their Governing Councils would consider leaving Co-ordination, or at least the Co-ordinated SAM, if a solution couldn’t be found.

The CRSG, after much internal debate, was able to come up with a proposal for resolving the PPP concerns of the OECD and Council of Europe and at the same time satisfying the requirements of the remaining four Co-ordinated Organisations who believe that using Brussels as the base city for PPP calculations best meets their needs. The CRSG proposal had three options and the one preferred by the CCR was for the option of neutralisation of PPP by the two Organisations. The proposal was debated within Co-ordination and, pressed by the CRP, who are, it must be said, against the proposal, the CCR took long and careful legal advice. This resulted in some changes in the wording of the proposal (though not the substance of it) and a final version was presented at the Co-ordination Meeting of last month in Paris, with which the CCR was content.

Let me be absolutely clear, PPP is seen by all three colleges as a vital component of the existing and any future SAM. The essential principle of PPP will apply to all six COs. The next SAM will take effect from January 2026 and PPP will continue to apply as usual in four of the six COs. The OECD and Council of Europe, on the other hand will have the option of neutralising PPP. The effect of that will be as if Paris were the base city for these two Organisations. PPP will apply to all their staff in posts outside France so that there will be parity of purchasing power for all OECD staff and CoE staff, wherever they are posted. What will change is that OECD and CoE staff may not have identical purchasing power with the staff of other COs.

Because the change is a significant one, the OECD and Council of Europe must opt for or against neutralisation of PPP at the outset of the new SAM and cannot change their minds half way through. This is a legal requirement for a SAM which must be stable and predictable. The annual salary adjustments for the Council of Europe and the OECD will continue to be the subject of recommendations by the CCR.

I have just written to the Secretaries General and Directors General of the six COs to outline what has been agreed on this element of the SAM, as much to reassure the heads of the ESA, NATO, the ECMWF and EUMETSAT that PPP will for them be unchanged as to reassure the heads of the Council of Europe and the OECD that their concerns will be met.

Of course, agreeing a new SAM will need agreement on more than the operation of PPP and at the February meeting, the CCR will be looking at the effectiveness of the Moderation Clause, at the detail of the Exception Clause and at other aspects of the SAM. The CCR is pretty clear about the elements of the existing SAM that should be retained:

- Parallelism with the eight reference countries
- Duration of four years, with two possible extensions of a year each
- Comparisons based on changes in net, real salaries

The CCR will also consider the measures for dealing with very high inflation, such as we currently see in Turkey and whether they should form part of the SAM.

Your representatives on the CRP will be able to keep the AAPOCAD membership briefed on all the debates on the SAM as they progress. The CCR aims to have an agreed SAM ready by the end of the September 2024 meeting to recommend to the Governing Councils well ahead of the September 2025 deadline.

I am sure it doesn't need saying to you that any changes to the SAM will have no direct effect on pensions, now adjusted by local inflation.

At the September meeting, Co-ordination also agreed to revised salary scales for Hungary and Turkey (for B and C grade staff) and for A and L grades in Turkey as a temporary measure until a longer-term solution can be found.

There were three-year reviews of the Education Allowance, the ceilings for the Installation Allowance and the Daily Subsistence Allowance and an annual review of the Kilometric Allowance.

The CCR agreed recommendations on the Annual Salary Adjustments to take effect from 1 January and similarly the Allowances expressed in absolute values.

I expect the next few Co-ordination meetings to focus mainly on further developing the next SAM. I think one of the main concerns of member countries will continue to be about the emergence of threats to their economies and how the SAM will handle that.

I am now happy to take any questions.

*Syd Maddicott*

## **Mr Christian Overbeck**

*Chairman of the Committee of Representatives of the Secretaries/Directors-General (CRSG)*

*(Original English)*

Thank you very much for allowing me to address the AAPOCAD General Assembly.

It is great to be here with you once more, in particular in this amazing city of Venice, which almost makes us forget that we live in very challenging and dangerous times.

I think most of you will agree that the way the world looks now makes our family of Coordinated Organisations more relevant than ever. Whether it is security, human rights, knowledge, or strategic autonomy in space, the staff of the 6 Coordinated Organisations do their best every day to deliver the solutions the taxpayers are expecting.

Highly qualified and committed staff is therefore key at present and in the long term. Each organisation must ensure that it attracts and retains the profiles it needs. At the same time, each organisation operates in different budgetary and political situations – and recruits very different profiles.

The benefit of the Coordination process with the 3 colleges, CCR, CRSG and CRP, is that we have a dedicated forum to deal with the highly technical and at the same time politically sensitive matter of remuneration and pensions. That reduces the need within the organisations for lengthy and painful discussions on the compensation package.

However, that system only works if there is a common understanding on all sides of the 3 colleges. Yes, our staff members are dedicated and passionate about their work. But we have to be realistic. The labour market is becoming increasingly tough. The supply of skilled people is shrinking, and in some technical areas it is dramatic. So we evidently have to put a competitive remuneration package on the table. And the fact is that the package has constantly eroded for the past 20 years. As for everything else in life, you get what you pay for. And in the ruthless global context we are facing, the consequences of wrong choices will be felt in the long run.

The recent difficult discussions on the SAM gave rise to serious concern at the level of the CRSG. We were faced with a strong political push within 2 organisations and at the CCR to address an issue, which 4 organisations had no interest in addressing. One thing is that the organisations are in different situations. Some organisations are



expanding, some are faced with severe budgetary constraints. Fair enough. But the Coordination process has an overall responsibility for all 6 organisations. On the side of the CRSG we did the job and proposed a solution. That required long and difficult discussions, where the majority of organisations did a significant effort in accommodating the specific needs of the few. But the CRSG is increasingly concerned that some Member States in CCR do not look at the overall long-term need of all the organisations. And that is really a problem when we look at the global environment.

That being said, the CCR Chair deserves to be praised for his efforts in keeping Coordination together – and exactly making sure that everybody's concerns are addressed.

Finally, I wish to thank the ISRP for ensuring that that the machinery is running. It is quite an achievement to deliver so many types of services to everybody's satisfaction, be it you the pensioners, Member States, the organisations, or the staff.

*Christian Overbeck*

**Samuel Quesada Ruiz**

*Chair of the Committee of Staff Representatives (CRP)*

*(Original in French)*

Dear Chairman, dear John, dear colleagues,

Thank you for this invitation to attend the AAPOCAD General Assembly, and I am delighted to be here.

This is my first AAPOCAD General Assembly after I had the honour of being elected Chair of the Committee of Staff Representatives in the Co-ordination system in May for the first time, and re-elected a fortnight ago. I am well aware that I have taken on important and challenging responsibilities. I am sure that together we will continue to achieve good results, but we will have to constantly remain strong and determined.

We learned to live with Covid, and now we are having to deal with Russia's attack on Ukraine. Together, we are having to face up to a challenging political and economic situation.

We are well aware of the economic problems that countries are facing, but we must also bear in mind that, in a time of military, economic and environmental crisis, the Member countries have probably never had greater need for the work of the staff of the six Co-ordinated Organisations. It would seem a good idea to strengthen our

Organisations, and certainly not to weaken them. The return on investment seems to be fairly positive for Member countries. We need to maintain our attractiveness, retain talented staff and develop the diversity of the Co-ordinated Organisations through a medium- to long-term strategy that is not solely focused on financial considerations.

When I look at the work being undertaken in the Co-ordination system, I get the impression that, for the past three years, the CCR's decisions have been taken in response to the crisis of 2020, with the aim of trying to limit expenditure on officials' salaries, without looking at the medium- and long-term impact of these decisions.

The CRP has demonstrated at Co-ordination meetings that it is open to dialogue with the CCR, and ready to consider what could be improved in our salary method, but with a cool head and as part of a medium- to long-term strategy. It is never a good idea to rush into decisions in times of crisis.

Our current salary method was approved in September 2021, and included the addition of the exception clause, the purpose of which was to cater for exceptional crises such as Covid that affected the GDP of certain countries, even though these difficulties were already factored into the calculation of our salary adjustments and we too suffered from the health crisis. As this was not enough for some CCR members, a new review of the salary method was put on the programme of work straight afterwards in order to give them enough time to break it down before September 2025. And this after the CCR tried to modify the existing method along the way, a move which received a negative legal opinion.

The purchasing power parities element has been the focus of the CCR's attention, and in particular the base city used for the calculation, which is Brussels. The request originated from the OECD and the Council of Europe, which have almost all their staff based in France. Although we can understand the interest of the OECD and Council of Europe Member countries in this issue, it is very dangerous for Co-ordination if an internal problem, which is clearly budgetary, leads to the modification of the calculation method with the "neutralisation" of one of its three pillars for these two Organisations. If we take the example of NATO, which has a large number of staff throughout the world, it is clear that purchasing power parities are very important in offering equal purchasing power to all staff and in protecting the attractiveness of the organisation. Also, inflation is higher in Brussels than in Paris today, but that may change in the future. Does that mean we are going to change the salary method

every time? It is not an “à la carte” mechanism! This decision is a step towards de-Coordination. It may also give rise to concerns that Co-ordination and its role could be challenged.

In addition, the CCR recently confirmed at the September Co-ordination meetings that the moderation clause and the exception clause were among the elements of the method that they still wished to review.

The method we use to calculate the salaries of officials in the six Co-ordinated Organisations is fair, solid, based on three clear and logical criteria, and always clearly explained by the ISRP. We will therefore have to keep a close and watchful eye on the CCR’s intentions, which could have a major impact on all our serving colleagues.

It is the duty of the Committee of Staff Representatives in the Co-ordination system to do its utmost to defend the rights of serving staff and retired officials in the Co-ordinated Organisations given that the CCR, whenever it has the opportunity, is issuing recommendations to our governing bodies that are eroding benefits.

Having AAPOCAD in the CRP is invaluable because you have the institutional memory and you can warn serving officials about the CCR’s intentions because you have the experience we need. As one we will continue to defend the benefits of serving and retired officials, firmly and forcefully. In the face of all these attacks, it is vital that we co-ordinate our actions and our efforts.

Naturally we must remain open to dialogue with the CCR. But we must be prepared not to accept all their proposals, and in particular to oppose Member countries regularly renege on past commitments.

If the CCR and some of its Members in particular persist in their systematic efforts to reduce remuneration, pensions, and allowances, then there is a risk that the rift between the CCR and our Organisations will get wider. The disaffection of serving and retired officials will increase and create a split with the Member countries. Our Councils will be entitled to ask themselves what purpose the CCR serves and what purpose Co-ordination serves if each Organisation ends up having to deal internally with issues that should be the subject of compromise and consensus at Co-ordination level.

I think it is very important that the representatives of the Secretaries/Directors General in the CRSG and the staff representatives in the CRP be able to agree on the need to defend Co-ordination in the interests of pensioners and staff, and therefore of the Organisations. I am a

fervent advocate of constructive dialogue aimed at compromise.

I would like to take this opportunity to pay tribute to the Chairman of the CRSG, Christian Overbeck, with whom discussions are respectful and constructive, and to Syd Maddicott, Chairman of the CCR, who does not always have an easy role given the sometimes extreme ideas expressed by certain CCR Members, and Jean-François Poels, Head of the ISRP, and I would like to thank his department for their outstanding technical work in support of Co-ordination.

I would like to conclude by saying how pleased I am to be working in the CRP with AAPOCAD, which is a key partner for staff representation at Co-ordination level. Working with its Chairman, John Parsons, of course, but also with Isabelle Tezcan, Bernard Wacquez, Jean le Ber, and not forgetting Alain Bataille, the former CRP Chair and now an AAPOCAD representative on the CRP. Your knowledge of the Co-ordination system and your technical assistance are absolutely essential if we are to move forward. On behalf of the CRP, I would like to thank you most sincerely.

Thank you, Mr Chairman, thank you John, thank you all.

*Samuel Quesada Ruiz*

**Mr Hannes Langeder**

*Chairman of Pensions Administrative Committee  
of the Co-ordinated Organisations (CAPOC)*

*(Original English)*

Mr. Chairman, dear John, dear colleagues,

Thank you for giving me the opportunity to speak in my role as Chair of the CAPOC at your General Assembly; and even a bigger thank you for organising your meeting in such a wonderful city!

Since I speak after my colleagues, who chair the three Co-ordination Committees, which are much more political in their nature, I would like to start by giving the usual contextual overview and the “raison d’être” of CAPOC.

The Pension Administrative Committee of the Co-ordinated Organizations was created in 1974 to ensure uniform application of our pension regulations. It is a technical committee, which reports to the CRSG and which meets normally four times a year. 2023 is slightly different and we shall have an exceptional session, but a bit more to that later.

CAPOC consists of representatives from the six Coordinated Organizations, from observers, like the RATU, EU Sat Cen, EUISS as well as the European Patent Office whose pension management is entrusted to the ISRP.

The legal, fiscal and actuarial experts from the ISRP support the Committee and its members with great efficiency and dedication on the various aspects and agenda items we need to cover.

The Committee's scope had been enlarged since its creation with the arrival of new pension schemes in the various Coordinated Organizations, and it does provide technical opinions on the other defined benefit schemes, which are the NPS (Council of Europe, ESA, EUMETSAT, OECD), ECMWFs DBFPS or the Council of Europe's TPS.

The tasks the Committee covers are in a nutshell (i) the review of the Pension Rules, or provisions of technical opinions thereon at the request of the CRSG; (ii) review of the Staff Contribution rates of the different Pension Schemes; (iii) pension transfer agreements; (iv) matters relating to taxation/tax adjustment, (v) the annual balance sheet; and (vi) approving the assessment of pension rights.

Moving to the current tasks, which keep the Committee - but even more the ISRP - busy, I feel almost like a prayer mill, as I realise that for the third time in a row I am telling you now that the review of the Staff Contribution Rates of the Pension Schemes has been one of the most demanding tasks.

Just to re-call: we started the activities in early 2022 for rates which shall apply as of January 2025.

It is in the nature of the matter that most of the pertinent work lies with the ISRP's actuaries, in terms of data collection and validation. However, there are also matters of principle, which need to be addressed on the journey to the new rates.

One example is around the discount rate, which was the main driver of the quite big increases at the review cycle leading to the 2020 rates. As it was already clear at that time that the discount rate evolution would equally be an important driver in the review for the next update of the contribution rates, a detailed analysis of the discount rate calculation and options have been undertaken and a new concept in terms of the underlying data series identified. The Executive Directors, the CRSG and CRP Pension Group, where AAPOCAD is also a valued member, were briefed and are supportive of the changes, which will have a less negative effect on the next contribution rates. The CCR, who had equally raised concerns

on this matter in one of the previous contribution rate updates, has been informed as part of the Annual Balance Sheet presentation during the last Tri-Partite Meeting at end-September. Work on the demographic assumptions has in the meantime concluded, which involved cooperation and coordination between the ISRP's Actuaries and the individual organisations. The "Expert meeting briefing note" on the "International Civil Servant Life Table 2023" was shared with the CRP Pension Working Group. Subsequently, the early retirement coefficients as well as the actuarial coefficients for pension transfers will be on our agenda.

I mentioned in my last year's intervention that the Committee also looks – from a purely technical viewpoint – at possible improvements to ensure the sustainability of the organisations' pension schemes and in this context also at aspects around the contribution rate calculations like e.g. the frequency of update of the transfer coefficients.

You are all well aware that recommendation for changes to the CPS are within the remit of the Coordination Process. The governance for the various New Pension Schemes lies however with the Organisations' Delegate Bodies. You may have heard about tendencies or pressure from governing bodies in some organisations to change certain aspects of the new schemes and we can expect that the NPSs will not remain aligned among the COs in the same way as the CPS in the long term.

As to our journey to the new contribution rates, we expect two important milestones in the next 8 weeks: CAPOC will have a special meeting mid-November during which the ISRP will present the preliminary results of the calculations. (Anticipating questions from you, I can already tell you that I myself have no idea about the preliminary results yet, so please do not expect any figures at this point.) On 7 December, we shall meet the CRP Pension Working Group, accompanied by their actuary, to validate together the calculation results. So you see, we still have some important tasks ahead of us before the year-end, and I personally look forward to constructive discussions with the CRP PWG.

With my tribute to the excellent work of the ISRP without whose support CAPOC could not function, I will now close my short intervention. Thank you for your attention and I am now available to answer your questions.

*Hannes Langeder*

**Jean-François Poels**

*Head of the International Service for Remunerations and Pensions (ISRP)*

*(Original in French)*

Hello Mr Chairman, hello everyone,

I do not believe there is any need to present the International Service for Remunerations and Pensions (ISRP) so before handing the floor to my colleague Margaret Gilman Jaouen, head of payroll at the ISRP, I would like to share some information.

First of all, I would like to stress that the ISRP remains at the service of pensioners and of the International Organisations that have entrusted it with paying pensions. All the actions carried out by my services are merely the end result of applying the pension regulations in the different organisations, or the consequence of decisions taken by the governing bodies of these organisations. Accordingly, the ISRP has no initiative when it comes to decisions that directly concern you, and we simply apply the decisions taken by the organisations.

Secondly, you will have noticed that the economic context is not good for anyone, neither for you nor for the International Organisations. And some of them are suffering more than others. Against this backdrop, it is important to stress that we have received additional resources. Not as many as we would have hoped for, and not as many as we really need, but I would like to take this opportunity to highlight the efforts made by the Co-ordinated Organisations, efforts which are being reflected in the additional resources that will be deployed in the service of pensioners. This is a positive outcome that we should all appreciate. However, it is true that the workload is also increasing and that the ISRP is being asked to make efforts to streamline management costs.

I would therefore like to inform you that the Executive Directors have commissioned a consulting firm to determine to what extent we could find areas or processes which could and should be automated, especially in the area of the payroll services that we provide for pensioners.

We have suggested that the consultants meet with your Chairman, who will have the opportunity to speak freely about the needs of pensioners.

At this stage, I cannot give you any of the precise measures that will be recommended, or the processes that will be affected. However, it is not difficult to understand that the general trend across services is to step up

the pace of digitisation and increase the autonomy of everyone involved, including you. In the future, it is possible that you will be given access to tools and information databases that can help answer your questions, because we will not (or no longer) have the resources needed to maintain staff dedicated to this type of activity.

This type of development is inevitable, and the best comparison I can give today is the change in the way you interact with your bank. You have got used to carrying out a large number of operations using the tools placed at your disposal, and you no longer contact your branch as frequently as you did 30 years ago.

The ISRP has already developed this type of tool, and my message today is to (strongly) encourage you to start using these tools proactively. Now is the time to get to grips with the electronic kiosk, for example, and to familiarise yourself with the electronic messages we send you. They will become more frequent in the future, particularly with the addition of annual statements of benefits for even more countries.

Paper is passé! This is not just a catchphrase, and it is not just a purely ecological decision. It is also based on efficiency, because all the paper documents we receive have to be converted into electronic format.

Finally, I would like to reassure you: I am not one of those gullible fools totally in thrall to technology. Digitisation is presenting a whole new set of problems that we did not have to contend with before. For example, when a bank decides that it will no longer accept bank transfers in SEPA format, the only solution that the ISRP and the Organisations' governing bodies have found so far is to suggest changing banks.

I will keep in touch with the AAPOCAD Chairman so that together we can chart the course for the future, and support the digital transformation that is already underway.

I will now hand the floor over to my colleague Margaret Gilman Jaouen.

*Jean-François Poels*

**Ms Margaret Gilman Jaouen**

*Head of the Payroll Administration Unit,  
International Service for Remuneration and Pensions  
(ISRP)*

*(Original English)*

Thank you. I am pleased to give you an update on pensions over the last year. These figures include NATO pensions and the Associated organisations administered at the ISRP payroll administration unit.

- **Total pensions under administration in September 2023: 13 046**
- A 3% increase over September 2022
- Specifically, the **New Pension Schemes** number: 229
- A 15% increase over September 2022
- The 3rd pension scheme at Council of Europe is reaching maturity; payment of the first TPS pension is expected January 2024.

The geographical distribution is as follows:

- 8700 pensions are administered at the ISRP/Payroll Administration Unit in Boulogne.
- 91% of them reside in 5 countries.
- Top 5 countries remain stable.

39%	FRA	3358
21%	DEU	1834
15%	NLD	1266
5%	GBR	446
5%	AUT	409

2% tie for BEL ITA ESP.

For pensions administered at the ISRP payroll administration unit,

- 66% of pay slips are delivered on IPSI Kiosk, ISRP's digital safe, in September 2023.
- A 2% increase over September 2022.

- Please open your pay slips every month, we may have added a note at the bottom for further information about your benefits.
- Statements of annual benefits for 19 countries are available on IPSI Kiosk, more under review for addition next year.

New since last year for pensions administered at the ISRP payroll unit,

- 2023 Annual Form now includes:
  - your marital status, on record at ISRP, for **your** confirmation.
  - space for you to indicate emergency contact details, on a voluntary basis.
  - the [www.sirp-isrp.org](http://www.sirp-isrp.org) website now has a Frequently Asked Questions FAQ section on the portal for your organisation.
  - Please feel free to make suggestions to FAQ.
  - The website is open to staff and pensioners.
- Additional news from the ISRP payroll unit:
  - New service to ESA staff reached cruising speed in 2023
  - In 2021, European Space Agency mandated ISRP to provide additional services to new hires, upcoming retirees and active staff, previously handled by ESA.
  - New tasks were successfully handed over to ISRP, on schedule, in October 2021.
  - In 2022 ISRP formed an ESA pensions hub, responsible for ESA's pre-retirement activity, providing information and estimates to active staff, in addition to management of ESA pension files and payroll activity e.g.:
    - Leaving allowance, pension, tax adjustment;



- Certificates for aggregation purposes, mortgages, insurance affiliation, divorce;
- Pre-retirement seminars, to cite just a few.
- ISRP has received very positive feedback from ESA and ARES pensioners' association, who appear to be very satisfied with the services provided by the ISRP.
- The ISRP ESA service hub consists of 4 colleagues working closely with ESA Administration, HR and Social Security units on both pensions and support to active staff.

Thank you, enjoy your retirement.

*Margaret Gilman Jaouen*



## AAPOCAD's Regional Delegate Reports 2023

### BELGIUM

**Mr William RODEN**

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(Original French)

Over the past year, the requests for information or intervention that I received once again mainly concerned tax-related issues. First of all, on the issue of the taxation by the Belgium tax authorities of social contributions paid for medical cover by some AAPOCAD members residing in Belgium, the NATO authorities argued to the Belgian tax authorities that there was no legal basis for taxing the contributions in question. The Belgian Ministry of Finance supported this position and agreed to notify all the tax offices concerned. Once this process has been completed, NATO will send an information note to all its pensioners residing in Belgium. The taxes paid will be reimbursed retroactively.

If necessary, the administrations of other Co-ordinated Organisations could also use this information note in their dealings with the Belgian tax authorities.

Moreover, some AAPOCAD pensioners in Belgium were asked to pay their taxes for two fiscal years in 2023. This situation is the result not only of faster tax assessment times following the introduction of the online tax return procedure, but also of shorter payment processes. The Belgian tax authorities generally show a degree of understanding in this area, and it is always possible to approach them if it is necessary to negotiate a repayment scheme.

*Billy Roden*

### FRANCE

**Mr Malcolm GAIN**

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(Original English)

As in December 2022, we are still faced with varying degrees of uncertainty as regards our tax situation in France. The possibility of our liability for CSG and CRDS contributions on our co-ordinated organisation pensions over and above the income tax we all pay already continues to remain a particular cause for concern for some of us. Policies and practices still vary from

one tax office to another and the French Finance Ministry has still not made a ruling on this matter. Despite that I would suggest that we bear in mind that we can expect to have to contribute to the cost of French Social Security if we benefit from it, even though some of us who do may not yet have been asked to pay CSG and CRDS contributions on our co-ordinated organisation pensions, and that conversely if we have sickness insurance through an in-house scheme instituted by our organization then we should not expect to have to contribute to financing the cost of the French Social Security system if we don't benefit from its cover. Those of us in this latter situation should bear that fact firmly in mind when questioning the justification of calls for such contributions which they might receive from the French Tax Authorities.

I indicated in 2020 that the position of the Finance Ministry, known colloquially as Bercy, from its location in Paris, is that they consider pensions paid by Co-ordinated Organisations with their headquarters in France as being of French (and not foreign) origin. That position has not changed, despite the fact that some local tax offices take a different view. This implies that we should declare our pensions as such on our tax forms, in box 1AS or 1BS as appropriate. If we do this we will most probably be asked to pay our tax in respect of year n in four equal instalments in the last four months of year n+1. If however we declare them in box 1AM (or 1BM if one is "deuxième déclarant") – and some tax offices insist that we do - we will most likely be asked to pay the tax on our pension in monthly instalments in the year in which we receive it. These instalments are called "acomptes contemporains" and are directly debited from our bank accounts by the French authorities.

It would be helpful, this year as last, if you could inform AAPOCAD of any sudden or recent changes in the manner in which your income tax is levied on your pension by the French Authorities so that AAPOCAD can in turn keep CRSG and ISRP abreast of the situation on the ground.

I would like to take this opportunity to wish you and your loved ones all peace, health and happiness in 2024 and beyond.

*Malcolm Gain*

## ITALY

**Mr Franco VELTRI**

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(Original English)

The number of AAPOCAD members residing in Italy is 114, with decrease of 9 and increase of 3, if compared to the previous year (81 NATO, 23 ESA, 4 OECD, 3 CE, 1 ECMWF, and 1 EUMETSTAT).

These numbers reflect a major emerging problem: a decline in membership. This is not only due to recent pensioners who did not apply for membership. We are losing appeal also within the old membership. As per other pensioners associations, there is a perceived lack of effectiveness to solve the never solved problems, like the taxation systems and home care assistance, just to mention the top two. We are perceived as good 'information providers' not as 'problem solvers.' It is indeed just a perception but is becoming a reality in the minds of many of our members.

No new major issue emerged in 2023. Taxation of pensions remains the main concern.

Within this matter, there has been a new development. I recently learned of a decision made by one of the agencies of the Italian national tax authority. While answering an inquiry by a NATO Former Staff Member who is receiving an invalidity pension, it states that an invalidity pension is the continuation of the international salary and, as such, cannot be taxed until it eventually becomes a retirement pension, at 65 years of age.

Finally, at the latest Governing Board meeting I was asked about the status of the eligibility, within the Italian pension system, of pension contributions with International Organisations. This situation was formally solved last year, when a preclusion for those who enjoy an international pension was removed. However, the only colleague who I am aware requested to cumulate contributions is still waiting for the related calculations by Italian authorities.

*Francesco Veltri*

## THE NETHERLANDS

**Mr Nico DE BOER**

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(Original English)

In last year's report it was mentioned that the Netherlands Government had issued a ruling for the way the pensions of the Coordinated Organizations should be taxed in the future. There are still a few court

cases ongoing which might have an effect on application of this ruling. At the moment it is not clear when we will know the final outcome of these court cases.

The present method of taxation is rather complex and many AAPOCAD members have given advice on the way they should complete their 2022 tax return forms.

At the beginning of 2023 the pensioners of the Coordinated organizations were confronted with a negative adjustment as compared with the December 2022 pensions and pensioners asked for advice by the AAPOCAD, ESA and NATO pensioners associations. This adjustment was a result of the way the official consumer prices indices were established, resulting in negative correction at the end of the 2022. The 2022 EoY consumer price index was slightly lower the consumer price index a few months earlier.

Although not an issue of coordination a change in the health insurance coverage in 2023 has an impact on NATO retirees in the Netherlands who are exempted from social security. As of 1 January 2023, appointments with specialists will be reimbursed at 90% unless patients suffer a serious illness. NATO decided to delete a Supplement to its contract, that is based on a specific provision in the CPR, and existed for 60 years to realign the NATO basic coverage with the standard 100% coverage of Dutch health insurances.

The change was introduced as a measure to enhance solidarity however the result is that the optional but commercial alternatives offered to all staff and retirees anywhere is up to 5 times as expensive but covers less than the Supplement. It is therefore not a viable alternative in the Netherlands and it is not necessary in many NATO countries where social security payments fill the difference of 10%. The situation in Turkey is similar.

ANARCP, the Association of NATO retirees of which retirees in the Netherlands are generally a member, has done its best to convince NATO not to delete the Supplement but to no avail. An appeal was lodged but it was rejected in November 2023 by the NATO Administrative Tribunal consisting of newly appointed judges. The Tribunal was of the opinion that it is within the statutory authority of NATO to make changes to the coverage and that there was neither an acquired right nor a contractual obligation although retirees were required to sign up for the coverage upon retirement. The decision did not consider many of the raised legal arguments about the lack of motivation and the poor coordination. This decision of the newly appointed Tribunal forebodes no good that justice will be done to

retirees or staff in the future. As there is no second instance no remedy is left open after the decision that is final.

I would like to thank Hessel Rutten for his contribution to this report.

Nico de Boer

## TÜRKIYE

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(Original English)

### 1. PENSION ADJUSTMENTS.

The problem of high domestic inflation and its devastating effect on pensions paid in Turkish Liras has continued in 2023. The increase in the official *annual* consumer prices index (CPI) for Türkiye has been 61.98% in November. The annual CPI increase has remained between 61 and 62% in the three-month period September-November. The *annual* harmonized index of consumer prices (HICP) which is the index applied for pension adjustments, was 61.48% in October.

Back in 2022, the cumulative inflation adjustment based on HICP increases applied on pensions in Türkiye was around +64.3%. This year, five special inflation adjustments have/will have been implemented. The cumulative of these special adjustments for inflation in 10 months (January-October) was 55.2%. Based provisionally on the official *annual* CPI increase estimate as at the end of 2023, pensioners compensated in Turkish currency will have received a cumulative annual adjustment of approximately 65% over pension levels at the end of 2022.

The numerically large special pension adjustments in the local currency cannot be construed as any extra compensation beyond inflation adjustment based on official figures, which can be conservative due to domestic reasons.

### 2. CONSIDERATIONS AND REQUIRED ACTION ON THE APPLICATION OF ARTICLE 36.2 OF THE PENSION ADJUSTMENT METHOD.

NATO active staff representatives in Türkiye had submitted a request for a new household budget survey to help remedy their deteriorating situation. Should active staff salaries in Türkiye increase considerably more than pensions as a result of the survey, a correction should be requested in application of Coordinated Pension Scheme (CPS) Article 36.2 based on the adjustment method adopted as from January 2020.

The Confederation of NATO Retired Civilian Staff Associations (CNRCSA) Chairman's Report on NATO Joint Consultative Board's last meeting of 26 October 2023 stated that *"The proposal on the level of the special allowance for A/L grades [.....] and for Coordinated salaries of B and C grades for Türkiye will be finalized in September at the CCR when the figures for the annual adjustment of Coordinated salaries will be available. A further special adjustment [of salaries] has been agreed. In addition, there is a proposal to pay a temporary special allowance [.....], and this would be pensionable. The CNRCSA highlighted Article 36.2 of the Pension Adjustment methodology and stated that it expected measures to be introduced to reduce any gap between salaries and pensions. In reply, it was stated that pension adjustments are implemented more quickly than salary adjustments following any rise in inflation and that pensions increased at a higher rate than salaries over the past year. Furthermore, as other Coordinated Organisations have pensioners in Türkiye, this issue will be monitored within the context of the Coordinating Committee on Remuneration (the CCR)."*

First and foremost, the claim by the NATO IS HR officials that *"pensions increased at a higher rate than salaries over the past year"* will have been remedied by now. Monitoring performed by AAPOCAD for 2022 and 2023 revealed that pensions will not have increased at any higher rate than salaries once the salary adjustments compensating for inflation in the second half of 2023 will have been implemented by way of special adjustments and in January 2024. Further, CCR's 337<sup>th</sup> Report of 13 October 2023 as adopted by NATO now allows for the implementation of the month-on-month absolute value of the inflation figure rather than the 7% threshold value for special adjustments during the course of the reference period. (CCR 337<sup>th</sup> Report: Paras 3.4, 6(d, e), Annex 2.)

Furthermore, the statement that *"pension adjustments are implemented more quickly than salary adjustments following any rise in inflation"* does not reflect the current situation. CCR's 337<sup>th</sup> Report as adopted by NATO has done away with the three-month inflation monitoring for special salary adjustments just as in the pension adjustment method. (CCR 337<sup>th</sup> Report: Paras 3.3, 6(e).)

More importantly, the application of Art. 36.2 must not be a matter for *"monitoring within the context of the CCR"* any longer as claimed at the NATO JCB meeting. Subsequent to the JCB meeting, the NATO Council has approved in November the "temporary special measure" for A and L grades as a "pensionable" allowance and the January 2024 revised salary table for B and C grades in Türkiye (CCR 338<sup>th</sup> Report dated 13 October

2023: Paras 4.1, 4.2, 7.1(i), (ii)). It should be incumbent upon NATO to implement the 338<sup>th</sup> Report in Türkiye irrespective of other Coordinated Organisations' implementations. Hence, Art. 36.2 which is part of NATO's own CPRs Annex IV (Pension Scheme Rules) since 1 January 2020 can be implemented independently by the NATO Secretary General.

It should be emphasized that the "provisional special allowance" is a matter concerning only staff in Türkiye and as the NATO Council has approved CCR's 338<sup>th</sup> Report that recommended its application to salaries in Türkiye, from NATO's perspective, the application thereof to NATO pensions in accordance with Art. 36.2 now concerns only NATO pensioners in Türkiye. The application of Art. 36.2 has now become a matter solely for the NATO Secretary General as in the case of annual and special adjustments of NATO pensions. However, Implementing Instructions for CPS Art. 36.2 must be prepared and finalized rapidly by ISRP under CAPOC scrutiny and must be in conformity with the Implementing Instructions for Art. 36.1 that are already part of NATO CPRs Annex IV.

In the AAPOCAD Compendium of Documents of September 2023 it was mentioned that "3. *Salary scales – Hungary and Türkiye: [.....] AAPOCAD is following developments in this area closely, as, depending on the final outcome, it may be necessary to request activation of Article 36.2 of the Pension Scheme Rules that covers the eventuality of a widening gap between salary progression and pension progression.*" The same Compendium also mentioned that "4. *Pension adjustments: [.....] We must remain vigilant and, if necessary, be prepared to call for the application of Article 36.2 of the Pension Scheme Rules.*"

AAPOCAD's support through CRP in convincing CRSG of the requirement for NATO to implement Art. 36.2 independently is dearly needed. NATO pensioners in Türkiye live in the same very high inflation environment as NATO's active staff who will benefit from a provisional special allowance until ISRP completes a new survey. Meanwhile, this matter will be followed up by ANARCP National Representative for Türkiye with NATO International Staff Human Resources administrators with a view to have Art. 36.2 implemented.

### 3. **IMPACT OF THE GROUP HEALTH INSURANCE MODERNISATION AT NATO.**

NATO retired staff representatives in Türkiye, strived to influence the development of the "modernized" health insurance scheme in order to protect the interests of fellow pensioners. Unfortunately, NATO

has replaced the supplementary insurance peculiar to Türkiye providing for the full reimbursement of out-patient treatments (Supplement C) with premiums paid merely by affiliated staff by new supplementary coverage options that are exorbitantly more expensive.

NATO IS' decision to implement the new health insurance plan as of 1 January 2023 was the subject of an appeal lodged by a retired staff representative to have NATO IS' decision to discontinue Supplement C annulled. The NATO Administrative Tribunal rejected the appeal in November. This judgment has unfairly deprived pensioners in Türkiye of their decades-long paid supplementary out-patient cover. They are now unable to sustain the purchase cost of new products at premiums quoted only in Euro representing 6 to 7-fold increases over their old premiums which were deducted from their pensions in the local currency. NATO's initiative must be interpreted as a scheme with a direct negative impact on pensioners' purchasing power.

### 4. **MEMBERSHIP.**

Based on AAPOCAD's membership data for Türkiye, there were 48 AAPOCAD members residing in Türkiye as of 31 December 2022. There was no retiring NATO staff in Türkiye joining AAPOCAD in 2023. The current number of members will be shown on the AAPOCAD data base as of 31 December 2023.

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I extend my gratitude to our Chairman and all AAPOCAD Bureau and Governing Board members for their kind assistance in 2023. Your increased support is indispensable in also 2024 and beyond if we are to halt the constant loss of rights suffered by pensioners.

Kamil Erker

### **UNITED KINGDOM**

**Mr Robin Adrian FLOOD** +44 737 823 5253  
[aapocad@dragonsblood.org.uk](mailto:aapocad@dragonsblood.org.uk)  
(Original English)

I had several problems to deal with this year, but none were strictly within AAPOCAD's remit. However the persons concerned had nowhere else to turn (something I am sure that we have all faced) and with help and goodwill from various authorities I believe I managed to resolve their problems, as I never heard from them again ! Sadly two Organisations in particular were again less than helpful. I need not name them.

Robin A. Flood



## **Vacancy:**

- **Regional Delegate for Luxembourg**

**We encourage any AAPOCAD member who is resident in Luxembourg and who would be able to ensure this function to send his/her application to:**  
[aapocad@oecd.org](mailto:aapocad@oecd.org).

All applications must be accompanied by a letter of motivation stating why the applicant considers him or herself qualified for the position. Applications will be reviewed by the Governing Board at its next meeting, scheduled for the second week of May 2024.

## **Change of e-mail or postal address**

**Has your e-mail address changed?**

**Has your postal address changed?**

We would like to remind you that neither the ISRP nor your original Organisation will inform us of any changes to your e-mail or postal address.

**Please inform our secretariat ([aapocad@oecd.org](mailto:aapocad@oecd.org)) of any change to your e-mail or postal address.** Otherwise, you will no longer receive any information or postal mail that we send.



## Elections for the 2024 AAPOCAD Governing Board

The mandates of 9 Governing Board Members expire this coming month of May; there is also one vacancy to be filled for OECD. The seats to be filled, by Organisation, are as follows:

NATO	3
OECD	3
ESA	0
CoE	2
ECMWF	1
EUMETSAT	0
WEU	1
TOTAL	10

The names of the Board Members whose mandates are expiring are shown **in bold** in the table, which for convenience also lists 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 an electronic or 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 **Monday, 15<sup>th</sup> April**.
- 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 **22<sup>nd</sup> April**.
- c) You must then choose how you wish to vote, i.e. either **electronically on the AAPOCAD website (please use this method if possible)** or by post.

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

- d) Your vote(s) must be received by the deadline of **14<sup>th</sup> June**, and they will be counted immediately afterwards, with the results being announced at the AAPOCAD Governing Board on **17<sup>th</sup> October** and ratified at the General Assembly on **18<sup>th</sup> October 2024**.
- 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.

*John Parsons*  
Chairman

## MEMBRES ÉLUS DU CONSEIL D'ADMINISTRATION à OCTOBRE 2023 ELECTED MEMBERS OF THE GOVERNING BOARD AT OCTOBER 2023

Les noms en gras indiquent le terme des mandats en 2024  
Names in bold show mandates ending in 2024

Nom - Name	Mandats - Mandates 1 <sup>er</sup> -1 <sup>st</sup>	Fin-End
<b>OTAN / NATO (8 sièges / seats)</b>		
<b>M. CORBELLINI</b>	<b>2015</b>	<b>2024</b>
<b>M. GOYENS</b>	<b>2015</b>	<b>2024</b>
<b>M. RUTTEN</b>	<b>2009</b>	<b>2024</b>
M. DESBOIS	2019	2025
M. PARISH	2022	2025
M. PROUTEAU	2023	2026
M. RODEN	2011	2026
Mme TEZCAN	2017	2026
<b>OCDE / OECD (6 sièges / seats)</b>		
<b>Mme DUBOSCQ</b>	<b>2021</b>	<b>2024</b>
<b>Mme LINDNER</b>	<b>2003</b>	<b>2024</b>
<b>Siège vacant / vacant seat</b>		
M. HUGONNIER	2016	2025
M. VANSTON	2007	2025
M. MOORE*	2017	2026
<b>ASE / ESA (5 sièges / seats)</b>		
M. CAMPBELL	2007	2025
M. DE BOER	2007	2025
M. JAGTMAN	2016	2025
M. LE BER	2011	2026
M. VELDHUYZEN	2011	2026

Nom - Name	Mandats - Mandates 1 <sup>er</sup> -1 <sup>st</sup>	Fin-End
<b>CE / CoE (4 sièges / seats)</b>		
<b>M. BOHNER</b>	<b>2012</b>	<b>2024</b>
<b>M. COURADES</b>	<b>2021</b>	<b>2024</b>
M. PARSONS	2016	2025
M. DE BUYER	2023	2026
<b>UEO / WEU (2 sièges / seats)</b>		
<b>Mme BRISSET</b>	<b>2012</b>	<b>2024</b>
M. DE GOU	2013	2025
<b>CEPMMT / ECMWF (2 sièges / seats)</b>		
<b>M. BATAILLE</b>	<b>2021</b>	<b>2024</b>
M. ERLER	1995	2025
<b>EUMETSAT (2 sièges / seats)</b>		
Mme NICHOLAS	2019	2025
M. THIEM	2013	2025

\* Membre de 2009 à 2015, réélu en 2017

### 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. GARROUSTE (OCDE)  
M. NEITZEL (OTAN)

#### CONSEILLER JURIDIQUE / LEGAL ADVISER

M. PALMIERI (CE)

#### DÉLÉGUÉS RÉGIONAUX/ REGIONAL DELEGATES

Allemagne / Germany : **Vacant**  
France: M. GAIN (OCDE)  
Italie / Italy: M. VELTRI (OTAN)  
Luxembourg: **Vacant**  
Türkiye: M. ERKER (OTAN)  
RU / UK: M. FLOOD (ESA)

#### PRÉSIDENTS DES ASSOCIATIONS/ CHAIRS OF ASSOCIATIONS

Mme BAYLIS (ECMWF)  
M. BRIDGE (EUMETSAT)  
M. COMBARIEU (UEO)  
M. WINZER (ESA)

## 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:** International Association of Former Council of Europe Staff Members (AIACE)

**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.

**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

**NFSA:** NSPA [*NATO Support and Procurement Agency*] Former Staff Association

### CO-ORDINATION

#### **Purposes of the Co-ordination system:**

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

1. 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,
2. The Coordinated Pension Scheme Rules,

3. The purpose, amount and method of adjustment of the various allowances.

**CCR:** Co-ordinating Committee on Remuneration

The correct application of the 1974 Pension scheme is 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 CAPOC, and working groups of the CCR.

**CAPOC:** Pensions Administrative Committee of the Co-ordinated Organisations (the abbreviation CAPOC is now used in both French and English texts).

This body is appointed by the CRSG for more technical work on subjects such as the Pension Scheme 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. The pension may, however, be paid after the age of 50 at an actuarially reduced rate.
- 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 were married when the invalidity was recognised;
  - of a former staff member entitled to a deferred pension provided they were 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 normally 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 initially calculated by reference to the basic monthly salary and the scale applicable to the country of the staff member's last posting at the time the staff member retires. 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; in this case the pension is recalculated in accordance with Article 36, paragraph 5 of the Pension Scheme Rules.

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, the pension then being recalculated in accordance with Article 36, paragraph 5 of the Pension Scheme Rules.

Once exercised, these options are irrevocable.

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

### ***Annual adjustment of pension benefits***

The new adjustment method which came into force on 1 January 2020 is a consequence of the CCR's 263rd Report: on 1 January each year the adjustment corresponds to the inflation observed according to the national consumer price index (HCPI or CPI) for the country on the basis of whose salary scale the pension is calculated. The adjustment therefore no longer takes account of salary trends in the reference national civil services (B, D, E, F, I, L, NL, UK) or of purchasing power parities.

### ***"Tax adjustment" applying to pensions***

The "tax adjustment" established by Article 42 of the Pension scheme rules is one of the provisions of the scheme which has been most fiercely defended by AAPOCAD over the last few years 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 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.



## In Memoriam: Raymond van Schendel

It was with great sadness that we learned of the passing of Raymond van Schendel. For many of us, he was not just a caring colleague who always found time to listen, but also, and above all, an incredible friend who was an example to us all.

Raymond van Schendel was that rare blend of professional and moral integrity, quiet intelligence and sound judgement, all of which endeared him so highly to his colleagues at NATO, where he enjoyed a long and distinguished career. And when he retired, it was no surprise that became a prominent member of AAPOCAD, of which he was Vice-Chairman.

In truth, we owe a great deal to our Vice-Chairman Raymond van Schendel. First and foremost, we owe him the affectionate and loyal friendship he always bestowed, and the advice and counsel he was always ready to give, combined with the acuity of his analysis and the unassuming - almost humble - manner in which he always expressed himself.

But more importantly, we also owe him his passionate and determined defence of what he saw as AAPOCAD's main priorities: protecting the acquired rights under the Co-ordinated Pension Scheme (because, as he kept reminding us, we are in a contractual scheme and not a regulatory scheme); displaying steadfast solidarity with the serving staff of the Co-ordinated Organisations; and, finally, protecting the system of pension tax adjustments (and it is largely due to his thorough analyses and arguments on this issue that the system has been maintained).

In the current context of constant challenges to our pension scheme, there can certainly be no more fitting way to pay tribute to his memory than by firmly reaffirming the values and principles defended by Vice-Chairman Raymond van Schendel.

*Yves Borius*

## In Memoriam\*

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

On behalf of all 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 and whose names and dates of death are listed below. These colleagues and friends will always be present in our memory. - *The Chairman*

### CE/CoE

Nadine BARRY	10/12/2023
Alice BOURAS	10/04/2023
Carla CANCIAN	01/06/2023
Mireille DUNEZAT	04/04/2023
Marguerite ECKERT	11/01/2023
Marie-Eugénie GEISTEL	04/03/2023
Madeleine HORNECKER	19/06/2023
Pierre, Henri IMBERT	08/11/2023
Roberto Aristide LA PORTA	01/11/2023
Jean-Marie MOUCHOT	19/06/2023
Jean RAYMOND	06/09/2023
Pierre SCHMIDT	09/12/2023
James SINCLAIR	01/11/2023
Christiane SQUARTINI	22/12/2023
Reine UNGER	20/03/2023

Mark VILLIGER	10/12/2023
Martin Ramsay WESTON	29/10/2023
René WIHLM	21/03/2023
Achille ZILLIOX	21/09/2023

### CEPMMT/ECMWF

Hannelore HAWE	14/10/2023
Graham HOLT	03/10/2023
Veronica Mary HUMPHREYS	15/08/2023
Branka STEVANOVIC	28/09/2023

### ESA

Peter BEECH	20/03/2023
Frans BLEIJENBERGH	16/11/2023
Gudrun BLOCK-ROMERIO	02/12/2023
John BREGONJE	23/12/2023
Bettie CASELEY	24/08/2023
Lucy CONNOR-DE BOER	22/02/2023

Pieter DE BOER	02/02/2023
Josepha DE REUSE	31/12/2023
Berit FRIBERG	01/09/2023
Theodorus A. KOOPMAN	21/12/2023
Enno E. LIJPHART	20/10/2023
Matthias J. Wolfgang NELLESSEN	21/12/2023
Derek OLDROYD	08/11/2023
Josef SCHMITT	07/11/2023
Alan SMITH	09/06/2023
Michael SMITH	08/06/2023
Frank SNEL	24/01/2023
Johannes VAN DER STAP	27/07/2023
Hendrik WESSELS	11/10/2023

### OCDE/OECD

Geneviève APPLETON	11/12/2023
James CHAN-LEE	21/07/2023
Dudley Robert COBB	05/06/2023
Daniel CRONIER	29/11/2023
Michèle, Jeanne, Charlotte DELQUE	31/07/2023
Lucien Roger FAUCHER	21/12/2023
Christiane GIRAUDON	09/11/2023
Violette HAMEAU	01/12/2023
Matthew HARLEY	11/09/2023
June HICKS	29/08/2023
Paule IMSAND	28/06/2023
Denise JACKSON	08/09/2023
Jean LINARD	01/01/2023
Raymond MILHET	10/01/2023
Eliane MORE	11/08/2023
Annie MORICE	17/03/2023
Ulderico PANSINI	14/08/2023
Michel POTIER	22/01/2023
Lakdar SAIFI	02/09/2023
René SAINT-JEAN	21/12/2023
Roberto SARDINA	11/08/2023
Jean-Yves SOL	29/09/2023
Suzanne VALLE	02/02/2023
Verena VON SEIDL-ZELLBRUGG	04/11/2023

### OTAN/NATO

Albert Daniel CARRERE	17/05/2023
Christian CHARNIER	13/01/2023
Mary CHORLEY	04/02/2023
Normand CYR	18/04/2023
Willem DE KONING	15/03/2023
Arnaud DECOCK	14/07/2023
Denise DEJEANS-PIERRE	29/11/2023
Monique DEPRez	03/08/2023
Bernard FIVEZ	17/12/2023
Josette GAUDEBERT	22/03/2023
Uwe GRAMLICH	05/11/2023
Alice GUERILLOT	27/11/2023
Peter HENNEBERG	31/05/2023
Josette HUMBERT LECOSSOIS	30/09/2023
Trevor KIRBY	28/01/2023
Josette LACOURT BOUAS	21/10/2021
Marguerite LAPORTE	14/03/2023
Suzanne LAPREVOTTE	12/01/2023
Ingeborg GOERKE LENDERS	22/08/2023
Lucia LO BOSCO	25/09/2023
Guy, Albert MAES	12/08/2023
Fergus Alexander MCLEAN	03/11/2023
Frederik MESCHER	03/01/2023
Ingeborg E. PERRY MUEHLPFORDT	21/03/2023
Laurent, François PIACENZA	05/06/2023
Robertus Cornelis REIJMAN	12/11/2023
Homme RIJPKEMA	22/07/2023
Rainer ROEPKE	15/08/2023
Wolfgang SCHLISSNER	26/12/2023
Joseph SOMJA	29/01/2023
Christopher SPRING	25/04/2023
Bernadus-Maria TERHELL	22/12/2023
R.F. VAN MOURIK	26/04/2023
Raymond VAN SCHENDEL	10/10/2023
Christa WILK	13/09/2023
Michel, Firmin, Marie YSEBAERT	11/04/2023

### UEO/WEU

Françoise DOMBLIDES	04/05/2023
Simone GARNIER	29/01/2023

## New Members by Organisation \*

### CE/CoE

Angèle BLAES  
Gérard BURR  
Yann Amaury DE BUYER  
André ELLES  
Robert LOUX  
Siobhan MONTGOMERY  
Mark NEVILLE  
Valérie PAGNOUX  
Jean-Pierre SPEICHER  
Michael WISCHUF

### CEPMMT/ECMWF

Jayne JARDINE  
Antonio MARIANO  
Marco MATRICARDI

### ESA

Thierry BRU  
Dominic DOYLE  
Rafael LORZA-PITT  
Dorothea ROSA  
Elisabeth Maria VAN DER STAP-SMITS  
Alan WEBB

### EUMETSAT

Folker DE SOYE

### OCDE/OECD

Anna BARNET  
Marcos BONTURI  
Catherine CANDEA  
Eileen CAPPONI  
David Allan CAREY  
Karim Frederic CHALLAL  
Fabrice CHEHRI  
Cassandra DAVIS  
Fabrice GENDRE  
Patricia GIRAUD  
Krzysztof GOSTOMSKI  
Mary-Ann GROSSET  
Catherine HABIB  
Raundi HALVORSON-QUEVEDO  
Wendy Anne HOUËT  
Anthony HUYNH

Dany LA BELLE  
Maria MAHER  
Patrick Robert MOULETTE  
Olivier NARBEBURU  
Kristine PETROSYAN  
Didier PUCI  
Celia RUTKOSKI  
Marie-Thérèse SCHNEIDER - MILHET  
Elizabeth VAN HULST  
Daniel VANDERLINDEN  
Heloise WICKRAMANAYAKE  
Nigel WILKIE

### OTAN/NATO

Théodorus AGELINK  
Nurcan ARI SUVAR  
Mariet BORGHANS-HAENEN  
Antje DE KONING-GRAS  
Guy DE RYCK  
Marcel DASSEN  
Ralf DREES  
Robert FUCHS  
Joyce HARTLEY  
Carla HENSSEN  
Chris HOF LAND  
Susan KENT  
Eric LEBEAU  
Patricia LIMPINSEL-STOOTS  
Muriel LOWE  
Gerardus MEESTERS  
Monique MEIJER  
Heinz-Josef MERTENS  
Ralf MEYER  
Frank MONDSCH E IN  
Katty NAVIAUX  
Mari Carmen REID  
Richard SCHLUPP  
Roger SCHNEIDER  
Vincenzo SILVESTRO  
Huub SIMONS  
Gerd WOLTERS

### UEO/WEU

Jean-Pierre DOMBLIDES

\* 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](mailto:aapocad@oecd.org).