



# **Civilian Personnel Regulations**

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# Preamble

## A. Applicability

- (i) These Civilian Personnel Regulations are applicable throughout the North Atlantic Treaty Organization and shall govern personnel administration in each NATO body for personnel of the following classes:
  - international civilian personnel
  - consultants
  - temporary (civilian) personnel
- (ii) These Regulations do not apply to military personnel (other than those seconded to civilian posts), national experts lent by their governments on a non-reimbursable basis, or local civilian labour (known as Local Wage Rate (LWR) civilians). The terms of employment of LWR civilians will be set out in their contracts of employment and will comply with the conditions of work, wages, supplementary payments, etc., laid down in the legislation and regulations applicable in the host country.
- (iii) Compliance with these Regulations, except as specified in agreements concluded between the member government concerned and the Secretary General or Supreme Allied Commander as appropriate, is likewise incumbent on nationals of a country which has elected to avail itself of the special provisions of Article 19 of the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff or Article 7(2) of the Protocol on the status of international military headquarters.
- (iv) Notwithstanding the provisions of paragraph E (x) below, the contractual rights of staff members in post on the date on which these Regulations come into force shall be maintained.

## B. Definitions

- (v) For purposes of these Regulations, the following phrases have the meanings indicated:
- (a) **NATO bodies** - means all civilian and military headquarters, agencies and other organizational units established pursuant to the North Atlantic Treaty and fully financed through international budgets.
  - (b) **Head of NATO body** - means the senior responsible officer of any NATO body to which either the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff signed in Ottawa on 20<sup>th</sup> September, 1951 or the Protocol on the status of international military headquarters set up pursuant to the North Atlantic Treaty signed in Paris on 28<sup>th</sup> August, 1952 applies and which employs international civilian personnel.
  - (c) **International civilian personnel, staff, or members of the staff** - means personnel of a NATO body recruited from among the nationals of members of the Alliance and appointed to the Organization and assigned to international posts appearing on the approved establishment of that NATO body.
  - (d) **Consultant** - means a recognized expert or specialist engaged, normally from among nationals of the members of the Alliance, to serve in an advisory capacity not provided for by the establishment approved for the NATO body concerned.
  - (e) **Temporary personnel or temporary staff** - means personnel engaged from among nationals of the members of the Alliance to satisfy temporary requirements of the Organization (e.g. to replace members of the staff who are absent, to undertake tasks temporarily in excess of the capacity of the establishment approved for the NATO body concerned, to ensure that the personnel establishment can be managed in a flexible way and necessary work requirements can be sustained during reorganizations).
  - (f) **Seconded staff** - means those international civilian personnel recruited, with the concurrence of the national authorities concerned:
    - i. from a national administration, public institution or the armed forces of a NATO member state, who retain a formal link with the administration, institution or armed forces from which they were recruited; or
    - ii. who are made available to serve as international civilian personnel under arrangements concluded with the Council under Article 19 of the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff or Article 7.2 of the Protocol on the status of international military headquarters set up pursuant to the North Atlantic Treaty. The extent to which the Civilian Personnel Regulations apply to staff seconded under these provisions may be set out in arrangements between the Organization and the Member state concerned.



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- (g) **Retired NATO staff, member of the retired NATO staff** – means former members of the staff who have served with a NATO Body in one or more of the categories described in paragraphs (c), (d), (e) and (f).
- (h) **Spouse:**
- i. The person with whom a staff member has entered into a marital relationship, as defined, recognized, and regulated by a national public authority; or
  - ii. Officials who have entered into a partnership organizing the conditions of their marital relationship registered with a national public authority shall be considered as married officials and their partners as spouses, provided that all the following conditions are met:
    - neither of the partners is married or has already entered into another registered partnership;
    - the kinship between the partners does not preclude their marriage;
    - the couple as such does not legally have access to civil marriage under the legislation of the State of which the official is a national or of the country of residence of the couple.

### C. Responsibility and authority

- (vi) The Heads of NATO bodies (as defined in paragraph B(v)(a) above) are responsible for ensuring that these Regulations are faithfully applied within their respective organizational units. To this end the term «Secretary General» or «Secretaries General of the Coordinated Organizations» shall mean, in a text which has been approved for common application in the Coordinated Organizations and which is reproduced in an annex to the Regulations, the Head of the NATO body to which the staff member belongs or to which the former staff member belonged, except where otherwise specified. For specific situations not covered by these Regulations, the Heads of NATO bodies<sup>(1)</sup> will consult the Advisory Panel on Administration, established by the Secretary General<sup>(2)</sup> before taking a final decision.
- (vii) To this end they are authorized:
- (a) to take such steps as are necessary to establish, consistent with the provisions of these Regulations, more detailed rules and procedures to ensure effective, efficient and economical administration and utilization of civilian personnel within the organizational units headed by them;
  - (b) to designate the official or officials authorized to exercise the powers and authorities relative to civilian personnel vested in them by these or other regulations.

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

<sup>(2)</sup> See Council decision on C-M(2009)0079.

#### **D. Immunities and privileges**

- (viii) The personnel designated in paragraph A(i) above shall enjoy the privileges and immunities to which they are entitled according to the provisions of Articles 17 to 23 of the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff and of Articles 2 to 8 of the Protocol on the status of international military headquarters (Annex 1). These privileges and immunities are accorded in the interests of the Organization and not for personal benefit. They do not exempt the personnel from the duty to fulfil their obligations as private individuals or from the duty to respect the laws and the police regulations.
- (ix) Whenever these privileges and immunities are called in question, the personnel concerned shall report the matter immediately through channels to the Secretary General or Supreme Allied Commander, who will decide whether or not the immunities shall be waived.

#### **E. Approval**

- (x) These Regulations have been approved by the North Atlantic Council and are applicable to all NATO bodies. They supersede all previous civilian personnel regulations.
- (xi) Any NATO body wishing to diverge from these Regulations shall seek Council approval to do so.
- (xii) Any proposals for amendments to the present Regulations shall normally be submitted to the Council for adoption once a year, in accordance with the procedure applicable to the final approval of the present Regulations.

#### **F. Participation of international civilian personnel in Council-approved operations and missions**

- (xiii) The provisions of Annex XIV set out the regulations in respect of members of the staff who participate in Council-approved operations and missions.

## RULES GOVERNING MEMBERS OF THE STAFF

### Chapter I

# Recruitment and employment

#### Article 1 Policy

- 1.1 Members of the staff of each NATO body shall be recruited and appointed on a basis of merit from among the nationals of the member countries.
- 1.2 The paramount consideration in the appointment of the staff shall be the necessity of securing the highest standards of diligence, competence, and integrity.
- 1.3 In NATO bodies having a predominantly civilian establishment, the recruitment and appointment of A category staff should, at the discretion of the Head of the NATO body concerned and to the extent compatible with the provisions of Article 1.2, be effected to provide diverse and equitable geographical representation.

#### Article 2 Authority

Appointments to posts shall be made by the Heads of NATO bodies in accordance with the authority vested in them by the North Atlantic Council. The conditions of appointment of Financial Controllers are laid down in the NATO Financial Regulations.

#### Article 3 General conditions

Staff members are appointed to and hold posts on the establishment of a NATO body only on condition that:

- (a) they are nationals of a NATO member country;
- (b) they are over 21 and under 60 years of age at the time of taking up their appointments: notwithstanding this provision, in exceptional circumstances:

- (1) candidates may be appointed to junior posts in the B and C categories under the age of 21;
- (2) appointments of definite duration may be offered to candidates of 60 years of age or more provided that the expiry date of the contract is not later than the date at which the candidate attains the age of 65;
- (c) they have completed any initial term of compulsory military service required of them under the provisions of their national legislation;
- (d) they fulfil the physical standards demanded by the exercise of their functions and they are recognized as being free from or definitely cured of any disease which might constitute a risk to others<sup>(1)</sup>;
- (e) they have an adequate knowledge of at least one of the two official languages (English and French);
- (f) they are not closely related to a member of the staff (although the Head of the NATO body may authorize a departure from this rule on the understanding that neither of the persons concerned shall be placed under the direct authority of the other);
- (g) the NATO body has received a security clearance certificate from the government of the country or countries of which the candidate is a national. The withdrawal of this certificate entails the immediate termination of the contract or the immediate dismissal of the staff member concerned, in accordance with the conditions of Articles 9 or 59 of the present Regulations, as appropriate.

<sup>(1)</sup> Candidates for appointment are required to pass a medical examination by a doctor approved by the Organization. Thereafter members of the staff will be required to undergo a medical examination annually and at any other time that the Organization considers desirable.

## Chapter II

# Appointments, assignments and contracts

### Article 4 Appointments

- 4.1 A member of the staff is appointed to the Organization in a post of a specific grade, within a functional group, as decided by the Organization, with designation of the location or locations where the duties are to be performed.
- 4.1.1 When it is in the interests of the service, the Head of NATO body, having consulted with the staff member concerned, may transfer the staff member to another post in the same geographical location.
- 4.1.2 In the case of transfer to another location, including to a NATO body in another country, or to a lower graded post, the transfer would take place with the agreement of the Heads of NATO Bodies and the staff member concerned.
- 4.1.3 In the case of staff seconded by nations to a post, transfer of the staff member to another post requires the agreement of the sending national administration.
- 4.2 Members of the staff shall normally be appointed at the lowest step of their grade. However, the Head of NATO body<sup>(1)</sup> may recognize exceptional qualifications and skills and appoint at a higher step if the candidate in question can demonstrate possession of high level training and proficiency or specific experience which is directly relevant to the duties attached to the post in question. The additional seniority in the grade shall not exceed 36 months in grades A.6 and A.7 and 72 months in other grades for the purposes of setting the step on appointment.
- 4.3 However, Heads of NATO bodies<sup>(1)</sup> will normally take account of previous relevant appointments governed by these Regulations or by those of a

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

Coordinated Organization in establishing the step at which a member of the staff is appointed.

- 4.4 Notwithstanding Article 4.2 above, under definite duration contracts offered to specialized scientific and technical personnel, appointments are not necessarily made at the first step of the grade. However, A category personnel appointed to research posts up to and including grade A.4 in scientific establishments, may, if justified by circumstances, be recruited at a higher step than the first with the right to salary increments.
- 4.5 Offers of appointment are made in writing and specify the type of contract proposed and the general terms and conditions of employment. Acceptance of the terms of the offer shall be notified in writing within the time specified therein, failing which the offer of appointment becomes null and void.
- 4.6 The appointment of a member of the staff is effected by the signature of a contract specifying the date from which it takes effect.
- 4.7 The contract shall lay down, expressly or by reference, all the terms and conditions of employment and the emoluments corresponding to the initial appointment.

## **Article 5            Contracts<sup>(1)</sup>**

### **5.1        Initial contracts**

- 5.1.1 Staff appointed or reappointed to the Organization shall be offered contracts, known as initial contracts, of between one and 3 years' duration unless Article 5.2 below applies.
- 5.1.2 Notwithstanding Article 5.5.2 below, an initial contract may exceptionally be renewed provided that the total length of service under initial contracts does not exceed 3 years.

### **5.2        Definite duration contracts**

Definite duration contracts not exceeding 5 years shall be offered to staff appointed or reappointed to the Organization if:

- they are seconded, in which case such a definite duration contract shall not exceed the length of the approved secondment; or
- they are appointed to posts previously identified by the Head of NATO body as being required for a limited period; or
- they are appointed to posts previously identified by the Head of NATO body<sup>(2)</sup> as posts in which turnover is desirable for political or technical reasons; or
- they are appointed to research posts in scientific establishments.

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<sup>(1)</sup> The terms, 'initial' and 'reassignment' contracts, referenced within the CPR, refer to types of contracts previously offered to staff. Their further use is discontinued with effect from 1st April 2012.

<sup>(2)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

### 5.3 Reassignment contracts

Contracts of one year may be offered to staff members reassigned to a different post or to another NATO body, particularly when they will be performing substantially different duties from those attached to the posts which they previously held. These contracts, known as reassignment contracts, may exceptionally be prolonged for up to one further year, notwithstanding Article 5.5.2.

### ***Applicable to staff appointed to the Organization on or after 1st April 2012***

5.1 Not used.

### 5.2 Definite duration contracts

5.2.1 Staff appointed or reappointed to the Organization are offered definite duration contracts, not exceeding 5 years.

5.2.2 Staff seconded to the Organization are offered definite duration contracts, not exceeding 5 years and not exceeding the length of the approved secondment.

5.2.3 Definite duration contracts may be renewed for a period of up to 5 years and subject to the following factors being met:

- (i) renewal is in the interests of the Organization;
- (ii) availability of budget post;
- (iii) performance to the required standard as defined by the Head of NATO body;
- (iv) in the case of seconded staff, the duration of the contract does not exceed the period of secondment.

5.2.4 In accordance with Article 11, definite duration contracts may only be extended until the last day of the month on which the staff member becomes 65 years of age or is authorised to continue employment, subject to conditions set out in Annex XV.

5.3 Not used

(Applicable to all staff)

### 5.4 Indefinite duration contracts

5.4.1 Indefinite duration contracts contain no termination date but do provide for termination by either party. They do not constitute a guarantee of permanent employment for the member of the staff.

5.4.2 Staff members who have served the Organization with performance to the standard as defined by the Head of NATO body for 10 or more years consecutively under definite duration contracts or under a combination of different types of contract and to whom a further contract is offered shall be offered indefinite duration contracts.

5.4.3 Notwithstanding Article 5.4.2 above, a staff member who is filling a research post in a scientific establishment shall not be offered

an indefinite duration contract. Indefinite duration contracts may be offered to seconded staff only after the national authority's agreement.

## **5.5 Subsequent contracts**

- 5.5.1 The staff member shall be informed in writing not less than 6 months before the expiry of a contract whether or not it is intended to offer a further contract.
- 5.5.2 Following satisfactory performance during (an) initial contract(s) or a reassignment contract, the Head of the NATO body may offer an indefinite duration contract as defined in Article 5.4.
- 5.5.3 Following satisfactory performance during a definite duration contract, the Head of the NATO body may, in the interests of the service, offer:
  - the renewal of the definite duration contract under the conditions of Article 5.2; or
  - an indefinite duration contract under the conditions of Article 5.4 if the staff member has completed at least 3 years continuous service under a definite duration contract or contracts.

## **5.6 Limited contracts**

Staff members who are employed beyond the age limit (subject to conditions set out in Annex XV) shall be offered limited contracts up to a maximum of 2 years.

## **Article 6 Probationary period**

- 6.1 The first 6 months of an initial or definite duration contract covered by Articles 5.1.1 and 5.2 are a probationary period, unless the contract is for a period of one year or less, in which case the first 3 months are the probationary period.
- 6.2 Reassignment to a different post may entail a probationary period of 3 months to ensure that members of the staff have the ability to carry out their new duties.
- 6.3 The probationary period shall not run during any period of sick leave in excess of 5 consecutive working days.
- 6.4 At or before the end of the probationary period, the member of the staff will be notified in writing:
  - (a) that the contract is confirmed; or
  - (b) that it is terminated in accordance with the provisions therein (see Article 10.1); or
  - (c) in exceptional cases, that one further probationary period not exceeding 6 months is necessary.



## Chapter III

# Separation

### Article 7 General provisions

- 7.1 A staff member may be separated from the Organization for any one of the following reasons:
- (i) expiration of contract - see Article 5.5;
  - (ii) resignation by the staff member - see Article 8;
  - (iii) termination by the Head of NATO body - see Article 9;
  - (iv) dismissal - see Chapter XIII;
  - (v) attainment of the age limit - see Article 11;
  - (vi) death - see Chapter X;
  - (vii) for seconded staff, if secondment is withdrawn by one of the entities specified in CPR Preamble section B. (v) (f) (i).

### Article 8 Resignation

- 8.1 Members of the staff wishing to resign in accordance with the terms of their contracts must notify the Personnel Service of their decision in writing through their immediate superior.
- 8.2 On behalf of the Head of the NATO body, the Personnel Service shall acknowledge receipt of the resignation. This resignation is then irrevocable unless otherwise mutually agreed.
- 8.3 Resignation shall not be a reason to preclude disciplinary action.
- 8.4 No members of the staff shall relinquish their posts before the end of the notice period specified in their contracts except where specifically so authorized by the Head of NATO body. Failure to observe this rule may involve disciplinary action, and, in particular, application of the measure foreseen by Article 59.3(f) below.

## **Article 9 Termination**

- 9.1 The Head of NATO body has the right to terminate contracts for due and valid reasons, e.g.:
- (i) if the staff member does not perform to the standard determined by the Head of NATO body, as assessed under the system established by the Head of NATO body in accordance with Article 55.1 or 55.5;
  - (ii) if the staff member is incapacitated for service;
  - (iii) if the post which the staff member holds is suppressed;
  - (iv) if the country of which the staff member is a national ceases to be a member of the Organization or withdraws or does not renew the security clearance;
  - (v) as a result of disciplinary action – see Chapter XIII and Annex X.
- 9.2 The termination of a contract shall be notified in writing to the staff member concerned.

## **Article 10 Notice periods and indemnities<sup>(1)</sup>**

- 10.1 During the probationary period, an appointment may be terminated by either of the contracting parties:
- (i) on 30 calendar days' notice under initial contracts and definite duration contracts;
  - (ii) on 90 calendar days' notice under reassignment contracts.
- 10.2 Once an initial contract or a reassignment contract has been confirmed after the probationary period, it may be terminated before expiry of the contractual period either by the member of the staff or by the Head of NATO body provided that 90 calendar days' notice is given in writing.
- 10.3 Indefinite duration contracts and those definite duration contracts concluded with seconded staff under Article 5.2 shall state the period of notice which the member of the staff is required to give in the event of resignation and which the Head of NATO body is required to give if he/she intends to terminate the contract. As a general rule, this period of notice shall be 180 calendar days, except that the Head of NATO body shall give 90 calendar days' notice to staff who are seconded.
- 10.4 If the staff member is absent on sick leave at the time of notification of the termination of the contract, the period of notice to which the staff member is entitled shall be extended by the time of that sick leave after the notification, within the limits of Article 45.

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<sup>(1)</sup> Reference correction, to refer to definite contract.

- 10.5 The Head of the NATO body may substitute for all or part of the contractual period of notice an allowance equal to the emoluments including, if applicable, the Organization's contribution to the Provident Fund or Defined Contribution Pension Scheme for this period. The emoluments to be taken into account in calculating the amount of the allowance shall be those received by the staff member at the actual date of leaving the Organization. For staff affiliated to the Coordinated Pension Scheme, the total period of notice shall be considered as pensionable service subject to the conditions laid down in Annex IV.
- 10.6 Notwithstanding the provisions of Articles 10.1-10.5 above, the Head of NATO body shall not give notice where the contract is terminated on grounds of permanent incapacity for service and the member of staff is entitled to an invalidity pension under Article 47 or Article A.65.
- 10.7 A staff member whose indefinite duration contract is terminated and who fulfils the conditions laid down by the Council shall be entitled to the payment of an indemnity as set out in Annex V. This provision also applies to staff members whose reassignment contract following an indefinite duration contract is terminated or is not succeeded by a further contract, the amount of the indemnity being calculated in accordance with the criteria applicable to staff members holding indefinite duration contracts.
- 10.8 Definite duration contracts, other than those concluded with seconded staff, do not contain provisions for notice of termination either by the member of staff or by the Head of NATO body after confirmation of the probationary period. Such contracts may, however, be terminated by mutual agreement.
- 10.9 If the Head of NATO body breaks a contract covered by Article 10.8 for one of the reasons enumerated in Annex V, the staff member shall, if the conditions laid down by the Council are fulfilled, be entitled to an indemnity as set out in Annex V.
- 10.10 If a definite duration contract is broken by the staff member and if this action is determined by the Head of the NATO body to be detrimental to the Organization, disciplinary action, and in particular application of the measure foreseen by Article 59.3(f) below, may be taken.
- 10.11 The total period covered by the indemnity laid down in Annex V shall be considered pensionable service subject to the conditions laid down in Annex IV.

## **Article 11      Age limit**

Members of the staff shall cease their functions on the last day of the month in which they become 65 years of age. However, the Head of NATO Body may authorise a staff member to continue to be employed by the Organization subject to the conditions set out in Annex XV.



## Chapter IV

# Obligations and responsibilities

### Article 12 Duties, incompatibilities and proprietary rights

#### 12.1 Duties

- 12.1.1 Members of the staff of NATO bodies exercise functions of an international character in the common interest of the NATO countries. They are subject to the authority of the Head of the NATO body employing them and are assigned to their duties by that individual: they are answerable to the Head of the NATO body for the performance of these functions and for compliance with all applicable NATO rules and regulations.
- 12.1.2 The Head of the NATO body may for reasons of service at any moment call upon members of the staff, whose whole time shall thus be at the disposal of the Organization.
- 12.1.3 Members of the staff are bound to professional secrecy. They shall exercise the utmost discretion in all matters of official business and in giving information on matters in any way related to the aims and activities of the Organization.
- 12.1.4 Members of the staff shall treat their colleagues and others, with whom they come into contact in the course of their duties, with respect and courtesy at all times.
  - (a) They shall not discriminate against them on the grounds of gender, race or ethnic origin, religion or belief, age or sexual orientation.
  - (b) They shall not harass, bully or otherwise abuse another staff member.
- 12.1.5 The Head of the NATO body may establish local implementation policies in application of this article.

## 12.2 Incompatibilities

### 12.2.1 No members of the staff may:

- (a) become candidates for or hold a public office of a political character without the prior written consent of the Head of the NATO body;
- (b) engage in any outside occupation or hold any outside office which, in the opinion of the Head of the NATO body employing them, is incompatible with the proper discharge of their duties with the Organization or with their status as members of the international civilian personnel.

### 12.2.2 No members of the staff shall use their position with the Organization or information gained therefrom for personal advantage.

### 12.2.3 Members of the staff shall not accept gifts in cash or kind, or favours of any sort, from any external source or from commercial firms or individuals doing or seeking business with or profit from the Organization.

### 12.2.4 Members of the staff shall not accept any honour, decoration, favour or reward arising out of service with the Organization nor shall they accept any emoluments from any government without first having obtained the consent of the Secretary General or the Supreme Allied Commander.

### 12.2.5 They shall not, except as authorized in the normal course of official duties or with the prior approval of the Head of the NATO body:

- (a) communicate to a third party classified information obtained during or by reason of the exercise of their official functions (see Chapter VI, Security);
- (b) make or release for publication through the press, radio, television or other agencies of public information statements on matters in any way related to the aims and activities of the Organization;
- (c) give lectures, contribute articles or write books on such subjects.

### 12.2.6 If the Head of the NATO body should authorize any of the activities listed under Articles 12.2.5(b) and 12.2.5(c) above, members of the staff shall not accept any fee or gift. They may, however accept reimbursement of any travelling and subsistence expenses actually incurred.

## 12.3 Proprietary rights

All rights (including title, copyright and patent rights) in any work carried out by members of the staff in the performance of their official duties shall be vested in the Organization, except as specified in the approved charter of a particular NATO body.

**Article 13 Loyalty to the Organization**

- 13.1 On accepting appointment with NATO, each member of the staff shall sign the following declaration:

"I solemnly undertake to exercise in all loyalty, discretion and conscience the functions entrusted to me as a member of the staff of NATO and to discharge these functions with the interests of the Organization only in view. I undertake not to seek or accept instructions in regard to the performance of my duties from any government or from any authority other than the Organization/Headquarters."

- 13.2 Members of the staff shall conduct themselves at all times in a manner compatible with their status as representatives of the Organization. They shall avoid any action or activity which may reflect adversely on their position or on the good repute of the Organization.

**Article 14 Assistance and compensation**

- 14.1 If staff members or former staff members, or members of their families, by reason of their present or former office or duties with the Organization, are subject to any insult, threat, defamation or attack on their persons and property, the Organization shall provide assistance, in particular in taking action against the author of any such act.
- 14.2 If, by reason of their present or former office or duties with the Organization, staff members or former staff members or members of their families suffer material damage, the Organization shall, subject to the provisions of Article 14.4, grant compensation insofar as they have not wilfully or through serious negligence themselves provoked the damage and have been unable to obtain proper redress, taking also into account any other payment coming from the Organization or from other sources.
- 14.3 The Organization shall arrange insurance coverage for staff members or former staff members and members of their families in order to provide them with appropriate compensation related to physical injury suffered by reason of their present or former office or duties with the Organization insofar as the injury has not been wilfully or through serious negligence provoked by the injured.
- 14.4 The authorities competent to apply paragraphs 1, 2 and 3 of this article are:
- the Secretary General of NATO, where personnel employed by NATO bodies under the Ottawa Agreement is concerned;
  - the Major NATO Commanders where personnel employed by NATO bodies under the Paris Protocol is concerned.

For this purpose the Secretary General and the Major NATO Commanders enjoy a discretionary power to decide whether there is a direct link between the injury suffered and the staff members', or former staff members', service with the Organization, whether they have wilfully or through serious negligence provoked the injury, whether proper redress has been obtained, what form any assistance should take and, in the case of material damage, what compensation, if any, should be granted.

- 14.5 Prior to receiving compensation from the Organization, the beneficiaries shall make over to the Organization or insurance company, as appropriate, the claims they may have against any third party up to the amount covered by the compensation.



## **Chapter V**

# Work

### **Article 15      Working week**

- 15.1 Working hours shall be prescribed by the Head of the NATO body.
- 15.2 To meet service requirements, Heads of NATO bodies may introduce a shift system which may involve night work and/or work on Saturdays, Sundays or prescribed public holidays.
- 15.3 Heads of NATO bodies shall prescribe a system for recording daily attendances and absences.
- 15.4 In calculating the number of hours worked during any one week, hours worked on Sunday shall be counted with those worked in the week immediately following.
- 15.5 The Head of the NATO body may authorize or recruit a member of the staff to work part-time.
- 15.6 The conditions under which members of the staff may be employed part-time and the special conditions which shall apply to them are set out in Annex XII.

### **15.7      Official holidays**

- 15.7.1 Public holidays of the host country to be observed will be prescribed by the Heads of NATO bodies. If, however, service requirements make it necessary for members of the staff to work on a prescribed public holiday, they will be granted a day's holiday in compensation on a date to be determined by the Head of the NATO body.
- 15.7.2 When a prescribed public holiday falls on a Saturday or Sunday, the Head of the NATO body may designate another day convenient to the NATO body as a holiday except where the number of prescribed public holidays exceeds 10 per year.
- 15.7.3 Members of the staff will not be prevented from observing other religious or national holidays, but such days taken shall count against annual leave.

**Article 16 Occupational health and safety**

- 16.1 The Head of the NATO body shall ensure that adequate health and safety conditions exist, based on host nation standards. For this purpose the Head of the NATO body shall, where practicable, establish a health and safety committee on which the Staff Association shall be represented. Members of the staff shall comply with the occupational health and safety regulations of the NATO body concerned.
- 16.2 Where it is impracticable to correct sub-standard working conditions, the Head of the NATO body may authorize compensation in the form of reduced working time. Any such decision which has financial implications shall be submitted for approval to the appropriate finance committee.

**Article 16 bis Training**

The Head of each NATO body shall establish a program to ensure the training of staff, based on a continuous assessment of the skills needed for efficient performance of their duty now and in the future.

**Article 17 Special working hours****17.1 Night work**

- 17.1.1 Night work is work performed between 22.00 and 07.00 hours.
- 17.1.2 Night overtime is work performed according to the provisions of both Articles 17.1.1 and 17.2.1.

**17.2 Overtime**

- 17.2.1 Overtime is the time worked in excess of the total of weekly working hours prescribed under Article 15.1. It is calculated on a weekly basis except for staff working in shifts to whom Article 17.4.6 will apply.
- 17.2.2 The number of overtime hours worked must be kept to a minimum and to this end overtime must be authorized in advance by an official or officials designated by the Head of the NATO body. Normally, no member of the staff shall be required to work more than 15 hours overtime in any one week, or more than 30 hours in any one month.

**17.3 Application**

- 17.3.1 Night work entitles staff in categories B and C to 150% of the hourly rate of basic salary as defined in Article 23. Compensation for night work cannot be cumulated with compensation for night overtime.
- 17.3.2 Members of the staff in categories A and L are not entitled to payment nor, as a general rule, to compensatory leave for overtime or night work.
- 17.3.3 However, if members of the staff in categories A and L are repeatedly called upon, owing to service requirements, to work either substantially longer hours than, or inconvenient hours outside, the normal working week, the Heads of NATO bodies may, at their discretion, authorize compensatory leave.

#### 17.3.4 Compensation

- (a) Overtime hours shall, in the first instance, entitle members of the staff in categories B and C to an equivalent amount of compensatory leave increased by the following percentages:
  - (i) 33% for overtime worked between 07.00 and 22.00 hours; or
  - (ii) 50% for overtime worked between 07.00 and 22.00 hours on Saturdays, Sundays and prescribed public holidays; and
  - (iii) 100% for night overtime worked between 22.00 and 07.00 hours.
- (b) This compensatory leave must be taken before the end of the third month following that in which the overtime was worked. However, if as a result of service requirements it cannot be granted, either in whole or in part, within this period, the official designated by the Head of the NATO body may authorize payment in lieu for the untaken compensatory leave. This compensatory payment shall be calculated on the basis of the hourly basic salary, as defined in Article 23, to which the staff member was entitled at the period when the overtime was worked.

17.3.5 Where there are special circumstances in a particular NATO body, the appropriate financial committee may authorize the inclusion in emoluments of compensation for regularly worked overtime and night work, in which case the conditions of paragraphs 17.3.1 and 17.3.4 are inapplicable.

#### 17.4 Shift work

- 17.4.1 Shift work is performed within one of several teams operating a continuous and regular shift cycle in a system introduced under Article 15.2.
- 17.4.2 The provisions of Articles 17.3.1 and 17.3.4 are not applicable to staff performing shift work. However, staff members in categories B and C performing shift work will be entitled to an allowance equivalent to one annual increment applicable to the grade of the staff member concerned. This allowance will continue to be paid during periods of leave and during periods of sick leave not exceeding 30 consecutive days.
- 17.4.3 In addition, members of the staff in categories B and C performing shift work are entitled to an additional payment equal to:
  - (i) 25% of hourly basic salary as defined in Article 23 for shift work performed between 07.00 hours and 22.00 hours on Saturdays, Sundays and prescribed public holidays;
  - (ii) 33% of hourly basic salary as defined in Article 23 for shift work performed between the hours of 22.00 and 07.00.
- 17.4.4 For the calculation of the additional payment in any one shift of 8 hours a break up to a maximum of 30 minutes will be considered part of working hours.

- 17.4.5 Where there are special circumstances in a particular NATO body, the appropriate financial committee may authorize the payment of compensation for shift work, as provided for in Articles 17.4.2 and 17.4.3, to staff members in categories A and L.
- 17.4.6 If the average number of hours per week worked over a complete shift cycle exceeds the weekly working hours prescribed under Article 15.1, staff in categories B and C performing shift work will be entitled, in the first instance, to compensatory leave equal to the overtime worked increased by 33%.

This compensatory leave must be taken before the end of the third month following that in which the overtime was worked.

However, if as a result of service requirements it cannot be granted either in whole or in part, within this period, the official designated by the Head of the NATO body may authorize payment in lieu of the untaken compensatory leave.

This compensatory payment shall be calculated on the basis of the hourly basic salary, as defined in Article 23, to which the staff member was entitled at the time the weekly working hours were exceeded.

## **Chapter VI**

# Security

### **Article 18      On induction**

- 18.1 On taking up their duties, all newly-appointed members of the staff shall acquaint themselves with the Security Regulations applicable to the NATO body concerned.
- 18.2 New members of the staff shall sign a declaration stating that they:
- (a) assume responsibility for preserving the secrecy of the classified information with which their duties may bring them into contact;
  - (b) undertake to comply with the Security Regulations;
  - (c) undertake on separation from the Organization to return any classified documents which may be in their possession.

### **Article 19      On separation**

- 19.1 On separation, the attention of the members of the staff shall be drawn to the declaration signed by them on appointment to the NATO body and they shall be reminded that, even after separation, they are still bound by the Security Regulations.
- 19.2 They shall then sign a declaration:
- (a) certifying that they have returned the classified documents which were in their possession;
  - (b) undertaking to safeguard the secrecy of all classified information of which they have had cognizance.

**Article 20      Obligations of security notification and reporting  
in case of a security breach or compromise <sup>(1)</sup>**

- 20.1 In the event of a security breach or compromise of classified information or of information systems, that may have a detrimental impact on the Organization, staff as defined within the Preamble B, (b), (c), (d), (e), (f), and (g) shall immediately notify the security officer or other designated official in the appropriate NATO body.
- 20.2 In the event that a staff member, as defined within the Preamble B, (b), (c), (d), (e), (f), and (g) is contacted by a party external to NATO, and who is requested to provide NATO classified information, or other information which is not in the public domain, then such an event shall be immediately reported by the individual to the security officer or other designated official in the appropriate NATO body.

**Article 21      Obligations prior to marriage**

- 21.1 Any member of the staff planning to marry shall, under a procedure to be prescribed by the Head of each NATO body, notify the personnel officer or other designated official of this intention at least 3 months before the date fixed for the ceremony.
- 21.2 The future spouse is required to fill in the same personal particulars form as applicants for appointment to the staff.

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<sup>(1)</sup> C-M(2002)49

## **Chapter VII**

# **Salaries, allowances, advances and loans**

### **Article 22      Emoluments**

- 22.1 The emoluments paid to members of the staff are of two kinds:
- (a) basic salary
  - (b) allowances.
- 22.2 The scales of salaries and allowances of all members of the staff, including unclassified grades, are determined by the Council. Such scales are established for each member country in which NATO operates and are expressed in the currency of that country.
- 22.3 Salaries and allowances shall be paid in arrears and, in principle, on the third from last working day of each month. To simplify calculations, one month shall count as one-twelfth of a year and one day as one-thirtieth of a month.
- 22.4 These emoluments shall be paid according to the scales and amounts established for the host country and in the currency of that country.
- 22.5 A member of the staff assigned for a period presumed to exceed 6 months to a post established in a different country will be paid according to the scales applicable to that country.
- 22.6 In the event of the death of staff members entitled to household allowance, their emoluments shall be paid until the end of the calendar month in which death occurs.

### **Article 23      Basic salary**

By basic salary shall be understood the salary applicable to the grade and current step of the member of the staff. It includes increments but excludes all allowances.

## **Article 24 Allowances**

- 24.1 Members of the staff who fulfil the conditions of eligibility laid down in the articles which follow shall receive the appropriate allowances. These allowances at present are:
- |                            |                              |
|----------------------------|------------------------------|
| (a) installation allowance | (b) cost of living allowance |
| (c) expatriation allowance | (d) family allowances        |
| (e) education allowance    | (f) extra duties allowance   |
| (g) rent allowance         | (h) language allowance       |
- 24.2 The introduction of special allowances with application limited in time and place may also be approved by the Council. The conditions governing entitlement to and payment of these allowances will be notified separately to staff members by the Heads of the NATO bodies concerned.
- 24.3 At the time of appointment members of the staff shall furnish all information necessary for the determination of their eligibility for allowances. Members of the staff must at once bring subsequent changes affecting eligibility to the attention of the Head of the NATO body.
- 24.4 The effective date for the granting or withdrawal of the allowance shall be that on which members of staff qualify or cease to qualify for the allowance. However, where staff members lose their entitlement to the household or a dependant's allowance during the course of a calendar month, they shall continue to receive the allowance until the end of that month.
- 24.5 The date on which a member of the staff ceases to be eligible for the dependent children's allowance under Article 29.2.2 shall be at the end of the month in which the child reaches the age limit set out in Article 29.2.2 or, notwithstanding the provisions of Article 24.4, one month after the end of the scholastic term during which the child attended the educational establishment, if the child is below the age limit.
- 24.6 Claims for allowance submitted more than 3 months after the event to which the claim relates will not be granted retroactively unless exceptional circumstances can be proved.
- 24.7 The payment of the household, dependent children's, rent, education and expatriation allowances shall be subject to the deduction of allowances of the same nature to which the household or the unmarried staff member may be entitled.

## **Article 25 Deductions**

- 25.1 Members of the staff contribute to the Coordinated Pension Scheme in accordance with Article A.67.2, or to the Provident Fund in accordance with Article 52.2, or to the Defined Contribution Pension Scheme in accordance with Article B.65, as applicable.
- 25.2 In addition, the Organization and the member of the staff contribute to the system of social securities and insurances outlined in Chapter X.



## **Article 26 Installation allowance**

### **26.1 Eligibility**

26.1.1 Eligible staff members whose actual and habitual residence at the time of their appointment by NATO for an appointment of at least one year, or of their transfer for at least one year to a different duty station, is more than 100 km away from their assigned duty station and who can prove and confirm by submitting the appropriate documentation that they have in fact moved their residence in order to take up duty, are eligible for the installation allowance.

26.1.2 Staff members satisfying the conditions laid down in Article 26.1.1 but who are hired for less than a year and whose appointment or consecutive appointments are extended beyond one year shall also be eligible for the installation allowance.

### **26.2 Basic amount of the allowance**

26.2.1 Staff members not entitled to the expatriation allowance

26.2.1.1 For staff members not entitled to the expatriation allowance, the basic amount shall equal one month's basic salary, up to a ceiling of 2000 EUR (Brussels base), adjusted by the purchasing power parity<sup>(1)</sup> applicable in the country of the duty station, in order to ensure the equivalency of the amount of the allowance regardless of the country of the duty station (see table in Appendix 1 of Chapter VII).

26.2.2 Staff members entitled<sup>(2)</sup> to the expatriation allowance

26.2.2.1 For staff members entitled to the expatriation allowance, the basic amount shall equal one month's basic salary, up to a ceiling of 5500 EUR (Brussels base), adjusted by the purchasing power parity<sup>(1)</sup> applicable in the country of the duty station, in order to ensure the equivalency of the amount of the allowance regardless of the country of the duty station (see table in Appendix 1 to Chapter VII).

### **26.3 Supplement for change in geographical zone**

26.3.1 A supplement of 75% of the basic amount shall be granted to staff members entitled to the expatriation allowance who change geographical zone in order to settle their actual and habitual residence in the vicinity of the assigned duty station.

26.3.2 The geographical zones shall be defined as follows: EME (Europe and Middle East), Africa, Americas (North, Central and South America), Asia and Pacific (Far East and Pacific countries).

### **26.4 Supplement for dependants**

26.4.1 The spouse of the staff member, within the meaning of the Civilian Personnel Regulations, or in the absence of a spouse, the first dependant, within the meaning of the Civilian Personnel Regulations,

<sup>(1)</sup> The parities shall be calculated in accordance with the provisions stipulated in Appendix 2 of the 211th Report on the remuneration adjustment method (CCR/R(2011)3).

<sup>(2)</sup> A staff member who will receive the expatriation allowance in his/her new duty station shall be considered as entitled within the meaning of this provision.

shall give right to an increase of the basic amount by 20%. Any other dependant shall give right to an increase of 10%. The increase for dependants shall not exceed 100% of the basic amount.

## **26.5 Supplement for mobility**

- 26.5.1 A supplement of 75% of the basic amount shall be granted to staff members who settle their actual and habitual residence in a different duty station more than 100 kilometers away as a result of their transfer for at least one year within NATO.
- 26.5.2 The supplement for a change in geographical zone referred to in Article 26.3 and the supplement for mobility referred in Article 26.5 shall not both be granted in respect of the same installation.

## **26.6 Payment of the allowance**

- 26.6.1 The allowance shall be payable when the eligible staff member takes up duty or is transferred to a different duty station within NATO.
- 26.6.2 The supplement for dependants referred to in Article 26.4 is calculated and paid upon justification that each individual related to this increase has settled his/her actual and habitual residence with the staff member at the duty station.
- 26.6.3 A staff member who resigns within the year that follows his/her appointment or his/her transfer to a different duty station shall pay back the installation allowance on a pro rata basis for the time remaining to reach twelve months.
- 26.6.4 A staff member shall not pay back the allowance if the Organization terminates a staff member's appointment within the year following his/her appointment or transfer. However, this provision does not apply when the Organization terminates the appointment as a result of disciplinary action, in which case the staff member shall reimburse the totality of the allowance.
- 26.6.5 The allowance shall not be paid back to the Organization when the staff member is successively reappointed by NATO after the termination of his/her previous appointment.

## **26.7 Adjustment of ceilings**

- 26.7.1 The amount of the ceilings on the basic amount of the allowance shall be assessed three years after the entry into force of the current rules, and subsequently every three years, on the basis of the evolution of similar allowances in the civil services of the eight reference countries as defined in Appendix 2 to Chapter VII.
- 26.7.2 In case of substantial modifications to the allowance taken into account for a country that would prevent the International Service for Remuneration and Pensions (ISRP) from calculating the average trend according to agreed and relevant statistical standards, the method shall be reassessed at the request of one of the three colleges<sup>(1)</sup>.

<sup>(1)</sup> CCR (Coordinating Committee on Remuneration), CRSG (Committee of Representatives of Secretaries General), CRP (Committee of Representatives of Personnel).

**26.8 Special adjustment**

- 26.8.1 The provisions set out in Article 7 of the Remuneration Adjustment Method resulting from the 211th Report and any subsequent revision of these provisions shall be applied *mutatis mutandis* for the calculation of special adjustments of the ceilings of the installation allowance in countries with high inflation.

**26.9 Exceptions**

- 26.9.1 In cases where the application of these provisions would cause special hardship in individual cases, Heads of NATO bodies<sup>(1)</sup> may authorize an exception.

**Article 27 Cost of living allowances**

Cost of living allowances are granted from time to time in accordance with a procedure established by the Council (Annex II).

**Article 28 Expatriation allowance****28.1 Regime applicable to staff recruited by NATO before 1<sup>st</sup> January 1996 (see Annex III.F)**

- 28.1.1 Members of the staff in categories A, L and B shall be entitled to expatriation allowance provided that, at the time of their appointment by the Organization:

- (a) they are not nationals of the host country; and
- (b) they have not been continuously resident on that country's territory for at least 3 years.

- 28.1.2 Members of the staff in these categories who, although nationals of the host country, have been continuously resident for at least 10 years in another country at the time of their appointment, shall also be entitled to the allowance.

- 28.1.3 For the application of Articles 28.1.1 and 28.1.2 above, residence arising out of an employment in the administration of the staff member's own country or with other international organizations shall be disregarded.

- 28.1.4 In the event that staff members entitled to expatriation allowance are transferred to the country of which they are a national, they shall cease to be entitled to the allowance.

**28.2 Regime applicable to staff recruited by NATO on or after 1<sup>st</sup> January 1996**

- 28.2.1 The expatriation allowance shall be paid to staff in categories A, L and B who, at the time of their appointment by the Organization, were not nationals of the host state and had not been continuously resident on that state's territory for at least one year, no account being taken of

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

previous service in their own country's administration or with other international organizations.

- 28.2.2 In the event of staff members who have been entitled to the expatriation allowance taking up duty in the country of which they are nationals, they shall cease to be entitled to the expatriation allowance.
- 28.2.3 The rate of the allowance during the first 10 years of service shall be:
- 18% of basic salary for staff entitled to the household allowance;
  - 14% of basic salary for staff not entitled to the household allowance.
- 28.2.4 The allowance shall be calculated on the first step in grade of recruitment or promotion irrespective of any increase in the official's basic salary by movement up the incremental scale and shall be adjusted in the same proportions and at the same date as basic salary.
- 28.2.5 In years eleven, twelve and thirteen, the allowance at the rate of 18% shall be reduced by one percentage point per year to 15% and the allowance at the rate of 14% shall be reduced by one percentage point per year to 11%. During this period, and thereafter, the allowance shall be adjusted in the same proportions and at the same date as basic salary.
- 28.2.6 In the event of a staff member, who has been employed by another NATO body or by another Coordinated Organization or in the event of an official of another international organization or a member of the administration or armed forces of the country of origin taking up duty in a NATO body without changing country, the previous service in the host country will be taken into account in determining the application of Articles 28.2.3 and 28.2.5 above.
- 28.2.7 Where a husband and wife are both non-resident and are both employed in the same country by NATO or by NATO and another Coordinated Organization, they shall each be entitled to an expatriation allowance at the rate of 14% whether or not they are entitled to the household allowance or at the rates on the reduction scale which correspond to the number of each spouse's years of service.
- 28.2.8 Notwithstanding Article 28.2.7 above, staff members already in the service of NATO or of another Coordinated Organization at 1<sup>st</sup> January 1996 and receiving the expatriation allowance in force at that date shall, on the occasion of their marriage, be treated in the same way as other serving staff.

**28.3 Provisions common to regimes prior to 1<sup>st</sup> January 2012**

- 28.3.1 When any point of the frontier of the country of which officials are nationals is within a radius of 50 km from the duty station, such officials shall not be entitled to the expatriation allowance and the related education allowance and home leave unless they supply proof that they have established their actual and habitual residence in the country

of service or, exceptionally and subject to agreement by the Head of NATO body<sup>(1)</sup>, in another country of which they are not nationals, taking account of their family circumstances (see Annex III.F).

28.3.2 Notwithstanding the provisions of the above paragraphs, the expatriation allowance shall not be paid to unmarried members of the staff living with their parents when the latter have an established residence within commuting distance of the place of employment.

28.3.3 In cases where the application of these provisions would cause special hardship in individual cases, Heads of NATO bodies<sup>(1)</sup> may authorize an exception.

**28.4 Regime applicable to staff appointed by NATO on or after 1<sup>st</sup> January 2012**

28.4.1 The expatriation allowance shall be paid to staff in Categories A, L and B who, at the time of their appointment:

- i) were not nationals of the host State and,
- ii) had been continuously resident for less than one year on that State's territory, no account being taken of previous service in their own country's administration or with other international organizations; and
- iii) were recruited internationally from outside the Coordinated Organizations or from outside of the country of assignment; and
- iv) were recruited from outside the local commuting area of the duty station, which is defined as a radius of 100 kilometres from the duty station.

28.4.2 In the event of staff members who have been entitled to the expatriation allowance taking up duty in a duty station where they do not meet these four criteria, they shall cease to be entitled to the expatriation allowance.

28.4.3 In the event of staff members who have not been entitled to the expatriation allowance taking up duty in a duty station where they meet these four criteria, they shall begin to be entitled to the expatriation allowance.

28.4.4 In the event of staff members who have been employed by another NATO body or by another Coordinated Organization and entitled to the expatriation allowance when taking up duty with NATO in the same country, or in the event of officials of another international organization or members of the administration or armed forces of the country of origin taking up duty with NATO without changing country, the provisions of articles 28.4.1 iii) and iv) shall not apply.

28.4.5 The rate of the allowance during the first five years of service shall be 10 percent of basic salary. The allowance shall be calculated on the first step in the grade of recruitment or promotion irrespective of any increase in the staff member's basic salary by movement up the incremental scale and shall be adjusted in the same proportions and at the same date as basic salary.

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

- 28.4.6 In years six through ten, the allowance shall be reduced by two percentage points per year to reach zero in year ten. During this period, the allowance shall be adjusted in the same proportions and at the same date as basic salary.
- 28.4.7 In the event of staff members, who have been employed by another NATO body or by another Coordinated Organization taking up duty with NATO or in the event of officials of other international organizations or members of the administrations or armed forces of the country of origin taking up duty with NATO without changing country, the previous service in the host country will be taken into account in determining the application of paragraphs 28.4.5 and 28.4.6 above.
- 28.4.8 In the event of a staff member being transferred, either within NATO or between Coordinated Organizations, to a new duty country where the staff member meets the eligibility criteria, the rate of the allowance and the time period shall be restored to their initial levels and then reduced, as described in paragraphs 28.4.5 and 28.4.6 above.
- 28.4.9 Where a staff member and spouse are both non-resident and are both employed in the same country by NATO, or by NATO and another Coordinated Organization, they shall each be entitled to an expatriation allowance at the rate of 10 per cent or at the rates on the reduction scale which correspond to the number of each spouse's years of service.
- 28.4.10 When any point on the frontier of the country of which staff members are nationals is within a radius of 100kms from the duty station, such staff members shall not be entitled to the expatriation allowance and the related education allowance and home leave unless they supply proof that they have established their actual and habitual residence in the country of service or, exceptionally and subject to agreement by the Head of NATO body, in another country of which they are not nationals, taking account of their family circumstances.
- 28.4.11 Staff members receiving the expatriation allowance shall notify the Organization of any change in their place of residence.
- 28.4.12 In cases where the application of these provisions would cause special hardship in individual cases, the Head of NATO body<sup>(1)</sup> may authorize an exception.
- 28.4.13 The reduction to zero of the expatriation allowance shall not disqualify the staff member for entitlement to the education allowance, the expatriated child allowance or home leave.

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

<sup>(2)</sup> To avoid financial hardship, a staff member whose child is enrolled in a defined course of school or university education or vocational training before 31 December 2013, may be granted the allowance until completion of the study or training, and at the latest upon the child reaching the age of 26. The same provision to extend the age limit by a period not exceeding the amount of military service which is compulsory under national legislation shall continue to apply, provided that the other conditions for entitlement are satisfied.

## **Article 29      Family allowances**

### **29.1    Household allowance**

29.1.1    The following shall be entitled to household allowance:

- (a) any married staff member;
- (b) any widowed, divorced, legally separated or unmarried staff member with a dependent child or children as defined in Article 29.2 below;
- (c) any staff member who does not satisfy the conditions under (a) and (b) above but who has one or more dependants as defined in Article 29.3 below.

29.1.2    In the case of a married staff member who has no dependent child or other dependant but whose spouse is gainfully employed, the allowance payable shall be reduced according to an approved formula on the basis of the amount of the earned income of the spouse (see Annex III.F).

29.1.3    Where, under the foregoing provisions, a staff member and spouse in the service of the Organization or of one of the other Coordinated Organizations are both entitled to household allowance it shall be paid only to the staff member in receipt of the higher basic salary.

### **29.2    Dependent children's allowance**

29.2.1    This allowance shall be paid to staff members, whether married or not, for each child under 18 years of age who is mainly and permanently maintained by the unmarried staff member or by the household of the married staff member. It shall also be paid for each such child recognized as handicapped under Article 29.4 below whatever the age of the child.

29.2.2    Heads of NATO bodies shall also grant the allowance in respect of children between 18 and 24<sup>(2)</sup> years of age who are receiving a school or university education or vocational training and who are dependent upon members of the staff or their household as defined in Article 29.2.1 above. When the dependent child has been required to perform military service compulsory under national legislation, the payment of the dependent children's allowance shall be extended after the child has reached the age of 24 by a period not exceeding the amount of military service which is compulsory under national legislation provided that the other conditions for entitlement are satisfied.

29.2.3    Where the staff member and spouse are both employed by the Organization or by one of the other Coordinated Organizations, the dependent children's allowance shall be paid to the staff member entitled to household allowance.

**29.3 Other dependants' allowances**

The allowance may also be granted by the Head of NATO body<sup>(1)</sup> in respect of ascendants and other close relatives by blood or marriage dependent for their main and continuing support on a member of the staff by virtue of legal or other obligations, the proof of which devolves upon the staff member concerned.

**29.4 Handicapped children's allowance**

An allowance for a handicapped child shall be paid to any staff member with a dependent child who is handicapped within the meaning of the regulation set out in Annex III.D, whatever the age of the child.

**29.5 Exceptions**

In cases where the application of these provisions would cause special hardship in individual cases, Heads of NATO bodies<sup>(1)</sup> may authorize an exception.

**Article 30 Education allowance**

30.1 An education allowance may be granted to members of the staff entitled to expatriation allowance in respect of each dependent child (as defined in Article 29.2 above) in accordance with the provisions of Annex III.C.

30.2 In cases where the application of these provisions would cause special hardship in individual cases, Heads of NATO bodies<sup>(1)</sup> may authorize an exception.

**Article 31 Reserved****Article 32 Extra duties allowance**

32.1 Where a post carrying clearly defined responsibilities is unfilled, either because of recruitment difficulties or because of the prolonged absence of the incumbent, an extra duties allowance may be paid to a staff member of a lower grade who is formally designated, in the interests of the service, to assume the full responsibilities of the higher grade post.

32.2 The rate of this allowance is equivalent to the value of two incremental steps of the basic salary (including cost of living allowances, if any) of the staff member effecting the replacement.

32.3 This allowance is payable, without retroactive effect, after 2 months' continuous service in the higher grade post. It will be reviewed by the Head of NATO body after a period of 6 months.

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.



**Article 33      Rent allowance**

A rent allowance may be granted to members of the staff in the B and C categories and in the A and L categories up to and including grades A.2/L.2 in accordance with the provisions of Annex III.E.

**Article 34      Reserved****Article 35      Currency transfers**

- 35.1 Members of the staff entitled to expatriation allowance shall be entitled to transfer at least 50% of their total emoluments into the currency of their home countries.
- 35.2 The sums payable to members of the staff entitled to expatriation allowance (or their legal beneficiaries) when they cease to be employed by the Organization shall be transferable in full.
- 35.3 Exceptionally, and if fully justified by circumstances, the Secretary General or Supreme Allied Commander may authorize the transfer of more than 50% of the total emoluments referred to in Article 35.1 or transfers into the currency of a country other than the staff member's home country.
- 35.4 Members of the staff shall be informed of the procedure to be followed in effecting currency transfers.
- 35.5 Any abuse of duly promulgated regulations dealing with currency transfers will make the member of the staff concerned liable to disciplinary action without prejudice to any legal action which may be taken under national legislation.

**Article 36      Advances and loans**

- 36.1 Advances
  - 36.1.1 Advances on the current month's emoluments may be granted under conditions to be prescribed by the Head of the NATO body. Such advances shall be deducted from the emoluments payable for that month.
  - 36.1.2 If justified by circumstances, the Head of the NATO body may authorize advances of up to one month's emoluments once per calendar year. These advances shall be repaid by deduction from emoluments not later than 3 months after the month in which the advance was made.
- 36.2 Loans
  - 36.2.1 In exceptional circumstances, for duly justified personal financial emergency, for example in consequence of an accident or a serious and prolonged illness or as a result of family difficulties, the Heads of NATO bodies, subject to satisfactory security being furnished, may authorize non-interest bearing loans up to an amount not exceeding

3 month's emoluments once per calendar year. Such loans shall be repaid by deductions from emoluments not later than 10 months following the month in which the loan was made.

36.2.2 In addition, long-term loans may be authorized from individual accounts of staff members in the Provident Fund (see Chapter XI).

36.3 Common provisions

36.3.1 Advances under Article 36.1.2 and loans under Article 36.2.1 above shall not be made concurrently.

36.3.2 If staff members' service terminates before an advance or loan has been repaid in full, the outstanding balance shall fall due immediately. It may in particular be deducted from any monies or benefits, including those under the Provident Fund or the Coordinated Pension Scheme or the Defined Contribution Pension Scheme, due to staff members or, in the case of death, their beneficiaries.

## Appendix 1 to Chapter VII

# Installation allowance – ceilings for basic amount for 2015<sup>(1)</sup>

### INSTALLATION ALLOWANCE: CEILING FOR BASIC AMOUNT INDEMNITÉ D'INSTALLATION: PLAFOND DU MONTANT DE BASE

	Official not eligible to the expatriation allowance	Official eligible to the expatriation allowance	CURRENCY MONNAIE	PPP PPA	
	Agents non éligibles à l'indemnité d'expatriation	Agents éligibles à l'indemnité d'expatriation		01.07.2014	
AUSTRALIA	3 303	9 083	AUD	1.651	AUSTRALIE
AUSTRIA	2 144	5 895	EUR	1.072	AUTRICHE
BELGIUM	2 000	5 500	EUR	1.000	BELGIQUE
CANADA	2 863	7 873	CAD	1.431	CANADA
DENMARK	19 832	54 538	DKK	9.916	DANEMARK
FINLAND	2 459	6 762	EUR	1.229	FINLANDE
FRANCE	2 350	6 402	EUR	1.175	FRANCE
GERMANY	2 154	5 925	EUR	1.077	ALLEMAGNE
GREECE	1 735	4 772	EUR	0.988	GRÈCE
HUNGARY	440 340	1 210 936	HUF	220.2	HONGRIE
ICELAND	356 800	981 200	ISK	178.4	ISLANDE
IRELAND	2 317	6 371	EUR	1.158	IRLANDE
ITALY	2 008	5 521	EUR	1.004	ITALIE
JAPAN	425 480	1 170 070	JPY	212.7	JAPON
KOREA	3 267 000	8 056 760	KRW	1628.6	CORÉE
LUXEMBOURG	2 000	5 500	EUR	1.000	LUXEMBOURG
MEXICO	24 304	66 836	MXP	12.15	MEXIQUE
NETHERLANDS	2 156	5 929	EUR	1.078	PAYS-BAS
NEW ZEALAND	3 932	10 814	NZD	1.986	NOUVELLE-ZÉLANDE
NORWAY	24 186	66 512	NOK	12.09	NORVÈGE
POLAND	6 149	16 910	PLN	3.075	POLOGNE
PORTUGAL	1 644	4 521	EUR	0.822	PORTUGAL
SPAIN	1 889	5 194	EUR	0.944	ESPAGNE
SWEDEN	23 448	64 482	SEK	11.72	SUÈDE
SWITZERLAND	3 680	10 120	CHF	1.840	SUISSE
TURKEY	3 812	10 484	TRY	1.008	TURQUIE
UNITED KINGDOM	1 850	5 087	GBP	0.925	ROYAUME-UNI
UNITED STATES	2 569	7 066	USD	1.285	ÉTATS-UNIS

<sup>(1)</sup> PO(2015)0321

## Appendix 2 to Chapter VII

# Definition of the notion of similar allowances in the reference national civil services

<b>Belgium</b>	Indemnité d'Installation - Inrichtingvergoeding (Circulaire 360 du 28/05/2008)
<b>France</b>	Indemnité d'établissement (Décrets N°86-416 n°67-290 du 28 mars 1967 et du 12 mars 1986)
<b>Germany</b>	Umzugspauschale (Verordnung über die Umzugskostenvergütung bei Auslandsumzügen, 26.11.2011)
<b>Italy</b>	Indennità di sistemazione (Art. 175 DPR 18/67)
<b>Netherlands</b>	Regulations DBZV, Art. 70 "Tegemoetkoming in de herinrichtingkosten" uit de Regeling van de Minister van Buitenlandse Zaken van 17 januari 2007, nr. HDPO/RR/AR-29/07, houdende regels met betrekking tot het toekennen van vergoedingen voor en tegemoetkomingen in de noodzakelijk te maken extra kosten die verband houden met de plaatsing van de ambtenaar bij een post in het buitenland (Dienst Buitenlandse Zaken Voorzieningenstelsel 2007)
<b>Luxembourg</b>	« Le Règlement grand-ducal du 1er août 1988 fixant le statut financier des missions diplomatiques et consulaires à l'étranger et de leurs agents et le Règlement grand-ducal du 5 août 1993 sur les frais de route et de séjour ainsi que sur les indemnités de déménagement des fonctionnaires et employés de l'État. »
<b>Spain</b>	Real Decreto 462/2002, de 24 de mayo, sobre indemnizaciones por razón de servicio. Sección 3ª Traslados al extranjero
<b>United Kingdom</b>	Diplomatic Service Regulations - DSR 21: Transfer grant

## Chapter VIII

# Travel and removal

### Article 37 Expenses of candidates

- 37.1 Candidates who are invited for interview shall be entitled, subject to the presentation of supporting documents, to reimbursement of the reasonable travel expenses incurred for their journey to and from the place of interview under the conditions laid down in Article 40 and on the basis of the grade allotted to the post for which they have applied.
- 37.2 Candidates shall be entitled, in addition to the travel expenses specified in Article 37.1 above, to the appropriate subsistence allowance granted to members of the staff travelling on duty, in accordance with the provisions of Article 41.

### Article 38 Travel expenses between established residence and place of duty

- 38.1 Members of the staff whose permanent residence at the time of taking up duty with NATO is at least 100 km from the place of employment shall be entitled, within the terms of Article 40, to the payment of travel expenses:
- (a) when taking up duty, for the journey from their place of residence to the place of employment;
  - (b) when taking home leave, for the round-trip journey between their place of employment and their home<sup>(1)</sup>;
  - (c) when leaving the service of the Organization, for the journey from their place of employment:
    - (i) either to their place of residence before taking up duty;

<sup>(1)</sup> On taking up their post, staff members shall give in writing their official home address. They must present valid justification for any change of that address while in the employ of the Organization.

- (ii) or to another place, provided that the expenses shall not exceed those specified under (i) above.
- 38.2 The spouse and dependent children (as defined in Article 29.2) of members of the staff who have satisfactorily completed their probationary period shall also be entitled to reimbursement of the expenses specified in the foregoing paragraph, provided that they have established residence with the staff member and the supporting documents have been produced.
- 38.3 Payment of the travel expenses mentioned in the present article will normally be disallowed in whole or in part:
- (a) if all or part of the travel expenses are borne by a government or other authority;
  - (b) if the person concerned has resigned before having completed 12 months' service with the Organization (except in special cases of force majeure);
  - (c) if the request for reimbursement has not been received within 6 months from the date of leaving the service of the Organization.
- 38.4 The Head of the NATO body may, under exceptional circumstances, authorize the payment of travel expenses for dependants of persons who have received an allowance in accordance with the provisions of Article 29.3.
- 38.5 No subsistence allowance shall be payable for travel under this article.
- 38.6 The provisions of this article shall also apply to members of the staff and their families on transfer within the Organization to another place of employment.
- 38.7 Heads of NATO bodies<sup>(1)</sup> may authorize an exception to the distance criterion in Article 38.1 or an advance against the payment of travel expenses under Article 38.2 where they feel that strict application might cause hardship.

### **Article 39 Removal expenses**

- 39.1 Members of the staff eligible for the payment of installation allowance under Article 26.1 shall be entitled to the removal, at the expense of the Organization, of their household goods and personal effects. If members of the staff resign before completing 12 months' service with the Organization or fail to complete the probationary period satisfactorily, they shall, except in special cases of force majeure, reimburse the Organization the removal expenses it had incurred.
- 39.2 Transportation is to be by land or sea, as applicable, and by the most economic means. In exceptional circumstances however the Head of NATO body may authorise air freight up to a limit of one cubic metre for the staff member and half a cubic metre for each family member.
- 39.3 Payment of expenses incurred in removal of household goods and personal effects will be made according to weight or volume within the following maximum limits (including packing):

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

	With dependants		Without dependants	
	kg	m3	kg	m3
Unclassified	7,000	66	5,000	47
Categories A, B, C and L	6,000	57	4,000	38

To these figures shall be added 500 kg or 5 m3 per child or recognized dependant residing in the household.

- 39.4 For the purposes of this article, members of the staff shall submit at least two estimates from different firms, together with an inventory, covering the packing, unpacking and direct transport of their household effects. The Organization may obtain additional estimates to ensure application of Articles 39.2 and 39.3. Payment will be made only within the approved estimates set by the Organization.
- 39.5 The Organization will pay, according to the provisions of Article 38.1, for two consignments of household effects to the place of employment and for two consignments from the place of employment. The entitlement to removal shall normally lapse if not claimed within 3 years of joining or within 2 years of leaving the Organization. Warehousing or other storage costs, other than those directly incidental to normal transportation expenses, shall not be admitted.
- 39.6 The Organization will not pay for the removal of motor vehicles, boats, trailers or animals.
- 39.7 For removals to the place of employment which take place after the staff member's contract has been confirmed, the weight/volume entitlement will be determined on the basis of the family composition at the time the contract was confirmed. The weight/volume entitlement for departing staff members will be determined taking into account any changes in the composition of the household which may have occurred during the period of employment. However it shall not be lower than the volume or weight to which they were entitled on appointment.
- 39.8 Payment of insurance shall be subject to a ceiling to be established by the Head of the NATO body. However staff members whose household effects had been insured at an amount in excess of the ceiling for a period of at least one year before they joined the Organization shall be reimbursed the cost to insure their household goods and personal effects up to that amount, provided that it is not more than double the established ceiling.
- 39.9 The Organization may refuse payment of transportation and insurance of articles of high value such as art collections and antiques where an especially high insurance premium would be applicable.
- 39.10 Members of the staff shall not be entitled to the payment of their removal expenses if the expenses are reimbursable by a government or other authority.

- 39.11 Heads of NATO bodies<sup>(1)</sup> may authorize an exception to the distance criterion in Article 26.1 or an advance against the payment of removal expenses where they feed that strict application might cause hardship.

## **Article 40 Travel on duty**

- 40.1 All travel must be duly authorized according to a procedure to be established by the Head of each NATO body. Travel orders will only be issued after such authorization is given. NATO personnel undertaking travel under NATO travel orders fall under the authority of the Head of NATO Body during the entire period covered by those orders, and fall under applicable status provisions of SOFAs, agreements, protocols and related implementing arrangements for the entire duration covered by those orders.

### **40.2 Means of travel**

- 40.2.1 Subject to the provisions of the following articles, travel shall be performed by the most rapid and economical means commensurate with the nature and urgency of the mission<sup>(2)</sup>.

#### **40.2.2 Travel by air<sup>(3)</sup>:**

- (a) all members of the staff will be entitled to economy class air travel as the norm, except as noted in Article 40.2.2(b);
- (b) air passages do not give the right to the use of business class travel, except for Unclassified grade officials or by special decision of the Head of the NATO body. Such special decisions must be justified by service necessity and backed up by quarterly reporting to the appropriate budget committee.

#### **40.2.3 Travel by rail:**

- (a) unclassified members of the staff and members of the staff in categories A and L will be entitled to first class train travel;
- (b) personnel in categories B and C will be entitled to second class train travel;
- (c) for journeys involving night travel (i.e. travel between the hours of 23.00 and 06.00) of a minimum of 4 hours, unclassified members of the staff and members of the staff of grades A.5 and above and L.5 have the right to a single first class sleeping compartment, members of the staff in the other A and L grades have the right to a double first class sleeping compartment, and members of the staff in categories B and C have the right to a second class sleeping compartment.

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<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

<sup>(2)</sup> Air travel will normally best meet these requirements. Military air transport will be used whenever possible and economic.

<sup>(3)</sup> A member of the staff who cannot travel by air for certified medical reasons may be authorized to use alternative means of transport.



#### 40.2.4 Travel by water:

- (a) unclassified members of the staff and members of the staff of grades A.5 and above and L.5 will be entitled to first class accommodation;
- (b) members of the staff in the other A and L grades will be entitled to cabin class;
- (c) members of the staff in categories B and C will be entitled to tourist class.

#### 40.2.5 Travel by private vehicle (Annex III.B) :

- (a) in the interests of the Organization or when no other satisfactory means of transport is available, members of the staff may be authorized according to the procedure established under Article 40.1 to use their own cars : in this case, they shall be entitled to the payment of an approved kilometric allowance based on the number of kilometres by the quickest usual route;
- (b) they shall also be entitled to reimbursement of ferry, toll and similar charges actually incurred, and to the payment of an approved allowance for each authorized passenger;
- (c) the payment of the passenger allowance precludes reimbursement of any travelling expenses to members of the staff travelling with the owner of the car, other than subsistence allowance;
- (d) members of the staff authorized to use their own cars when travelling on official duty will present evidence in advance of travel that they hold full and valid third party insurance: this must, in particular, cover any passengers carried;
- (e) members of the staff have no claim on the Organization in respect of material damage or injury either to themselves (except as provided for in Chapter X) or to third parties resulting from an accident sustained in the course of an official mission while using their private cars : they shall sign an undertaking to this effect in advance of such travel.

#### 40.2.6 Exceptions:

For good and sufficient reason, the Head of the NATO body may authorize :

- (a) air travel in a class above economy class for members of the staff who would otherwise be entitled only to economy class;
- (b) members of the staff of categories B and C to travel first class by rail either when accompanying members of the staff of higher grades, or when special circumstances so require.

#### 40.3 Means of travel chosen for personal convenience

When members of the staff travelling on official duty chooses, and are authorized, to travel by means other than the most rapid and economical, the following provisions shall apply:

- (a) if they elect to use their own car, they shall be entitled to the kilometric allowance or allowances set out in Article 40.2.5. The total paid to them shall in no case, however, exceed the cost of appropriate

transport by the quickest usual route (with no allowance for additional charges or reductions). For the purposes of this article, the cost of appropriate transport shall be :

- for a journey of 500km or less, involving no sea crossing, the train fare, the distance to be taken into account being that used for fare calculations by the railway company;
  - for all other cases, the fare for the mode of transport normally used by the Organization;
- (b) if they travel by means other than their own car, they shall be entitled to the payment of a sum not exceeding the cost of the appropriate ticket or tickets as defined in (a) above;
- (c) they shall not be entitled to subsistence allowance for any period in excess of the length of the journey corresponding to the use of the mode of transport on which the refund of travel expenses is based as set out in Article 40.3(a) above;
- (d) any additional working time taken to complete the journey will be deducted from their annual leave.

#### 40.4 Special provisions

In exceptional circumstances, and on duly justified grounds, the members of the staff may be authorized to make their own travel arrangements or to change those which have been made. To permit reimbursement, the members of the staff shall, on their return, provide a detailed justification of the conditions under which their journey was performed.

### **Article 41 Subsistence allowance**

#### Article 41 - Subsistence Allowance

##### 41.1 General

41.1.1 Members of the staff travelling on official duty shall receive a subsistence allowance in accordance with the provisions of this Article. The purpose of this allowance is to ensure that individuals are appropriately reimbursed for the costs of accommodation, meals and incidentals that are incurred in the course of performing official duties away from the individual's designated normal place of work. The Head of NATO body<sup>(1)</sup> may issue detailed implementing instructions on the administration of travel and settlement of related claims.

41.1.2 The rates of subsistence allowance shall be established by the Council.

41.1.3 The rates of subsistence allowance shall be deemed to cover expenditure (including taxes), credited as follows:

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

Cost Factor	Portion of Daily Rate	Basis for Reimbursement
Accommodation	Up to 50%	Actual expense per receipts
Breakfast	10%	Lump sum
Midday meal	15%	Lump sum
Evening meal	15%	Lump sum
Incidental expenditure	10%	Lump sum
Maximum per 24 hour period	100%	As calculated above

If the traveller takes a breakfast included in the basic room price, the combined accommodation and breakfast ceilings will be 60% of the daily rate. Staff must provide evidence of expenditure actually incurred for accommodation and a self-certification of any meals provided through official hospitality. Deductions for accommodation or meals provided free of charge by the organization through official hospitality or included in organized events, conferences, courses or seminars will be made in accordance with the above rates. Staff must provide official programmes or timetables if applicable.

#### 41.2 Exceptions

- 41.2.1 Exceptionally, Heads of NATO bodies may authorize the reimbursement of expenditure actually incurred in excess of the full approved rate of subsistence allowance, when this will facilitate the transaction of official business.
- 41.2.2 If under certain circumstances the expenditure for accommodation and breakfast exceeds 60% of the full approved rate of daily subsistence allowance, it is at the discretion of the Head of the NATO body to reimburse the excess amount partially or totally on presentation of vouchers and sufficient proof that additional expenditure was unavoidable. This reimbursement should normally not exceed 30% of the daily subsistence allowance.

#### 41.3 Method of calculation

- 41.3.1 Travel is deemed to start and end at the duty station.
- 41.3.2 No subsistence allowance shall be payable for periods of less than 4 hours.
- 41.3.3 The incidental portion of the daily subsistence allowance will be creditable for travel in excess of 4 hours away from the duty station.
- 41.3.4 When the period of travel and duty away from the duty station exceeds 4 hours, a meal will be creditable as detailed in Article 41.1.3 above. Where the period of duty is eight hours or more without official or commercial accommodation, the staff member shall be entitled to

one half of the daily allowance. The staff member shall likewise be entitled to one half of the daily allowance in respect of any period of eight hours or more, but less than 24 hours in excess of any complete period of 24 hours.

- 41.3.5 When official travel requires overnight accommodation, members of the staff will be reimbursed the actual amounts of accommodation expenditure in accordance with the provisions and ceilings detailed in Article 41.1.3.
- 41.3.6 Except as provided in Article 41.2, they shall not receive more than the full daily allowance for each complete 24-hour period of duty.
- 41.3.7 Where members of the staff choose to stay in non-commercial accommodation, a lump sum equivalent to 15% of the full approved rate of the daily subsistence allowance shall be paid to cover notional accommodation expenditure.
- 41.3.8 Where the staff member is required for operational reasons to stay in specific accommodation provided free of charge and the Head of the NATO body considers that such accommodation is not of an acceptable standard, a lump sum equivalent to 15% of the daily subsistence allowance shall be paid as compensation.

#### 41.4 **Special provisions**

- 41.4.1 Unless the Head of the NATO body rules otherwise, the full approved rate of subsistence allowance shall be reduced by 25% for a stay of any period in excess of 30 continuous days in any one locality. A stay shall be considered broken if interrupted for more than seven consecutive days and provided that the members of the staff concerned could not know in advance that they would necessarily have to return to the same locality.
- 41.4.2 Individuals ordered to a temporary duty location may be re-assigned during that period to perform official duties at locations other than the primary temporary duty station. When such duties require overnight travel, the Head of NATO Body may authorise reimbursement of actual accommodation expenditures at a second location for a limited period of time. Except as provided for in Article 41.2.2, such supplementary reimbursements should not exceed 50% of the daily subsistence allowance and should not normally exceed 7 days duration.
- 41.4.3 A member of the staff who is placed on sick leave while travelling on official duty shall continue to receive subsistence allowance.
- 41.4.4 The allowance provided for in the present Article shall be deemed to cover all the expenses liable to be incurred by a member of the staff travelling on duty, except expenses of the nature mentioned hereunder, for which additional reimbursement upon production of receipts may be claimed:

- (a) visa fees and similar charges;

- (b) excess luggage charges; however, in the case of air travel, the luggage concerned must be carried for official purposes or with the specific authorization of the Head of the NATO body;
  - (c) postal, fax, internet, and long-distance telephone expenses incurred for official purposes;
  - (d) parking for official purposes;
  - (e) conference fees, excluding portions attributable to refreshments;
  - (f) hospitality expenses incurred in conformity with instructions issued by the Head of the NATO body.
- 41.4.5 Taxi fares will normally only be reimbursed at the start and end of each journey. Any additional taxi fares will only be reimbursed if evidence to the satisfaction of the appropriate authority is provided showing that the charges are incurred necessarily.
- 41.4.6 Notwithstanding the rules above, where staff members travel on official duty to another NATO installation possessing canteen or restaurant facilities and where this duty does not require them to be absent from their residence for a significantly longer period than would be the case if they were working in their own headquarters, the amount of subsistence allowance payable shall normally be reduced to 20% of the full approved rate of the daily allowance. In addition, the Head of NATO body<sup>(2)</sup> may introduce other special rules for duty travel performed in the vicinity of the staff member's normal place of work or habitual place of residence.

<sup>(2)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.



## **Chapter IX**

# **Leave**

### **Article 42      Annual leave**

#### **42.1    Entitlement**

- 42.1.1 Members of the staff shall be entitled to paid annual leave at the rate of 2.5 working days for each month of service completed. Such leave shall not accrue during extended sick leave as defined in Article 45.7, and during leave without pay.
- 42.1.2 Leave taken shall be calculated on the basis of a 5-day working week.
- 42.1.3 No member of the staff shall be entitled to take more than 5 weeks' annual leave consecutively without special authorization by the Head of the NATO body. Two periods of not less than 2 weeks or one longer period of annual leave should normally be taken during the year.
- 42.1.4 Heads of NATO bodies shall establish annual leave schedules with due regard to the exigencies of the service.

#### **42.2    Leave taken in advance**

- 42.2.1 Annual leave may be granted in advance during the calendar year in which it accrues.
- 42.2.2 This provision shall not apply to newly recruited members of the staff serving a probationary period.
- 42.2.3 If members of the staff take all or part of their annual leave in advance and leave the service of the Organization before the end of the year, they shall pay to the Organization an amount equivalent to the emoluments and other benefits including, if applicable, the Organization's contribution to the Provident Fund or the Defined Contribution Pension Scheme due to them for the corresponding period.

### **42.3 Untaken leave**

- 42.3.1 Members of the staff are entitled to their annual leave during the calendar year in which it accrues and should to the maximum extent possible take it during that year. However, where members of the staff are unable to take all their annual leave during the calendar year, the balance due to them may be taken before 30 April of the following year.
- 42.3.2 Where the head of the division or service certifies that it was impossible for members of staff to take all their annual leave even after taking into account the extended period referred to in Article 42.3.1, untaken leave may be taken forward for a further period. Annual leave not taken by 31 October of the following year in which it accrued shall be forfeited. If the Head of NATO Body requires a staff member to provide direct support to a Council approved operation, mission or event during the last year of assignment, the timeline foreseen under this article shall be extended by the period of the support.
- 42.3.3 There will be no compensation for annual leave not taken. Exceptionally, where the Head of a NATO body determines that it has not been possible to allow members of the staff to take all their leave entitlement before their final departure from the Organization, due to supporting a Council approved operation/mission, or an extended period of sick leave, such staff members shall receive a corresponding payment of up to 30 days' emoluments, including, if applicable, the Organization's contributions to the Provident Fund or the Defined Contribution Pension Scheme, calculated as at the date of their separation from the Organization. The number of days of untaken leave in lieu of which emoluments may be paid shall not exceed 15 for the first 5 years of service, increased by one additional day for each year of service thereafter up to a maximum of 30 days.

### **42.4 Authorization procedure**

Applications for annual leave shall be submitted and processed under a procedure prescribed by the Head of each NATO body.

### **Article 42bis Leave for training**

The Head of the NATO body may grant up to 5 days of leave for training per year with full emoluments in cases where staff members are undertaking training and development on their own initiative and which is of direct benefit to the Organization.

### **Article 43 Leave for military service or training**

- 43.1 Members of the staff recalled for military service with the reserve or voluntarily undertaking military training shall be entitled to special leave with full emoluments if the period does not exceed 2 weeks in a year or 4 weeks in



2 years. Any extension beyond the period specified above will count against accrued annual leave. Thereafter all such absence shall be regarded as unpaid leave.

- 43.2 Before undertaking periods of military service, members of the staff will inform the Head of the NATO body and will ascertain under what conditions the special leave referred to in Article 43.1 above can be granted.
- 43.3 Members of the staff must obtain the authorization of the Head of the NATO body to attend all voluntary military training, and must show that this training is essential to enable them to keep abreast of progress in a highly specialized technical field.

## **Article 44 Home leave**

- 44.1 Members of the staff eligible for the payment of expatriation allowance, with the exception of staff members who, at the time of their recruitment, were nationals of the country in which they are serving and of no other country, shall, under the provisions of Article 44.6 below, be entitled as from the date of completion of every 2 years' service to paid home leave. The duration of this leave shall be 8 working days plus travel time both ways calculated on the basis of the most rapid means of public transport. Travel time is considered as follows:
- (a) Where travel time using the most rapid and economical means of public transport is less than 4 hours, no travel time shall be granted.
  - (b) Where travel time using the most rapid and economical means of public transport exceeds 4 hours, half a day travel time will be granted in addition.
  - (c) Where travel time using the most rapid and economical means of public transport exceeds 8 hours, one day will be granted in addition.
- 44.2 Home leave must be taken within the period of 6 months preceding or following the date on which it falls due, failing which it will be forfeited for the 2-year period in question. The date at which the leave is actually taken will not affect the date on which it will again fall due.
- 44.3 Members of the staff eligible for home leave shall be entitled to reimbursement of travel expenses under the provisions of Article 38 and Article 40. If members of the staff choose to use their private motor vehicle, they shall be entitled to reimbursement under the provisions of Article 40.3 up to the limit of a sum not exceeding the cost of the appropriate ticket or tickets, excluding supplements.
- 44.4 No subsistence allowance shall be payable for travel on home leave.
- 44.5 There will be no compensation for home leave not taken.
- 44.6 Home leave shall only be granted provided that:
- (a) members of the staff agree in writing to take such leave in their official home country (see Article 38.1(b));

- (b) members of the staff agree in writing to remain in the service of the Organization for 6 months after the date on which they became entitled to home leave, irrespective of the date on which they took it;
- (c) Heads of NATO bodies certify that, to the best of their knowledge, the staff members' services will be required during these 6 months.

Heads of NATO bodies may refrain from imposing penalties in the event of non-observance of the undertaking required under Article 44.6(b) if they consider that strict enforcement will lead to injustice or hardship.

- 44.7 Failure to spend their home leave in their official home country or to comply with the undertaking given in Article 44.6(b) will entail the following consequences for the members of the staff irrespective of any other disciplinary action which may be taken:
- (a) they will be required to reimburse the whole of the travel costs incurred by the Organization;
  - (b) the number of days taken will be deducted from the annual leave to which they are entitled.
- 44.8 Where a staff member and spouse are both employed within the Organization or in two different Coordinated Organizations and are both entitled to home leave, all possible steps shall be taken to allow them to take their home leave at the same time. Where only one of them is entitled to home leave, the spouse shall, on his/her request and provided that he/she travels on home leave with the entitled staff member, be granted unpaid leave of an equivalent number of days according to the provisions of Article 44.1, except that travel expenses shall be reimbursed under the provisions of Article 38.2 and not under the provisions of Article 44.3.
- 44.9 Where a staff member and spouse, who are both non-resident but are of different nationalities from each other are serving in the same country with the Organization or with one of the other Coordinated Organizations, each shall be entitled to home leave either in the same country, if both their homes are there, or in different countries, if their homes are in different countries. The cost of only one journey each will be refunded to the staff member and to their spouse and dependent children every 2 years.

Regime applicable to staff recruited to NATO after 1 July 2013

- 44.10 Reserved
- 44.11 Members of the staff eligible for the payment of expatriation allowance, with the exception of staff members who, at the time of their recruitment, were nationals of the country in which they are serving and of no other country, shall, under the provisions of Article 44.16 below, be entitled as from the date of completion of every 2 years' service to paid home leave. After the completion of the first period of two years' service, the duration of this leave shall be 8 working days plus travel time both ways calculated on the basis of the most rapid and economical means of public transport. After the completion of 4 years' service, the duration of this leave shall be 3 working days plus travel time both ways using the most rapid and economical means

of public transport. After the completion of 6 years' service and thereafter, only the travel costs both ways are reimbursable using the most rapid and economical means of public transport. Travel time is considered as follows:

- (a) Where travel time using the most rapid and economical means of public transport is less than 4 hours, no travel time shall be granted.
- (b) Where travel time using the most rapid and economical means of public transport exceeds 4 hours, half a day travel time will be granted in addition.
- (c) Where travel time using the most rapid and economical means of public transport exceeds 8 hours, one day will be granted in addition.

44.12 Home leave must be taken within the period of 6 months preceding or following the date on which it falls due, failing which it will be forfeited for the 2-year period in question. The date at which the leave is actually taken will not affect the date on which it will again fall due.

44.13 Members of the staff eligible for home leave shall be entitled to reimbursement of travel expenses under the provisions of Article 38 and Article 40. If members of the staff choose to use their private motor vehicle, they shall be entitled to reimbursement under the provisions of Article 40.3 up to the limit of a sum not exceeding the cost of the appropriate ticket or tickets, excluding supplements.

44.14 No subsistence allowance shall be payable for travel on home leave.

44.15 There will be no compensation for home leave not taken.

44.16 Home leave shall only be granted provided that:

- (a) members of the staff agree in writing to take such leave in their official home country (see Article 38.1(b));
- (b) members of the staff agree in writing to remain in the service of the Organization for 6 months after the date on which they became entitled to home leave, irrespective of the date on which they took it;
- (c) Heads of NATO bodies certify that, to the best of their knowledge, the staff members' services will be required during these 6 months.

44.17 Heads of NATO bodies may refrain from imposing penalties in the event of non-observance of the undertaking required under Article 44.16(b) if they consider that strict enforcement will lead to injustice or hardship.

44.18 Failure to spend their home leave in their official home country or to comply with the undertaking given in Article 44.16(b) will entail the following consequences for the members of the staff irrespective of any other disciplinary action which may be taken:

- (a) they will be required to reimburse the whole of the travel costs incurred by the Organization;
- (b) the number of days taken will be deducted from the annual leave to which they are entitled.

- 44.19 Where a staff member and spouse are both employed within the Organization or in two different Coordinated Organizations and are both entitled to home leave, all possible steps shall be taken to allow them to take their home leave at the same time. Where only one of them is entitled to home leave, the spouse shall, on his/her request and provided that he/she travels on home leave with the entitled staff member, be granted unpaid leave of an equivalent number of days according to the provisions of Article 44.11, except that travel expenses shall be reimbursed under the provisions of Article 38.2 and not under the provisions of Article 44.13.
- 44.20 Where a staff member and spouse who are both non-resident but are of different nationalities from each other, are serving in the same country with the Organization or with one of the other Coordinated Organizations, each shall be entitled to home leave either in the same country, if both their homes are there, or in different countries, if their homes are in different countries. The cost of only one journey each will be refunded to their spouse and dependent children every 2 years.

#### **Article 45      Absence for health reasons and sick leave**

- 45.1 Members of the staff absent owing to sickness or accident shall at once notify their heads of service, who will advise the Personnel Service.
- 45.2 Members of the staff absent owing to sickness or accident for more than 2 consecutive calendar days shall be required to obtain a medical certificate within 4 days of ceasing work and to submit it to the Personnel Service as soon as possible thereafter. A medical certificate may also be required for repeated absences of less than 2 consecutive days. The Organization may require a staff member to undergo a medical control before recognizing any certificate as valid.
- 45.3 Absences occasioned by sickness or accident which last not more than 2 calendar days and for which no medical certificate has been required shall, to the extent that they exceed 6 working days in any one calendar year, entail a corresponding reduction of the annual leave due to the members of the staff concerned or a corresponding reduction in their emoluments if they have already taken their annual leave in full.
- 45.4 Frequent recurrence of short periods of illness may also be regarded as grounds for termination of contract. In such cases, the Head of the NATO body may require the member of the staff concerned to undergo a further medical examination to assess whether the staff member still continues to fulfil the standard demanded by the exercise of their duties.
- 45.5 Before members of staff who have been absent on sick leave return to work, they may be required to produce a medical certificate stating that they are fit to resume their duties.
- 45.6 The first 3 months of sick leave are considered as normal service with the Organization and the member of the staff concerned continues to receive salary increments and to accrue leave.

**45.7 Extended sick leave**

- 45.7.1 Members of the staff who are absent for more than 3 consecutive months owing to sickness or accident duly recognized under Article 45.2 above shall be entitled to paid extended sick leave for a maximum period of 21 consecutive months, or until they are recognized either as fit to resume their duties or as being permanently incapacitated under the terms of the group insurance policy or by the invalidity board set up under the Coordinated Pension Scheme, as appropriate, or until the end of the calendar month in which they reach the age of 65, whichever is the sooner. Emoluments (including, if applicable, contributions to the Provident Fund or the Defined Contribution Pension Scheme) during the first 9 months of absence shall be paid by the Organization, the remaining months being covered under the Group Insurance scheme and paid at the rate of 80%. The sick leave of staff members who have a relapse within 2 months of having resumed their duties will not be considered as interrupted.
- 45.7.2 Extended sick leave shall not count towards calculation of the date on which the member of the staff may become entitled to a salary increment. It excludes all leave entitlement.
- 45.7.3 Extended sick leave may be regarded by the Head of the NATO body as grounds for termination of contract on the conditions laid down therein. However, separation will not become effective until one of the conditions as stipulated in Article 45.7.1 is fulfilled.
- 45.7.4 Members of the staff on extended sick leave will continue to be covered by the provisions of the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff or of the Protocol on the status of international military headquarters. They will be shown as supernumerary personnel on the establishment tables.

**45.8 Application**

The provisions of Article 45 shall apply notwithstanding the fact that the staff member's contract might otherwise have come to an end or been terminated during the period of sick leave.

**Article 46 Special leave****46.1 Leave for private reasons**

- 46.1.1 As an exception and for private or urgent reasons affecting the member of the staff, the Head of the NATO body may grant:
- (a) special leave of not more than 8 working days per year with full or part emoluments;
  - (b) unpaid leave.

- 46.1.2 Members of the staff shall be entitled to up to 3 months' unpaid parental leave for each dependent child, under provisions to be determined by the Head of the NATO body in implementing instructions.
- 46.1.3 The date on which the next salary increment becomes due shall be postponed by the period of unpaid leave taken.
- 46.1.4 Members of the staff on unpaid leave for private reasons may, at the discretion of the Head of the NATO body, be entitled during such period to the benefits available under the group insurance scheme described in Chapter X below, provided they pay the Organization every month a sum equal to the total premiums due to the insurers and based on their last-earned monthly emoluments. However the Organization may continue to bear its share of the premiums if it is in its best interests to do so.

#### 46.2 **Leave on marriage**

Special leave of one calendar week with full emoluments shall be granted on the occasion of the marriage of a member of the staff.

#### 46.3 **Maternity leave**

- 46.3.1 Maternity leave of 20 weeks with full emoluments shall be granted to a female staff member on production of an appropriate medical certificate. The amount of maternity leave shall be increased to 22 weeks in the case of a multiple birth.
- 46.3.2 Maternity leave normally begins at least 4 weeks before the expected date of birth, and ends at least 10 weeks after the birth. The Head of NATO body may, provided that such an arrangement is compatible with the requirements of the service, authorize a staff member, upon request and subject to medical advice, to reduce the period of pre-natal leave to a minimum of one week and to increase the period of postnatal leave accordingly.
- 46.3.3 Leave with full emoluments, equivalent to half the amount of postnatal leave granted to natural mothers under Article 46.3.2, shall be granted to female staff members with whom a child, who is under 18 years of age and recognized as dependent (as defined in Article 29.2), has been legally placed for adoption. Such leave shall commence from the date of arrival of the child in the child's new home. It shall be increased in proportion to that for natural mothers in the case of the adoption of two or more such children.
- 46.3.4 This entitlement remains valid even if the member of the staff notifies the Personnel Service of her intention to leave the service of the Organization at the end of the period of maternity leave.

#### 46.4 **Paternity leave**

Paternity leave of 10 working days with full emoluments shall be granted to male members of the staff on the birth or adoption of a child who is recognized as dependent (as defined in Article 29.2) and, in the case of adoption, who is under 18 years of age. It shall be increased to 12 working

days in the case of a multiple birth or in the case of the adoption of two or more children. The leave shall commence from the date of birth of the child or the arrival of the child in the child's new home, but may be postponed if the child is hospitalized.

#### 46.5 **Quarantine**

- 46.5.1 Members of the staff contracting an infectious disease must absent themselves from duty and report the circumstances immediately to the Personnel Service.
- 46.5.2 If an infectious disease breaks out among the family or intimate friends of a member of the staff, the latter must immediately inform the Personnel Service and must conform to such health precautions as may be prescribed.
- 46.5.3 Full emoluments are payable to a member of the staff on enforced absence because of contact with infectious disease. Such absence will not count against sick or annual leave.
- 46.5.4 Members of the staff shall submit to such vaccinations or inoculations as may be required for the proper execution of their duties.





## Chapter X

# Social securities and insurances

### Article 47      Extent of insurance

47.1 Subject to any limitations imposed as a result of the initial medical examination, members of the staff are covered for:

- (a) the reimbursement within established limits of the medical expenses of the staff members, their spouses and recognized dependants as defined in Article 29.2;
- (b) in the event of loss of salary through sickness or injury resulting in extended sick leave as defined in Article 45.7 in excess of 9 consecutive months, the continuing payment of 80% of gross emoluments up to a maximum of a further 12 months;
- (c) an invalidity pension as follows:
  - (i) for staff members contributing to the Provident Fund or the Defined Contribution Pension Scheme:
    - in the event of loss of earning capacity through permanent disability, a disablement pension calculated according to the degree of disability and within the limits of the group insurance concluded in accordance with the provisions of Article 48 below;
    - in the event of loss of earning capacity of at least 5% through permanent invalidity resulting from a work accident or professional illness, a disablement pension calculated according to the degree of permanent invalidity and within the limits of the group insurance concluded in accordance with the provisions of Article 48 below;
  - (ii) for staff members in the Coordinated Pension Scheme<sup>(1)</sup> (Annex IV), in the event of loss of earning capacity of at least 5% through permanent invalidity resulting from a work accident or professional

<sup>(1)</sup> For provisions regarding invalidity which does not result from a work accident or professional illness, see Annex IV, Articles 13 to 17.

illness, an invalidity pension calculated according to the degree of permanent disability and within the limits of the group insurance concluded in accordance with the provision of Article 48 below. However, the amount of any such pension will be deducted from any pension (including the tax adjustment) receivable for the same cause under the provisions of the Coordinated Pension Scheme (Annex IV) (the maximum of such deduction to be limited to the total of the pension due from the Organization);

- (d) In the event of death, an amount equivalent to between one and 5 years' emoluments, and survivors' pensions in certain circumstances, depending on the cause of death and the family status of the staff member. However, for staff members in the Organization's Coordinated Pension Scheme (Annex IV), the amount of any such pension will be deducted from any pension (including the tax adjustment) receivable for the same cause under the provisions of the Coordinated Pension Scheme (Annex IV), the maximum of such deduction to be limited to the total of the pension due from the Organization;
- (e) any additional insurance which may be concluded for the benefit of the staffs of individual NATO bodies at the specific request of the Staff Associations concerned.

47.2 Where a medical condition already in existence at the time of recruitment is established at the initial medical examination, the individual may be excluded from certain benefits of the group insurance scheme. They will be specifically notified in writing of any such exclusion.

47.3 Entitlement to the above benefits may be forfeited as a result of either voluntary participation by the staff member in certain special activities carrying abnormal risk or visits to certain countries. The full details of such exclusions may be obtained from the Personnel Service.

## **Article 48      Method of insurance**

48.1 This insurance is provided either by participation in the national social security system of the host country, supplemented as necessary by a group insurance scheme, or by participation in a group insurance scheme only.

48.2 Authority is vested in the Secretary General and in the Supreme Allied Commanders to determine the method of insurance to be applied in each host country and to enter into the necessary agreements to that end with the governments of the host country and/or with suitable insurers.

48.3 Participation in the method of insurance selected by the Secretary General or a Supreme Allied Commander, as appropriate, is compulsory for all members of the staff.

48.4 On appointment to a NATO body, members of the staff shall be informed of the specific conditions applicable to them.

**Article 49 National social security systems**

- 49.1 Where participation in the national social security system of the host country is decided upon, such participation will be in accordance with the arrangements agreed on by the government of the host country and the Secretary General or the Supreme Allied Commander as appropriate.
- 49.2 Such arrangements will provide for the exclusion of the Organization and its members of the staff from compulsory participation in the old age pension and family allowance elements of the national social security system. This exclusion results from the provision which the Organization already makes for pension schemes, a provident fund and for the payment of children's allowances.

**Article 50 Contribution****50.1 National social security systems**

- 50.1.1 Contributions to national social security systems are payable by the Organization as employer and by members of the staff as employees in accordance with the regulations of the systems and subject to the agreement entered into between the Secretary General or Supreme Allied Commander and the host country authorities.
- 50.1.2 If members of the staff contribute to the old-age pension element of a national social security system, whether that of the host country or that of their home country, the payment of the total contributions involved is the responsibility of the members of the staff. If they are affiliated to the Provident Fund, they may elect to have the amount of such contributions deducted from their holdings in the Provident Fund.

**50.2 Group insurance schemes**

Contributions to group insurance scheme benefits are payable two-thirds by the Organization and one-third by members of the staff, except for:

- (a) contributions to benefits receivable for accidents on duty and occupational illnesses, which are payable entirely by the Organization;
- (b) contributions to any benefit receivable in the form of a capital payment and duplicating a benefit receivable under the Pension Scheme, which are payable one-third by the Organization and two-thirds by the Staff.

**50.3 Supplementary cover**

The premiums in respect of the supplementary cover referred to in Article 47.1(e) shall be payable in full by the insured members of the staff.

## **Article 51 Eligibility**

### **51.1 National social security system**

51.1.1 Members of the staff shall be eligible for the benefits of those parts of the national social security system in which they participate according to the regulations of that system.

51.1.2 Where the Organization continues to pay full emoluments to a member of the staff during a period of sick leave or maternity leave, any daily sickness allowance payable under the national social security system to compensate for loss of earning capacity shall accrue to the Organization.

### **51.2 Group insurance schemes**

Members of the staff shall be eligible for the benefits of the group insurance scheme in which they participate only after they have successfully passed the required medical examination. Subject to such medical examination, cover under a group insurance scheme extends from the commencement of the first day of employment until the close of the last day of employment. However, staff members who leave the Organization having completed a minimum of 10 years uninterrupted service and who have reached the age of 55 shall be permanently entitled to the reimbursement of medical expenses for themselves and their recognized dependants within the prescribed limits. They shall be required to pay a premium towards this benefit, applying the cost share formula as stipulated in Article 50.2 above<sup>(a)</sup>.

### **51.3 Loss of benefit**

The Organization will not be responsible for any loss of benefit which results from the failure of members of the staff to comply with the rules, regulations and procedures of any social security system to which they are affiliated and of the group insurance scheme.

<sup>(a)</sup> Provided they were recruited before 1<sup>st</sup> January 2001, staff members who have contributed to the group insurance scheme for a minimum of 25 years shall not be required to pay a premium after the age of 65.

## **Chapter XI**

# **Provident Fund**

### **Article 52      General provisions**

- 52.1 Members of the staff serving with the Organization before the date of entry into force of the Coordinated Pension Scheme may elect to maintain their affiliation to the Provident Fund in accordance with the options provided under the transitional arrangements set out in Chapter XI of the Rules of the Coordinated Pension Scheme (see Annex IV and Annex VII.A, Article 4).
- 52.2 The Organization contributes to the Provident Fund a sum equal to 14% of the basic salary, plus any cost of living allowance, of those staff members covered by Article 52.1 above who have opted out of the Coordinated Pension Scheme. The staff members contribute 7%, which is deducted from their emoluments.
- 52.3 The Fund is administered by the Secretary General acting on the advice of a Board of Supervisors.
- 52.4 Full information regarding the purpose of the Fund and its administration, the conditions of affiliation, contributions, individual accounts, payments of benefits, etc., is contained in the Regulations of the Fund as approved by the Council (Annex VII).

### **Article 53      Assets of the Fund**

- 53.1 All assets of the Fund shall be placed on deposit, acquired and held in the name of the Organization. They shall not be merged with other funds of the Organization.
- 53.2 An individual account with the Fund shall be opened for each member of the staff.

**Article 54 Withdrawals from individual accounts****54.1 Social security and pension schemes**

54.1.1 Members of the staff may obtain, by deductions from the amounts standing to the credit of their individual accounts with the Fund, reimbursement of expenditure entailed by:

- (a) their voluntary affiliation to the old-age pension scheme of their national social insurance system;
- (b) their affiliation to the pension scheme applying in their own national administration, in the case of civil servants or military personnel seconded to the Organization.

54.1.2 Members of the staff wishing to avail themselves of these arrangements shall send a written application to the Personnel Service, together with any documents supporting their claims.

**54.2 Housing loans**

54.2.1 Members of the staff may be authorized to withdraw from their individual accounts in the Provident Fund the amounts needed for the purchase, construction or improvement of a house or flat to be occupied by them. Such loans will be approved by the Head of the NATO body on the basis of the recommendation of a Loan Committee.

54.2.2 The amounts withdrawn for this purpose shall be repaid into the Provident Fund by means of monthly deductions from the staff member's salary.

54.2.3 The conditions under which such withdrawals may be made, the maximum amount of withdrawals, the composition of Loan Committees and, in general, all detailed implementary provisions will be decided by the Secretary General in consultation with the Board of Supervisors of the Fund (Annex VII).

## Chapter XII

# Reports, performance assessment, grades, advancement, changes of post or grade

### Article 55 Reports and performance assessment

- 55.1 The Head of each NATO body shall establish a system designed to evaluate periodically the proficiency of staff members in the performance of their duties and their potential to continue to contribute to the Organization in the future.
- 55.2 The system may include periodic performance reports submitted in accordance with the criteria set out in Annex VIII.A.
- 55.3 For the purposes of completing the staff report, the rating officer will normally be the immediate supervisor of the staff member concerned. The countersigning officer shall be of A or L category or officer rank. In specific cases where it is deemed necessary, more than one countersigning officer may be designated.
- 55.4 The assessments and recommendations made on the staff report shall be given to the staff member concerned. They represent the personal assessments and recommendations of the officials in question against which the staff member cannot invoke the complaints and appeals procedures. However, the staff member has the right to make written comments on the assessments and recommendations which will be attached to the report and included in the staff member's personal file. In the event that the Head of the NATO body establishes a system of performance management the Head of the NATO body shall establish an internal procedure for mediation and resolution of conflicts with respect to the assessment of the performance of the staff member.
- 55.5 In the event that the Head of the NATO body establishes a system of performance management, the performance assessment criteria shall be set out in Annex VIII.B.

## **Article 56      Grades and advancement**

### **56.1      Grades**

56.1.1 Members of the staff holding the most senior posts are designated unclassified. Other members of the staff are recruited into one of four categories, A, L, B and C, which correspond to four types of duty or post.

56.1.2 Each category comprises a number of grades:

**Category A** is divided into seven grades designated A.7 to A.1; it covers posts ranging from director to junior administrative assistant.

**Category L** is divided into five grades designated L.5 to L.1; it covers the posts held by linguistic personnel (heads of section, revisers, interpreters, translators and trainee interpreters and translators).

**Category B** is divided into six grades designated B.6 to B.1; it covers the posts held by qualified technical and laboratory staff and by clerical and office staff.

**Category C** is divided into six grades designated C.6 to C.1; it covers the posts held by ancillary, operative, mechanical, manual or custodial personnel.

56.1.3 Each grade includes several steps.

56.1.4 A member of the staff may temporarily replace the holder of a post of higher grade.

56.1.5 Exceptionally, if it is considered that a member of the staff does not yet possess all the required qualifications of the post, the staff member may fill the post at a lower grade.

### **56.2      Advancement**

56.2.1 In principle, provided that their performance of duty so warrants, members of the staff will advance one step every 12, 18 or 24 months until they reach the highest standard step of their grade according to the incremental system approved by the Council.

56.2.2 In calculating the date for advancement to the next step, no unpaid leave granted in implementation of Article 46.1.1 (b) or extended sick leave covered by Article 45.7 shall count as service completed by the member of the staff.



**Article 57 Vacancies, redundancies, changes of post or grade**

- 57.1 In the notification of vacancies, the Head of a NATO body shall inform all NATO bodies of those vacancies on the establishment of that NATO body for which serving members of the international civilian staff of any NATO body may apply. The applications of such staff members shall be examined together with those of outside candidates. Where relevant qualifications and suitability are equal, preference will be given to serving candidates in so far as this is compatible with the principles set out in Article 1 of these Regulations.
- 57.2 Staff members who become redundant shall be given the opportunity to apply for the vacant posts throughout the Organization and the candidature of such staff members for a post of their own grade shall be considered before other recruitment is put in hand.
- 57.3 In selecting members of the staff to fill vacant posts, account will be taken of their professional qualifications, performance record and experience.
- 57.4 Within a system of performance management, the Head of NATO body, having taken account of the views of the staff member, may transfer a staff member to another vacant post in the same location in the same grade and level of responsibility for which the staff member possesses the required qualifications and experience.

**Article 58 Effective date**

- 58.1 The financial consequences of an advancement of step shall take effect either from the first day of the current month or from the first day of the following month, according to whether the date of advancement falls either up to and including the 15<sup>th</sup> of the month or after that date.
- 58.2 The financial consequences of a change of grade shall take effect from the date on which the new duties are taken up.
- 58.3 However, if a member of the staff is selected to fill a post for which the member of staff is nevertheless not considered to possess all the required qualifications, the staff member may occupy the post at a lower grade than that attached to the post. The full financial consequences will in this case become effective only from the date on which the staff member is considered to fulfil all the requirements.
- 58.4 If an existing post in the approved establishment is to be downgraded, the Head of the NATO body shall seek authority to safeguard the vested rights of the member of the staff holding that post before the downgrading of the post becomes effective. Where the measures agreed upon involve retention of the previously held grade, limitations may be imposed on the length of time the contractual grade may be retained or on the entitlement to within-grade advancement.



## Chapter XIII

# Discipline

### Article 59 Disciplinary action

- 59.1 Any failure by staff members or former staff members to comply with their obligations under these Personnel Regulations, whether intentional or through negligence on their part, shall make them liable to disciplinary action.
- 59.2 Disciplinary actions taken shall, together with the reasons, be recorded in staff members' files and, except in the case of action taken under Article 59.3(a) below, shall be notified by writing to them.
- 59.3 Disciplinary actions includes:
- (a) reprimand;
  - (b) written censure;
  - (c) postponement of a salary increment;
  - (d) temporary suspension from duties entailing the withholding of emoluments in whole or in part;
  - (e) dismissal, accompanied, in duly justified circumstances, by reduction or suspension of benefits under the Coordinated Pension Scheme, Provident Fund, Defined Contribution Pension Scheme, or group insurance policy, forfeiture of part or all of the contractual period of notice, or a combination of any of these;
  - (f) where the staff member has left the Organization, withdrawal in whole or in part, either temporarily or permanently, of benefits under the Coordinated Pension Scheme, Provident Fund, Defined Contribution Pension Scheme or group insurance policy.

- 59.4 A reduction or suspension of benefits under the Coordinated Pension Scheme, Provident Fund, Defined Contribution Pension Scheme or group insurance policy shall not, save in exceptional circumstances, extend to staff members' own contributions, or to the pension rights or insurance coverage of their dependants, as appropriate.
- 59.5 Application of the disciplinary measures foreseen by Article 59.3 above shall not prejudice application of the penalty clauses of the Rules of the Coordinated Pension Scheme.
- 59.6 Members of the staff may be required to reimburse, either in part or in full, any loss sustained by the Organization through their gross negligence or wilful act.

## **Article 60      Disciplinary powers and procedures**

- 60.1 Disciplinary action is taken under the authority of the Heads of NATO bodies in accordance with the procedures to be prescribed by them (Annex X).
- 60.2 Members of the staff against whom a charge of serious misconduct is made may be suspended immediately from their functions if the Head of the NATO body considers that the charge is *prima facie* well-founded and that the staff members' continuance in office during investigation of the charge might prejudice the Organization. The order for suspension from office will stipulate whether or not such members of the staff shall be deprived of their emoluments in whole or in part pending the results of the enquiry.
- 60.3 No disciplinary action may be taken until staff members or former staff members have been informed of the allegations against them.
- 60.4 Before a final decision is taken under (c), (d), (e) or (f) of Article 59.3, staff members or former staff members shall be entitled to submit oral or written comments.

## Chapter XIV

# Administrative review, complaints and appeals

### **Article 61      Administrative review, Mediation and Complaints**

- 61.1 Staff members, consultants, temporary staff or retired NATO staff, who consider that a decision affecting their conditions of work or of service does not comply with the terms and conditions of their employment, including their contracts, NATO regulations governing personnel and other terms of appointment, and wish to challenge such decision, shall exhaust administrative review as prescribed in Article 2 of Annex IX to these Regulations. They may also ask to submit their grievances to mediation under the conditions described in Article 3 of Annex IX.
- 61.2 Staff members, consultants, temporary staff or retired NATO staff wishing to contest the decision after pursuing administrative review and, if applicable and requested, mediation are entitled to submit a complaint in writing to the Head of the NATO body possessing the authority to rescind or modify the challenged decision as prescribed in Article 4 of Annex IX to these Regulations.
- 61.3 Staff members, consultants, temporary staff or retired NATO staff may submit a complaint in writing to the Head of the NATO body concerning a decision taken directly by him or her, without a prior administrative review.
- 61.4 Each Head of a NATO body is authorised to designate another senior officer in the same NATO body to carry out the responsibilities and take decisions as provided in these Regulations, in which case such officer shall be considered as the Head of the NATO body for purposes of this Chapter. Such designation may be either for a fixed period or for purposes of a given complaint.

**Article 62      Appeals**

- 62.1 Following the administrative and complaints procedure under Article 61, the complainant or his or her legal successor may appeal to the Administrative Tribunal.
- 62.2 Staff members, consultants, temporary staff or retired NATO staff, and the Head of the NATO body, may also agree to submit the matter directly to the Administrative Tribunal, without a decision by the Head of the NATO body in the matter as provided in Article 4.3 of Annex IX to these Regulations.
- 62.3 The conditions under which appeals may be lodged with the Administrative Tribunal are laid down in Article 6 of Annex IX to these Regulations.

## **Chapter XV**

# **Pension Schemes**

### **A. Coordinated Pension Scheme**

#### **Article A.63 Application**

- A.63.1 All members of the staff whose service began before 1<sup>st</sup> July 2005, other than those members whose service began before 1<sup>st</sup> July 1974 and who have opted to remain in the Provident Fund, are covered by the Coordinated Pension Scheme.
- A.63.2 The Rules of the Coordinated Pension Scheme are set out in Annex IV.
- A.63.3 The Coordinated Pension Scheme includes provisions for retirement pensions, short service leaving allowances, invalidity pensions and survivor's, orphan's and dependant's pensions.
- A.63.4 Pensions are adjusted periodically as provided in Article 36 of the Rules of the Coordinated Pension Scheme.
- A.63.5 Staff members suffering at the time of their appointment from an illness or disablement may be excluded from entitlement to invalidity or death benefits for a maximum period of 5 years. They will be specifically notified in writing of any such exclusion.

#### **Article A.64 Retirement pension or short service leaving allowance**

- A.64.1 A member of the staff who has completed at least 10 years' service is entitled to a retirement pension.
- A.64.2 The maximum retirement pension is 70% of the final basic salary of the last grade in which staff members were serving for at least one year before termination of their appointment. The pension accrues at the rate of 2% per year of service.

- A.64.3 The pensionable age is 60 years. Staff members leaving before that age are eligible for either a deferred pension payable in full at age 60 or a reduced pension payable from age 50. Staff members continuing their employment after pensionable age continue to accrue pension rights up to the maximum amount.
- A.64.4 Staff members whose length of service is not sufficient to entitle them to a retirement pension are eligible for a leaving allowance as provided in Article 11 of the Rules of the Coordinated Pension Scheme.
- A.64.5 A staff member shall not receive a retirement pension payable under this Article at the same time as emoluments under Article 22.

### **Article A.65    Invalidity pension**

Staff members are entitled, in accordance with the provisions of Chapter III of the Rules of the Coordinated Pension Scheme, to an invalidity pension in the case of permanent invalidity totally preventing them from performing the duties attached to their employment in the Organization.

### **Article A.66    Survivor's, orphan's or dependant's pension**

- A.66.1 The surviving spouse of a staff member or of a former staff member may be entitled to a survivor's pension under the provisions of Chapter IV of the Rules of the Coordinated Pension Scheme.
- A.66.2 The dependent children or other dependants of a staff member or of a former staff member covered by the provisions of the pension scheme may be entitled to orphans' or dependants' pensions in accordance with Chapter V of the Rules of the Coordinated Pension Scheme.

### **Article A.67    Financing**

- A.67.1 Benefits paid under the Coordinated Pension Scheme are charged to the budget, in accordance with the provisions of Article 40 of the Rules of the Coordinated Pension Scheme.
- A.67.2 Staff members contribute 9.5% of their basic salary, including any cost of living allowances, to the Coordinated Pension Scheme. This contribution is deducted monthly from their emoluments.



## **B. Defined Contribution Pension Scheme**

### **Article B.63 Application**

The NATO Defined Contribution Pension Scheme is a money purchase pension scheme which is funded by contributions by the Organization and by the staff member. The contributions together with interest on investment shall be used solely for the provision of retirement pensions and related benefits and fees.

### **Article B.64 Membership**

- B.64.1 Members of the staff whose service began on or after 1 July 2005 shall be active members of the Defined Contribution Pension Scheme as defined in Annex VI. Each such member shall contribute to the scheme and have an account in the scheme. The Organization shall also contribute to the scheme.
- B.64.2 Members of the staff who leave the Organization may maintain their holdings in the scheme subject to the conditions set out in the rules of the scheme in Annex VI. They shall be passive members of the scheme.

### **Article B.65 Contributions**

The Organization shall contribute to the Defined Contribution Pension Scheme a sum equal to 12% of basic salary of those staff members covered by Article B.64.1 above. The staff member shall contribute a sum equal to 8% of basic salary to the scheme. This contribution shall be deducted monthly from emoluments. The staff member may opt to make an additional voluntary contribution to the scheme of a sum of up to 5% of basic salary, without a corresponding contribution by the Organization.

### **Article B.66 Investment**

- B.66.1 Contributions shall be invested. The scheme shall provide a range of investment funds for this purpose. The member of the scheme may specify the funds in which contributions are to be invested, subject to the conditions set out in the rules of the scheme, failing which the scheme shall invest the contributions according to a pre determined investment strategy.
- B.66.2 The Organization shall not be liable for losses brought about by movements in the investment markets.

### **Article B.67 Benefits**

The Defined Contribution Pension Scheme shall pay benefits as set out in the rules of the scheme (Annex VI).

**Article B.68    Scheme rules and instructions**

The rules of the scheme and of its administration are set out in Annex VI. The Secretary General may make instructions for the implementation of these rules.

## RULES APPLICABLE TO CONSULTANTS AND TEMPORARY PERSONNEL

### Chapter XVI

## Consultants

#### Article 68 General provisions

- 68.1 The Head of the NATO body may call on the services of consultants when necessary.
- 68.2 A consultant is defined as a recognized expert or specialist engaged to serve in an advisory or technical capacity.
- 68.3 A consultant shall not hold an established post in the Organization.
- 68.4 Consultants shall not normally be engaged unless they fulfil the conditions laid down in Article 3(a), (d) and (g) of the Rules governing members of the staff (Part I of these Regulations).

#### Article 69 Duration of employment

- 69.1 The duration of employment of consultants shall be stipulated in the contract and shall not normally exceed a period of 90 consecutive days. However, if required by circumstances, such contracts may be extended by one further period not exceeding 90 days.
- 69.2 Where, in exceptional and well-defined cases, the services of a consultant are known to be required for a period longer than 180 days, specific budgetary provision shall be made.
- 69.3 Where consultants are required to provide services or goods, the date by which those services or goods shall be furnished shall be stipulated in the contract.

#### Article 70 Fees

- 70.1 Consultants' fees shall be fixed in the contract and shall be payable in the currencies of the host country, their home country, or both.

- 70.2 In addition to this contractual fee, consultants may, during their period of service with the Organization, continue to receive emoluments from outside sources.
- 70.3 The fees paid to consultants are not exempt from taxation.
- 70.4 No payment of fees will be effected unless a written declaration has been made by the immediate supervisor certifying the time during which consultants have worked and that their performance of duty has been satisfactory or that the services or goods have reached the required standard and have been furnished by the date specified in the contract.

### **Article 71      Obligations and responsibilities**

The provisions of Chapter IV of the Rules governing members of the staff (Part I of these Regulations) shall, unless otherwise decided by the Head of the NATO body and except as provided in Article 70.2, be applicable to consultants.

### **Article 72      Travel**

- 72.1 Consultants whose place of residence is more than 100 km from the place of employment shall be entitled to the reimbursement of direct travel expenses to and from that place of residence on taking up their duties and on leaving the service of the Organization unless these expenses are borne by a government or other authority.
- 72.2 The provisions of Articles 40 and 41 of the Rules governing members of the staff (Part I of these Regulations) shall be applicable to consultants.
- 72.3 For the purposes of establishing the rates payable under this article, consultants will be assimilated to international civilian personnel grades.

### **Article 73      Leave**

Leave entitlement, if any, shall be specified in the contract.

### **Article 74      Insurance**

Consultants may be covered, at their request and at their expense, by accident insurance for occupational risks during the period of their engagement.

### **Article 75      Immunities and privileges**

If it is to the benefit of the Organization, consultants employed on missions may be granted certain privileges and immunities under the conditions laid down in Articles 21 and 22 of the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff signed in Ottawa on 20<sup>th</sup> September, 1951 (Annex I).

**Article 76      Security**

The provisions of Chapter VI of the Rules governing members of the staff (Part I of these Regulations) shall in all cases be applicable to consultants.

**Article 76bis**

The provisions of the policy for the participation of NATO Civilians in NATO Council-approved Operations and Missions in C-M(2010)0115 shall apply to consultants in so far as they are specified in their contracts. However, in the Appendix of C-M(2005)0041 concerning remuneration and benefits, Section 1 concerning compensation for deployment and Section 3 concerning staff occupying posts at the deployed location shall in no circumstances apply to consultants. The Head of the NATO body shall ensure that appropriate insurance cover is provided if the consultant is deployed.



## **Chapter XVII**

# Temporary personnel

### **Article 77      General provisions**

- 77.1 Temporary personnel may be engaged by the Head of the NATO body when necessary to satisfy temporary requirements of the Organization (e.g. to replace members of the staff who are absent, to undertake tasks temporarily in excess of the capacity of the establishment approved for the NATO body concerned, to ensure that the personnel establishment can be managed in a flexible way and necessary work requirements can be sustained during reorganizations).
- 77.2 They shall not hold established posts in the Organization.
- 77.3 Temporary personnel shall not be engaged unless they fulfill the conditions laid down in Article 3(a), (d) and (g) of the Rules governing members of the staff (Part I of these Regulations).

### **Article 78      Duration of employment**

- 78.1 The duration of employment of temporary personnel shall be stipulated in the contract and shall not exceed a period of six months in the same assignment. However, if later required by circumstances, such contracts may be extended up to a further six months.
- 78.2 Where, in exceptional cases<sup>(1)</sup>, the services of temporary personnel are required for a period exceeding one year, or there is a requirement to offer a temporary contract which is for a period of six months up to one year, the Head of the NATO body shall seek prior budgetary approval from Nations before the contract could be offered.

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<sup>(1)</sup> Exceptional cases would include providing support to a Council approved Operation or Mission.

- 78.3 Temporary contracts for periods of less than three months can be terminated by either party with one week's notice. Temporary contracts of three months or more can be terminated by either party with two weeks' notice. Exceptionally, the Head of the NATO body may substitute the payment of the corresponding emoluments for part or all of the period of notice.
- 78.4 Temporary personnel shall not be offered further temporary employment in the same NATO body after their contract ends, for a period which is equal to the duration of their initial temporary contract, up to a maximum of three months.

### **Article 79            Remuneration**

- 79.1 The remuneration of temporary personnel, based on rates established by the Council, will be specified in their contracts.
- 79.2 Unless otherwise foreseen in bi-lateral agreements under Article 85, the remuneration of temporary personnel is not exempt from taxation. Temporary personnel are responsible for acquitting themselves of their responsibilities for the payment of taxes.
- 79.3 The Organization will communicate to member countries before the end of February of each year the names and forenames, date of birth and full address of temporary staff together with the length of contract and the total amount of remuneration paid to them in the previous year. Temporary staff shall be required to inform the Organization of their full address and of any subsequent change therein.

### **Article 80            Obligations and responsibilities**

The provisions of Chapter IV of the Rules governing members of the staff (Part I of these Regulations) shall, unless otherwise decided by the Head of the NATO body, be applicable to temporary personnel.

### **Article 81            Work**

The provisions of Chapter V of the Rules governing members of the staff (Part I of these Regulations) shall be applicable to temporary personnel unless otherwise specified in their contracts.

### **Article 82            Travel**

- 82.1 Temporary personnel whose place of residence is more than 100 km from the place of employment shall be entitled to the reimbursement of direct travel expenses to and from that place of residence on taking up their duties and on leaving the service of the Organization unless these expenses are borne by a government or other authority.
- 82.2 The provisions of Articles 40 and 41 of the Rules governing members of the staff (Part I of these Regulations) shall be applicable to temporary personnel.



- 82.3 The rates payable under this article shall be the same as those which apply to international civilian staff.

### **Article 83 Social benefits**

- 83.1 Insurance for temporary personnel is provided either by participation in the national social security system of the host country or by participation in a group insurance scheme.
- 83.2 Authority is vested in the Secretary General and in the Supreme Allied Commanders to determine the method of insurance to be applied in each host country and to enter into the necessary arrangements to that end with the governments of the host country and/or with suitable insurers.
- 83.3 Temporary personnel whose insurance is by participation in a group insurance scheme:
- (a) shall be entitled to coverage under the same scheme as international civilian personnel;
  - (b) shall be affiliated to the NATO Defined Contributions Pension Scheme.
- 83.4 Temporary staff shall be entitled to dependent children's allowance if they fulfill the conditions of Article 29.2 and to handicapped children's allowance if they fulfill the conditions of Article 29.4 of the Rules governing members of the staff (Part I of the Regulations). The payment of such allowances shall be subject to the deduction of allowances of the same nature to which the household or the unmarried temporary staff member may be entitled.

### **Article 84 Leave**

- 84.1 Irrespective of the type of insurance to which temporary personnel are affiliated, they shall be entitled to paid annual leave at the rate of 2.5 working days for each month of service completed.
- 84.2 Temporary personnel who are absent owing to sickness or accident shall at once notify their heads of service, who will advise the Personnel Service.
- 84.3 Temporary personnel absent owing to sickness or accident for more than 1 day shall be required to obtain a medical certificate within 4 days of ceasing work and to submit it to the Personnel Service as soon as possible thereafter. A medical certificate may also be required for repeated absences. The Organization may require a staff member to undergo a medical control before recognizing any certificate as valid.
- 84.4 Eligibility for paid sick leave accrues at a rate of 1 day for each month of service completed. Except in exceptional circumstances, such as a work-related sickness or accident, temporary personnel shall not be advanced more paid sick leave than corresponds to their entitlement over the total duration of the contract.

- 84.5 Provided they have completed a minimum of six months of service, maternity/paternity leave shall be granted to temporary staff under the conditions described in Article 46.3 and Article 46.4 of the Rules governing members of the staff (Part I of these Regulations) and shall not extend beyond the term of the temporary staff contract.

## **Article 85 Immunities and privileges**

- 85.1 Temporary personnel may be granted certain privileges and immunities under the conditions laid down in the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff (Annex I.A) and the Protocol on the status of international military headquarters (Annex I.B).
- 85.2 Temporary staff may also receive privileges concerning tax relief, if so foreseen in bilateral agreements which may be concluded with the member State concerned<sup>(1)</sup>.

## **Article 86 Security**

The provisions of Chapter VI of the Rules governing members of the staff (Part I of these Regulations) shall in all cases be applicable to temporary personnel.

## **Article 87**

The provisions of the policy for the participation of NATO Civilians in NATO Council-approved Operations and Missions in C-M(2005)0041 and C-M(2010)0115 shall apply to temporary staff in so far as they are specified in their contracts. Without prejudice to Article 83 above, the Head of the NATO body shall ensure that appropriate insurance cover is provided if the temporary staff is deployed.

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<sup>(1)</sup> The authority is reserved to SACEUR in respect of NATO bodies within Allied Command Operations.

## STAFF REPRESENTATION

### Chapter XVIII

# Staff Associations and Staff Committees

#### Article 88 General provisions

- 88.1 There shall be a Staff Association in each NATO body and headquarters locality consisting of all members of the staff. Under a procedure approved by the Head of the NATO body concerned, the Association shall elect regularly a Staff Committee to serve as its executive agent.
- 88.2 Each Staff Committee shall have the right to representation on the Confederation of NATO Civilian Staff Committees (CNCSC).
- 88.3 The CNCSC shall elect from among its members suitable spokespeople to represent the personnel of the North Atlantic Treaty Organization in relations both with the Organization and with staff associations of other international organizations and, in particular, in the Committee of Staff Representatives (CRP) established under the regulations concerning the Coordination system.
- 88.4 Retired NATO staff may, for the purposes of mutual support and representation, organize associations on the basis of the last employing NATO body. Retired staff from different NATO bodies may, where appropriate, join together to form one such association for the retired staff of those NATO bodies. The Secretary General, or the Supreme Allied Commanders, as appropriate, shall recognise the creation of such associations on the basis of the criteria established by them.
- 88.5 Each recognized association of retired staff shall be represented in the Confederation of NATO Retired Civilian Staff Associations (CNRCSA). For this purpose it shall elect from among its members the persons designated to represent the retired civilian staff of the North Atlantic Treaty Organization. The Secretary General shall approve the creation of the Confederation of NATO Retired Civilian Staff Associations.

## **Article 89 Functions of the Staff Committees**

- 89.1 The Staff Committees shall represent the interests of the staff and maintain suitable contacts between the competent administrative authorities and the staff. They shall provide a channel for the expression of opinion by the staff. To this end the Head of the NATO body concerned shall establish appropriate working procedures.
- 89.2 The duties undertaken by members of the Staff Committee and by the staff members appointed by the Committee to the bodies set up under these Regulations or by the Organization shall be deemed to be part of their normal service, and the fact of performing such duties shall in no way be prejudicial to the person concerned. For discharging such duties they shall be allowed reasonable time off.

## **Article 90 Competences**

- 90.1 The Confederation of NATO Civilian Staff Committees shall be responsible for:
- (a) protecting the professional interests of the staff of the North Atlantic Treaty Organization;
  - (b) making proposals relating to the collective interests or conditions of employment of the staff of the North Atlantic Treaty Organization;
  - (c) giving its advice on matters submitted to it by the competent administrative authorities;
  - (d) representing the view of the staff of NATO as a whole, notably in the Joint Consultative Board and other joint committees where participation of the CNCSC is provided for.
- 90.2 Each local Staff Committee shall have the same competence as referred to in paragraph 90.1 in matters affecting the members of the staff of the NATO body concerned.
- 90.3 The Confederation of NATO Retired Civilian Staff Associations shall:
- (a) provide a forum for the examination of matters of interest to retired NATO staff as a whole;
  - (b) represent the interests of retired NATO staff as a whole on matters which affect them directly;
  - (c) represent the views of retired NATO staff who are entitled to a pension under the Coordinated Pension Scheme in the Association of Pensioned Staff of the Coordinated Organizations and their Dependants (AAPOCAD) and in relations with the representative bodies of retired staff of other international organizations.
- 90.4 Each local Staff Committee may organize social, cultural and athletic activities. With the consent of the Head of the NATO body, representatives of the Staff Committee may be appointed to participate in the management of bodies of a local character set up in the interests of the staff.

**Article 91      Joint Consultative Board**

There shall be a Joint Consultative Board set up in accordance with provisions established by the Secretary General and Supreme Commanders (Annex XI).

**Article 92      Travel, subsistence, leave of absence**

- 92.1 Representatives of the Confederation of NATO Civilian Staff Committees who travel in the fulfilment of their mandate, as outlined in Article 89.2, shall be authorized absence from their normal duties for this purpose and shall be furnished with appropriate travel authorizations.
- 92.2 Where a subvention towards the cost of such travel has been made available to the Staff Association or to a recognized association of retired NATO staff, or to the Confederation of NATO Retired Civilian Staff Associations, the body concerned shall at the end of each fiscal year submit a detailed statement on the use of these funds to the ASG Executive Management, International Staff.



## ANNEXES

### **Annex I.A**

# Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff

The States signatory to the present agreement, considering that for the exercise of their functions and the fulfilment of their purposes it is necessary that the North Atlantic Treaty Organization, its international staff and the representatives of Member states attending meetings thereof should have the status set out hereunder,

have agreed as follows:

### **Part IV**

## International staff and experts on missions for the Organization

### **Article 17**

The categories of officials of the Organization to which Articles 18 to 20 apply shall be agreed between the Chairman of the Council Deputies and each of the Member states concerned. The Chairman of the Council Deputies shall communicate to the Member states the names of the officials included in these categories.

## Article 18

Officials of the Organization agreed upon under Article 17 shall:

- (a) be immune from legal process in respect of words spoken or written and of acts done by them in their official capacity and within the limits of their authority;
- (b) be granted, together with their spouses and members of their immediate families residing with and dependent on them, the same immunities from immigration restrictions and aliens' registration as is accorded to diplomatic personnel of comparable rank;
- (c) be accorded the same facilities in respect of currency or exchange restrictions as are accorded to diplomatic personnel of comparable rank;
- (d) be given, together with their spouses and members of their immediate families residing with and dependent on them, the same repatriation facilities in time of international crisis as are accorded to diplomatic personnel of comparable rank;
- (e) have the right to import free of duty their furniture and effects at the time of first arrival to take up their post in the country in question, and, on the termination of their functions in that country, to re-export such furniture and effects free of duty, subject in either case to such conditions as the government of the country in which the right is being exercised may deem necessary;
- (f) have the right to import temporarily free of duty their private motor vehicles for their own personal use and subsequently to re-export such vehicles free of duty, subject in either case to such conditions as the government of the country concerned may deem necessary.

## Article 19

Officials of the Organization agreed under Article 17 shall be exempt from taxation on the salaries and emoluments paid to them by the Organization in their capacity as such officials. Any Member state may, however, conclude an arrangement with the Council acting on behalf of the Organization whereby such Member state will employ and assign to the Organization all of its nationals (except, if such Member state so desires, any not ordinarily resident within its territory) who are to serve on the international staff of the Organization and pay the salaries and emoluments of such persons from its own funds at a scale fixed by it. The salaries and emoluments so paid may be taxed by such Member state but shall be exempt from taxation by any other Member state. If such an arrangement is entered into by any Member state and is subsequently modified or terminated, Member states shall no longer be bound under the first sentence of this article to exempt from taxation the salaries and emoluments paid to their nationals.



## **Article 20**

In addition to the immunities and privileges specified in Articles 18 and 19, the Executive Secretary of the Organization, the Coordinator of North Atlantic Treaty Defence Production, and such other permanent officials of similar rank as may be agreed between the Chairman of the Council Deputies and the governments of Member states, shall be accorded the privileges and immunities normally accorded to diplomatic personnel of comparable rank.

## **Article 21**

1. Experts (other than officials coming within the scope of Articles 18 to 20) employed on missions on behalf of the Organization shall be accorded the following privileges and immunities so far as is necessary for the effective exercise of their functions while present in the territory of a Member state for the discharge of their duties:
  - (a) immunity from personal arrest or detention and from seizure of their personal baggage;
  - (b) in respect of words spoken or written or acts done by them in the performance of their official functions for the Organization, immunity from legal process;
  - (c) the same facilities in respect of currency or exchange restrictions and in respect of their personal baggage as are accorded to officials of foreign governments on temporary official missions;
  - (d) inviolability for all papers and documents relating to the work on which they are engaged for the Organization.
2. The Chairman of the Council Deputies shall communicate to the Member states concerned the names of any experts to whom this article applies.

## **Article 22**

Privileges and immunities are granted to officials and experts in the interests of the Organization and not for the personal benefit of the individuals themselves. The Chairman of the Council Deputies shall have the right and the duty to waive the immunity of any official or expert in any case where, in his opinion, the immunity would impede the course of justice and can be waived without prejudice to the interests of the Organization.

## **Article 23**

The provisions of Articles 18, 20 and 21 above shall not require any state to grant any of the privileges or immunities referred to therein to any person who is its national, except:

- (a) immunity from legal process in respect of words spoken or written or acts done by him in the performance of his official functions for the Organization;

- (b) inviolability for all papers and documents relating to the work on which he is engaged for the Organization;
- (c) facilities in respect of currency or exchange restrictions so far as necessary for the effective exercise of his functions.

Done in Ottawa, this twentieth day of September, 1951

**Annex I.B**

# Protocol on the status of international military headquarters set up pursuant to the North Atlantic Treaty

The Parties to the North Atlantic Treaty signed in Washington on 4<sup>th</sup> April, 1949,  
Considering that international military headquarters may be established in  
their territories, by separate arrangement, under the North Atlantic Treaty, and  
Desiring to define the status of such headquarters and of the personnel  
thereof within the North Atlantic Treaty area,  
Have agreed to the present Protocol to the Agreement signed in London on  
19<sup>th</sup> June, 1951, regarding the status of their forces:

**Article 2**

Subject to the following provisions of this Protocol, the Agreement shall  
apply to allied headquarters in the territory of a party to the present Protocol  
in the North Atlantic Treaty area, and to the military and civilian personnel of  
such headquarters and their dependants included in the definitions in sub-  
paragraphs (a), (b) and (c) of paragraph 1 of Article 3 of this Protocol, when  
such personnel are present in any such territory in connection with their official  
duties or, in the case of dependants, the official duties of their spouse or  
parent.

**Article 3**

1. For the purpose of applying the Agreement to an allied headquarters the  
expressions "force", "civilian component" and "dependant", wherever they  
occur in the Agreement shall have the meanings set out below:

- (a) "force" means the personnel attached to the allied headquarters who belong to the land, sea or air armed services of any party to the North Atlantic Treaty;
  - (b) "civilian component" means civilian personnel who are not stateless persons, nor nationals of any state which is not a party to the Treaty, nor nationals of, nor ordinarily resident in the receiving state, and who are:
    - (i) attached to the allied headquarters and in the employ of an armed service of a party to the North Atlantic Treaty; or
    - (ii) in such categories of civilian personnel in the employ of the allied headquarters as the North Atlantic Council shall decide;
  - (c) "dependant" means the spouse of a member of a force or civilian component, as defined in sub-paragraphs (a) and (b) of this paragraph, or a child of such members depending on him or her for support.
2. An allied headquarters shall be considered to be a force for the purposes of Article 2, paragraph 2 of Article 5, paragraph 10 of Article 7, paragraphs 2, 3, 4, 7 and 8 of Article 9, and Article 13 of the Agreement.

#### Article 4

The rights and obligations which the Agreement gives to or imposes upon the sending state or its authorities in respect of its forces or their civilian components or dependants shall, in respect of an allied headquarters and its personnel and their dependants to whom the Agreement applies in accordance with Article 2 of the present Protocol, be vested in or attached to the appropriate supreme headquarters and the authorities responsible under it, except that:

- (a) the right which is given by Article 7 of the Agreement to the military authorities of the sending state to exercise criminal and disciplinary jurisdiction shall be vested in the military authorities of the state, if any, to whose military law the person concerned is subject;
- (b) the obligations imposed upon the sending state or its authorities by Article 2, paragraph 4 of Article 3, paragraphs 5(a) and 6(a) of Article 7, paragraphs 9 and 10 of Article 8 and Article 13 of the Agreement, shall attach both to the allied headquarters and to any state whose armed service, or any member or employee of whose armed service, or the dependant of such member or employee, is concerned;
- (c) for the purposes of paragraphs 2(a) and 5 of Article 3 and Article 14 of the Agreement the sending state shall be, in the case of members of a force and their dependants, the state to whose armed service the member belongs, or, in the case of members of a civilian component and their dependants, the state, if any, by whose armed service the member is employed;
- (d) the obligations imposed on the sending state by virtue of paragraphs 6 and 7 of Article 8 of the Agreement shall attach to the state to whose

armed service the person belongs whose act or omission has given rise to the claim or, in the case of a member of a civilian component, to the state by whose armed service he is employed, or, if there is no such state, to the allied headquarters of which the person concerned is a member.

Both the state, if any, to which obligations attach under this paragraph and the allied headquarters concerned shall have the rights of the sending state in connection with the appointment of an arbitrator under paragraph 8 of Article 8.

### **Article 5**

Every member of an allied headquarters shall have a personal identity card issued by the headquarters showing names, date and place of birth, nationality, rank or grade, number (if any), photograph and period of validity. This card must be presented on demand.

### **Article 6**

1. The obligations to waive claims imposed on the contracting parties by Article 8 of the Agreement shall attach both to the allied headquarters and to any party to this Protocol concerned.
2. For the purposes of paragraphs 1 and 2 of Article 8 of the Agreement:
  - (a) property owned by an allied headquarters or by a party to this Protocol and used by an allied headquarters shall be deemed to be property owned by a contracting party and used by its armed services;
  - (b) damage caused by a member of a force or civilian component as defined in paragraph 1 of Article 3 of this Protocol or by any other employee of an allied headquarters shall be deemed to be damage caused by a member or employee of the armed services of a contracting party;
  - (c) the definition of the expression "owned by a contracting party" in paragraph 3 of Article 8 shall apply in respect of an allied headquarters.
3. The claims to which paragraph 5 of Article 8 of the Agreement applies shall include claims (other than contractual claims and claims to which paragraphs 6 or 7 of that article apply) arising out of acts or omissions of any employees of an allied headquarters, or out of any other act, omission or occurrence for which an allied headquarters is legally responsible, and causing damage in the territory of a receiving state to third parties, other than any of the parties to this Protocol.

### **Article 7**

1. The exemption from taxation accorded under Article 10 of the Agreement to members of a force or civilian component in respect of their salaries and

emoluments shall apply, as regards personnel of an allied headquarters within the definitions in paragraph 1 (a) and (b)(i) of Article 3 of this Protocol, to salaries and emoluments paid to them as such personnel by the armed service to which they belong or by which they are employed, except that this paragraph shall not exempt any such member or employee from taxation imposed by a state of which he is a national.

2. Employees of an allied headquarters of categories agreed by the North Atlantic Council shall be exempted from taxation on the salaries and emoluments paid to them by the allied headquarters in their capacity as such employees. Any party to the present Protocol may, however, conclude an arrangement with the allied headquarters whereby such party will employ and assign to the allied headquarters all of its nationals (except, if such party so desires, any not ordinarily resident within its territory) who are to serve on the staff of the allied headquarters and pay the salaries and emoluments of such persons from its own funds, at a scale fixed by it. The salaries and emoluments so paid may be taxed by the party concerned but shall be exempted from taxation by any other party. If such an arrangement is entered into by any party to the present Protocol and is subsequently modified or terminated, parties to the present Protocol shall no longer be bound under the first sentence of this paragraph to exempt from taxation the salaries and emoluments paid to their nationals.

### **Article 8**

1. For the purpose of facilitating the establishment, construction, maintenance and operation of allied headquarters, these headquarters shall be relieved, so far as practicable, from duties and taxes, affecting expenditures by them in the interest of common defence and for their official and exclusive benefit, and each party to the present Protocol shall enter into negotiations with any allied headquarters operating in its territory for the purpose of concluding an agreement to give effect to this provision.
2. An allied headquarters shall have the rights granted to a force under Article 11 of the Agreement subject to the same conditions.
3. The provisions in paragraphs 5 and 6 of Article 11 of the Agreement shall not apply to nationals of the receiving states, unless such nationals belong to the armed services of a party to this Protocol other than the receiving state.
4. The expression "duties and taxes" in this article does not include charges for services rendered.

Done in Paris, this twenty-eighth day of August 1952

## **Annex II**

# Rules on the remuneration adjustment procedure of the Coordinated Organizations

Council decision of 21 October 2011  
(PO(2011)0446) (Annex to the 211th Report  
by the Coordinating Committee on Remuneration)

## **Chapter I**

# General provisions

### **Article 1      Duration of validity and subsequent amendments to the rules**

- 1.1 These rules shall determine the remuneration adjustment procedure for the four-year period from 1 January 2013 to 31 December 2016. However, the fourth year at the latest after its entry into force, the CCR may agree, either to prolong these rules for a two-year period as from 1 January 2017, or to include in its programme of work the review of these rules, in compliance with Article 5 of the Regulations concerning the Co-ordination system [CCR/R(2004)2].
- 1.2 Should any subsequent amendments be made to these rules, no provision, which ceases to apply, shall give rise to vested rights.
- 1.3 In the absence of any recommendation by the CCR, made by 30 September 2016 at the latest, either to prolong for two years or amend these rules with effect from 1 January 2017, the present method, as applicable in year 2016, shall be prolonged until 31 December 2018.

- 1.4 In the event that these rules are prolonged for another two years until 31 December 2018, the proposals to amend these rules as from 1 January 2019 shall be submitted for examination by the CCR before 1 January 2018. In the absence of a recommendation by the CCR by 30 September 2018 at the latest, to modify these rules with effect from 1 January 2019, the rules as applicable in the year 2016, shall be prolonged until 31 December 2019. If no consensus can be reached before 30 September 2019, the Chairperson shall submit by 30 September 2019 at the latest, his/her report to Governing bodies on the different views expressed in the CCR, outlining, as far as possible, the broad lines of consensus, in accordance with Article 6 (c) of the Regulations concerning the Co-ordination system.

## **Article 2                      Frequency of adjustments**

- 2.1 Salary scales shall be adjusted annually at 1 January subject to the provisions in Article 8.
- 2.2 Special adjustments may be made in accordance with the provisions in Article 7.

## **Article 3                      Procedure**

### **3.1                      Dossier for annual reviews**

- 3.1.1 Every year the CCR shall examine the proposals for remuneration adjustment submitted by the Secretaries/Directors General in accordance with these rules. These proposals shall be accompanied by tables giving an estimate of their budgetary impact as a percentage of total salary costs and in monetary terms, both overall and for each Organization. They shall also be accompanied by tables giving an estimate of the budgetary impact of these proposals on pension costs foreseen for each Organization for the following year and the budgetary impact of the non-double-counting clause referred to in paragraph 4.2.2.2 of Article 4.
- 3.1.2 When presenting Reports on adjustment of remuneration, the Secretaries/Directors General<sup>(1)</sup> shall inform their Governing bodies of the financial consequences for the respective budgets, resulting from the CCR recommendations.

### **3.2                      Recommendations**

- 3.2.1 The CCR shall make the recommendations necessary for the application of the present rules in accordance with sub-paragraphs (a), (b) and (c) of Article 6 of the Regulations concerning the Coordination system. Recommendations concerning the adjustment of remuneration at 1 January shall be made no later than 30 September of the preceding year referred to in paragraph 4.1.3 of Article 4.

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<sup>(1)</sup> For NATO, this authority is invested in the Secretary General for the Organization as a whole.



- 3.2.2 For the calculation of the reference index set out in Article 4.2 below, national civil services of the reference countries shall provide the International Service for Remunerations and Pensions (ISRP) with the relevant data available at 1 April to cover the reference period referred to in paragraph 4.1.2 of Article 4 and shall confirm this data no later than 15 July. Any change in national civil service remuneration affecting the reference period, which occurs after 15 July shall be taken into account by the ISRP when calculating the reference index, if it is confirmed by the national authorities before 1 September. Changes in relevant data after that date shall be taken into account in the next annual adjustment.

## Chapter II

# Definitions

### Article 4 Definitions

For the purposes of the calculations provided for in these rules:

#### 4.1 For the staff of the Coordinated Organizations:

- 4.1.1 Remuneration comprises, for all staff of the Coordinated Organizations, the following elements:

- basic salary,
- expatriation allowance,
- household allowance,
- dependent persons' allowance.

- 4.1.2 "The reference period" shall mean the period from 1 July to 1 July preceding the 1 January annual adjustment.

- 4.1.3 The "preceding year" shall mean the year preceding the 1 January annual adjustment.

#### 4.2 The "reference index" shall be calculated as follows:

The weighted average of the changes in percentage during the reference period, in real terms in the net remuneration of comparable grades in the national civil services of the reference countries;

- 4.2.1 "Comparable grades" shall mean those grades of officials of national civil services in the reference countries whose functions can be matched with staff of category A and B of the Coordinated Organizations [see Appendix 4];

- 4.2.2 "The national civil services of the reference countries" shall mean central government of the following countries: Belgium, France, Germany, Italy, Luxembourg, the Netherlands, Spain and the United Kingdom [see Appendix 1];

- 4.2.2.1 “Net remuneration” in the national civil services shall mean the arithmetic mean of net minimum and maximum salaries obtained from gross salaries, to which have been added all of the other elements that normally make up the remuneration of unmarried officials in the grade in question in the national civil service, after deduction of the amount of compulsory social contributions, and of income tax levied by the central authorities on unmarried officials and calculated without taking into account non-automatic personal deductions. This constitutes the “relevant remuneration”;
- 4.2.2.2 The effect of variations from one year to another in a specific compulsory deduction made from the salaries of officials in the national civil services, if a comparable and compulsory deduction is also made to the Coordinated Organizations' staff's salaries, shall be neutralised in order to avoid double-counting of these variations, in accordance with instructions set out in Appendix 6. The ISRP will determine the ensuing effect on an ad hoc basis with the reference countries concerned when there are changes in the salaries of civil service officials due to a variation in compulsory social contributions;
- 4.2.2.3 Deductions from national civil service salaries for benefits not granted to staff of Coordinated Organizations shall not be taken into account. A list of comparable and not applicable compulsory deductions is attached in Appendix 5. This list will be updated when changes occur in the national civil services or in Coordinated Organizations during the life time of the salary adjustment method. When necessary, it shall be attached to the CCR recommendation on the annual scale adjustment;
- 4.2.3 “The weighted average of percentage changes in real terms” shall mean the percentage arrived at after:
- 4.2.3.1 first, calculating for each comparable grade in each national civil service in the reference countries, the changes in real terms in the relevant real net remuneration [see sub-paragraphs 4.2.2.1, 4.2.2.2 and 4.2.2.3 above] by deflating the index for the trend in net nominal salaries by the consumer price index as defined in Appendix 3, the indices being brought back to base 100 at the end date of the reference period of the last adjustment;
- 4.2.3.2 second, calculating a specific index for each country of average changes in real terms for all comparable grades weighted by the number of its national civil servants in each grade;
- 4.2.3.3 third, and finally, calculating the weighted average of the specific indices of the eight reference countries by giving each reference country the following weights: 8.4 for Belgium, 17.1 for France, 18.6 for Germany, 14.0 for Italy, 6.5 for Luxembourg, 9.0 for the Netherlands, 10.8 for Spain and 15.6 for the United Kingdom;
- 4.2.3.4 the weights given to each reference country shall be calculated as follows: 50% shall be distributed proportionally according to the weighted average by Coordinated Organizations' staff of the contribution of each reference country to the budget of each of

the Coordinated Organizations for 2011, and the remaining 50% shall be equally allocated among the eight reference countries. The weight allocated to each country shall be fixed for the duration of the method.

#### **4.3 For the evolution of consumer prices**

The trend in prices shall be reflected by the relevant consumer price indices as indicated in Appendix 3.

#### **4.4 For the purchasing power parities**

The purchasing power parities (PPP) are used to ensure staff have an equivalent purchasing power wherever they are posted. The purchasing power parities to be used in implementing these rules shall be those defined in Appendix 2.

#### **4.5 For the purchasing power reference curves**

- 4.5.1 The results of the calculations of the PPP constitute the central reference of a curve called *reference curve of the purchasing power*. This reference curve, which admits a range of plus or minus 2%, is obtained by applying the parity of a country to the scale for Belgium.
- 4.5.2 The modalities of application of the PPP and the purchasing power reference curves are defined in Appendix 2.

## **Chapter III**

# Annual adjustments of basic salaries

### **Article 5 Annual adjustments of basic salaries**

#### **5.1 Scale for Belgium**

Subject to the provisions of Article 8, the basic salaries of category A, L, B and C staff posted in Belgium shall be adjusted at 1 January following the reference period. The amount of this adjustment shall be equivalent to the change in percentage during the reference period resulting from the product of the relevant consumer price index as set out in Appendix 3 and the reference index. The percentage adjustment in basic salaries for staff serving in Luxembourg shall be the same as for staff serving in Belgium.

**5.2 Scales for other countries**

- 5.2.1 Subject to the provisions of Article 8, the basic salaries for A and L category staff posted in the other countries shall be adjusted at 1 January following the reference period by the salary adjustment resulting from the product of the reference index referred to in paragraph 4.2 above, and the relevant consumer price index, corrected if necessary by the purchasing power parities as set out in Appendix 2, in order to guarantee a relative equivalency in purchasing power between the scales of the countries concerned.
- 5.2.2 Basic salaries of B and C category staff shall be subject to an adjustment equal to the percentage determined for A and L grade staff of those countries.
- 5.3 These percentage adjustments shall apply to basic salaries in force at 31 December of the preceding year.

**Chapter IV**

# Annual adjustments of allowances fixed in absolute value

**Article 6      Annual adjustments of allowances fixed in  
absolute value**

- 6.1 Allowances fixed in absolute value shall be adjusted annually at 1 January following the reference period, by the product of the reference index and the percentage change in the relevant consumer price index as well as the purchasing power parities, where applicable, during the reference period, as defined in Appendix 2.
- 6.2 These adjustments shall apply to the amounts in force at 31 December of the preceding year.

## Chapter V

# Special adjustments of remuneration

### Article 7 Special adjustments of remuneration

- 7.1 Each time that, within the reference period, the relevant consumer price index in a country, as defined in paragraph 4.3 of Article 4, shows an increase over three consecutive months of more than 7%, the CCR may send a recommendation to Governing bodies of the Coordinated Organizations providing for a special adjustment of remuneration as soon as it has been informed thereof by the ISRP. The first of the three consecutive months shall fall within the reference period.
- 7.2 When the threshold of 7% is exceeded for the first time over a period of three consecutive months during the reference period, the special adjustment shall be equivalent to the increase in the relevant consumer price index, measured in the first month of the period of three consecutive months, minus the 7% threshold. If the variation of the relevant consumer price index exceeds again the 7% threshold over a period of three consecutive months, during the same reference period, the special adjustment granted shall then be equivalent to the percentage of the measured variation. Any special adjustment shall take effect the month following the first month when the threshold is exceeded.
- 7.3 The 7% threshold is measured as from the preceding 1st July or, if a special adjustment has already been granted during this period, as from the date of effect of this special adjustment.
- 7.4 Any special adjustment granted during the reference period used for the calculation of the annual adjustment at 1 January shall be deducted from this annual adjustment.

## Chapter VI

# Affordability

### Article 8 Affordability<sup>(1)</sup>

- 8.1 The Secretary General or any member country may at any time request discussion in the Council or other appropriate forum whether to invoke the provisions of this Article.

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<sup>(1)</sup> The Council decided on 26 January 2012 to revise the text of Article 8 as set out in PO(2012)0028

- 8.2 In exceptional or unforeseen circumstances, the Council may:
- 8.2.1 decide that the annual adjustment recommended by the Coordinating Committee on Remuneration will be awarded in part or not at all, and/or
- 8.2.2 phase in the recommended adjustment or postpone its effective date up to 31 December of the relevant year.
- 8.3 Such circumstances include, but are not limited to, those of a budgetary character which affect the Organization as a whole to such an extent that it cannot meet its financial engagements or operating requirements or conduct essential programmes. The circumstances in which this may arise include, *inter alia*:
- (a) the withdrawal of or default of payment by one or more member countries, producing a significant reduction in the budget;
  - (b) an unforeseen event entailing exceptional financial damage (e.g., following an economic or financial crisis affecting the member states of the Alliance);
  - (c) a prolonged incapacity to function on the part of the Organization; or
  - (d) where the financial impact of a CCR recommendation would cause a variation in the total staff expenditure of such magnitude that it would jeopardize the Organization's function or mission.
- 8.4 The Council also reserves the right to determine whether any other measures, should be taken.
- 8.5 The decision to take such action shall be reasoned and properly justified, and shall respect applicable general principles of law and the principle of proportionality.
- 8.6 Action under this Article may be taken at any time during the relevant year including after initial approval of the annual salary adjustment. Measures taken will not, however, have retroactive effect on salary payments already made.

## Chapter VII

# Other arrangements

### Article 9 Flexible remuneration management

- 9.1 After completion of the consultation process with staff, in force in each Organization, the Secretary/Director General<sup>(1)</sup> of a Coordinated Organization

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<sup>(1)</sup> For NATO, this authority is invested in the Secretary General for the Organization as a whole.

may make proposals to the Governing body of the Organization concerned suggesting measures concerning flexible remuneration management. Such measures shall be implemented within the budgetary envelope decided by the Governing body of the Organization concerned.

- 9.2 In the event that the Governing body of a Coordinated Organization decides to implement flexible management of salary scales, the salary scales as adjusted in compliance with Article 5, shall remain in force in each Coordinated Organization. They shall be used as the basis for the calculation of pensions payable under the terms of the Pension Scheme of the Coordinated Organizations, as well as for pensions paid by any other Pension Scheme approved by the Governing body of a Coordinated Organization, which provides for the same method of adjustment.
- 9.3 Any Governing body of an Organization may seek the opinion of the CCR on measures relating to flexible remuneration management before introducing them. The CCR shall be kept informed of such measures after approval by the Governing body concerned.

#### **Article 10 Measures to apply in duty countries where small numbers of staff are assigned**

Notwithstanding Article 5, in countries where fewer than fifty persons are assigned by any one Coordinated Organization and where basic salary levels for B and C category staff cause serious management difficulties, the Secretary/Director General<sup>(1)</sup> of the Organization concerned may, after consulting with the CCR and after completion of the consultation process in force in each Organization, propose appropriate remuneration measures to their Governing body in order to take account of staff recruitment and retention difficulties specific to this Organization.

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<sup>(1)</sup> For NATO, this authority is invested in the Secretary General for the Organization as a whole.

## Appendix 1 to Annex II

# National civil services - Definition of the notion “central government”

1. General definition: as used in the Standard System of National Accounts
2. Precise definition for the following countries:
  - Belgium: civil servants in the Federal Public Services
  - France: civil servants in the State civil service
  - Germany: civil servants in the Federal Ministries
  - Italy: civil servants of the Ministries of the Republic
  - Netherlands: civil servants in Ministries and higher Councils of State
  - Spain: civil servants in the State general administration
  - United Kingdom: civil servants in the Ministry of Defence. For grades in the Senior Civil Service, data is supplied by the Cabinet Office



## **Appendix 2 to Annex II**

# Purchasing power parities and reference curves of purchasing power

### **1. Purchasing power parities (PPP)**

#### **1.1 Calculation of the PPP**

- 1.1.1 The PPP referred to in Article 5.2 of Annex 1, are adopted by the Governing bodies based on proposals from the CCR based on the calculations by the ISRP and in co-operation with the Statistical Office of the European Union (Eurostat) with reference to Brussels.
- 1.1.2. PPP shall be calculated in accordance with the statistical methodology developed by statistical experts from the Member States of the European Union ("Article 64 Working Group" - Eurostat).

#### **1.2 Update and aggregation of basic heading parities**

- 1.2.1 Each basic component of the PPP shall be updated once a year in compliance with the method in force (see paragraph 1.2.2 below).
- 1.2.2 The indices to be used to update the basic heading parities shall be the detailed Harmonised Indices of Consumer Prices (HICP), insofar as they are available. Failing that, the detailed national consumer price indices shall be used.
- 1.2.3 The consumption patterns used to calculate the PPP are those that are obtained from the most recent family budget surveys carried out by the ISRP and Eurostat. These surveys are carried out with the staff of international organizations every five to seven years.

#### **1.3 Reference towns**

- 1.3.1 As a general rule the parity used for the country as a whole is that which is calculated for the capital.
- 1.3.2 The parities for Germany, the Netherlands, the United Kingdom and Switzerland are exceptions to this rule, since they are calculated by reference to Munich, The Hague, Reading and Geneva respectively.
- 1.3.3 If, after consulting the National Statistical Institute concerned, the Secretaries/ Directors General<sup>(1)</sup> of the Coordinated Organizations are of the opinion that

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<sup>(1)</sup> For NATO, this authority is invested in the Secretary General for the Organization as a whole.

prices in another duty station in the country in question – in which a sufficient number of international civil servants is posted – differ significantly from those in the reference town, a study may be undertaken to determine whether adjustments should be made to take account of relative price levels.

#### **1.4 Reference curves of purchasing power**

The results of the established PPP calculations constitute the central reference of the curve of purchasing power. This reference curve to be calculated every year will be obtained by enlarging the results of the PPP calculations by plus or minus 2%, margins believed to include any "statistical error", while guaranteeing relative equality in purchasing power between duty stations.

#### **1.5 PPP effect on the annual reference index**

- 1.5.1 If, for a given country, the annual salary adjustment resulting from the product of the relevant consumer price index and the reference index falls outside the limit of a "purchasing power reference curve", fixed at more or less 2% around the results of the calculation of the adjustment of the PPP provided for in paragraph 1.4 above, the adjustment shall be equal to the value situated at the upper or lower limit of the reference curve.
- 1.5.2 Any result from the annual salary adjustment calculated on the basis of the method described in Article 5.2 of Annex 1 that falls above the reference curve, shall result in a downward adjustment to the plus 2% border of the reference curve, and consequently a reduction in the results produced by this method. A result below the reference curve would lead to an upward adjustment to the minus 2% border of the reference curve and consequently an increase in the result reached by the method. The starting point for calculating a new salary adjustment (consumer price index x reference index) shall be re-based after each application.

**Appendix 3 to Annex II**

# Consumer price indices

The specific consumer price index series to be used shall be the following:

- i) the Harmonised Indices of Consumer Prices (HICP) for the eight reference countries, as well as for all other countries where these series are officially available;
- ii) if not, the national Consumer Price Indices (CPI).

## Appendix 4 to Annex II

# National Civil Services : Grades equivalency with the Coordinated Organizations

CO GRADES OC	BELGIUM BELGIQUE	FRANCE		GERMANY ALLEMAGNE	ITALY ITALIE
			Indices <u>mini/maxi</u>		
A	A 51	Directeur	1115 - 1320	B9	Dirigente I fascia
	A 42	Chef de service	1058 - 1115	B6	Dirigente II fascia
	A 32	Sous-Directeur	734 - 1058	B3	Terza area - F7
	A 31	Administrateur civil hors classe	658 - 1058	A16	Terza area - F6
	A 21	Administrateur civil	452 - 783	A15	Terza area - F5
	A 12	Attaché principal d'admin. centrale	434 - 783	A14	Terza area - F4
	A 11	Attaché d'admin. centrale	349 - 658	A13	Terza area - F3 Terza area - F2 Terza area - F1
B	BA 3	Secrétaire admin. classe exceptionnelle	365 - 551	A13	Seconda area - F6
	BA 2	Secrétaire admin. classe supérieure	327 - 515	A12	Seconda area - F5
	BA 1	Secrétaire admin. classe normale	310 - 486	A11	Seconda area - F4
	CA 3	Adjoint admin. principal E5/E6	294 - 416	A10	Seconda area - F3
	CA 2	Adjoint admin. E3/E4	292 - 369	A9	Seconda area - F2
	CA 1			A8	Seconda area - F1
				A7	
				A6	
				A5	
				A4	

CO GRADES OC	LUXEMBOURG		NETHERLANDS PAYS-BAS	SPAIN ESPAÑE		UNITED KINGDOM ROYAUME-UNI
		Indices <u>mini/maxi</u>		<u>Nivel</u>	<u>Grade</u>	
A	18	480 - 672	scale 18	Subdirector General	30 A1	Pay band 3
	17 bis allongé	465 - 650	scale 17	Vocal Asesor	30 A1	Pay band 2
	17 allongé	440 - 625	scale 16	S.G. Adjunto	29 A1	Pay band 1
	16 bis allongé	435 - 619	scale 15	Jefe de Area	28 A1	B1
	16 allongé	410 - 594	scale 14	Jefe Servicio	26 A1	B2
	15 allongé	380 - 530	scale 13	Jefe Seccion	24 A1	C1
	14	360 - 515	scale 12			C2
	13	320 - 515	scale 11			
	12	320 - 410	scale 10			
	B	13 bis allongé	340 - 486	scale 9	Jefe Seccion	24 A2
13 allongé		320 - 466	scale 8	Jefe Seccion	22 A2	C2
12 allongé		290 - 425	scale 7	Jefe Seccion	20 C1	D
11 allongé		266 - 395	scale 6	Jefe Negociado	18 C1	E1
10		242 - 362	scale 5	Jefe Negociado	16 C1	E2
9		218 - 362	scale 4	Jefe Negociado	14 C1	
8		203 - 299	scale 3			
7		194 - 257	scale 2			
			scale 1			

## Appendix 5 to Annex II

### List of comparable and not applicable compulsory contributions

National Civil Services Fonctions Publiques Nationales		Coordinated Organizations Organisations Coordonnées	
Country Pays	Contributions	Comparable	Not applicable Pas applicable
<b>BELGIUM - BELGIQUE</b>			
	Assurance maladie-invalidité (AMI)	X	
	Fonds des pensions (FPS)	X	
	Retenue sur pécule de vacances	X	
	Cotisation spéciale de Sécurité Sociale	X	
<b>FRANCE</b>			
	Cotisation retraite calculée sur le salaire de base	X	
	Cotisation retraite additionnelle calculée sur les primes	X	
	Contribution exceptionnelle de solidarité		X
	Contribution Sociale Généralisée (CSG)	X	
	Contribution au Remboursement de la Dette Sociale (CRDS)		X
<b>GERMANY - ALLEMAGNE</b>			
	Krankenversicherung ( <i>Basistarif</i> )	X	
	Pflegeversicherung	X	
<b>ITALY - ITALIE</b>			
	Pensione	X	
	Pensione contri	X	
	Fondo Credito		X
	Opera previdenza		X
<b>LUXEMBOURG</b>			
	Caisse maladie	X	
	Caisse retraite	X	
	Assurance dépendance	X	
<b>NETHERLANDS - PAYS BAS</b>			
	OPNP (Pension)	X	
	FPU (Pre pension)	X	
	IPBW (Disability - Invalidité)	X	
	Private Health Insurance - Assurance privée maladie	X	
	AWBZ (National health insurance - Assurance maladie nationale)	X	
	AOW (pension minimum)	X	
<b>SPAIN - ESPAGNE</b>			
	Mutualidad General	X	
	Derechos Passivos (Pensions)	X	
<b>UNITED KINGDOM - ROYAUME-UNI</b>			
	National Insurance Contribution (NIC)	X	
	Pension contribution	X	

## **Appendix 6 to Annex II**

# Non Double-counting clause

These instructions refer to Article 4.2.2.2 of Annex 1 to the 211th Report:

4.2.2.2 "The effect of variations from one year to another in a specific compulsory deduction made from the salaries of officials in the national civil services, if a comparable and compulsory deduction is also made to the Coordinated Organizations' staff's salaries, shall be neutralised in order to avoid double-counting of these variations, in accordance with instructions set out in Appendix 6. The ISRP will determine the ensuing effect on an ad hoc basis with the reference countries concerned when there are changes in the salaries of civil service officials due to a variation in compulsory social contributions."

### **1. Calculation**

For the application of the non double counting clause provided for in paragraph 4.2.2.2 of Annex 1, the effect of variation of the compulsory social contributions, from one year to the next, on the evolution of net salaries, shall be measured in the national civil services and in the Coordinated Organizations.

### **2. Impact in the National Civil Services (NCS)**

The reference index shall be calculated as defined in paragraphs 4.2.1, 4.2.2. and 4.2.2.1 in Annex 1 to the 211th Report. A second index shall also be calculated which neutralises the changes to social costs which are comparable to those in the Coordinated Organizations. The ratio between these two indices measures the impact of the variations to compulsory social contributions in NCS on the trend in net salaries in the eight reference NCS.

### **3. Impact in the Coordinated Organizations (CO)**

An average of the compulsory social contributions in all Organizations shall be established by weighting the average contribution rate in each Organization by their respective number of staff. The comparison of the trends in CO salaries by applying this rate, as well as with the corresponding rate for the previous year, measures the impact of the variation in compulsory social contributions on CO salaries.

**4. Annual correction**

The comparison of the impact of the changes to comparable compulsory social contributions in the NCS and in the CO determines the part, which needs to be neutralised in the calculation of the reference index. The reference index will be positively or negatively adjusted by the common factor between the impact in the NCS and that of the CO.

**5. Assessment after three years**

At the end of each three-year period, the annual impacts of variations in compulsory social contributions in the NCS and in the CO are cumulated. The reference index is corrected in the same way as for an annual correction, but includes the deduction of the annual corrections already made in years 1 and 2.





## **Annex III.A**

Reserved



**Annex III.B**

# Kilometric allowances for travel by private vehicle

Approved by the Council with effect from 1<sup>st</sup> January 2014 (PO(2014)0099)

Country	Currency	Kilometric allowance
Austria	EUR	0.52
Belgium	EUR	0.50
Canada	CAD	0.60
Denmark	DKK	5.22
Finland	EUR	0.56
France	EUR	0.52
Germany	EUR	0.45
Greece	EUR	0.46
Hungary	HUF	122.00
Ireland	EUR	0.50
Italy	EUR	0.64
Japan	JPY	51.00
Luxembourg	EUR	0.50
Mexico	MXN	6.91
Netherlands	EUR	0.57
Norway	NOK	5.87
Poland	PLN	1.64
Portugal	EUR	0.53
Spain	EUR	0.49
Sweden	SEK	4.89
Switzerland	CHF	0.67
Turkey	TRY	1.25
United Kingdom	GBP	0.41
United States	USD	0.39

The allowance to be paid to the member of staff shall be calculated on the basis of the rate applying in the duty country of the authorizing organization, irrespective of the country or countries where the mission takes place.

# Passenger allowance

Approved by the Council with effect from 1<sup>st</sup> July, 1978 (PO/78/106)

If the staff member concerned has been authorized to carry passengers, he shall be paid the following additional allowance per kilometre:

- (1) 10% of the rate shown in the table above for the first passenger;
- (2) 8% of the rate shown in the table above for each additional passenger.

**Annex III.C**

# Education allowance: Rules for the reimbursement of educational costs

Council decision of 1<sup>st</sup> April 2005 – PO(2005)0020 (164<sup>th</sup> Report of the Coordinating Committee on Remuneration)

**I. Conditions of award**

1. Staff members entitled to the expatriation allowance with dependent children as defined according to the Staff Rules of each Coordinated Organisation, regularly attending on a full-time basis an educational establishment, may request the reimbursement of educational costs under the following conditions:
  - (a) in respect of children in compulsory education up to completion of secondary level of education,
  - (b) in respect of children at post-secondary level of education for studies carried out in the country of which the staff member or the child's other parent is a national or in the duty country. If duly justified by the staff member, for reasons of continuity in following an educational cycle or if educational costs are lower in a third country, an exception to this rule can be granted by the Secretary/Director-General of the Coordinated Organisation concerned.
- 2.1 By way of exception, staff members not qualifying under the terms of Article 1 above may request payment for education in any of the following situations:
  - (a) subject to a decision of the Governing Body of the respective Coordinated Organisation, the allowance can be granted for education in the duty country, if no school or university corresponding to the child's educational cycle is available within 80 km distance from the official's duty station or home, or,

- (b) in the case of transfer or recruitment from another international organisation where the staff member was entitled to the education allowance, and a dependent child must, for imperative educational reasons, continue an educational cycle commenced prior to the date of transfer or recruitment other than for post-secondary level education and which is not part of the national educational system of the host country.

Entitlement to the education allowance resulting from the application of Article 2 b) above, may not exceed the duration of the educational cycle.

- 2.2 Each Coordinated Organisation's Governing Body may decide, in accordance with its own procedural rules, whether to grant exceptionally the education allowance to staff who are not entitled to the expatriation allowance and who are not nationals of the duty country provided they were granted an education allowance or reimbursement of educational costs before their recruitment by the Coordinated Organisation.
3. Entitlement to the education allowance shall start on the first day of the month during which the child begins to attend school and not earlier than the age corresponding to the compulsory age of education of the national system followed by the school. It shall finish when the child stops full-time studies, or not later than the end of the month in which the dependent child allowance will no longer be paid.
4. Unless otherwise stated production of bills, paid invoices or receipts will be required for the reimbursement of educational costs mentioned in Article 5 below, except if such items are included in a possible lump sum payment as defined in Article 7 and the Appendix.

## **II. Expenditure for educational purposes**

5. The following items of expenditure shall be taken into account for the reimbursement of educational costs:
- (a) school or university registration fees.
  - (b) general fees for schooling and education charged by the educational establishment.  

Expenses on special courses and activities (including equipment) that are not normally part of the child's basic course of studies shall not be taken into account.
  - (c) examination fees.
  - (d) tuition fees for private lessons on condition that:
    - tuition is given in subjects which are not contained in the child's syllabus but are part of the compulsory national education programme of the country of which the staff member is a national, or
    - tuition is required to enable the child to adjust to the educational curriculum of the institution attended, or to enable the child to become familiar with the language spoken in the area in which the child lives if the education is given in another language.

In all these cases, tuition fees may be taken into account for an adjustment period of not more than 2 years.

- (e) daily expenses on travel between the educational institution and home by public transport or school bus. Reduced fares shall be used where possible. Where a private car is used or when no public transport or school bus is available, an amount equal to 10% of the annual dependent child allowance shall be taken into account,
- (f) where the child does not live at the staff member's home, expenditure on half-board, or on board and lodging, is paid against bills, paid invoices or receipts up to the limit of 2 times the annual dependent child allowance of the country in which the child studies. If no bills, paid invoices or receipts are provided, 1.5 times the annual dependent child allowance shall be taken into account,
- (g) purchase of school books as required by the curriculum, and compulsory school uniforms.

### III. Amount of reimbursement

6. Reimbursement of educational costs mentioned in Article 5 above shall be made according to the rates, ceilings and conditions below, each case being treated individually:
- (a) Standard rate: 70% of the educational costs up to a ceiling of 2.5 times the annual amount of the dependent child allowance;
  - (b) Country of nationality rate (if different from country of duty): 70% of educational costs up to a ceiling of 3 times the annual amount of the dependent child allowance if the child is educated in a country of which the staff member or the other parent is a national;
  - (c) Increased rate: 70% of educational costs up to a ceiling of 4 times the annual amount of the dependent child allowance provided that:
    - i) educational expenditure as defined in Article 5 a) and b) is excessively high;
    - ii) such costs are for education up to completion of the secondary cycle; and
    - iii) are incurred for imperative educational reasons;
  - (d) Exceptional rate: up to 90% of total educational costs up to a ceiling of 6 times the annual rate of the dependent child allowance provided that:
    - i) educational costs as defined in Article 5 a) and b) are exceptional, unavoidable and excessively high, according to the judgement of the Secretary/Director-General of the Coordinated Organisation concerned;
    - ii) such costs refer either to education up to completion of the secondary cycle or are costs as defined in Article 5 a) and b) for the tertiary cycle; and,

iii) costs are incurred for imperative educational reasons.

7. For the application of Article 6, the Governing Body of each Coordinated Organisation may authorise the respective Secretary/Director-General to reimburse educational costs referring to Article 5 c) to g) on a lump sum basis in accordance with the Appendix below.
8. Children over 18 years, whose educational establishment is more than 300 km away from the duty station, are entitled to one round trip per year to the duty station or the home leave destination on condition that the amount does not exceed the cost of one round trip between the duty station and the place approved for home leave. In addition children under 18 years, whose educational establishment is more than 300 km away from home, are entitled to reimbursement of 70% of the cost of two further round trips per year on condition that the amount of each trip does not exceed the equivalent percentage of the cost of a round trip between the duty station and the place approved for home leave. In both cases mentioned above, the home leave travel will replace one educational trip in the year when home leave is taken. It shall be reimbursed according to the Staff Rules in each Organisation.
9. No reimbursement of educational costs will be made unless admissible costs listed in Article 5 are higher than an amount equivalent to the annual expatriated child allowance. In those cases where reimbursement is made, the amount equivalent to the annual expatriated child allowance shall be deducted from the amount paid.
10. The amounts of any allowance received from other sources (scholarships, study grants, etc.) as well as other reimbursements of school costs from other sources for the education of the dependent child, shall be deducted from the expenditure incurred for education mentioned in Article 5 above.

#### **IV. Payment of the reimbursement**

11. At the beginning of each school year a staff member requesting reimbursement of educational costs shall inform the administration as fully as possible of the expenditures which will be incurred for the education of each child. At the end of the school year the staff member shall provide evidence of reimbursable expenditure during the school year in order to allow the final calculation of the reimbursement, according to provisions set out in Article 4 above.
12. The Secretary/Director-General of each Coordinated Organisation shall decide on the modalities of the reimbursement of the educational expenditures mentioned under Article 5 above.
13. The staff member shall inform the administration of any changes of circumstances which affect the entitlement to or the level of the reimbursement of educational costs and of any allowance (scholarships, study grants, etc.) and other reimbursements of educational costs, received from another source.



**V. Implementation**

14. Notwithstanding the specific competencies conferred in the provisions above on the Governing Bodies of the Coordinated Organisations, the Secretary/Director-General of each Coordinated Organisation shall establish instructions for implementation of these rules.

**VI. Transitional measures**

15. Children of staff members who will no longer be entitled to the education allowance when these rules have entered into force, will nevertheless be covered by the previous rules until they have finished the educational cycle (primary, secondary, post-secondary) they attended at the beginning of the academic year in question.

**VII. Entry into force**

16. The terms of application of the education allowance shall come into force at the beginning of the school year 2005/2006.



**Appendix 1 to Annex III.C**

# Education allowance: Appendix to the Rules

Since Article 7 of the above Rules authorise each Governing Body to choose whether to reimburse part of the educational costs on a lump sum basis, this Appendix provides the rules to follow if such a decision is made.

1. It is stated in Article 7 of the above Rules that for the application of Article 6, the Governing Body of each Coordinated Organization may authorise the respective Secretary/Director-General to reimburse educational costs, referring to Article 5 c) to g), on a lump sum basis. In this case the Governing Board of each Coordinated Organization shall decide within the ceilings foreseen in Article 5 f) and Article 6, the rate of reimbursement and the lump sum applied. Thus where Secretaries/Directors-General of the Coordinated Organizations consider that the administration of the education allowance will be simplified through the implementation of the lump sum approach and, where such implementation makes sense from an operational viewpoint, Secretaries/Directors-General may make a proposal on the modalities of this approach to their respective Governing Bodies.
2. Except in cases mentioned in Article 6 d), the Governing Bodies of each Coordinated Organization may authorise their Secretary/Director-General to reimburse educational costs mentioned in Article 5 f) on one hand and Article 5 c), d), e) and g) on the other, on a lump sum basis. When the total amounts of these lump sums do not exceed 1.7 times the annual child allowance, the reimbursement of educational costs mentioned in Article 5 a) and b) may reach 80% for cases mentioned in Article 6 a) to c). The total amount of the reimbursement of the educational costs may not exceed the respective ceilings mentioned in Article 6 a) to c).



**Annex III.D**

# Indemnity for handicapped child and reimbursement of educational or training expenses related to the handicap

**Council decision of 21<sup>st</sup> May 1992 - PO(92)69 (4<sup>th</sup> Report of the Coordinating Committee on Remuneration)**

1. Any official with a dependent child medically certified as suffering from a handicap and necessitating either special care, supervision or special education or training, not provided free of charge, may claim under these provisions, whatever the age of the child.

**I. Entitlement**

2. Entitlement to the indemnity and reimbursement of expenses under these Rules shall be by decision of the Secretary/Director-General<sup>(1)</sup> having regard to the nature and degree of the handicap.
3. The Secretary/Director-General<sup>(1)</sup> shall consult a board which he shall constitute for the purpose and which shall include at least one independent medical practitioner.
4. The decision shall specify the period of the entitlement, subject to review.

**II. Assessment of the nature and degree of the handicap**

5. The criterion for assessing entitlement to the benefits specified in this regulation shall be the serious and continuing impairment of the physical or mental activities.
6. Children may be deemed to be handicapped when they suffer from:
  - serious or chronic affection of the central or peripheral nervous system, however caused, such as encephalopathies, myelopathies or peripheral paralysis;

<sup>(1)</sup> This authority is reserved to SACEUR in respect of international civilian members of the staff employed in military headquarters within Allied Command Operations.

- serious affection of the locomotor system;
  - serious affection of one or more sensory systems;
  - chronic and disabling mental illness.
7. The above list is not exhaustive but indicative only. It does not constitute the definitive basis for assessing the degree of handicap.

### **III. Expenses taken into account for reimbursement**

8. A claim for reimbursement under these Rules shall be made solely in relation to expenses incurred in order to provide the handicapped child with education or training specially adapted to his needs and designed to obtain the highest possible level of functional capability and which are not of the same kind as those taken into account for the purposes of the education allowance.
9. The Secretary/Director-General<sup>(1)</sup> shall assess the reasonableness of the expenses for which reimbursement is claimed.

### **IV. Amount of the indemnity and rate of reimbursement**

10. The amount of the indemnity for handicapped child shall be equal to the amount of the dependent children's allowance and shall be additional thereto.
11. Reimbursement of education or training expenses described in Section III above shall be at the rate of 90%.

### **V. No double entitlement**

12. Any official receiving the indemnity for handicapped child must declare payments of a similar nature received from any other source by himself, his spouse or the handicapped child. Such payments shall be deducted from the indemnity paid under these Rules.
13. The amount of expenses incurred as defined in paragraph 8 above shall be calculated after deduction of any payment received from any other source for the same purpose.

### **VI. Period of application**

14. The provisions relating to expenditure on education or training shall come into force on 1<sup>st</sup> January 1992 and shall be reviewed with a view to possible change on 1<sup>st</sup> July 1994.

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<sup>(1)</sup> This authority is reserved to SACEUR in respect of international civilian members of the staff employed in military headquarters within Allied Command Operations.

**Annex III.E**

# Regulations concerning the rent allowance

**Council decision of 26<sup>th</sup> July, 1972 - C-R(72)35 (78<sup>th</sup> Report of the Coordinating Committee of Government Budget Experts) amended by PO/74/4 (93rd Report of the Coordinating Committee of Government Budget Experts).**

1. An official of a Coordinated Organization, including an official who is serving his probationary period, shall be entitled to a rent allowance provided that he satisfies the following conditions:
  - (a) that he enjoys international status;
  - (b) that he does not own in the place of his duty station a dwelling suitable to his grade and family circumstances;
  - (c) that he is the tenant or sub-tenant of furnished or unfurnished premises suitable to his grade and family circumstances;
  - (d) that the rent paid, excluding all charges, exceeds the proportion of his emoluments specified in paragraph 4 below.
2. An official who is not unmarried shall not be entitled to a rent allowance unless he is in receipt of a household allowance.
3. An official shall supply the administration on request with all information necessary to ensure that the above-mentioned conditions are satisfied and to determine the amount of allowance to which he is entitled.
4. The amount of allowance shall be a proportion of the difference between the actual rent paid, excluding all charges, and the following nominal sums:
  - 15% of the emoluments of category C officials and officials of category B up to and including grade B.4;
  - 20% of the emoluments of officials of grades B.5 and B.6;
  - 22% of the emoluments of all officials of grades A.1 and A.2, L.1 and L.2.

5. The said proportion shall be 50% in the case of unmarried officials and heads of household with no child, 55% for officials with one dependent and 60% for those with two or more dependants, provided that in no case shall the amount of allowance exceed:
  - 10% of the emoluments of the official concerned in the case of officials in category C and in grades B.1 to B.4 inclusive;
  - 5% of the emoluments of the official concerned in the case of officials in grades B.5 and B.6, A.1 and A.2, L.1 and L.2.
6. For the purposes of these regulations emoluments shall be deemed to include basic salary (including any adjustments granted under the salary adjustment procedure) with the addition of any expatriation, household and language allowances, and with the deduction of personal contributions to the Provident Fund, the Coordinated Pension Scheme, Defined Contribution Pension Scheme, Social Security, Group Insurance and Supplementary Insurance.

Regime applicable after 1 July 2013

7. The measures outlined above are suppressed with effect from 1 July 2013.
8. B and C grade staff appointed on or after 1 July 2013 who establish residence at a duty location where the salary is not adjusted by the purchasing power parity and where the cost of rental accommodation is consistently and exceptionally high due to specific market conditions,<sup>(1)</sup> shall be entitled to receive a rent allowance provided that all of the following conditions are met:
  - a. the staff member moves their habitual residence more than 100km to take up duty with the Organization;
  - b. the staff member does not own a dwelling in the vicinity<sup>(2)</sup> of the duty station;
  - c. the staff member is the tenant or sub-tenant of furnished or unfurnished accommodation;
  - d. the rent paid, excluding all charges, exceeds  $\frac{1}{4}$  of the staff member's basic salary.
9. The staff member is required to provide, on request, all supporting information necessary to ensure that the above-mentioned conditions are satisfied.
10. The monthly rate of the allowance shall be equal to 2 annual basic salary step increments. The monthly rate of the allowance shall reduce in the 3rd year to an amount equal to 1 annual basic salary step increment. In no case shall the amount of the allowance exceed the difference between  $\frac{1}{4}$  of the staff member's basic salary and the amount of the rent paid, exclusive of all charges.

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<sup>(1)</sup> When adopting PO(2013)0238 dated 17 May 2013, the Council recognized that the cost of rented accommodation is consistently and exceptionally high in the vicinity of the Joint Warfare Centre, Stavanger, Norway, MC HQ Northwood, United Kingdom, NSPA (Luxembourg), NSPA (Papa), Hungary. Rental costs in the vicinity of duty locations should be reviewed biennially according to objective statistical data related to all duty locations.

<sup>(2)</sup> For the purposes of this article, vicinity shall mean 100 kilometres.



11. No rent allowance is payable in the event that the staff member's employment with the Organization would continue beyond 3 years, unless the staff member transfers to a position in another duty location, when the entitlement to rent allowance would be renewed, subject to the conditions outlined in Article 8 above being met.



**Annex III.F**

# Regulations to standardize the conditions of employment of men and women

**Approved by the Council on 1<sup>st</sup> February, 1974, with effect from 1<sup>st</sup> January, 1974 (PO/74/4 - 93rd Report of the Coordinating Committee of Government Budget Experts), amended 1<sup>st</sup> June 1977 (PO/77/76 - 138<sup>th</sup> Report of the Coordinating Committee of Government Budget Experts).**

**I. Household allowance**

Formerly known as "head of family allowance"

1. The household allowance shall be 6% of basic salary, provided that it shall in no case be less than 6% of the basic salary of a grade B.3/1 official.
2. The following shall be entitled to the household allowance:
  - (i) any married official;
  - (ii) any widowed, divorced, legally separated or unmarried official with dependent child or children within the meaning of the Staff Rules and Regulations;
  - (iii) any official who does not satisfy the conditions under (i) and (ii) above, but who has one or more dependants within the meaning of the Staff Rules and Regulations.
3. In the case of a married official who has no dependent child or other dependant but whose husband or wife is gainfully employed, the allowance payable, within the overall limit of 6% of basic salary, shall be the difference between the basic salary for grade B.3 step 1 plus the allowance to which the official would be entitled in theory, and the earned income of the husband or wife. If this latter amount is equal to or greater than the former, no allowance shall be payable.
4. Where, under the foregoing provisions, a husband and wife employed by the same Coordinated Organization or by two different Coordinated Organizations

are both entitled to the household allowance, it shall be paid only to the person in receipt of the higher basic salary.

5. [Rescinded with effect from 1<sup>st</sup> July, 1974, on approval by Council of regulations set out in paragraphs 1 to 4 above - PO/74/70, approved 14<sup>th</sup> June, 1974].

## **II. Dependent children's allowance**

6. This allowance shall be paid to officials, whether married or not, for each dependent child. A child deemed to be dependent is a child within the meaning of the Staff Rules and Regulations who is mainly and permanently maintained by an unmarried official or by the household of a married official.
7. Where husband and wife are employed by the same Coordinated Organization or by two different Coordinated Organizations, the dependent children's allowance shall be paid to the person in receipt of the household allowance.

## **III. Rent allowance**

8. The rules for this allowance, as defined in Annex IV to the 78<sup>th</sup> Report remain unchanged, with the exception of Article 2 which should read as follows: "An official who is not unmarried shall not be entitled to a rent allowance unless he is in receipt of a household allowance".

## **IV. Education allowance**

9. The rules for this allowance as defined in Annex III to the 78<sup>th</sup> Report remain unchanged with the exception of Article 10 which should read as follows: "The actual amount of the education allowance shall be determined by deducting, where appropriate, from the total amount to which the official is entitled, any allowance from other sources which the official or his/her spouse receives for the child's education (scholarships or study grants)".

## **V. Expatriation allowance (\*)**

10. The expatriation allowance shall be payable to staff in categories A, L and B who, at the time of their appointment by the Organization were not nationals of the host State and had not been continuously resident on that State's territory for at least 3 years, no account being taken of previous service in their own country's administration or with other international organizations.
11. This allowance shall also be paid to staff in the same categories who, although nationals of the host State, have been continuously resident for at least 10 years in another State at the time of their appointment, no account being taken of previous service in their own country's administration or with other International Organizations.
12. In the event of an official who is entitled to the expatriation allowance being transferred to the country of which he is a national he shall cease to be entitled to the expatriation allowance.
13. The rate of expatriation allowance shall be 20% for officials entitled to the household allowance and 16% for officials not entitled to the household allowance.
14. Where a husband and wife who are both non-resident are employed in the same country by the same Coordinated Organization or by two different Coordinated Organizations they shall each be entitled to an expatriation allowance but at the rate of 16% whether or not they are entitled to the household allowance.

## **VI. Home leave**

15. All officials who are entitled to expatriation allowance are also entitled to home leave, with the exception of officials who, at the time of their recruitment, were nationals of the country in which they are serving and of no other country.

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\* Staff members commuting between their country of origin and that of their duty station (138<sup>th</sup> Report of the Coordinating Committee of Government Budget Experts).

(i) When any point on the frontier of the country of which the official is a national is within a radius of 50 km from the duty station, such an official shall not be entitled to the expatriation allowance and the related education allowance and home leave unless he supplies proof that he has established his actual and habitual residence in the country of service or, exceptionally and subject to agreement by the Secretary General<sup>(1)</sup>, in another country of which he is not a national, taking account of his family circumstances.

(ii) A compensatory allowance shall be paid to a staff member who is in service at the date of entry into force of paragraph (i) but who loses his entitlement to expatriation allowance under the terms of this paragraph. This compensatory allowance shall be equal to the amount of the expatriation allowance the staff member is receiving on the day before these provisions come into effect. The compensatory allowance shall be payable until the expiration of the staff member's existing contract; the compensatory allowance shall continue to be payable in the case of a staff member serving under a contract of indefinite duration who receives a new contract on promotion to a higher grade. The amount of this allowance will not be adjustable.

(iii) Under special circumstances and for sound and sufficient reasons, exceptions to the rule in paragraph (i) above may be made by the Secretary General<sup>(1)</sup>.

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<sup>(1)</sup> This authority is reserved to SACEUR in respect of international civilian members of the staff employed in military headquarters within Allied Command Operations.

16. Where a husband and wife who are both non-resident, but who are of different nationality from each other, are serving in the same country with the same Coordinated Organization or with two different Coordinated Organizations, each shall be entitled to home leave either in the same country, if both their homes are there, or in different countries if their homes are in different countries. Pursuant to the provisions of paragraph 17 below, each Organization shall take the necessary steps to ensure that husband and wife can take their home leave at the same time.
17. Travelling expenses will be refunded only once every 2 years. An official, the husband or wife of an official entitled to household allowance and dependent children shall be entitled to the refund of travelling expenses(\*).

#### **VII. Allowances from other sources**

18. The payment of the allowances specified in this text shall be subject to the deduction of allowances of the same nature to which the household or an unmarried official may be entitled.

#### **VIII. Maintenance of vested rights**

19. The new definition of the conditions conferring entitlement to the expatriation allowance as set out in paragraphs 10, 11 and 12 is not directly connected with equalization of the system of remuneration of male and female staff, but is mainly aimed at unifying the regulations applicable in the various Organizations. Consequently, it should not affect the rights of serving staff. It will therefore apply only to staff recruited after the date when the new regulations take effect.

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(\*) In the circumstances specified in paragraph 16 above, the cost of only one journey each will be refunded to the husband and to the wife and the dependent children.

**Annex IV**

# Rules of the Coordinated Pension Scheme

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**Annex IV**

# Pension Scheme Rules

Council decision of 10<sup>th</sup> February 1977 - C-R(77)5 (Annex to 127<sup>th</sup> Report of the Coordinating Committee of Government Budget Experts) as amended by PO(79)24 (Annex to 161<sup>st</sup> Report of the Coordinating Committee of Government Budget Experts), by PO(80)125 (178<sup>th</sup> Report of the Coordinating Committee of Government Budget Experts) by PO(94)64 (34<sup>th</sup> Report of the Coordinating Committee on Remuneration), and by PO(2002)170 (132<sup>nd</sup> Report of the Coordinating Committee on Remuneration)

**NOTE TO THE ENGLISH TEXT**

Save where expressly stated in these Rules, the masculine includes the feminine and the term "orphan" includes a child bereaved of one parent only.

**Chapter I**

## General provisions

**Article 1      Scope**

1. The Pension Scheme established by these Rules applies to staff holding indefinite-term or definite or fixed-term appointments in:
  - the Council of Europe,
  - the European Centre for Medium-Range Weather Forecasts (ECMWF),

- the European Space Agency (ESA) [ex-European Organization for the Development and Construction of Space Vehicle Launchers (ELDO) and the European Space Research Organization (ESRO)],
- the North Atlantic Treaty Organization (NATO),
- the Organization for Economic Co-operation and Development (OECD), and
- the Western European Union (WEU),

who are not affiliated to any other pension scheme set up by one of these Organizations after 31 December 2000.

2. This scheme shall not apply to other categories of personnel defined in each Organization, such as experts, consultants, temporary staff, auxiliary staff, employees and personnel hired under local labour legislation.
3. In these Rules, the term «Organization» refers to that Organization listed in paragraph 1 above which employs the staff members to whom these Rules apply, and the term «staff member»<sup>(\*)</sup> means the staff referred to in paragraph 1 above.

### Instruction

#### **1.2 Non-permanent staff**

*Each Organization shall precisely define what categories of staff are referred to in paragraph 2 of Article 1 of the Rules, that is to say, what categories of staff do not rank as permanent staff eligible for benefits under the Pension Scheme.<sup>(1)</sup>*

### **Article 2      Deferred entitlement**

1. Where the medical examination which every staff member has to undergo as part of the appointment process (and the possible consequences of which have been duly notified to him before his appointment) shows him to be suffering from an illness or disablement, the Organization may decide that, as regards risks arising from an illness or disablement existing before he took up his duties, the said staff member shall not be entitled to the invalidity or death benefits provided for in these Rules until the expiry of a period not exceeding 5 years from the date when he entered the service of the Organization. If a staff member leaves an Organization and takes up employment in another Organization within a period of not more than 6 months, the time spent in the service of the first Organization shall be deducted from this 5-year period.

(\*) In the present Regulations, the terms "staff members" and "beneficiaries" apply equally to men and women.

<sup>(1)</sup> Within NATO "permanent staff" means, for the purposes of the Pension Scheme Rules, members of the international civilian personnel as defined in the Preamble to the Civilian Personnel Regulations except those assigned to NATO under Article 19 of the Agreement on the status of the North Atlantic Treaty Organization, national representatives and international staff or Article 7.2 of the Protocol on the status of international military headquarters set up pursuant to the North Atlantic Treaty.

## Instructions

### 2.1/1 **Medical examination**

*The Organization shall inform the staff member in writing of the application of a period of deferred entitlement and of its duration, which may be from one to 60 months. The Medical Consultant of the Organization shall inform him in writing of the nature of the illness or disablement which justified the application of the deferment period.*

### 2.1/2 **Definition of entitlements during the deferment period**

- i) If the staff member concerned leaves the Organization during the deferment period, the leaving allowance shall be paid to him and the years of service completed during the deferment period shall be taken into account.*
- ii) In the event of either permanent total invalidity or death resulting from a cause which justified the deferment period in course:*
  - a) should such an event occur before the staff member has fulfilled the condition provided for in Article 7, the staff member or the beneficiaries shall be entitled to a lump sum, calculated in accordance with the provisions of Article 11;*
  - b) should such an event occur after the staff member has fulfilled the condition provided for in Article 7*
    - and if this condition was fulfilled during the deferment period, the staff member or the beneficiaries shall be entitled to a lump sum calculated in accordance with the provisions of Article 11, in respect of the reckonable years of service credited within the meaning of Article 6;*
    - and if this condition was fulfilled prior to the deferment period, the staff member or the beneficiaries shall be entitled to both a lump sum calculated in accordance with the provisions of Article 11, in respect of the reckonable years of service completed during the deferment period, and the benefits to which they would have been entitled before the staff member's appointment.*
- iii) In the event of either permanent total invalidity or death resulting from either an accident at work, or an illness or disablement other than that which justified the deferment period, and which occurred after commencement of duties, the staff member or the beneficiaries shall be entitled to the benefits provided by the Pension Scheme for such events.*

## **Article 3      Definition of salary**

1. For the purposes of these Rules, salary shall be the monthly basic salary of the staff member, according to the scales in force in the Organizations listed in Article 1.

2. The salaries taken into consideration for the calculation of benefits shall be those of serving staff members, whether in respect of benefits to be paid in the future or those actually being paid.

#### **Article 4      Definition of service conferring entitlement to benefits**

1. Subject to the provisions of Articles 5 and 41, paragraph 1, entitlement to benefit under these Rules shall be determined by the total of the periods served in the Organizations listed in Article 1:
  - i) as a staff member;
  - ii) in any other capacity prior to appointment as a staff member, provided any periods so served were not separated by breaks of more than one year.
2. In addition to the total reckonable years of service thus calculated, a staff member may request, on cessation of work, that periods of service corresponding to certain statutory indemnities be taken into account, in particular payment in lieu of notice, for loss of employment and for leave not taken, under the provisions laid down by instruction(\*).
3. Periods of part-time service shall be taken into consideration in calculating entitlement to benefit under these Rules provided they correspond to at least half-time work as defined by the provisions laid down by instruction.
4. The periods referred to in Article 16, paragraph 3, shall also be taken into consideration.

#### **Instructions**

##### **4.1/1      Service counting for entitlement**

*Service counting for entitlement shall consist of the following:*

- i) any periods of service completed on behalf of a Coordinated Organization by a staff member before the Staff Regulations or the Provident Scheme came into effect; such service must have been completed under an appointment issued by the Organization or by the provisional Committee or Secretariat from which the Organization emanated;*
- ii) any periods of service completed as a staff member;*
- iii) any periods of sick leave or temporary incapacity in respect of which benefits have been paid; the staff member concerned shall be required to have paid his personal contribution to the Pension Scheme as calculated on the amounts so received; such periods shall be counted without any reduction;*

(\*) Unless otherwise provided, the term "provisions laid down by instruction" refers, throughout these Rules, to the implementation provisions in Article 52 of the Pension Rules.

- iv) any periods of unpaid leave, if such periods are not taken into account by a new employer for the purposes of a pension scheme; the crediting of periods of unpaid leave equal to or less than 2 months shall be dependent on payment, for these periods, of the staff member's personal contribution to the Pension Scheme; the crediting of periods of unpaid leave beyond 2 months and up to a maximum of the 4 months following, shall be dependent on payment by the staff member, for these periods, of a contribution equal to three times his personal contribution to the Pension Scheme;*
- v) any periods of secondment, should the staff member be reinstated, provided that these periods are not taken into account for the purposes of another pension scheme; the detailed rules for the crediting of such periods shall be laid down in the regulations applicable to staff;*
- vi) any reckonable years of service corresponding to compensatory payments in respect of leave not taken, if the staff member has, in respect of all these amounts, paid his personal contribution to the pension scheme or Provident Fund, insofar as the periods on which the calculation was based do not extend beyond the age limit for retirement laid down in the Staff Regulations and they are not taken into account by a new employer for the purposes of a pension scheme of a Coordinated Organization;*
- vii) any reckonable years of service corresponding to compensatory payments in lieu of notice, if the staff member has, in respect of all these amounts, paid his personal contribution to the Pension Scheme or Provident Fund, insofar as the periods on which the calculation was based do not extend beyond the age limit for retirement laid down in the Staff Regulations and they are not taken into account by a new employer for the purposes of a pension scheme of a Coordinated Organization;*
- viii) any reckonable years of service for which indemnity for loss of employment has been granted, if the staff member has, in respect of all these amounts, paid his personal contribution to the Pension Scheme or Provident Fund, and inasmuch as the periods on which the calculation was based do not extend beyond the age limit for retirement laid down in the Staff Regulations and they are not taken into account by a new employer for the purposes of a pension scheme of a Coordinated Organization.*

**4.1/2      *Service completed in another capacity before appointment as a permanent staff member***

*Periods of service referred to in Article 4.1 ii) may be taken into account in accordance with Article 5, paragraph 5, if the following conditions are fulfilled:*

- i) such periods must have been prior to the appointment as a staff member.*

- ii) *such service must have been completed in the full-time or at least half-time employment(\*) of the Organization, or of more than one Organization mentioned in Article 1.*

*Such employment must have been remunerated according to periods of time and not by the job or piece, being service performed on the premises and under the control and to the instructions of the Organization, according to its hours of work.*

*The staff member must have received all his emoluments for the service mentioned in the above sub-paragraph directly from the Organization.*

- iii) *any such periods completed in the service of the same Organization, or of more than one Organization mentioned in Article 1, must not have been broken for more than 12 consecutive months.*
- iv) *in accordance with the provisions of Instruction 6.2, periods so to be taken into account must be of a minimum of 30 days; periods of part-time work, equal to or more than half time, shall be taken into account as a proportion of full time. The periods thus validated must total at least 30 days of full time.*

#### **4.3 Definition of half-time service**

*A staff member shall be considered as working half-time, within the meaning of Article 4, paragraph 3, when the number of his working hours, calculated on a monthly basis, is equal to half the number of full-time working hours.*

### **Article 5 Calculation of service conferring entitlement to benefits**

1. Where a staff member appointed by the Organization has previously served with one of the Organizations listed in Article 1(\*\*), his entitlement to benefits under the terms of Article 4 shall be conditional upon his paying over to the Organization which re-appoints him the amounts paid to him on leaving his previous service:

- i) pursuant to Article 11;
- ii) in respect of his Provident Fund holding, within the limits stated in Article 44, paragraph 2,

plus compound interest on such amounts at 4% per annum from the date when the staff member received them until the date when they are paid over in accordance with this paragraph.

Should the staff member fail to pay over the amounts in question, reckonable years of service shall count only as from the new appointment.

(\*) "Employment" is used in the general sense: this applies in particular to the English text, bearing in mind OECD "employees".

(\*\*) Insofar as the Scheme set up by the present Rules is made applicable to staff members of the European Union Institute for Security Studies and Satellite Centre, Agencies of the European Union and previously of the WEU, a Member organization of Co-ordination from the outset, such staff members shall benefit from the provisions of the present article and of the other provisions of the Rules referring to Article 1.



2. Where a staff member appointed by the Organization was previously drawing a retirement pension in respect of service with one of the Organizations listed in Article 1, payment of that pension shall cease.

If the staff member refunds to the Organization offering him a new appointment the pension payments he has received, the provisions of Article 4 shall apply on cessation of his new appointment.

If he does not make this refund, the years of service for which credit was acquired in the employment that originally entitled him to payment of the discontinued retirement pension shall be taken into account in the calculation of the retirement pension due on cessation of his new employment by reference to the salary for his last grading in such previous employment; moreover, that part of the final pension figure shall be abated by 5% for each whole year during which the staff member drew the initial pension before the age of 60.

3. Where a staff member ceases his functions at a grade and step lower than that which he had previously held in the Organization or in a previous Organization, his entitlement to benefits under these Rules shall be determined by taking into account the total of his reckonable years of service and the benefits shall be calculated on the basis of the salary for the highest grading held by him. However, a reduction shall be made in the number of years of service to be credited to him in respect of time served at a lower grade or step after having held the grade by reference to which benefits are calculated; this reduction shall be proportionate to the difference between the said gradings.
4. For the implementation of paragraphs 2 and 3 above, salaries shall be taken into account in accordance with the scales in force when the final pension assessment is made.
5. The crediting of the periods referred to in Article 4, paragraph 1 ii) shall be conditional on:
- i) the staff member submitting an application to that effect within 6 months following his taking up duty as a staff member; the application shall specify the periods of service with which the staff member wishes to be credited;
  - ii) the Organization giving its agreement;
  - iii) the staff member paying, for each month of service with which he is to be credited, the contribution provided for in Article 41 of the Rules, of his first monthly salary as a staff member.

### Instructions

**5.1/1 Service completed in a Coordinated Organization as a staff member**

- i) *Application for any service referred to in Article 5, paragraph 1 or paragraph 2, to be taken into account must be made not later than 12 months after the new appointment, or before the expiry of the option period prescribed in Article 44 or 49.*

- ii) *Where, pursuant to Article 11, the staff member received a leaving allowance at the end of his previous appointment, then pursuant to Article 5, paragraph 1, no partial crediting of such service shall be allowed; accordingly, the staff member concerned shall be required either to refund such leaving allowance in full or to forgo the right to have the corresponding service credited.*
- iii) *Save where Article 44, paragraph 3, applies, the provisions of sub-paragraph ii) above shall also apply to any amounts which the staff member concerned had previously received in respect of a holding in the Provident Fund on leaving an Organization, within the limit of the cost of crediting past service specified in Article 44, paragraph 2.*
- iv) *Should the staff member fail to make a full refund immediately, he may be authorized to make such refund, at the latest, as from the expiry of the period referred to in sub-paragraph i) above, by monthly deductions of not less than 20% of the amount of salary, as defined in Article 3, received at the time of beginning such refunds; compound interest at the rate of 4% per annum shall be applied to the amount outstanding, until the refund has been made in full.*
- v) *If at the date on which any benefit under the Pension Scheme is payable, such refunds have not been completed, the balance still due shall be repaid in its entirety, except where Article 44, paragraph 3 applies, through deduction from the benefits to be paid, including those payable to persons entitled under the staff member. The Organization may authorize payment by instalments, in which case compound interest at the rate of 4% per annum shall be applied to the amount outstanding, until the refund has been made in full.*
- vi) *In the event of incapacity, death or termination of the service of the staff member concerned, any amount still remaining unpaid shall be set off against the capital sums due to him or to the persons entitled under him, in accordance with the provisions of Instruction 38.1, and the balance still due shall be deducted in accordance with the provisions of sub-paragraph v) above.*
- vii) *In the event of the termination of his service without any payment of leaving allowance or pension, the staff member concerned may request time not exceeding 24 months in which to make up all or part of any refund then still outstanding, subject to the provisions of sub-paragraph v).*

**5.1/2      *Crediting of service completed before appointment as a staff member*<sup>(1)</sup>**

- i) *Application to be credited with service completed before appointment as a staff member must be made within 6 months after confirmation of the said appointment or before the expiry of the option period prescribed in Article 44 or 49 in the case of staff members whose service began before the commencement of the said option period.*

<sup>(1)</sup> See also Document BC-D(78)35 and MBC-M (78)154, as well as BC-D (78)44 and MBC(78)369.

- ii) *Persons entitled under a deceased staff member may not apply in his place for service to which this instruction applies to be credited, with the exception of persons entitled to avail themselves of the Transitional arrangements and to whom Articles 43, paragraph 3, and 44, paragraph 4 apply.*
- iii) *Service shall be credited subject to payment of the contribution referred to in Article 41 as calculated on the basis of the first monthly salary as a staff member and multiplied by the number of months of service in respect of which rights are credited, a pro rata deduction being made, where appropriate, for part-time service. First monthly salary here means the salary corresponding to full-time employment in the grade and step of the staff member, whether he be recruited on a full-time or a part-time basis. Such payment may be made by instalments in the form of monthly deductions from emoluments, commencing not later than the end of the relevant period referred to in sub-paragraph i) above and spread over a period not exceeding the duration of the previous service so credited.*

*Interest at 4% per annum shall be due in respect of any part of the payments which is deferred beyond such period at the request of the staff member.*

*If, at the date on which any benefit under the Pension Scheme is awarded, such payments have not been completed, the balance still due shall be deducted from the benefits to be paid, where necessary by instalments.*

- iv) *On making his application to credit such service as aforesaid, the staff member shall be required to consent to the Organization's having first claim on any capital sums payable in the event of his death or invalidity or of the termination of his service, to the extent of any amounts then still outstanding in respect of crediting such service.*
- v) *In the event of the termination of his service, the staff member or persons entitled under him may request time not exceeding 12 months in which to make up any amount then still outstanding, subject to the provisions of sub-paragraphs iii) and iv) above.*

## **5.2 Non-refund of previous pension payments**

*Example illustrating the application of Article 5, paragraph 2, last sub-paragraph of the Rules:*

- (i) *First pension paid from age 52 to 54:*

$$\left[ T \times \frac{40}{100} \right]$$

*reduced pursuant to Article 8.4 of the Rules*

*(T' = salary used as basis of calculation)*

*(20 reckonable years of service at 2%)*

- (ii) *Second period paid from age 54 to age 60:*

$$\left[ T'' \times \frac{12}{100} \right]$$

( $T''$  = salary used as basis of calculation at age 60)

(6 reckonable years of service at 2%) / leaving allowance

**Total pension**

$$(i) + (ii) = \left[ \left( T' \times \frac{40}{100} \right) \times \frac{90}{100} \right] + \left[ T'' \times \frac{12}{100} \right]$$

i.e.:  $0.4T' - 0.04 T' + 0.12 T''$ .

- (iii) *In the final calculation of the total pension, the pension between brackets*

$$\left[ T' \times \frac{40}{100} \times \frac{90}{100} \right]$$

has now been reduced pursuant to Art. 5.2, not Art. 8.4 of the Rules; the amount as stated in (i) above is reduced to 90% by

$\left( 2 \times \frac{5}{100} \right)$  i.e. 10%

**5.3 Termination of service at a lower grade**

For the implementation of Article 5, paragraph 3 of the Rules, the calculation shall be made as illustrated below:

- (i) *On previous termination of service (or at highest point in career before downgrading): 10 years' service, grading on departure, A.5/5 = theoretical final salary:  $100 = T'$*   
i.e. 10 years' reckonable service.
- (ii) *On final termination of service: 10 years served in second period, grading on departure, A.4/5 = theoretical final salary:  $75 = T''$*   
the reckonable service in respect of the second period will thus be reduced in the ratio:

$$T''/T' = \frac{75}{100} \text{ i.e. 7.5 reckonable years}$$

- (iii) *Total:  $10 + 7.5 = 17.5$  years' reckonable service.*

- (iv) *Total pension will be calculated on the basis of:*

$T' = 100 \times 17.5$  reckonable years of service.

**Article 6 Reckonable years of service**

1. The benefits provided for under these Rules shall be calculated by reference to reckonable years of service consisting of:
  - i) service calculated in accordance with Articles 4 and 5;
  - ii) service credited in accordance with Article 12, paragraph 1.
2. Incomplete years of reckonable service shall be taken into account on the basis of one-twelfth of a year for each whole month of service. For benefit calculation purposes the period remaining shall be treated as a whole month if it is equal to or more than 15 days.

However, the period remaining shall not be taken into account for the purpose of calculating the 10 years' service required for entitlement to the retirement pension provided for in Article 7.

3. In the case of part-time work :

- i) reckonable years of service shall be calculated in accordance with the ratio between the working hours corresponding to part-time service and the official number of hours for full-time work in the Organization;
- ii) however, reckonable years of service shall not be reduced when the staff member authorised to work part-time has contributed to the pension scheme on the basis of full-time work, by paying in addition to his personal contribution to the Pension Scheme for the part corresponding to his part-time work, a contribution equal to three times the rate of contribution mentioned in Article 41 paragraph 4, on the difference in the salary between his part-time work and the corresponding full-time work under the provisions laid down by Instruction.

### Instructions

#### 6.2 **Fractions of a month**

*Any fraction of less than 30 days remaining after aggregating periods of service shall be treated as a whole month if it is equal to or more than 15 days and disregarded if it is less than 15 days*

#### 6.3 **Non reduction of reckonable years of service**

*A staff member authorised to work part-time may request to contribute to the Pension Scheme on the basis of full-time work, provided that these periods are not taken into account by another employer for the purposes of a pension scheme and the amount of the supplementary contribution referred to in Article 6, paragraph 3 ii) is paid in accordance with the provisions of Article 41, paragraph 2. The staff member should make his request not later than the eighth day following the beginning of the period for which he is authorised to work part-time. This request shall be final, unless an exceptional derogation is granted by the Secretary / Director General upon receipt of a duly justified request from the staff member.*

### **Article 6 bis Part-time service - Effects on the calculation of entitlement**

1. Where at the time of termination of his service a staff member was working part-time, the salary taken into account in calculating his pension entitlement shall be that payable for full-time work at his grade and step as provided in these Rules.
2. However, when a staff member terminating his service in the circumstances described in paragraph 1 above had been recruited to serve on a part-time basis, or authorized to work part-time for an indefinite period or for a fixed-

term renewable by tacit agreement and if the provisions of Article 6, paragraph 3 ii) are not applied, the rate of the invalidity pension provided for in Article 14, paragraph 2, and the minimum and maximum amounts that apply, shall be set in accordance with the provisions laid down by instruction.

### Instructions

**6 bis.2/1 Benefit payable to a staff member who has only worked part time**

- i) *For the purposes of calculating the benefit payable under Article 6 bis, paragraph 2, to a staff member who has only worked part time, the following shall be reduced by an amount corresponding to the ratio between the number of hours actually worked and the official number of hours for full-time work:*
- (a) *the maximum rate of retirement pension provided for under Article 10, paragraph 2 and the maximum amount of retirement pension provided for under Article 10, paragraph 3;*
  - (b) *the rate of invalidity pension under Article 14, paragraph 2, and the minimum amount of invalidity pension provided for under Article 14, paragraph 4;*
  - (c) *the maximum amount of invalidity pension provided for under Article 14, paragraph 4, and the salary referred to in Article 15;*
  - (d) *the minimum amounts of survivor's pension provided for under Article 19, paragraph 3;*
  - (e) *the minimum amounts of orphan's pension provided for the first beneficiary under Article 25, paragraphs 3 and 4, as well as the increases provided for under Article 25, paragraphs 3 and 4, for orphans in respect of the second and every further beneficiary;*
  - (f) *the amount of the dependant's pension provided for under Article 25 bis, paragraph 2;*
  - (g) *the ceiling for benefits payable to survivors and orphans as defined in Article 29.*
- ii) *However, when a staff member was recruited by the Organization for part-time service, after having worked full time for one of the Organizations listed in Article 1, he shall be subject to the provisions of Instruction 6 bis.2/2 provided he pays over, if appropriate, the sums specified in Article 5, paragraph 1 or Article 5, paragraph 2, as the case may be.*

**6 bis.2/2 Benefit payable to a staff member who, at the time of termination of his service, is working part time for an indefinite period or for a fixed period renewable by tacit agreement, having previously worked full time**

- i) *For the purposes of calculating the benefit payable under Article 6 bis, paragraph 2 to a staff member authorized to work part time for an indefinite period or for a fixed period renewable by tacit agreement, the following shall be reduced in accordance with the ratio between the number of hours actually worked and the official number of hours for full-time work:*
  - (a) *the rate of invalidity pension under Article 14, paragraph 2, and the minimum amount of invalidity pension provided for under Article 14, paragraph 4;*
  - (b) *the minimum amounts of survivor's pension provided for under Article 19, paragraph 3;*
  - (c) *the minimum amounts of orphan's pension provided for the first beneficiary under Article 25, paragraphs 3 and 4, as well as the increases provided for under Article 25, paragraphs 3 and 4 for the second and every further beneficiary of an orphan's pension;*
  - (d) *the amount of the dependant's pension provided for under Article 25 bis, paragraph 2.*
- ii) *However, when a staff member fulfils the conditions laid down in Article 7 at the date from which he is authorized to work part time for an indefinite period or for a fixed period renewable by tacit agreement, the benefit resulting from application of the provisions of sub-paragraph i) above, may not be less than that to which he or his authorized representatives would have been entitled had he ceased working for the Organization at that date for a reason other than invalidity or death.*





## Chapter II

# Retirement pension and leaving allowance

### Section 1 : Retirement pension

#### Article 7 Conditions of entitlement

1. A staff member who has completed 10 or more years' service, within the meaning of Article 4, in one or more of the Organizations listed in Article 1, shall be entitled to a retirement pension.

#### Instructions

##### 7.1/1 **Service for the purposes of Article 4**

*For the purposes of Article 4, service as a staff member in one or more of the Organizations referred to in Article 1 shall be:*

- *periods served prior to 1 July 1974, which have been credited, and for which the corresponding cost has been paid, under Article 44;*
- *periods served after 1 July 1974, in respect of which the staff member's contributions to the Pension Scheme have been paid in accordance with Article 5, paragraphs 1 i) and 5;*
- *periods referred to in Article 16, paragraph 3, in accordance with Article 4, paragraph 4.*

##### 7.1/2 **Part-time service**

*Without prejudice to Article 6, paragraph 3 i), periods of part-time service shall be considered periods of full-time service within the meaning of Article 7.*

#### Article 8 Age of entitlement, deferred pension and early pension

1. A staff member shall become eligible for a retirement pension at the age of 60.
2. Pension rights shall continue to accrue to a staff member continuing to be employed after pensionable age, but his pension shall not exceed the maximum amount laid down in Article 10, paragraph 2.
3. If a staff member ceases his functions before pensionable age, payment of his retirement pension shall be deferred until he reaches that age.
4. However, a staff member who retires before pensionable age may request early payment of his pension provided he is at least 50 years old.

In such a case, the amount of the retirement pension shall be reduced by reference to the age of the staff member when payment of his pension begins, as shown in the table below.

Age when payment of pension begins	Ratio of pension on early retirement to pension at 60
50	0.60
51	0.63
52	0.66
53	0.69
54	0.73
55	0.77
56	0.81
57	0.85
58	0.90
59	0.95

### Instruction

#### 8.4 **Method of reducing pension - Early pension**

- i) *Early retirement pension shall be calculated as follows:*
  - *if the pension that would be due with no reduction at age 60 is lower than the minimum rate prescribed in Article 10, paragraph 3, it shall be brought up to that minimum rate and the reduction provided for in Article 8, paragraph 4 shall then be applied to it;*
  - *if the pension that would be due with no reduction at age 60 is higher than the aforesaid minimum rate, the reduction shall be applied to it even if the result is lower than that minimum.*
- ii) *The reductions provided for in Article 8, paragraph 4 shall be applied by reference to whole years, no account being taken of months.*
- iii) *Family allowances shall be paid and calculated in accordance with the provisions of the Instructions of Article 28.*
- iv) *Under the conditions laid down in Article 8 and in this instruction, an early pension may be requested at any time between age 50 and 60, once the staff member's service has terminated. Such requests must be in writing, and dated.*
- v) *Subject to the provisions of Article 5, paragraph 2, payments shall begin, irrevocably, on the first of the month following the date on which the request was made.*

**Article 9 Commencement and cessation of entitlement**

1. Entitlement to payment of a retirement pension shall commence on the first day of the month following that in which the person concerned became eligible for payment of the pension.
2. Entitlement shall cease at the end of the month in which the person receiving the pension dies.

**Article 10 Rate of pension**

1. The amount of the retirement pension shall be, per reckonable year of service within the meaning of Article 6, 2% of the salary corresponding to the last grade held by the staff member for not less than one year before cessation of his appointment and the last step held in that grade.
2. The maximum rate of the pension shall be 70% of this salary, subject to the provisions of paragraph 3 below.
3. The amount of the retirement pension shall not be less than 4% of the salary for grade C.1, step 1, per reckonable year of service credited pursuant to Article 6; it may not, however, exceed the staff member's last salary as defined in Article 3.

**Instructions****10.3/1 Part-time service**

*The minimum rate of the retirement pension shall be calculated on reckonable years' service, to be taken into account where applicable in fractions corresponding to any part-time service in accordance with Article 6, paragraph 3 i); this minimum shall therefore be equal to 4% of the salary for grade C.1, step 1, per year of service thus credited.*

**10.3/2 Termination of service at a lower grade**

*In cases where Article 5, paragraph 3 is applied, the minimum rate of the retirement pension shall be equal to 4% of the salary for grade C1, step 1, per reckonable year of service, without any reduction.*

**Section 2: Leaving allowance****Article 11 Leaving allowance**

1. A staff member whose service terminates otherwise than by reason of death or invalidity and who is not entitled to a retirement pension nor to the benefit of the provisions of Article 12, paragraph 2, shall be entitled on leaving to a payment of:
  - i) the aggregate amount deducted from his salary in respect of his pension

contribution, together with compound interest at the rate of 4% per annum;

- ii) an allowance equal to one month and a half of his last salary multiplied by the number of reckonable years of service credited within the meaning of Article 6(\*).
- iii) one-third of the amounts paid to the Organization under the provisions of Article 12, paragraph 1, together with compound interest at the rate of 4% per annum. Should, however, the whole of these amounts have to be refunded to his previous employer, the reckonable years of service corresponding to those amounts shall be disregarded in the calculation of the leaving allowance.

2. Termination of service shall be defined by each Organization.

### Instructions

#### **11.1/1 Refund of personal contributions**

- i) *For the purpose of the refund of any personal contributions which at the time of their payment were calculated on the basis of a scale other than that of the last country of service, the amounts involved shall be converted at the rate of exchange applicable in the Organization at the date of the refund.*

*However, the staff member may request that the said personal contributions be refunded in the currency or currencies of the above-mentioned scale.*

- ii) *The refund of the said contributions shall be calculated at the rate of 4% per annum up to the last day of the month preceding the actual payment.*

#### **11.1/2 Staff member whose service terminates at the end of a period of unpaid leave**

*When final termination of service occurs at the end of a period of unpaid leave during which no contributions were made to the Pension Scheme, the amounts stipulated in Article 11 shall, notwithstanding Instruction 11.1/1 ii), be calculated on the basis of rights acquired and salary at the date of commencement of that period, without any subsequent adjustment or interest*

#### **11.1/3 Compulsory repayment of the leaving allowance**

*A staff member who has received a leaving allowance as provided in Article 11, paragraph 1, but whose service has not terminated according to Article 11, paragraph 2, shall repay the whole leaving allowance received upon his previous appointment, in accordance with the provisions laid down in instruction 5.1/1 sub-paragraphs iv) to vii). The time limit for application set out in instruction 5.1/1 i) shall not apply.*

(\*) Refer to Article 33, paragraph 7

### Section 3 : Inward and outward transfer of pension rights

#### Article 12 Inward and outward transfer of pension rights

1. A staff member who enters the service of the Organization after leaving the service of a government administration or national organization, or international organization not listed in Article 1, paragraph 1 or a firm, may arrange for payment to the Organization in accordance with the provisions laid down by instruction, of any amounts corresponding to the retirement pension rights accrued under the pension scheme to which the staff member was previously affiliated in so far as that scheme allows such a transfer.

In such cases, the Organization shall determine, by reference to the provisions laid down by instruction, the number of years of reckonable service with which the staff member shall be credited under its own pension scheme.

2. A staff member who leaves the service of the Organization to enter the service of a government administration or national organization, or international organization, not listed in Article 1, paragraph 1, which has entered into an agreement with the Organization, shall be entitled to transfer to the pension fund of that administration or organization:

- either the actuarial equivalent of his retirement pension rights accrued under these Rules, such equivalent being calculated in accordance with the provisions laid down by instruction;

- or, in the absence of such rights, the amounts provided under Article 11.

3. If, as a result of a staff member's transfer from one Organization listed in Article 1 to another, the leaving allowance is paid by an Organization other than that which received the amounts referred to in paragraph 1 above, Article 11, paragraph 1 iii) shall apply as if the Organization responsible for paying the leaving allowance had received the amounts referred to.

#### Instructions

##### 12.1 *Inward transfer of previously accrued rights*

###### i) *Previous periods of affiliation to a pension scheme*

- a) *Reckonable years of service shall be credited pursuant to Article 12, paragraph 1, subject to the conditions set out in this instruction, in respect of a period of affiliation to the last pension scheme prior to appointment in the Organization. Such affiliation may cover periods served in several administrations, organizations or firms, on condition that all these rights have been taken into account by the pension scheme of the last administration, organization or firm before appointment in the Organization.*

- b) *An amount shall be taken into account under this instruction only if it has been certified by the previous pension scheme as being the amount of the actuarial equivalent of retirement*

*pension rights or a capital payment in respect of rights to a pension or rights under a provident scheme (excluding compensation for dismissal or a leaving gratuity), and it must represent the total amounts paid to the staff member by the previous pension scheme in question. The «total amounts paid» shall be taken to mean the amounts representing the total rights transferable to the Organization. Staff members shall not be entitled to transfer only part of their accrued rights where that part is not equal to the transferable maximum.*

*ii) Amounts taken into account*

*For the purpose of calculating the reckonable years of service credited under Article 12, paragraph 1, the amounts indicated in sub paragraph i) b) above shall be taken into account, as calculated by the previous pension scheme - as a capital sum, and with interest where applicable - as at the date on which they are paid to the Organization<sup>(1)</sup>; any conversion into the currency of the salary paid by the Organization shall be made at the rate of exchange in force on that date.*

*iii) Calculation of reckonable years of service*

*The number of reckonable years of service to be credited under Article 12, paragraph 1, shall be calculated on the basis of the table annexed to this instruction, by dividing the amounts taken into account under sub-paragraph ii) above by the coefficient corresponding to the age of the staff member as at the date of payments of the amounts, and then by dividing the resultant amount by the theoretical value of a reckonable year of service (2% of the annual basic salary), established on the basis of the salary corresponding to the staff member's grade and step as at the date of payment of the amounts.*

*iv) Maximum number of reckonable years of service*

*Taking such reckonable years of service into account shall not have the effect of bringing the total pension up to more than the maximum rates prescribed in Article 10.*

*v) Time limits for application and revocation*

*Failing any special provisions in a reciprocal transfer agreement entered into by the Organization, application for the amounts referred to in sub-paragraph ii) above to be taken into account by the Organization shall be made in writing:*

- a) either within 6 months from the date of notification of confirmation of appointment after the probationary period;*
- b) or within 12 months from the date on which the previous pension scheme allowed such transfers;*

<sup>(1)</sup> The accrued rights are invariably rights which are not yet due or the actuarial equivalent thereof.

<sup>(\*)</sup> This request shall be submitted before the request for the payment of a pension.

- c) as a transitional measure by 31.12.1978 in the case of staff in post before 30.6.1978(\*).

*The application to transfer pension rights may be revoked by the staff member at any time before the payments provided for in sub-paragraph ii) above have been made in accordance with sub-paragraph vi) below.*

*The application to transfer pension rights shall be null and void if the payments provided for in sub-paragraph ii) above have not been made at the time of the staff member's termination of service.*

*vi) Time limit for payment*

*Payment of the amounts referred to in sub-paragraph ii) above shall be made:*

- within 3 months after the expiry of the time limit prescribed in sub-paragraph v) above, if the person concerned has actually received such amounts from his previous employer;*
- on receipt of such amounts from the previous employer in other cases.*

*Payment to the Organization shall be made in the currency - or its equivalent value at the rate of exchange in force on the date of actual payment to the Organization - in which the amounts referred to in sub-paragraph ii) above have been or will effectively be paid by the previous pension scheme.*

*vii) Outward transfer to a subsequent pension scheme*

*Pursuant to Articles 11, paragraph 1 iii), and 12, paragraphs 2 and 3, the amounts paid to the Organization under this instruction and later refunded wholly or partly to a staff member who has not completed at least 10 years of service within the meaning of Article 4, shall be increased from the time of their payment to the Organization by compound interest of 4% a year to be paid by the Organization responsible for paying the leaving allowance.*

**12.2 Transfer of pension rights to an outside scheme**

*i) Time limit for application*

- a) *Application for transfer of pension rights under Article 12, paragraph 2 must be made by the staff member to the Organization in which his service has terminated, within 6 months after his definitive appointment by the new administration or organization referred to in Article 12, paragraph 2.*
- b) *If the Organization is unable to conclude with the new administration or Organization referred to in Article 12, paragraph 2, an agreement for such transfer on terms which it considers satisfactory, it shall confine itself to making immediate payment of the amounts referred to in Article 11, paragraph 1, or to immediate or deferred payment of a retirement pension.*

*ii) Conditions as to transfer*

*The amounts referred to in Article 12, paragraph 2 may be transferred only to the pension fund of the administration or organization referred to in Article 12, paragraph 2, that is to say to the statutory or contractual pension scheme in force in that administration or organization.*

*iii) Calculation of amounts to be transferred*

*The actuarial equivalent of the retirement pension rights referred to in Article 12, paragraph 2 shall be calculated on the basis of the table annexed to this instruction, the annual pension acquired in the Organization - established on the basis of the salary scale in force at the date on which the staff member ceases his functions - being multiplied by the coefficient corresponding to the age of the staff member at that date.*



## Annex to Instructions 12.1 iii) and 12.2 iii)

Age	Coefficient	Age	Coefficient
20	4,7032	45	10,7410
21	4,8616	46	11,1070
22	5,0255	47	11,4740
23	5,1949	48	11,8603
24	5,3701	49	12,2579
25	5,5512	50	12,6757
26	5,7383	51	13,1007
27	5,9318	52	13,5477
28	6,1317	53	14,0068
29	6,3380	54	14,4861
30	6,5506	55	14,9830
31	6,7702	56	15,5030
32	6,9958	57	16,0344
33	7,2295	58	16,6009
34	7,4728	59	17,1914
35	7,7285	60	17,8360
36	7,9916	61	18,0423
37	8,2568	62	18,2427
38	8,5385	63	18,4375
39	8,8211	64	18,6025
40	9,1144	65	18,7657
41	9,4136		
42	9,7356		
43	10,0573		
44	10,3918		

Table established on the basis of the assumptions used to determine the cost of the scheme at 31 December 2007.



## Chapter III

# Invalidity pension

### Article 13 Conditions of entitlement - Invalidity Board

1. Subject to the provisions of Article 2, an invalidity pension shall be payable to a staff member who is under the age limit laid down in the Staff Regulations and who, at any time during the period in which pension rights are accruing to him, is recognized by the Invalidity Board defined below to be suffering from permanent invalidity which totally prevents him from performing his job or any duties proposed to him by the Organization corresponding to his experience and qualifications.
2. The Invalidity Board shall consist of three medical practitioners, the first two being appointed by the Organization and the staff member, respectively, and the third one selected jointly by the first two. Cases shall be submitted to it by the Organization either on its own initiative or at the request of the staff member concerned.

### Instructions

#### 13/1 **Transitional arrangements**

*Staff members who were already receiving invalidity benefit in respect of total permanent incapacity and who have subsequently opted to join the Pension Scheme under Article 44 or 49, shall not be required to undergo a further examination by the Invalidity Board under Article 13, but shall submit to the medical examinations referred to in Article 16.*

#### 13/2 **Period of non-activity**

- i) *The invalidity pension shall not be payable if it results from an illness or accident occurring during unpaid leave or a period of non-active status which did not give rise to contributions to the Pension Scheme (leave for personal reasons, military service).*
- ii) *On the other hand, it shall be payable if the events mentioned above occur during a period of non-active status which follows a period of sick leave, and during which the staff member is in receipt of an allowance for temporary incapacity; in such event, he shall continue to pay contributions to the Pension Scheme in accordance with Instruction 4.1/1 iii). The same shall apply to any periods of unpaid leave provided for under Instruction 4.1/1 iv).*

#### 13/3 **Invalidity Board**

##### **Tasks of the Invalidity Board**

- i) *Subject to the provisions of Article 2, the tasks of the Invalidity Board are:*

- a) *to ascertain whether a staff member is suffering from invalidity within the meaning of Article 13, paragraph 1;*
- b) *when an incident is recognized by the Organization as falling within the scope of Article 14, paragraph 2 (work accident, occupational disease or public-spirited act), to decide to what extent the staff member's invalidity is the result thereof;*
- c) *to decide whether, following an examination under Article 16, the former staff member no longer fulfils the conditions for entitlement to an invalidity pension.*

**Secretariat of the Invalidity Board**

- ii) *The Organization shall appoint a staff member as secretary of the Invalidity Board. Secretariat services may also be provided by the Organization's medical adviser, who shall be given any administrative assistance he requires.*

**Convocation and composition of the Invalidity Board**

- iii) *When the Invalidity Board is to be convened at the staff member's request, the request shall be addressed to the Head of Personnel responsible for him: it must include his formal application to be declared a permanent total invalid, and give the name of the medical practitioner who is to represent the staff member on the Invalidity Board. The request may be accompanied by a medical file, under separate confidential cover, for the attention of the Organization's medical adviser.*

*Upon receipt of this request the Head of Personnel shall forward it to the Organization's medical adviser with a request to contact the medical practitioner nominated by the staff member. The staff member must ask his medical practitioner to forward to the Organization's medical adviser all medical evidence in support of his application.*

*Within 30 calendar days following receipt of the staff member's request, the Head of Personnel shall inform the medical practitioner nominated by the staff member of the name of the medical practitioner who will represent the Organization on the Invalidity Board.*

- iv) *When the Invalidity Board is to be convened at the request of the Organization, the Head of Personnel shall notify the staff member accordingly and ask him to make his observations, if any, and to nominate a medical practitioner to represent him on the Board, within 30 calendar days following receipt of the said notification.*

*This notification shall also state the name of the medical practitioner who will represent the Organization on the Invalidity Board.*

*The Head of Personnel shall ask the staff member to forward all medical documents concerning him to the medical practitioner representing the Organization.*

- v) *If one of the parties has not nominated a medical practitioner to represent it on the Invalidity Board within the prescribed time-limit, the other party shall ask the Chairman of the Appeals Board/Administrative Tribunal of the Organization to appoint such a medical practitioner as soon as possible. He may, for this purpose, consult a list drawn up by:*
- *a national judicial body, or*
  - *the Medical Council, or*
  - *failing this, another national body of the staff member's duty station or home country.*
- vi) *The third medical practitioner shall be selected by the other two within 30 calendar days at the most following notification of their names to the parties; failing agreement on this nomination within the prescribed time, the Chairman of the Appeals Board/Administrative Tribunal shall nominate, at the request of either party, this third medical practitioner in accordance with the procedure set out in the above sub-paragraph.*

#### **Meeting of the Invalidity Board**

vii) *The Invalidity Board shall meet at the latest within 60 calendar days following the appointment of the third medical practitioner.*

viii) *The Invalidity Board shall have at its disposal:*

- a) *an administrative file submitted by the Head of Personnel containing, in particular, an indication of the post occupied by the staff member in the Organization together with a description of his duties and of any duties proposed to him by the Organization corresponding to his experience and qualifications, so that the Board can give its opinion as to whether the staff member is incapable of carrying out those duties. This file shall also specify whether the application to be declared an invalid is likely to fall within the scope of Article 14, paragraph 2.*

*Before being forwarded to the Invalidity Board, the foregoing particulars shall be communicated to the staff member by the Head of Personnel for his written comments, if any, to be sent by him to the Personnel Division within 15 calendar days following their receipt.*

- b) *a medical file containing the report presented by the medical representative of the party - the Organization or the staff member - that has asked for the Board to be convened, and, if appropriate, the medical report presented by the other party, as well as any reports or certificates from the staff member's medical practitioner or from practitioners whom the parties have consulted. This medical file shall also contain details of the length of absences of the staff member concerned which have provided grounds for the Board to be convened, as well as the nature of the disability on which the Board is asked to give a ruling.*

*All these reports, documents and certificates must be communicated to the three medical practitioners.*

- ix) The proceedings of the Invalidity Board shall be secret. The Board may ask to hear the staff member concerned. It may also ask him to undergo an additional medical examination by a medical practitioner appointed by the Board.*
- x) The cost of the meeting of the Invalidity Board shall be met by the Organization.*

*The Organization shall bear the fees and the travel expenses - the latter calculated according to the rules applicable to staff members - of the medical practitioner representing the staff member only when this practitioner lives in the country of the staff member's last duty station, his home country if he is living there at the time of the establishment of the lasting nature of his disability, or in the country of residence of the former staff member concerned.*

- xi) The findings of the Invalidity Board shall be determined by a majority vote. They shall be final except in the case of obvious factual errors.*

***Findings under Article 13, paragraph 1 or Article 14, paragraph 2***

- xii) The findings of the Invalidity Board shall state:*

- whether or not the staff member suffers from permanent invalidity which totally prevents him from performing his duties or any duties proposed to him by the Organization corresponding to his experience and qualifications;*
- whether the invalidity results from an incident recognized by the Organization as falling within the scope of Article 14, paragraph 2 (work accident, occupational disease or public-spirited act);*
- the date on which the disability became lasting; this date may be prior to the date of the meeting of the Invalidity Board.*

***Findings under Article 16***

- xiii) Where the Board meets under Article 16, the findings of the Board shall state:*

- whether the former staff member is incapable of performing the duties attaching to his former post or any duties proposed to him by the Organization corresponding to his experience and qualifications; or,*
- whether it has been found that the former staff member is no longer an invalid.*

**13/4 Decision of the Secretary/Director-General****Decision under Article 13, paragraph 1, or Article 14, paragraph 2**

- i) *In accordance with the findings of the Invalidity Board and without prejudice to the competence of the Appeals Board/Administrative Tribunal, the Secretary/Director-General<sup>(1)</sup> of the Organization shall decide either:*
- a) *to grant to the staff member concerned an invalidity pension under Article 13, paragraph 1, or Article 14, paragraph 2; this decision shall specify the date on which the pension takes effect; or,*
  - b) *not to recognize the staff member as an invalid within the meaning of the Rules.*

**Decision under Article 16**

- ii) *In accordance with the findings of the Invalidity Board and without prejudice to the competence of the Appeals Board/Administrative Tribunal, the Secretary/Director-General<sup>(1)</sup> of the Organization shall decide either:*
- a) *to continue payment of the invalidity pension to the former staff member; or*
  - b) *no longer to recognise the staff member as an invalid within the meaning of the Rules and to terminate such payment, at a date which may not be prior to the meeting of the Board, in accordance with the conditions provided for in Instruction 16/3.*

**Obvious factual error**

- iii) *In the event of an obvious factual error, the Secretary/Director-General<sup>(1)</sup> shall again refer the case to the Invalidity Board.*

**Notification of the decision of the Secretary/Director-General**

- iv) *Within 30 calendar days of receipt of the findings of the Invalidity Board, the Secretary/Director-General<sup>(1)</sup> shall notify his decision in writing, together with the findings of the Invalidity Board, to the staff member or former staff member.*

**Article 14 Rate of pension**

1. Subject to the provisions of Article 5, paragraph 3, the invalidity pension shall be equal to the retirement pension to which the staff member would have been entitled at the age limit laid down in the Staff Regulations if he had continued to serve until that age and without the need for a minimum of 10 years' service under Article 7.
2. However, where the invalidity arises from an accident in the course of the performance of his duties, from an occupational disease, from a public-spirited act or from risking his life to save another human being, the invalidity pension shall be 70% of salary. In the event of invalidity resulting from a cause other than these, the invalidity pension provided for in this paragraph may not be less than

<sup>(1)</sup> This authority is reserved to SACEUR in respect of members of the staff employed by NATO bodies within Allied Command Operations.

the invalidity pension which would be payable under paragraph 1 of this article.

3. The salary used as a basis for the calculation of the invalidity pension referred to in paragraphs 1 and 2 above shall be the salary for the grade and step held by the staff member in accordance with the scales in force at the date laid down in Article 17, paragraph 1.
4. The invalidity pension shall not be less than 120% of the salary for grade C.1, step 1, but may not be more than the last salary, such salaries being those which appear in the scales in force at the date laid down in Article 17, paragraph 1, subject to any adjustments provided for under Article 36.
5. In the case of invalidity deliberately brought about by the staff member, the Organization shall decide whether he should receive an invalidity pension or only a retirement pension or a leaving allowance, depending on his length of effective service.

### **Instructions**

#### **14.1 Part-time service**

*Where a staff member working part time is found to be suffering from invalidity and the provisions of Article 6, paragraph 3 ii) are not applied, the period subsequent to the date on which he is recognized as unfit for service shall, for the purposes of calculating the invalidity pension provided for under Article 14, paragraph 1, be counted as a period of part-time work in the cases referred to in paragraph 2 of Article 6bis.*

#### **14.2 Work accident and occupational disease**

*For the purposes of Article 14, paragraph 2, reference shall be made to the Rules applicable in the Organization for the definition of the risks of work accident and occupational disease.*

### **Article 15 Earnings rule**

1. Where a person in receipt of an invalidity pension is nevertheless gainfully employed, this pension shall be reduced by the amount by which his pension together with the remuneration he receives for the said employment exceeds the salary for the highest step in the grade he held at the time of his recognition as unfit for service.
2. This reduction shall apply only up to the age limit laid down in the Staff Regulations.

### **Instruction**

#### **15.1 Other income - Pension - Invalidity benefits**

##### **i) Double entitlement with other income**

- a) *By gainful employment under Article 15 is meant any employment outside the Coordinated Organizations, as well as employment pursued therein, including as temporary, auxiliary or local official personnel or as an «employee», and also as an expert in receipt of fees.*



- b) *A person in receipt of an invalidity pension shall immediately notify the organization which pays the pension of any gainful, non-occasional employment; in addition, he shall inform that organization of the total amount of remuneration he received during the preceding calendar year, the reduction referred to in Article 15 thus being calculated on a monthly basis.*

*Express mention of this obligation shall be made in the decision notifying the award of an invalidity pension.*

- ii) *Double entitlement with retirement pension*

*Double entitlement to a retirement and an invalidity pension, both granted under these Pension Rules, shall not be allowed; in calculating an invalidity pension granted under Article 14, paragraph 1, the abatements prescribed in Article 5, paragraph 2 shall be applied in cases where retirement pension payments previously received have not been refunded.*

- iii) *Double entitlement with invalidity benefits*

*Where they are due to the same cause, the annuities or pensions for the permanent invalidity paid under a scheme distinct from the Pension Scheme shall be deducted, if they are financed wholly or in part by a Coordinated Organization, from the amount of the relevant pension due and calculated under the present Rules.*

*The preceding provisions shall not relieve staff members of their financial obligations to credit past services which derive from Articles 44 and 49.*

## **Article 16 Medical examination - Termination of pension**

1. While a person drawing an invalidity pension is still under the age limit laid down in the Staff Regulations, the Organization may have him medically examined periodically to ascertain that he still satisfies the conditions for entitlement to such pension, in particular having regard to any new duties corresponding to his experience and qualifications which may have been proposed to him by the Organization.
2. When a person drawing an invalidity pension who has not reached the said age limit ceases to satisfy the conditions for entitlement to the invalidity pension, the Organization shall terminate that pension.
3. The time during which the person concerned has drawn his invalidity pension shall then be reckoned, without payment of back contributions, for the calculation of the leaving allowance or retirement pension, as the case may be.

### **Instructions**

#### **16/1 Suspension of invalidity pension**

*If the recipient of an invalidity pension fails to submit to medical examination as prescribed by the Organization, payment of the invalidity pension may be suspended.*

**16/2 Medical examination and new Invalidity Board**

*The periodical medical examinations required under Article 16 shall normally take place at the place of residence of the person concerned, unless the Organization requires otherwise or it is impracticable to have the person concerned examined at his place of residence.*

*Such examinations shall be carried out by a medical practitioner chosen by the Organization; the latter shall bear the cost thereof, including travelling expenses of the person concerned if exceeding 50 km from his home. Should the medical practitioner chosen by the Organization report that the staff member no longer satisfies the conditions of entitlement to an invalidity pension, notably having regard to any new duties proposed to him by the Organization corresponding to his experience and qualifications, an Invalidity Board shall be convened in accordance with the provisions of Article 13 and its implementing instructions.*

**16/3 Cessation of entitlement to an invalidity pension**

*Where the Invalidity Board, in application of Article 16, paragraph 2, declares that the person concerned who is still under the age limit has ceased to satisfy the conditions of entitlement to an invalidity pension, the payment of that pension shall be terminated; if the person concerned does not resume work in the Organization, he shall receive either a leaving allowance based on his years of service and years of invalidity where the total is less than 10 years, or a deferred or early retirement pension.*

**16/4 Re-entitlement to an invalidity pension**

*Where the person concerned is entitled to a deferred or early pension and subsequently suffers a relapse, while still under the age limit laid down in the Staff Regulations, resulting from the same condition as that which had entitled him to the previous invalidity pension, the Invalidity Board, convened at the staff member's request in accordance with instruction 13/3, shall declare that he once again effectively fulfils the conditions required under Article 13, paragraph 1, insofar as he is not receiving for that same condition an invalidity benefit or pension borne by another scheme.*

**Article 17 Commencement and cessation of entitlement**

1. Entitlement to an invalidity pension shall commence on the first day of the month following the date of the beginning of the invalidity as recognized by the Invalidity Board.
2. Subject to application of Article 16, paragraph 2:
  - i) the invalidity pension payable under Article 14, paragraph 2 shall be paid for life;
  - ii) in other cases, entitlement to an invalidity pension shall terminate:
    - either at the age limit laid down in the Staff Regulations,

- or at the end of the month in which the recipient of such a pension dies.

Where the invalidity pension terminates because the person concerned has reached the age limit laid down in the Staff Regulations, he shall, notwithstanding the 10-year minimum requirement provided for in Article 7, be entitled to a retirement pension calculated as if he had remained in service until this age.

3. Invalidity pensions assessed before December 1<sup>st</sup>, 2002, whatever the cause of the invalidity, shall be paid for life.



## Chapter IV

# Survivor's and reversion pensions

### Article 18 Conditions of entitlement

1. The surviving spouse(\*) of a staff member who died in service shall be entitled to a survivor's pension, provided they had been married to each other for at least one year at the time of the staff member's death, unless the death resulted either from disablement or illness contracted in the performance of his duties, or from an accident.
2. A reversion pension shall be payable to the surviving spouse:
  - i) of a former staff member drawing an invalidity pension, if they were married to each other for at least one year at the time of his being recognised an invalid; this condition of anteriority shall not apply if the marriage had existed for at least five years at the time of his death, or if the death resulted either from disablement or illness contracted in the performance of his duties, or from an accident;
  - ii) of a former staff member drawing a retirement pension, if they had been married to each other for at least one year at the time when the former staff member's appointment ceased; this condition of anteriority shall not apply if the marriage had existed for at least five years at the time of the former staff member's death; or
  - iii) of a former staff member entitled to a deferred pension, if they had been married to each other for at least one year at the time when the former staff member's appointment ceased; this condition of anteriority shall not apply if the marriage had existed for at least five years at the time of his death.
3. The above-prescribed conditions of anteriority or minimum duration of marriage shall not apply where there are one or more children of the marriage or of a marriage of the staff member contracted prior to the cessation of his appointment, inasmuch as the non-remarried surviving spouse is providing for their needs; in such case, the survivor's or reversion pension shall be payable under the derogation provided for in the present paragraph, for so long as the children are actually being so provided for.

When they are no longer being so provided for, the survivor's or reversion pension shall nonetheless continue to be payable for so long as the surviving spouse does not have an income of his own from the exercise of any occupation, or from any retirement pension or other survivor's or reversion pension, equal to at least the amount of the survivor's or reversion pension from the Organization.

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(\*) Wherever it occurs in these Rules, the expression "surviving spouse" applies indifferently to the wife or husband of the deceased person.

4. Entitlement to a survivor's or reversion pension shall be subject to the provisions of Article 2.

### Instruction

#### 18.1 **Staff member dying during leave granted for personal reasons**

- i) *When a staff member who has completed at least 10 years' service within the meaning of Article 4 dies during a period of leave in respect of which no contributions were made to the Pension Scheme, the surviving spouse shall be entitled to:*

- *the survivor's pension under Article 19, paragraph 1 ii), the minimum and maximum amounts of such pension being in accordance with paragraphs 3 and 4 of the same article; and,*
- *where appropriate, the benefits specified in Article 28.*

*In addition, any orphans and/or dependants shall be entitled to the benefits specified in Articles 25 and 25 bis.*

- ii) *Where the deceased staff member had not completed 10 years of service conferring entitlement, as defined in Article 4, the amounts provided for in Article 11 shall be paid to his estate; such amounts shall be calculated on the basis of rights acquired and salary at the date of termination of the period in respect of which contributions to the Pension Scheme were payable, without any subsequent adjustment or interest.*

### **Article 19 Rate of pension**

1. The survivor's or reversion pensions shall be 60% of:
- i) the retirement pension that would have been payable to the staff member, had he not died in service, on the basis of his reckonable service credited up to the time of his death, without the need for a minimum of 10 years' service under the provisions of Article 7;
  - ii) the deferred retirement pension that would have been paid to the former staff member at the age of 60;
  - iii) the invalidity pension that was actually being paid to the staff member at the time of his death, no account being taken of reductions under Article 15;
  - iv) the retirement pension that was actually being paid to the staff member at the time of his death, no account being taken of any reductions under Article 8, paragraph 4.
2. Where a staff member has died as a result of an accident in the course of the performance of his duties, from an occupational disease, from a public-spirited act or from risking his life to save another human being, the survivor's pension shall be 60% of the invalidity pension to which the staff member would have been entitled under Article 14, paragraph 2 had he survived.

3. The survivor's or reversion pension shall not be less than 35% of the staff member's last salary; nor shall it be less than the salary for Grade C.1, step 1.
4. However, the reversion pension shall not exceed the amount of the former staff member's own pension in the cases covered by paragraph 1 ii), iii) and iv) above, nor the amount of the pension to which the former staff member would have been entitled had he reached the age limit laid down in the Staff Regulations at the time of his death.

## **Article 20      Reduction for difference in age**

1. Where the difference in age between the deceased staff member or former staff member and his younger surviving spouse and/or former spouse, less the length of time they have been married, is more than 10 years, the survivor's or reversion pension, calculated in accordance with the preceding provisions, shall be subject to a reduction, per year of difference, amounting to:
  - i) 1% for the years between 10 and 20;
  - ii) 2% for the years 20 up to but not including 25;
  - iii) 3% for the years 25 up to but not including 30;
  - iv) 4% for the years 30 up to but not including 35;
  - v) 5% for the years from 35 upwards.

## **Article 21      Remarriage**

1. Entitlement to a survivor's or reversion pension shall cease on remarriage. The surviving spouse or ex-spouse shall be entitled to immediate payment of a capital sum equal to twice the annual amount of the pension, if there are no dependent children to whom the provisions of Article 25, paragraph 4 apply.
2. The capital sum paid to the ex-spouse shall not be more than the amount to which he could still be entitled under Article 22, paragraph 1.

### **Instruction**

#### **21.1      Payment of the capital sum**

*The capital sum provided for under Article 21, paragraph 1 shall be calculated with reference to the basic salary scale applicable at the date of remarriage, and paid to the recipient.*

## Article 22 Rights of a former spouse

1. The non-remarried former spouse of a staff member or former staff member shall, on the latter's death, be entitled to a survivor's or reversion pension, provided that and for as long as the staff member or former staff member was, at the time of his death and by virtue of a court decision which had become final and binding, under an obligation to pay maintenance or compensation to the former spouse in a personal capacity; but the survivor's or reversion pension shall not exceed the amount of such payment.

This entitlement shall not arise if the former spouse remarried before the staff member or former staff member died. If remarriage takes place after the staff member's or former staff member's death and while the conditions laid down in the sub-paragraph above are still fulfilled, the provisions of Article 21 shall apply.

2. Where a staff member or former staff member dies leaving both a spouse entitled to a survivor's or reversion pension and a non remarried former spouse fulfilling the conditions laid down in paragraph 1 above, the whole of the survivor's or reversion pension shall be divided between the before-mentioned persons in proportion to the duration of their marriages.

The amount to which a non-remarried former spouse is entitled shall however not be more than the amount of the maintenance or compensation payable at the time of the death of the staff member or former staff member.

3. Where one of the persons entitled to a survivor's or reversion pension renounces his share, ceases to satisfy the conditions for entitlement or forfeits his rights under Article 35, or where the amount of his pension has been restricted under the terms of the second sub-paragraph of paragraph 2 above, his share shall accrue to the share of the other person, except where pension rights revert to orphans, as provided under Article 25, paragraph 3, second sub-paragraph. In such a case, the restriction laid down in the second sub-paragraph 2 above shall apply.
4. Reductions in respect of difference in age as provided for in Article 20 shall be applied separately to survivors' and reversion pensions calculated in accordance with the present article.

### Instructions

#### 22.1/1 **Maintenance**

*Maintenance shall also include compensatory benefit paid at predetermined intervals.*

#### 22.1/2 **Rights of a non-remarried former spouse**

- i) *The maintenance payments referred to in Article 22, paragraph 1 shall, where appropriate, be converted into the currency of the scale applicable to the country of the staff member's or former staff member's last posting or, in cases to which Article 33, paragraph 2 applies, of the scale for which an option has been exercised by the former staff member prior to his decease, by applying the rate of exchange used in the relevant Organization at the date of decease of the latter;*



- ii) the maintenance payments referred to in the preceding subparagraph shall be subject to the same adjustments as those actually applied to the basic salary corresponding to the grade and step used to calculate the survivor's or reversion pension provided for under Article 19.*

### **Article 23 Commencement and cessation of entitlement**

1. Entitlement to a survivor's or reversion pension shall commence from the first day of the month following that in which the staff member or former staff member died. If the salary of a staff member who died in service continues to be paid to a surviving spouse or former spouse, directly and in full, under the Staff Regulations and Rules of the Organization, payment of the pension shall be deferred accordingly.
2. Entitlement to a survivor's or reversion pension shall cease at the end of the month in which the recipient of the pension dies or ceases to satisfy the conditions for entitlement to that pension.

### **Article 24 Incapacitated widower**

### **ARTICLE REPEALED**



## Chapter V

# Orphan's pension and dependant's pension

### Article 25 Rate of orphan's pension

1. Where a staff member or former staff member drawing a retirement or invalidity pension or entitled to a deferred pension dies, his children shall be entitled to an orphan's pension if they fulfil the conditions laid down in paragraph 2.
2. The legitimate, natural or adopted children of a staff member or former staff member who has died shall be entitled to an orphan's pension:
  - i) When the deceased or his household provided their main and continuing support at the time of death; and
  - ii) When they satisfy the conditions of age, education or handicap required for the granting of the allowance for a dependent child.

The legitimate or natural children of a deceased staff member or former staff member who were born not more than 300 days after his death shall also be entitled to an orphan's pension.
3. Where there are one or more persons entitled to a survivor's or reversion pension, the amount of the orphan's pension shall correspond to the higher of the following amounts:
  - i) 40% of the survivor's or reversion pension, no account being taken of reductions pursuant to Article 20; or
  - ii) 50% of the salary for grade C.1, step 1, according to the scale in force when the former staff member's pension was assessed, this amount being updated in accordance with the provisions of Article 36, or, if he was not drawing a retirement or invalidity pension, according to the scale in force at the time of death.

The orphan's pension shall be increased, in respect of the second and every further beneficiary, by an amount equal to the allowance for a dependent child.

The orphan's pension shall be brought up to the level provided for in paragraph 4 in the event of the beneficiaries of a survivor's or reversion pension remarrying or losing the right to that pension.
4. Where there are no beneficiaries of a survivor's or reversion pension, the orphan's pension shall correspond to the higher of the following amounts:
  - i) 80% of the survivor's or reversion pension, no account being taken of reductions pursuant to Article 20; or
  - ii) 100% of the salary for grade C.1, step 1, according to the scale in force when the former staff member's pension was assessed,

this amount being updated in accordance with the provisions of Article 36, or, if he was not drawing a retirement or invalidity pension, according to the scale in force at the time of death.

The orphan's pension shall be increased, in respect of the second and every further beneficiary, by an amount equal to twice the allowance for a dependent child.

5. The total amount of the orphan's pension shall be divided equally among all the orphans.

### Instructions

#### **25.3      *Rate of pension for orphans dependent on a non-remarried former spouse***

*Subject, where appropriate, to the provisions of Instructions 27.1/1 and 27.1/2, the provisions of Article 25, paragraph 3 shall apply where a staff member or former staff member dies leaving a non-remarried former spouse entitled to a survivor's or reversion pension under Article 22. In such a case, the orphan's pension shall be fixed without having regard to the reductions provided for in Articles 20 and 22.*

#### **25.4      *Rate of pension for orphans belonging to another family group***

*Subject to the provisions of Instructions 27/1.1 and 27/2.1, the provisions of Article 25, paragraph 4 shall also apply where a staff member or former staff member dies leaving a surviving spouse or former spouse on one side and orphans belonging to another family group on the other side.*

### **Article 25 bis    Rate of pension for other dependants**

1. Where a staff member or former staff member drawing a retirement or invalidity pension or entitled to a deferred pension dies, the persons (including children not fulfilling the conditions laid down in Article 25) recognized as satisfying the conditions for the granting of the allowance for a dependent child or dependent person under the Staff Regulations and Rules of the Organization shall be entitled to a dependant's pension.
2. The pension paid to each dependant shall be equal to the lowest of the following amounts:
  - i) the amount, as recognized by the Organization, of the support provided to that person by the staff member or former staff member at the time of his death;
  - ii) twice the amount of the dependant's allowance in force in the Organization at the time of the death of the staff member or former staff member; or
  - iii) where an orphan's pension is paid, the amount of each orphan's share pursuant to Article 25, paragraph 5.

### Instruction

#### **25 bis.2 Pension adjustment**

*The amount of the dependant's pension referred to in this article shall be subject to the same adjustments as those effectively applied to the basic salary of the grade and step with reference to which the orphan's pension provided for under Article 25 is calculated.*

### **Article 26 Commencement and cessation of entitlement**

1. The pensions provided for under Articles 25 and 25bis shall be payable as from the first day of the month following that in which the staff member or former staff member died. If the salary of a staff member who died in service continues to be paid to a surviving spouse or former spouse, directly and in full, under the Staff Regulations and Rules of the Organization, payment of the pensions shall be deferred accordingly.
2. The pensions under Articles 25 and 25 bis shall cease to be payable at the end of the month in which the child or other dependant ceases to satisfy the conditions for entitlement to the allowance for a dependent child or dependent person under the Staff Rules and Regulations of the Organization.

### **Article 27 Beneficiaries of more than one category**

1. Where a staff member or former staff member leaves a spouse or former spouse, on the one hand, and children or dependent persons, on the other, with entitlement to a pension, the total pension, calculated as if for a surviving spouse having all these persons dependent on him, shall be apportioned among the various categories of beneficiaries in proportion to the pensions which would have been payable to each category if treated separately.
2. Where there are children or dependent persons from different family groups, with entitlement to a pension, the total pension, calculated as though all were from the same family group, shall be apportioned among the various categories of beneficiaries in proportion to the pensions which would have been payable to each category if treated separately.

### Instructions

#### **27.0 Beneficiaries of more than one category - General provisions**

*In cases of coexistent pension entitlements of a spouse, former spouse(s), children and/or dependants, the «total pension» referred to in Article 27, paragraphs 1 and 2 is defined in Instructions 27.1/1 i) and 27.2/1 i) respectively. It shall be apportioned as follows:*

- i) *If the beneficiaries are:*
  - the spouse, and
  - former spouse(s)

*with no dependent children and/or dependants, the pension shall be apportioned in accordance with the provisions of Article 22.*

*ii) If the beneficiaries are:*

- the spouse or former spouse(s), on the one hand, and*
- children and/or dependants, on the other,*

*belonging to different family groups, the pension shall be apportioned in accordance with the provisions of Instruction 27.1/1.*

*iii) If the beneficiaries are:*

- the spouse or former spouse(s) with children and/or dependants, on the one hand, and*
- orphans and/or dependent persons, on the other,*

*belonging to different family groups, the pension shall be apportioned in accordance with the provisions of Instruction 27.1/2.*

*iv) If the beneficiaries are:*

- the spouse, and*
- former spouse(s)*

*one of whom at least has children and/or dependants, the pension shall be apportioned in accordance with the provisions of Article 22 for survivors' and reversion pensions, and of Instruction 27.2/1 for orphans' and/or dependants' pensions.*

*v) If the beneficiaries are:*

- persons entitled to orphans' and/or dependants' pensions belonging to different family groups,*

*the pension shall be apportioned in accordance with the provisions of Instruction 27.2/1.*

*vi) In cases of coexistent entitlements to pension and family allowances, the ceiling referred to in Article 29 shall in all cases be applicable.*

**27.1/1 Coexistence of beneficiaries, without children or dependants, entitled to a survivor's or reversion pension on the one hand, and of orphans and/or dependants on the other, belonging to different family groups**

*i) In this case, the total pension referred to in Article 27, paragraph 1 shall be calculated as if all beneficiaries of the deceased staff member or former staff member formed part of a single family group. This total pension shall comprise:*

- a survivor's or reversion pension as would be payable to a surviving spouse of the deceased staff member or former staff member in accordance with Article 19 only;*
- orphans' pensions calculated as if all orphans of the deceased staff member or former staff member belonged to the family group entitled to the survivor's or reversion pension mentioned above;*

- dependants' pensions calculated theoretically as orphans' pensions before application of the provisions of Article 25 bis, paragraph 2.

*In accordance with Article 25, paragraph 3 ii), only one minimum orphan's pension (50% of C.1/1) shall be taken into account in this calculation.*

*ii) The total pension shall be apportioned among:*

- the surviving spouse or non-remarried former spouse(s) and
- orphans and/or dependants,

*in proportion to the amounts which would have been payable directly to each of these family groups considered separately, after application of Articles 20 and 22 for the survivor's or reversion pension, Article 25 for orphans' pensions, and Article 25 bis for dependants' pensions.*

*iii) If the amounts so apportioned exceed the pensions to which the beneficiaries would have been entitled if they had been considered separately, including, for dependants' pensions, after application of Article 25 bis, any such excess amounts shall not be payable.*

*iv) The minimum amounts laid down for survivors' and reversion pensions and for orphans' and/or dependants' pensions shall no longer apply to the shares actually attributed.*

**27.1/2 Coexistence of beneficiaries entitled to a survivor's or reversion pension with children and/or dependants on the one hand, and of orphans and/or dependants belonging to another family group on the other**

*i) In this case, the total pension, calculated in accordance with Instruction 27.1/1 i), shall be apportioned among:*

- the surviving spouse or former spouse(s) and the children and/or dependants thereof and
- the children and/or dependants belonging to another family group,

*in proportion to the amounts which would have been payable directly to each of these family groups considered separately, after application of Articles 20 and 22 for the survivor's or reversion pension, Article 25 for orphans' pensions, and Article 25 bis for dependants' pensions.*

*ii) Within the group consisting of a surviving spouse or former spouse(s) and orphans and/or dependants, the share going to that group shall be apportioned, for the purpose of calculating the individual entitlement of each member as mentioned above, in proportion to the survivor's or reversion pension on the one hand, and the orphans' and/or dependants' pensions on the other.*

*iii) If the amounts so apportioned exceed the pensions to which the beneficiaries would have been entitled if they had been considered*

*separately, including after application of Article 25 bis, any such excess amounts shall not be payable.*

- iv) The minimum amounts laid down for survivors' and reversion pensions and for orphans' and/or dependants' pensions shall no longer apply to the shares actually attributed.*

**27.2/1 Coexistence of beneficiaries entitled to orphans' and/or dependants' pensions belonging to different family groups**

- i) In this case, the total pension referred to in Article 27, paragraph 2 shall be calculated as if all the persons entitled to an orphan's pension and/or dependant's pension formed part of a single family group. Before apportionment, dependants shall be treated in theory as orphans. This total pension shall comprise:*

*- a single orphan's pension calculated, as the case may be, in accordance with the provisions of Article 25, paragraph 3 i) if there are one or more persons entitled to a survivor's or reversion pension, or of Article 25, paragraph 4 i) where there are no such persons;*

*- orphans' pensions equal to the dependent children's allowance where there are one or more persons entitled to a survivor's or reversion pension, or to double that allowance where there are no such persons.*

- ii) This total pension shall be apportioned among the different family groups in proportion to the pensions which would have been payable directly to each of these family groups considered separately.*

- iii) Within each family group, the share going to that group shall be divided equally among the beneficiaries before application of Article 25 bis, where applicable.*

- iv) The minimum amounts laid down shall no longer apply to the shares actually attributed.*



## Chapter VI

# Family allowances

### Article 28 General conditions

1. Household allowance, children's or dependants' allowance, handicapped child allowance and education allowance, paid to the staff members of the Organization as family allowances, are granted according to the modalities and conditions of entitlement provided for under the Staff Regulations and Rules and under the present Rules :
  - i) to the recipient of a retirement pension as from the age of 60;
  - ii) to the recipient of an invalidity pension;
  - iii) to the recipient of a survivor's or reversion pension, in respect of the sole beneficiaries who were or would have been recognised as depending on the staff member or the former staff member if he had not died.
2. The double entitlement regulations apply to any allowance of a same nature, regardless of its name.
3.
  - a) The household allowance shall be calculated by reference to the pension of the recipient.
  - b) Where the recipient of a survivor's or reversion pension is a staff member of one of the Organizations listed in Article 1 or is in receipt of a pension assessed by any of these organizations, only one household allowance shall be granted.
  - c) Where the spouse of a person entitled to a pension referred to in paragraph 1 is a staff member of one of the Organizations listed in Article 1 or is in receipt of a pension assessed by any of these organizations, the household allowance shall only be paid to one of the spouses.
  - d) Where the spouse of the recipient of a pension referred to in paragraph 1 is entitled, under another scheme, to an allowance of a same nature than the household allowance, only the difference between the amount of the allowance under the present scheme and that of the allowance received by the spouse under the other scheme shall be paid to the recipient of the pension.
4. Where the recipient of a pension referred to in paragraph 1, or his household or the beneficiary concerned, is entitled to allowances referred to in paragraph 1 and also, under another scheme and for the same person, to a children's or dependants' allowance, or a handicapped child allowance of a same nature than those referred to in paragraph 1, the Organization shall only pay the difference between the amount of the allowances granted under the present scheme and that of the allowances received under the other scheme.

5. The deduction of family allowances received under another scheme, referred to in Article 28, paragraphs 3 and 4, shall be automatic, save where the recipient produces evidence that the above-mentioned scheme makes a deduction of the amounts received under the present scheme.
6. The amount of the allowance for a child or other dependant payable to the recipient of a survivor's or reversion pension shall be twice the normal amount.
7. Entitlement to the allowances provided for in this Article shall cease at the end of the month in which the conditions for entitlement to those allowances under the Staff Rules and Regulations of the Organization are no longer satisfied.

### **Instructions**

#### **28.1/1 Entitlement**

*Entitlement to family allowances when pension benefits are being paid shall be subject to the conditions relating to the attribution of such allowances, in accordance with the Staff Regulations and Rules of the Organization.*

#### **28.1/2 Early pension**

*Family allowances shall not be paid before the age of 60 to the recipient of an early pension; in such a case, at the age of 60, the household allowance shall be calculated on the basis of the reduced pension, subject to the minimum prescribed by the relevant Staff Regulations and Rules; the other family allowances of fixed amount shall be granted without any reduction.*

#### **28.1/3 Monthly payment**

*Family allowances shall be paid per whole month starting from the 1<sup>st</sup> of the month following that in which the entitlement has arisen and until the end of the month during which the entitlement ceases.*

#### **28.1/4 Education allowance**

- i) *Entitlement to the education allowance shall be maintained for children dependent on a former staff member provided that the pensioner - or the recipient of a survivor's or a reversion pension - continues to reside in the country of the last posting.*
- ii) *In the event of the death of a staff member or of the recipient of a retirement or invalidity pension, without any survivor's or reversion pension being awarded, or in the event of the death of the recipient of a survivor's or reversion pension, any education allowance which was being paid at the time of the death shall continue to be paid unchanged in its amount, until the expiry of the current school or academic year.*

#### **28.3 Household allowance**

*The household allowance to which the recipient of a pension is entitled shall be calculated on the basis of his pension, but shall not be less than the minimum laid down in the scales in force in the Organizations listed in Article 1, save where the allowance is reduced on the basis of the income of the spouse.*

## Chapter VII

# Ceiling on benefits

### **Article 29      Ceiling on benefits for surviving spouse, former spouse(s), orphans and/or dependants**

1. Where a staff member dies, the total amount payable in respect of survivor's, orphan's and dependant's pensions and of family allowances shall not exceed the maximum of the retirement pension referred to in Article 10, paragraphs 2 and 3, together with the family allowances to which the deceased staff member was entitled. In any event, this total shall not exceed the last salary received by the staff member together with the family allowances to which he was entitled.
2. Where a former staff member drawing a retirement pension dies, the total amount payable in respect of reversion, orphan's and dependant's pensions and of family allowances shall not exceed the amount of the pension and family allowances received by the former staff member.
3. Where a former staff member entitled to a deferred or invalidity pension dies, the total amount payable in respect of reversion, orphan's and dependant's pension and of family allowances shall not exceed the amount of the retirement pension and family allowances he would have received if he had reached the statutory age limit at the time of his death.
4. The amounts payable in respect of survivor's, reversion, orphan's and dependant's pensions shall, where applicable, be reduced in proportion to the share of each beneficiary.

### **Instructions**

#### **29/1      Ceiling on benefits payable to a surviving spouse, former spouse, orphans and/or dependants(\*)**

- i) *Save where Article 10, paragraph 3 applies, the maximum of the retirement pension referred to in Article 29, paragraph 1 shall be 70% of the salary defined in Article 10, paragraph 1, as adjusted from time to time in the same way as the salaries referred to in Article 3, paragraph 2; the same adjustments shall be applied to the family allowances referred to in Article 29, as well as to retirement pensions, deferred or not, and to the invalidity pensions referred to in Article 29, paragraphs 2 and 3.*
- ii) *The ceilings stipulated in Article 29 shall be reviewed whenever changes are made to the basis for calculating the benefits due.*
- iii) *For the purposes of applying the instructions of this article, account shall be taken of deductions actually made in respect of allowances received from another source.*

(\*) The entitlements which might have been granted prior to 1<sup>st</sup> November 1988 shall be maintained.

**29.3/1      *Ceiling in the event of the death of a person entitled to a deferred retirement pension or who was drawing an early retirement pension***

*Where a deceased former staff member was entitled to a deferred retirement pension or was drawing an early retirement pension, the family allowances to which he would have been entitled at age 60, but which were not paid, shall nevertheless be taken into account in calculating the ceiling referred to in Article 29.*

**29.3/2      *Ceiling in the event of the death of a person drawing an invalidity pension under Article 14, paragraph 2***

*In the event of the death of a former staff member drawing an invalidity pension under Article 14, paragraph 2, the ceiling to be applied shall be the amount of the pension and allowances he was receiving at the time of his death.*

**29.4/1      *Amount of the reduction applicable to survivors', reversion, orphans' and/or dependants' pensions***

*The reduction shall be applied to survivors', reversion, orphans' and/or dependants' pensions. The reduction shall be apportioned among the beneficiaries in proportion to the benefits payable in application of the provisions of Chapter IV (Survivor's and reversion pensions) and Chapter V (Orphan's pension and dependant's pension).*

**29.4/2      *Statutory minimum amounts***

*The minimum amounts laid down shall not apply to survivors', reversion, orphans' and/or dependants' pensions reduced in accordance with the provisions of Article 29.*

## Chapter VIII

# Provisional pensions

### Article 30 Conditions of entitlement

1. Where a staff member or former staff member entitled to a retirement or invalidity pension has been missing for more than one year in circumstances justifying a presumption of death, the persons entitled under him may provisionally be awarded a survivor's, reversion, orphan's or dependant's pension, as appropriate.
2. The provisions of paragraph 1 above shall apply mutatis mutandis to persons recognized as dependants of a person in receipt of a survivor's or reversion pension, who has been missing for more than one year.
3. Provisional pensions under paragraphs 1 and 2 above shall be converted into definitive pensions when the death of the staff member, former staff member, spouse or former spouse has been established officially or when that person has been declared missing by a final Court decision.

### Instruction

#### 30.3 **Forfeiture of rights**

*The time limits laid down by Article 35, paragraphs 2 and 3 shall run from the date of the Court decision declaring him to be missing, referred to in Article 30, paragraph 3.*



## Chapter IX

# Determination of the amounts of benefits

### Section 1 : Assessment of entitlement

#### Article 31 Organization responsible for the assessment

1. The assessment of entitlement to the benefits payable under these Rules shall be made by the Organization, with the assistance of the International Service for Remunerations and Pensions, also responsible for such part of the work as can be centralized.
2. A detailed statement of the assessment shall be communicated to the staff member or the persons entitled under him after approval by the Organization on the advice of the Pensions Administrative Committee of the Coordinated Organizations (CAPOC) referred to in Article 51.
3. Until this approval has been given, pensions shall be paid on a provisional basis.

#### Instruction

##### 31.2 Pension statement

- i) *On the termination of service of a staff member, the Organization shall draw up a statement of his pension rights on the form provided for this purpose.*
- ii) *When a staff member enters the service of another Coordinated Organization, he shall hand over the form provided for this purpose.*
- iii) *The Organization making the assessment of entitlement to benefits must take account of all reckonable years of service which have been credited including, where applicable, service in more than one of the Coordinated Organizations.*

#### Article 32 No double entitlement

1. Without prejudice to the application of Articles 4 and 5, the following may not be paid concurrently out of the budgets of one or more of the Organizations listed in Article 1 :
  - i) a retirement and an invalidity pension as provided for in these Rules or under the Rules of the New Pension Scheme or of the Defined Benefit Funded Pension Scheme<sup>(1)</sup>;

<sup>(1)</sup> Except for long term consultants.

- ii) a retirement or invalidity pension and a loss-of-employment indemnity not paid as a lump sum.
  - iii) two retirement pensions<sup>(1)</sup>
2. Recipients of a retirement or invalidity pension under the present Rules may not be granted the status of staff member in the meaning of Article 1. The modalities for double entitlement to a retirement pension and any other remuneration paid by a Coordinated Organization shall be defined by each Organization.
3. Where they are due to the same cause, there can be no double entitlement to benefits under the present Rules and annuities under a scheme distinct from the Pension Scheme and financed by an Organization listed in Article 1.

### Instructions

#### **32.1/1 Double entitlement as regards retirement or invalidity pensions**

- i) *In view in particular of the rules contained in Article 5, paragraph 2, two retirement pensions under these Rules may not be paid by two Organizations listed in Article 1.*
- ii) *Double entitlement to an invalidity pension and any other pensions or remuneration shall be governed by the implementing instructions to Article 15.*
- iii) *Double entitlement to a retirement pension and any other remuneration paid by an Organization listed in Article 1 shall be forbidden except in the case of experts' or consultants' fees, and of emoluments of temporary staff, provided such emoluments relate to periods of not more than 60 consecutive days in any calendar year.*
- iv) *Double entitlement to a survivor's or reversion pension and to remuneration or a retirement pension paid by an Organization listed in Article 1 shall be permitted.*
- v) *Double entitlement to a retirement or invalidity pension and to an indemnity for loss of employment paid month by month on the basis of the salary being received by the staff member at the time of leaving shall be prohibited.*

#### **32.1/2 Double entitlement with survivor's, reversion, orphan's and/or dependants' benefits**

*Where they are due to the same cause, the annuities or pensions granted in the event of the death of a staff member or former staff member to the spouse and/or former spouse, orphans and/or dependants under a scheme distinct from the Pension Scheme shall be deducted from the amount of the relevant pensions due and calculated under the present Rules if the premiums or contributions conferring entitlement to these benefits were financed wholly or in part by an Organization listed in Article 1.*

<sup>(1)</sup> Except for long term consultants.



### Article 33 Basis of calculation

1. Pensions provided for in the Rules shall be calculated by reference to the salary defined in Article 3 and to the scales applicable to the country of the staff member's last posting.
2. However, if the former staff member settles subsequently:
  - i) in a Member country of one of the Coordinated Organizations of which he is a national; or
  - ii) in a Member country of one of the Coordinated Organizations of which his spouse is a national; or
  - iii) in a country where he has served at least 5 years in one of the Organizations listed in Article 1,

he may opt for the scale applicable to that country.

The option shall apply to only one of the countries referred to in this paragraph, and shall be irrevocable except where paragraph 3 below is applicable.

3. On the death of his spouse, a former staff member who settles in the country of which he is a national, or of which such deceased spouse was a national, may opt for the scale applicable in that country.

The same option shall be open to the surviving spouse or former spouse of a former staff member and to orphans who have lost both parents.

4. These options, available under paragraphs 2 and 3, shall be irrevocable.
5. If the staff member, spouse, former spouse or orphan opts for the scale of a country referred to in paragraph 2, but there is no scale approved by the Organization for that country, the scale applicable to the country in which the Organization responsible for paying his pension has its headquarters shall be applied temporarily until a scale had been adopted for the country chosen.
6. The scales referred to in this article are those in force on the first day of the month following that in which the staff member's appointment has ceased.
7. The provisions of paragraph 2 above do not apply to the benefits under Article 11. However, a staff member who settles in a country of which he is a national may have the leaving allowance provided for in Article 11 ii) calculated in accordance with the scale for that country, provided such a scale has been approved by the Organization at the time of his departure.

### Instructions

#### 33/1 **Proof of residence**

*A person drawing a pension may exercise his option as from the date on which he proves, to the satisfaction of the Organization, that he has his principal residence in the country in question.*

#### 33/2 **Alteration due to the exercise of an option**

*Where, in application of Article 33, benefits under the Pension Scheme are to be calculated on the basis of a scale other than that which was in*

*force at the time when the right to the benefits arose, then the amount of such benefits must, for the purpose of their payment as from the exercise of the option concerned, be recalculated on the basis of the said scale.*

**33.3/1 Option in cases where there are beneficiaries belonging to different family groups**

- i) Where an option is exercised by a surviving spouse or by children both of whose parents are deceased, and there are other beneficiaries, benefits shall be apportioned in accordance with the provisions of Article 22 or Article 27, as the case may be, and with the instructions thereto, on the basis of the scale applicable to the country of the staff member's or former staff member's last posting or, in cases to which Article 33, paragraph 2 applies, the scales for which an option has been exercised by the former staff member prior to his decease;*
- ii) the share of benefit apportioned to each beneficiary of the option shall be expressed as a percentage of the basic salary for the grade and step used in calculating the theoretical survivor's or reversion pension;*
- iii) the share apportioned to the beneficiary of the option referred to in Article 33, paragraph 3 shall be equal to the basic salary corresponding to the grade and step referred to in sub-paragraph ii) of the scale applicable in the country chosen, multiplied by the percentage referred to in the same sub-paragraph.*

**33.3/2 Transitional arrangements**

*If the persons entitled under a staff member who has died before having exercised his right of option choose the Pension Scheme under Articles 43 and 44 of the Rules, the scale - other than that of the last country of service - for which they opt pursuant to Article 33 of the Rules shall be irrevocably applicable. However, where the surviving spouse dies after having exercised the said irrevocable option, the orphans may in their turn exercise a joint option which shall also be irrevocable.*

**33.5 Calculation following approval of a new scale**

*In cases where Article 33, paragraph 5 is applied, benefits are calculated under the new scale as from the date of its entry into force, with no retroactive effect.*

**Article 34 Re-assessment - Cancellation**

1. Benefits may be re-assessed at any time in the event of error or omission of any kind. Any undue payments must be reimbursed; they may be deducted from the benefits payable to the person concerned or to the persons entitled under him or from the amounts due to his estate. The reimbursement may be spread over a period.

2. Benefits shall be subject to modification or cancellation if their award was contrary to the provisions of these Rules.

### **Article 35 Requirement of evidence - Forfeiture of rights**

1. Persons who are eligible for benefits under these Rules shall inform the Organization or the International Service for Remunerations and Pensions of any facts which may affect their entitlement to benefits and provide them with such supporting evidence as may be required.

Should they fail to comply with these obligations, they may be deprived of the right to benefits under this Scheme; save in exceptional circumstances, they shall refund any sums received to which they were not entitled.

2. Where the surviving spouse, orphans or other dependants of a deceased staff member or former staff member fail to apply for their pension within 12 months from the date of his death, payment of the benefits under these Rules may, at the discretion of the Organization, be deferred until the first day of the month following that in which they make their application.
3. Where a staff member's or former staff member's former spouse referred to in Article 22 fails to apply for a pension within 12 months from the date of his death, the former spouse's rights may, at the discretion of the Organization, be wholly forfeited.

### **Instructions**

#### **35.1/1 Statement by staff member or persons entitled under him**

*Subject to the provisions of Instruction 30.3, the recipient of any benefit under the Pension Scheme Rules shall be required to fill out and sign the form to verify continuing entitlement which is sent to him every year.*

#### **35.1/2 Refund of amounts incorrectly received**

*All amounts incorrectly received shall be refunded pursuant to Articles 34 and 35, in the manner prescribed in the Rules and Regulations applicable to staff serving in the Organization, without prejudice to the special provisions laid down for implementing Article 42 with regard to taxation.*

#### **35.1/3 Obligation on claimants to make themselves known**

*In the absence of a statement provided for under Instruction 35.1/1, it is the responsibility of persons entitled under a deceased staff member or former staff member to notify their existence to the Organization which they consider to be liable for the payment to them of benefits under the Pension Scheme, except for those cases where notification is the responsibility of the Organization under Article 43, paragraphs 2 iii) and 3 ii).*

#### **35.1/4 Notifying beneficiaries**

*The Organization shall then inform the beneficiaries concerned of the benefits which they may claim under the Pension Scheme Rules.*

## Section 2: Adjustment of benefits

### Article 36 Adjustment of benefits

1. Should the Council of the Organization responsible for the payment of benefits decide on an adjustment of salaries in relation to the cost of living, it shall grant at the same time an identical adjustment of the pensions currently being paid, and of pensions whose payment is deferred.

Should salary adjustments be made in relation to the standard of living, the Council shall consider whether an appropriate adjustment of pensions should be made(\*).

#### Instruction

##### 36.1 Notifying beneficiaries

*Adjustments to pensions currently being paid shall be notified in writing to the persons entitled to such pensions, either by the Organization or, as instructed by it, by the International Service for Remunerations and Pensions*

## Section 3: Payment of benefits

### Article 37 Mode of payment

1. Subject to the provisions of Article 11 and unless otherwise provided under these Rules, pensions, family allowances and provisions for tax adjustments shall be paid monthly in arrears.
2. These amounts shall be paid by the Organization, or by the International Service for Remunerations and Pensions if it has been empowered to do so.
3. Benefits shall be paid in the currency used in their calculation in accordance with Article 33.
4. Benefits shall be paid to the recipient by bank transfer to an account either in the country of the scale used to calculate these benefits, or in the country where the recipient resides.

(\*) With C-R(78)23, the Council approved the recommendation made in the Coordinating Committee's 150<sup>th</sup> Report, paragraph 12 a) which, from that date, forms an integral part of Article 36 of the Pension Rules and reads as follows.

Article 36 of the Pension Scheme Rules, relating to the arrangements for the adjustment of benefits, shall be interpreted, in all circumstances and whatever the current salary adjustment procedure, as follows:

Whenever the salaries of staff serving in the Coordinated Organizations are adjusted - whatever the basis for adjustment - an identical proportional adjustment will, as of the same date, be applied to both current and deferred pensions, by reference to the grades and steps and salary scales taken into consideration in the calculation of these pensions.

**Instruction****37.1 Date of payment**

*Pensions, family allowances and provisions for tax adjustments shall be paid in arrears on the last working day but two of the month to which they relate.*

**Article 38 Sums owed to the Organization**

1. Any sum owed by a staff member, former staff member or pensioner to any of the Organizations listed in Article 1 at the date when the benefits are payable under these Rules shall be deducted from the amount of these benefits or from the benefits payable to those entitled under him. The deduction may be spread over a period.

**Instruction****38.1 Buying back rights - Credit for past service**

*Any amounts remaining due on the death, recognition of invalidity or termination of service of a staff member, in respect of pension rights bought back under Article 5 or credited under Articles 44 and 49, shall constitute a debt owed to the Organization by the staff member or the persons entitled under him or the estate.*

*Payment to the Organization of any amounts thus owing shall be made pursuant to the special condition agreed to by the staff member at the time of his application to buy back or to be credited with pension rights; this condition shall give the Organization a preferential right to deduct such amounts from the capital sums due at the time of death or recognition of invalidity, or of termination of service, where appropriate, under the conditions provided for in Instructions 5.1/1 and 5.1/2.*

**Article 39 Right of subrogation**

1. Where a staff member's invalidity or death is attributable to a third party, the award of the benefits provided for in these Rules shall in principle be made subject to the beneficiary assigning to the Organization his claims against such third party, up to the amount of such benefits.
2. However, the Organization may waive its right to take action pursuant to such subrogation against the third party concerned where special circumstances justify such a waiver.



## Chapter X

# Financing the Pension Scheme

### Article 40 Charge on budgets

1. Benefits paid under this Pension Scheme shall be charged to the budgets of the Organization responsible for the assessment of these benefits pursuant to Article 31.
2. The Member states of the Organization jointly guarantee the payment of the benefits.
3. In the event of a merger, reconstitution or other transformation or in the event of dissolution of the Organization, the Council or any ad hoc body set up, where required in one of the aforementioned cases, shall take the necessary measures to ensure uninterrupted payment of the Pension Scheme benefits until the cessation of entitlement of the last beneficiary.
4. Should a country, being a Member or ex-Member of the Organization, fail to comply with its obligations under this article, the other countries shall meet the cost thereof in proportion to their contribution to the budget of the Organization as fixed annually from and after the said country's default.

### Article 41 Staff member's contribution - Costing the scheme

1. Staff members shall contribute to the Pension Scheme.
2. The staff members' contribution to the Pension Scheme shall be calculated as a percentage of their salaries and shall be deducted monthly.
3. The rate of the staff contribution shall be set so as to represent the cost, in the long term, of one-third of the benefits provided under these Rules.
4. The rate of the staff contribution shall be 9.5%.
5. An actuarial study shall be carried out every 5 years for all the Organizations, using the method described in Annex. In accordance with the result of that study, the staff contribution rate shall automatically be adjusted, with effect from the fifth anniversary of the preceding adjustment, the rate being rounded to the nearest first decimal.

However, in the event of exceptional circumstances, the Coordinating Committee on Remuneration (CCR) could recommend that the date of that study, and of any adjustment of the contribution rate resulting therefrom, be advanced.

In such a case, the normal 5-year interval between two studies and any adjustment of contributions resulting therefrom shall begin as from the date of that supplementary study except for a new application of the provisions of the preceding sub-paragraph.

6. Contributions properly deducted shall not be recoverable. Contributions improperly deducted shall confer no rights to pension benefits; they shall be refunded at the request of the staff member concerned or those entitled under him without interest.

### **Instructions**

#### **41.1/1 Sickness**

*The staff members' contribution to the Pension Scheme shall be paid during sick leave and during periods of temporary incapacity following such leave if the staff member concerned continues to receive an allowance equal to the whole or part of his emoluments. This contribution shall be calculated in relation to the portion of the allowances corresponding to salary, but reckonable years of service shall be counted at the full rate, subject to the provisions applicable in the event of temporary incapacity during a period of part-time service.*

#### **41.1/2 Leave for personal reasons**

*A staff member may not pay pension contributions during periods of leave for personal reasons of more than 6 months' duration, and during such periods the staff member shall not acquire any pension rights.*

*However, the persons entitled under him shall be entitled to receive benefits under the conditions set out in Instruction 18.1.*



## Chapter XI

# Provisions relating to the adjustment of pensions

### **Article 42      Pensions which are subject to national tax legislation**

1. The recipient of a pension under these Rules shall be entitled to the adjustment applying to the Member country of the Organization in which the pension and adjustment relating thereto are chargeable to income tax under the tax legislation in force in that country.
2. The adjustment shall equal 50% of the amount by which the recipient's pension would theoretically need to be increased, were the balance remaining after deduction of the amount of national income tax or taxes on the total to correspond to the amount of the pension calculated in accordance with these Rules.

For such purpose, there shall be drawn up, for each Member country, in accordance with the implementing instructions referred to in paragraph 6, tables of equivalence specifying, for each amount of pension, the amount of the adjustment to be added thereto. The said tables shall determine the rights of the recipients.

3. In calculating the theoretical amount of income tax or taxes referred to in paragraph 2 of this article, account shall be taken only of the provisions of tax legislation and regulations affecting the basis of liability and the amount of income tax or taxes for all pensioner-taxpayers in the country concerned.

Pensioners without spouse or dependants shall be deemed to be in the position of a pensioner without entitlement to any tax reliefs or allowances for family responsibilities, all other recipients being deemed to be pensioners enjoying the tax reliefs and allowances of a person who is married without children.

No account shall be taken:

- of individual factors related to the personal circumstances or private means of a particular pensioner,
- of income other than that arising under these Rules,
- of the income of the spouse or dependants of the pensioner.

On the other hand, account shall, in particular, be taken of circumstances arising in the course of the year as a result of:

- a change in civil status or settlement in another place of residence with a different taxation system,
- commencement or cessation of payment of the pension.

4. The Organization shall supply the Member countries concerned with the names, forenames and full address of pensioners and the total amount of the pension and adjustment.
5. The recipient of an adjustment as specified in this article shall be required to inform the Organization of his full address and of any subsequent change therein.

Such recipient shall produce evidence of his pension and the relative adjustment having been declared or taxed; should he fail to comply with this obligation, he shall be deprived of the right to this adjustment and shall refund any amounts unduly received in this respect.

6. The other procedures for calculating the adjustment and, in particular, those necessitated by the special features of certain national tax laws, and the procedure for payment of the adjustment shall be laid down in the Implementing Instructions established in accordance with the tax legislation of Member countries.

Notwithstanding Article 52, the implementing provisions referred to in this paragraph shall require approval by the Councils of the Organizations listed in Article 1.1.

### Instructions <sup>(1)</sup>

#### 42/1 **Scope and calculation of the adjustment**

1. *Article 42 of the Pension Scheme Rules shall apply only if the pension and the adjustment relating to it are subject to taxes on income levied in a Member country of the Organization. The family allowances provided for in Article 28 of the Pension Rules shall be assimilated to pensions in determining the tax adjustment in so far as similar allowances are taxable under the national tax legislation of the Member country.*
2. *The adjustment referred to in Article 42 of the Pension Scheme Rules shall be determined on the basis of the legal provisions relating to taxes on income in force in the Member country in which the pensioner is legally subject to such taxation. It shall be established in respect of pensions paid during the tax period as determined in that country.*
3. *Where the pension of a person entitled to the adjustment is paid in a currency other than that of the country in which such person is subject to taxes on income, the adjustment shall be determined on the basis of the pension converted into the currency of that country. Such conversion shall be effected at the rate obtained on the official exchange market.*
4. *Where the amounts paid during any tax period include arrears of pension relating to any previous period, the adjustment shall be determined or recalculated, as the case may be, with due regard to the tax treatment applicable to such arrears.*

<sup>(1)</sup> Approved by the Council on 10<sup>th</sup> February 1977 (C-R(77)5)

42/2      ***Establishment of tables of equivalence for payment of the adjustment***

1. *Tables of equivalence for payment of the adjustment shall be established for each tax year by the International Service for Remunerations and Pensions, hereinafter referred to as 'the ISRP'.*
2. *The tax authorities of Member countries shall provide the ISRP, at its request, with the details of legislation and Regulations necessary for establishing the tables. The tables shall be checked and confirmed by the tax authorities of the Member country concerned. In the event of disagreement between such authorities and the ISRP on the content of the tables, the Secretaries-General<sup>(1)</sup> and the Coordinating Committee shall consider the matter on the basis of Article 42 of the Pension Scheme Rules and of these implementing instructions.*
3. *Provisional tables of equivalence shall be drawn up prior to the commencement of the period to which they refer. They shall show, for rounded pension figures and in respect of each Member country, an amount equivalent to 90% of the monthly adjustment calculated according to the distinctions contained in Article 42.3 of the Pension Scheme Rules and on the basis of the tax legislation in force at the time of drawing up the tables.*
4. *The provisional tables shall be revised whenever amendments to tax legislation involve a change in the amount of the adjustment. The Secretaries-General<sup>(1)</sup> and the Coordinating Committee may however decide by mutual agreement to dispense with the up-dating of tables in cases where the balance of gain or loss is minimal.*
5. *As soon as the authorities in Member countries have finally adopted the tax legislation applicable to income for the period covered by the provisional tables, these latter shall be replaced by final tables establishing the rights of recipients in accordance with Article 42.2 of the Pension Scheme Rules. These final tables shall show the amount of the adjustment for the whole of the period which they cover, as well as the monthly amount of the adjustment.*
6. *The provisional and final tables of equivalence shall be accompanied by all such information as is necessary for their use. Such information shall include:*
  - *the rules to be observed in cases where changes in family status, dependants or permanent address (domicile) of the person entitled to the adjustment may affect the amount of the adjustment which the person concerned may claim;*
  - *the names and addresses of the tax authorities to which the Organizations supply the information specified in Article 42.4 of the Pension Scheme Rules;*

<sup>(1)</sup> For NATO, this authority is vested in the Secretary General for the Organization as a whole.

- the evidence to be supplied by persons entitled to the adjustment as proof of the declaration for tax purposes, or the taxation, of their pension and the adjustment relating thereto;
- the dates for making such declarations and for paying the tax in those Member countries which have been authorized to avail themselves of the provisions of Instruction 42/3, paragraph 2 below.

#### 42/3 **Method of payment of the adjustment**

1. The adjustment shall be paid by monthly instalments by way of advance at the same time as the pension and in an amount corresponding to that appearing in the provisional tables of equivalence referred to in Instruction 42/2, paragraph 3 above. The amounts of pension, arrears of pension and adjustment shall be shown separately on the instrument of payment issued to the recipient.
2. At the request of a country, the Secretaries-General<sup>(1)</sup> and the Coordinating Committee may, by mutual agreement, decide that by way of exception to paragraph 1, there shall be a time lag in payment of the monthly instalments of the adjustment relating to that country, provided however that payment of the whole of the monthly instalments shall be finalized before the ultimate date for payment of the tax to which they refer.
3. As soon as the final tables of equivalence are available, the total amount of the monthly instalments paid in respect of the tax period shall be compared to the final amount of the adjustment due for the whole of that period. Any excess or shortfall shall be rectified but so however that the amount involved shall not be taken into account in determining the adjustment in respect of the following tax year.
4. The adjustments shall be paid in the currency of the country in which the recipient is subject to taxes on income.

#### 42/4 **Information to be supplied to Member countries by the Organization**

1. The particulars specified in Article 42/4 of the Pension Scheme Rules shall consist of the following:
  - a) a personal particulars form giving the name and forenames, full address and, where applicable, the residence for tax purposes (*domicile fiscal*) of the pensioner, the total amount of pension paid for the period constituting the tax year, the final amount of the adjustment arrived at for such period, and the amount of arrears of pension, identifying the year to which such arrears relate;
  - b) a master list reproducing for each country, the information contained in the personal particulars form.

<sup>(1)</sup> For NATO, this authority is vested in the Secretary General for the Organization as a whole.

2. *The particulars listed in paragraph 1 of this instruction shall be supplied to the tax authorities of the country in which the persons concerned are subject to taxes on income. A copy of the personal particulars form shall be sent to the pensioner and a copy of the master list shall be sent to the Representative of the country in question to the Organization.*
3. *The obligations specified in this instruction shall be complied with at the time of the rectification referred to in Instruction 42/3, paragraph 3 above.*

**42/5      Evidence of payment of tax**

*The tax authorities referred to in Instruction 42/2, paragraph 6 above shall inform the ISRP of the evidence by which, in accordance with Article 42.5 of the Pension Scheme Rules, recipients of the adjustment may establish that their pension and the relevant adjustment have been declared for tax purposes or have been taxed.*

**42/6      Financing the adjustment**

1. *The cost of the adjustment provided for in Article 42 of the Pension Scheme Rules shall be borne by the country in which the recipient thereof is subject to taxes on income for the period considered.*
2. *Expenditure arising under paragraph 1 of this instruction shall be the subject of a separate budget which shall be drawn up at the same time as the other budgets of the Organization. Final settlement of the contributions to this separate budget shall be made at the end of the period to which it relates.*

**42/7      Transitional measures**

1. *Arrears of pension relating to tax periods prior to the approval of the Pension Scheme Rules by the Council shall be treated as contributions towards the purchase of pension rights to the extent that they are set off against capital due for the crediting of the pensioner's past service.*
2. *The effect of this provision on the amount of the adjustment shall be determined by the tax authorities mentioned in Instruction 42/2, paragraph 6 above, in collaboration with the ISRP.*

**42/8      Date of effect**

*These implementing instructions shall take effect on the date of entry into force of the Pension Scheme Rules.*



## Chapter XII

# Transitional arrangements applicable to staff whose service began before 1<sup>st</sup> July, 1974

## Section 1: Staff whose service did not terminate before 1<sup>st</sup> January 1973

### Article 43      Scope

1. Permanent staff serving on 1<sup>st</sup> July 1974, must, within the period referred to in paragraph 4 i) of this article, state in writing which one of the options referred to in Articles 44, 45 and 48 they wish to select. Staff failing to make their choice within that period shall be deemed to have chosen the option under Article 44 and to elect to be credited with past service for the periods referred to in paragraph 2 of that same article.

This choice shall be irrevocable both for the staff member and for persons entitled under him.

2.
  - i) Should a staff member who was serving on 1<sup>st</sup> July 1974 become incapacitated without having made the choice referred to in this article, his choice will in future be limited to Articles 44 and 48.
  - ii) Should a staff member who was serving on 1<sup>st</sup> July 1974 die without having made the choice referred to in this article, his spouse or, in the event of the latter's death, his orphans or other dependants, may only make the choices referred to in sub-paragraph i) above.
  - iii) The choice in favour of Article 44 or 48 must, in any event, be made by the staff member, or the persons entitled under him, within the period referred to in paragraph 4 i) of this article, or, in the event of death of the staff member or his spouse, 6 months after the date on which the Organization has notified the new scheme to the persons entitled under them.

In the cases dealt with in this paragraph 2, if the choice is not made within the time limit laid down, the staff member or the persons entitled under him shall be deemed to have made the choice covered by Article 48.

3.
  - i) Staff who have left the Organization between 1<sup>st</sup> January 1973 and 1<sup>st</sup> July 1974 may also opt for the Pension Scheme under the terms of Article 44 provided they make an application to this effect within the period referred to in paragraph 4 i) of this article.
  - ii) Should a staff member to whom this paragraph applies die without having opted for Article 44, the persons entitled under him may exercise such option not later than 6 months after the date on which they have been notified of the new scheme by the Organization.
4.
  - i) The option period provided for in this article shall end in each of the Organizations listed in Article 1.1 one year after final approval of these Rules has been given by the Council of the said Organization, save in the cases referred to in paragraphs 2 iii) and 3 ii) of this article.
  - ii) The options provided for under this section of the Rules shall take effect on 1<sup>st</sup> July 1974; however, the option referred to in paragraph 3 above shall take effect on the date of the award of the benefits under the Pension Scheme, but not earlier than 1<sup>st</sup> January 1973.

### Instructions

#### 43/1 ***Time for exercising options and statement of the position of each staff member***

- i) *The time limits laid down in Articles 43 and 44 of the Rules shall begin to run from the date fixed by the Council of the Organization at the time of the approval of the Pension Scheme Rules.*
- ii) *A statement of the position of each staff member, to be established provisionally as at 1<sup>st</sup> January 1977, shall show as at that date:*
  - *the actual amount of the staff member's holding in the Provident Fund;*
  - *the amount of contributions paid after 1<sup>st</sup> July 1974, such contributions being the property of the Organization, with the actual yield thereon, save where the option under Article 48 of the Rules is exercised;*
  - *the amount due in accordance with the provisions implementing Article 44 of the Rules, should the person concerned opt to be credited with all service completed as a permanent staff member prior to 1<sup>st</sup> July 1974, or prior to termination of service if this occurred before 1<sup>st</sup> July 1974.*
- iii) *The options provided for in Article 43 of the Rules shall be exercised in the Organization where the staff member is actually serving before the end of the transitional period; if the staff member has transferred from one Organization to another between 1<sup>st</sup> July 1973 and the end of the option period, and any break in service does not exceed 6 months, the said staff member shall be entitled to the same options.*



**43/2 Option exercisable by widow**

*In application of Article 43.2 ii) and 3 ii) of the Rules, the right to exercise an option shall be accorded only to the widow of the deceased staff member, to the exclusion of any former wife.*

*However, where the deceased staff member has left neither a widow nor any orphans but an unremarried former wife to whom he was paying maintenance, such ex-wife may exercise the option provided for in Article 43.2 ii) of the Rules.*

**Article 44 Pension with credit for past service**

1. A staff member to whom this section of the Rules applies and who has chosen the option provided for by this article shall be bound by the terms of the Pension Scheme, and be credited with any periods served by him before 1<sup>st</sup> July 1974 in one or more of the Organizations listed in Article 1.
2. A staff member credited with past service under paragraph 1 shall surrender his holding in the Provident Fund.

However,

- i) for the period prior to the setting-up of the Provident Fund, the staff member shall retain the difference between a) the amounts contributed by the Organization plus their yield up to the date when the option referred to in Article 43.4 ii) takes effect, and b) the aforesaid amounts plus compound interest at 4% per annum up to the aforesaid date;
- ii) for the period between the setting-up of the Provident Fund and the date when the option referred to in Article 43.4 ii) takes effect, the staff member shall retain such part of his holding as exceeds 21% of the salaries paid to him during this period plus compound interest at 4% per annum on the said amount of 21% up to the aforesaid date;
- iii) notwithstanding the provisions of sub-paragraphs i) and ii) above, a staff member may not retain that part of his Provident Fund holding which corresponds to any interest-bonuses granted in certain Organizations.

The cost of crediting past service under this paragraph shall be determined in nominal terms in the currency of the country or countries of service where the salaries used as a basis for the calculation of contributions were actually paid, the necessary conversions into the currency ultimately used for keeping the individual accounts being effected on the basis of exchange rates in use for Provident Fund operations on the date when the option takes effect. In cases where the Provident Fund holding paid over to a staff member when he left is refunded, the cost of crediting past service may be paid directly in the currency (or currencies) in which the contributions were payable.

The crediting of past service in the manner prescribed in this paragraph shall be irrevocable and must include all periods of service covered by this paragraph.

3.
  - i) Where a staff member has exercised his right to make withdrawals from his Provident Fund holding and where, in consequence, the amount standing to his credit is less than the amount he would have surrendered under paragraph 2 if he had not made withdrawals, service prior to 1<sup>st</sup> July 1974 shall only be credited in the proportion these two amounts bear to each other.
  - ii) This provision shall not apply where a staff member has, within the period referred to in Article 43.4 i), undertaken to repay the difference between the two amounts plus compound interest at the rate of 4% per annum as from that date.  
  
If the staff member makes only partial repayment, past service shall only be credited in the proportion referred to in the first subparagraph above.
  - iii) Should a staff member become incapacitated or die without having made the choice referred to in this article, the figure of 70% referred to in Article 14.2 as well as the minimum pensions referred to in Articles 14.4 and 19.3 shall be reduced according to the ratio between:
    - the total number of years of service that would have been reckonable - up to the age limit laid down in the Staff Regulations, in the event of invalidity - allowing for the reductions referred to in this paragraph, and
    - the total number of years of service that would have been credited if the staff member had entirely repaid the withdrawals made from his Provident Fund holding.
  - iv) Repayments provided for in this paragraph must be made within the time limit laid down in the instructions for the implementation of these Rules.
4. A staff member may also, within the period referred to in Article 43.4 i), ask to be credited with service completed before his appointment as a permanent staff member, in accordance with Article 5.5.
5. A staff member to whom this article applies and who leaves the Organization at the age limit laid down in the Staff Regulations after having completed less than the 10 years required under Article 7 shall be entitled to opt for a grant calculated in accordance with Article 11 or for a proportionately reduced pension calculated in accordance with Article 10.

### Instructions

**44/1      *Credit for past service where there have been no withdrawals***

*A staff member who chooses the option specified in Article 44 of the Rules and who has not made any withdrawals affecting the amount required for crediting past service must elect to be credited with all periods of service referred to in the said article.*

**44/2      Staff who left the Organization between  
1<sup>st</sup> January 1973 and 1<sup>st</sup> July 1974**

- i) *If such staff members opt for Article 44 of the Rules, the cost of crediting their past service shall be calculated as stated in Article 44/3 below, but as at the date of actual termination of their service.*
- ii) *Where a pension is due to the staff member - or to any persons entitled under him - on termination of service, the above-mentioned cost of crediting past service shall be deducted from the arrears of pension. Any balance remaining outstanding shall be deducted from the staff member's holding in the Provident Fund or failing this, shall be repaid before any payment of pension.*
- iii) *In the case of a deferred pension, the cost of crediting past service referred to in paragraph i) shall be repaid within 24 months from the end of the option period, and at a rate of compound interest of 4% per annum from the date of termination of service up to the date when such repayment is completed.*
- iv) *The above-mentioned amounts shall be refunded in the currency of the last country of service at the rate in force for Provident Fund operations on the first day of the month following the termination of service; however, the staff member concerned may make the refunds directly in the currency of the country where the remuneration was paid, in respect of the crediting of the relevant pension rights.*

**44/2 bis      Staff leaving the Organization after 1<sup>st</sup> July 1974**

- i) *Staff serving before 1<sup>st</sup> July 1974, and having left the Organization after that date, shall be entitled to exercise the option on the terms laid down in Articles 43 and 44 of the Rules.*
- ii) *In the case of such staff members, or of pensions entitled under them, Instructions 44/2 ii) and iii) and 44/3 shall be applicable, but the cost of crediting past service to be taken into account shall be determined as at 1<sup>st</sup> July 1974.*
- iii) *They shall in addition be liable to pay over the 21% contributions paid after 1<sup>st</sup> July 1974, with the actual yield thereon up to the date of repayment. Such repayment must be made not later than the end of the option period, save where Article 48 of the Rules applies.*

**44/3      Cost of crediting past service for staff serving at the  
time when the option is exercised**

- i) *Contributions paid from 1<sup>st</sup> July 1974*

*A staff member or any person entitled under him who opts for Article 44 or Article 45 of the Rules shall be liable to pay over the contributions paid after 1<sup>st</sup> July 1974, with the actual yield thereon in the Provident Fund of the Organization; such amount is to be paid over not later than the end of the option period.*

ii) *Cost of crediting service prior to 1<sup>st</sup> July 1974*

*Such cost, as determined in accordance with Article 44.2 of the Rules, shall not be greater than the Provident Fund holding to which the person concerned would have been entitled if he had not made any withdrawals.*

*Subject to this limit, the calculation of the amount of Provident Fund holding which must be surrendered to the Organization in respect of the crediting of past service shall be made at the rate of compound interest of 4% per annum from the date of actual payment of the contributions until 1<sup>st</sup> July 1974; if the contributions were in fact calculated at the time on the basis of salaries corresponding to countries of service other than the country of service on 1<sup>st</sup> July 1974, they shall be calculated separately, with compound interest at the rate of 4% per annum up to 1<sup>st</sup> July 1974, in the respective currencies of the said other countries, and then converted into the currency of the country of service on 1<sup>st</sup> July 1974, at the rate of exchange in force on that date for operations of the Provident Fund. The total of such costs of crediting past service corresponding to different countries of service shall determine the amount due at 1<sup>st</sup> July 1974, in order to have such past service credited.*

iii) *Reconstitution of the cost of crediting past service*

*Where a staff member has exercised his right to make withdrawals from his Provident Fund before 1<sup>st</sup> July 1974, and the amount standing to his credit in his individual account at that date is less than the cost of crediting past service as calculated at 1<sup>st</sup> July 1974, he may refund the difference between the two amounts, with compound interest on such difference at the rate of 4% per annum, accruing from 1<sup>st</sup> July 1974, over a maximum period of 5 years from the end of the option period, provided, however, that such refund may not continue beyond the age limit laid down in the Staff Regulations.*

*Where a staff member has exercised his right to make withdrawals from his Provident Fund after 1<sup>st</sup> July 1974, and the amount standing to his credit in his individual account is less than the cost of crediting past service as calculated at 1<sup>st</sup> July 1974, plus the actual yield of the Fund thereon up to the date of the withdrawal, he may refund the difference between the said two amounts over a maximum period of 5 years from the end of the option period, such refund not continuing however beyond the age limit laid down in the Staff Regulations, with compound interest at 4% per annum accruing from the date of the withdrawal.*

*The same provisions shall apply where the staff member had received his Provident Fund holding on leaving a previous Organization.*

iv) *Refunds made after 1<sup>st</sup> July 1974*

*Such refunds are to be taken into account on the successive dates on which they are made, for the purpose of:*

- reconstituting, in priority, the contributions referred to in paragraph i),
- reducing the amount to be refunded in respect of the cost of crediting past service referred to in paragraph iii).

Such refunds, within the limits of the amounts due under paragraphs i) and iii) above, shall increase for the benefit of the Organization, at the rate of the actual yield on the Provident Fund.

v) *Credit balance*

If the statement referred to in Instruction 43/1 ii) shows that the staff member's Provident Fund holding is greater than the total of the amounts due pursuant to the preceding paragraphs of this instruction, the staff member may, in accordance with the relevant provisions of the Rules of the Provident Fund of the Organization, either:

- have his credit balance paid to him within such time as is compatible with the management of the Fund, or
- leave such balance invested with the other Provident Fund holdings.

Until such time as it is withdrawn by him, the staff member's credit balance shall be subject to the fluctuations of the Provident Fund of the Organization, all risks of gain or loss being borne solely by the staff member or any persons entitled under him.

vi) *Partial credit for past service*

If a staff member who has availed himself of the facilities provided for in paragraph iii) above for refunding the amounts identified in that paragraph has not succeeded in refunding the total of such amounts on the expiry of the period prescribed in that paragraph, his past service completed prior to 1<sup>st</sup> July 1974 shall be credited only in proportion to the amount of capital actually paid over for the purpose of crediting such service.

vii) *Reduction of minimum pensions*

In the cases provided for in Article 44.3 iii) of the Rules, the calculation of the reductions shall be made in accordance with the example annexed hereto, if the staff member became incapacitated or died before exercising the option specified in Article 44 and if the service completed by him before 1<sup>st</sup> July 1974, in the Organization responsible for paying the invalidity or survivor's pension - and in any other previous Coordinated Organization - has not been fully credited at the time when the above-mentioned pension is awarded.

However, no reduction in the minimum pensions referred to in this paragraph shall be made if the staff member or persons entitled under him pay the sums remaining due in respect of credit for past service before the payment of pension benefits.

**44/4      *Refund of amounts due in respect of the cost of crediting past service***

- i) *Refunds due as mentioned in Instruction 44/3 iii) for the purpose of reconstituting the cost of crediting past service shall be made in equal monthly instalments within a maximum period of 5 years.*

*They may not, except with the consent of the person concerned, exceed 20% of his basic salary for the first month following the decision of the Council approving the Pension Scheme Rules; they shall, however, be at least 10% of such salary.*

- ii) *In the event of the staff member becoming incapacitated or dying, any amounts still remaining due in respect of credit for past service shall be deducted from the capital amounts payable to the staff member concerned or the persons entitled under him, in accordance with the provisions of Instruction 38.1.*

*However, any amounts due under Instruction 44/3 i) shall be deducted in priority from such capital amounts, or failing this, from the pension benefits.*

- iii) *A staff member who, when exercising his option under the Transitional arrangements, requests that years of service completed in one or more Coordinated Organizations be taken into account shall be required to pay over to the Organization in which he is serving at the time of exercising his option the cost of crediting the above-mentioned years of service, as calculated according to the rules applicable to the previous Organization or Organizations; if any refunds in respect of such years of service are due from the staff member concerned, such amounts shall be paid to the Organization in which the option was exercised, in accordance with the terms of paragraph i) above.*

- iv) *However, if the staff member concerned is entitled to any arrears of pension, such arrears shall be set off against the refunds due in respect of credit for past service(\*), and the rate of compound interest of 4% per annum shall not be taken into account during the period running from the date on which the pension takes effect up to the date of actual award of the arrears of pension. Any balance remaining due in respect of credit for past service shall be repaid before any payment of pension.*

(\*) The cost of validation covers all amounts due by entitled persons at the date of accrual of the right to a pension.

## Annex to Instruction 44/3 vii)

### Example of calculation of a reduction

1.	Past service: 10 years up to 1 <sup>st</sup> July 1974		
2.	Cost of crediting past service at 1 July 1974		45 734.71 EUR
3.	Holding in Provident Fund at the date of exercising the option (no account being taken of interest from 1 <sup>st</sup> July 1974)		15 244.90 EUR
4.	Actual capital refunds at pension time (within time limit prescribed by Article 44.4)		7 622.45 EUR
5.	Amount actually paid in respect of credit for past service 15 244.90 + 7 622.45		22 867.35 EUR
6.	Reduction of reckonable years of service credited: 1.52 x 22 867.45/45 734.71 5 years instead of 10 years		
7.	Reckonable years of service remaining to be acquired from 1 <sup>st</sup> July 1974, up to age 65, including bonus after age 60: 11 years		
8.	Reckonable years of service acquired at age 65:		thus automatically affecting the minimum retirement pension (Article 10.3)
	instead of	5 + 11 = 16	
		10 + 11 = 21	
8. bis	Assumption of default in making full refund of amounts withdrawn from contributions paid after 1 <sup>st</sup> July 1974: nil credit for past service.		
9.	Reduction of the rate of 70% (Art. 14.2) 70% x 16 / 21		In the event of the staff member becoming incapacitated or dying before exercising the option, and in the event of default of payment of full cost of credit for past service, either on the part of the staff member or of the person or persons entitled to a survivor's pension (widow-orphans)
10.	Reduction of minimum pensions (Art. 14.4) 120 x C.1/1 x 16 / 100 x 21 Reduction of minimum pensions (Art. 19.3) C.1/1 x 16 / 21		

**Article 45 Pension without credit for past service**

1. A staff member to whom this section of the Rules applies and who has chosen the option provided for by this article shall be bound by the terms of the Pension Scheme but shall in derogation of Article 5.1 ii) irrevocably renounce the right to be credited with service prior to 1<sup>st</sup> July 1974 in one or more of the Organizations listed in Article 1.1.
2. If he leaves the Organization without completing 10 years' service subsequent to 1<sup>st</sup> July 1974 he shall receive a leaving allowance as provided for in Article 11 in respect of his service subsequent to that date.
3. If he leaves the Organization after completing 10 or more years' service subsequent to 1<sup>st</sup> July 1974 he shall, subject to the conditions laid down in Chapter II, be entitled to a retirement pension for his service subsequent to that date. In the calculation of the minimum retirement pension provided under Article 10.3 only the years served after the afore-mentioned date shall be taken into account.
4. If he becomes incapacitated or dies while serving, the provisions of Chapters III to VI shall be applied as appropriate.

**Article 46 Bonus for service after the age of 60**

1. A staff member to whom this section of the Rules applies, who has chosen one of the options given in Articles 44 and 45, and who has continued to serve beyond the age of 60, shall, in respect of each year completed after that age, be entitled to an increase in pension corresponding to 5% of the reckonable years of service credited to him at the age of 60, but
  - i) the increase granted in respect of each year served after the age of 60 shall not exceed 2% of the salary defined in Article 10.1, and
  - ii) his total pension shall not exceed 70% of the salary so defined.
2. Within the same limit, pension rights shall continue to accrue as provided for in Article 10.1.
3. This article shall, in the case covered by Article 14.1, apply only in respect of actual service after the age of 60.

**Instruction****46/1 Calculation of bonus**

- i) *The bonus provided for in Article 46 of the Rules shall be calculated by reference to the reckonable years of service acquired at the end of the month in which the staff member attained his sixtieth year:*
  - even if on that date they number less than 10 years;
  - full months of service being counted as twelfths of a reckonable year of service;



- account being taken, where appropriate, of reckonable years of service up to the age of 60 years for the purpose of Articles 14.1 and 16.2 of the Rules.

- ii) Subject to the ceilings specified in Article 46.1 of the Rules, the bonus percentage ascertained as above shall be added to the normal rate of pension entitlement, namely, 2%, which is allotted for each year of service, or for each fraction amounting to at least one-twelfth of a year, completed after the age of 60.

### Examples of calculations

1.	Reckonable years of service at age 60	12, i.e. rate of pension = 24%
	Bonus per year from age 60 to 65	$24\% \times 5 / 100 = 1.2\%$
	Total pension entitlement per year from age 60 to 65	$2 + 1.2 = 3.2\%$
2.	Reckonable years of service at age 60	20 years and 6 months, i.e. rate of pension = 41%
	Bonus per year from age 60 to 65	$41\% \times 5 / 100 = 2.05\%$ , reduced to 2%
	Total pension entitlement per year from age 60 to 65	$2 + 2 = 4\%$
	e.g. if the staff member leaves at age 62 years and 6 months	$41 + 8 + 2 = 51\%$
3.	Reckonable years of service at age 60	25, i.e. rate of pension = 50%
	Annual bonus reduced to maximum of 2%	
	Total pension entitlement per year from age 60 to 65	$2 + 2 = 4\%$
4.	Reckonable years of service at age 60	30, i.e. rate of pension = 60%
	Bonus per year from age 60 to 65	$60\% \times 5 / 100 = 3\%$ , reduced to 2%
	Total pension entitlement per year from age 60 to 65	$2 + 2 = 4\%$
	Maximum of 70% at 62.5 years	

**Article 47 Compensation for loss of previous pension rights**

A staff member to whom this section of the Rules applies may receive compensation by way of reckonable years of service under the conditions and within the limits laid down in the provisions implementing the Rules if he establishes that, by reason of having joined the Pension Scheme of the Organization, he has been obliged to forfeit all or part of any pensions rights that may have accrued to him previously in his country of origin, without being able to obtain the actuarial equivalent of such rights.

**Instructions****47/1 Conditions of entitlement**

*The compensation referred to in Article 47 of the Rules shall be awarded if the staff member satisfies all the following conditions:*

- i) that he has lost, in whole or in part, the pension rights corresponding to periods of service immediately preceding his appointment by the Organization, or by another Organization listed in Article 1.1 of the Rules in the case of a change from one of such Organizations to the present one;*
- ii) that the earlier pension scheme has not made a payment of the actuarial equivalent or of a capital commutation representing the full value of the aforesaid right, e.g. under Article 12.1 of the Rules;*
- iii) that the staff member pays over to the Organization a fraction of any amounts he may receive from the earlier pension scheme, although not representing the full actuarial value of the rights lost; such fraction shall be calculated according to the ratio between the number of reckonable years lost and the number of reckonable years allotted as compensation under this instruction;*
- iv) that, under the earlier scheme, it is impossible to retain the full benefit of previous rights, e.g. by contributing to such scheme on a voluntary basis or by way of secondment rather than resignation;*
- v) that he elects to be credited in full for all service with the Organizations listed in Article 1.1, in accordance with Articles 4, 5 and 44 of the Rules;*
- vi) that he continues to serve in the said Organizations until the age limit laid down in the Staff Regulations, save in case of death or loss of employment.*

**47/2 Calculation of compensation**

*Compensation by way of reckonable years of service shall be calculated by applying to the past reckonable years which have been recognized as lost the coefficients and maxima appearing in the annexed table, established by reference to age at the time of the appointment referred to in paragraph 1 i) above. Such compensation may not exceed:*

- the number of years of actual service which it will be possible for the staff member to complete up to the age limit laid down in the Staff Regulations;*

- half the number of years of service which, upon his attaining the age limit laid down in the Staff Regulations, would still have been required for him to complete 35 reckonable years of service.

**47/3 Time limit for applying**

*Applications for compensation must be submitted before the end of the option period.*

**47/4 Repayments of amounts received for previous rights**

- i) *Any repayment due under Instruction 47/1 iii) must be made before the end of the option period or as soon as the relevant amounts are paid by the previous pension scheme.*
- ii) *If, instead of the actuarial equivalent of the previous pension rights, the staff member concerned has received any payments in satisfaction of such rights, he shall refund to the Organization a fraction of such payments equal to the ratio between the number of reckonable years of service awarded as compensation under Article 47 of the Rules and the number of reckonable years which he has had to relinquish under the previous scheme.*

*Failing such repayment within 2 months of the payment made in satisfaction of such rights, or of the application for compensation, no compensation shall be awarded under Article 47 of the Rules.*

- iii) *In the case of total or partial refusal to award the above compensation on the termination of service of a staff member, any amounts repaid under this instruction shall be refunded to the staff member, where necessary in proportion to the compensation awarded.*

## **Examples illustrating the application of Article 47 of the Rules**

(EEC examples - Article 107)

### **I. Lost IMF pension rights (years of pensionable service)**

1. Date of birth: 12.9.1918
2. Date of statutory affiliation to EEC Scheme: 1.9.1958
3. Age at date of EEC affiliation: 39 years, 11 months, 19 days
4. Impossibility for official to complete maximum years of pensionable service in EEC by age 65
5. Affiliation to international organization fund before EEC affiliation: from 8.1.1948 to 31.7.1958
6. Non-payment of full actuarial equivalent of rights acquired according to 5. above, but part payment: 44 554.44 EUR
7. Impossibility established of preserving or acquiring pension rights in previous scheme
8. Period lost in previous scheme: from 8.1.1948 to 31.7.1958, i.e. 10 years, 6 months, 23 days

9. Calculation of EEC compensation for 10 years and 6 months lost (23 days = fraction of month not qualifying for compensation)
- Coefficient according to age (39 years) at affiliation to EEC scheme:  
0.6587 per year lost  
0.0548 per month lost
  - Compensation for 10 years lost:  
10 years x 0.6587 = 6.587 years  
0.587 years x 360 days = 211.320 days  
6 years  
7 months  
1 day
  - Compensation for 6 months lost:  
6 months x 0.0548 = 0.3288 months  
0.328 months x 360 days = 118.3680 days  
3 months  
28 days
  - Total compensation  
6 years  
10 months  
29 days
10. Maximum according to age at affiliation and number of EEC years of pensionable service up to retirement age (50%):  
65 years - 39 years, 11 months, 19 days  
25 years  
12 days
- 35 years of pensionable service -  
25 years, 12 days =  
9 years, 11 months, 24 days / 2 =  
4 years, 11 months, 24 days / EEC compensation granted
11. Repayment to EEC of part of amounts referred to under 6. (44 554.44 EUR)
- Formula: 4 years, 11 months, 24 days (see 10.) / 10 years, 11 months, 24 days (see 8.) = 47.17%
- Fraction to be refunded: 44 554.44 x 47.17% = 21 015.55 EUR

## II. Lost Federal Republic of Germany pension rights

(Years of pensionable service)

1. Date of birth: 14.12.1902
2. Date of statutory affiliation to EEC Scheme: 25.2.1958
3. Age and date of EEC affiliation: 55 years, 2 months, 11 days
4. Impossibility for official to complete maximum years of pensionable service in EEC by age 65
5. Federal Republic of Germany rights acquired before EEC affiliation: from 1.1.1928 to 24.2.1958, i.e. 75%
6. Non payment of actuarial equivalent of previous rights
7. Reduction of rights acquired prior to EEC:  
2.14% per year from 7<sup>th</sup> year at EEC, i.e.:

9 full years at EEC - 6 years = 3 years  
 (Federal Republic of Germany rights being thus reduced  
 from 75% to 68.58% = 2.14% x 3)

8. Calculation of EEC compensation corresponding to age 55  
 (date of EEC affiliation)  
 0.8984 per year lost, i.e.:  
 3 years x 0.8984 = 2 years, 8 months, 10 days
9. Maximum according to age at affiliation and number of EEC years of  
 pensionable service to retirement age: not applicable in the particular case.

### Coefficient referred to in Instruction 47/2

Age on appointment	Compensation coefficients applicable		Ceiling for compensation	
	to years lost	to months lost	Years	Months
30	0.5624	0.0468	-	-
31	0.5722	0.0477	-	-
32	0.5822	0.0485	-	-
33	0.5924	0.0493	1	6
34	0.6027	0.0502	2	-
35	0.6135	0.0511	2	6
36	0.6243	0.0520	3	-
37	0.6356	0.0529	3	6
38	0.6470	0.0533	4	-
39	0.6587	0.0548	4	6
40	0.6707	0.0558	5	-
41	0.6833	0.0569	5	6
42	0.6960	0.0580	6	-
43	0.7091	0.0590	6	6
44	0.7224	0.0602	7	-
45	0.7359	0.0613	7	6
46	0.7497	0.0624	8	-
47	0.7639	0.0636	8	6
48	0.7785	0.0648	9	-
49	0.7935	0.0661	9	6
50	0.8092	0.0674	10	-
51	0.8254	0.0687	10	6
52	0.8425	0.0702	11	-
53	0.8604	0.0717	11	6
54	0.8791	0.0733	11	-
55	0.8984	0.0748	10	-
56	0.9186	0.0765	9	-
57	0.9393	0.0782	8	-
58	0.9602	0.0800	7	-
59	0.9820	0.0818	6	-
60	1	0.09	5	-

**Article 48 Provident Fund**

1. A staff member to whom this section of the Rules applies may opt to remain in the Organization's Provident Fund Scheme instead of receiving the benefits provided for in these Rules, where his contractual situation requires that such an option be given to him.
2. In derogation of Article 5.1 ii), he shall thus irrevocably renounce the right to be credited with service prior to 1<sup>st</sup> July 1974 in one or more of the Organizations listed in Article 1.1.

**Instruction****48/1 Limited nature of the option**

*A staff member whose contract is terminated after he has chosen the option specified in Article 48 of the Rules and who, after leaving the Organization, is then re-appointed by the same or another Coordinated Organization, shall be subject to the Pension Scheme from the commencement of this new appointment.*

**Section 2: Staff whose service terminated before  
1<sup>st</sup> January 1973****Article 49 Scope**

1. As a transitional measure, the provisions of these Rules shall, if so requested by them, apply to:
  - i) former staff members, with not less than 10 years' service who left the Organization at the age of 60 or more, and their widows, incapacitated widowers and orphaned children,
  - ii) the widows, incapacitated widowers and orphaned children of staff members who died while serving,
  - iii) staff members permanently incapacitated while serving, and their widows, incapacitated widowers and orphans, when the events referred to in i), ii) and iii) occurred before 1<sup>st</sup> January 1973.
2. These beneficiaries shall, however, refund to the Organization responsible for payment of the benefits the Provident Fund holding due to the staff member at the time of his departure, death or recognition as unfit for service. This refund shall include non-reimbursed withdrawals under the conditions laid down in Article 44.3.

This refund shall be limited to the amount of contributions paid by the staff member and by the Organization, plus compound interest at 4% per annum, such refund shall be abated, where applicable, by an amount calculated by means of the following fraction:

- Numerator: the difference between the age of the staff member on 1<sup>st</sup> January 1973 and his age at the time of departure, death or recognition as unfit for service.
  - Denominator: the difference between 80 and the age of the staff member at the time of departure, death or recognition as unfit for service.
3. The request referred to in paragraph 1 above must be made within the period referred to in Article 43.4 i), failing which the right to do so shall lapse. The benefits under this article shall be granted with effect from 1<sup>st</sup> January 1973.
  4. Benefits under this article shall be calculated by reference to the staff member's grading when he left the service before 1<sup>st</sup> January 1973 but on the basis of the corresponding scales in force on 1<sup>st</sup> January 1973, subsequently adjusted in accordance with Article 36.
  5. Staff to whom this article applies shall not benefit under the provisions of Article 46.

### Instructions

#### 49/1 **Abatement showing a positive balance**

*When the abatement under Article 49.2 of the Rules is greater than 100%, such excess shall not be paid to the beneficiary.*

#### 49/2 **Special case of staff members re-appointed in an auxiliary or temporary capacity**

*The abatement shall be calculated in a manner specified in Article 49.2 of the Rules if the former staff member concerned is granted a retirement pension with effect from 1<sup>st</sup> January 1973 in accordance with paragraph 3 of that article.*

#### 49/3 **Procedure for refund of Provident Fund holdings**

- i) *The amounts refundable under Article 49.2 of the Rules shall be calculated at 4% per annum compound interest up to 1<sup>st</sup> January 1973; they shall then be abated as prescribed in Article 49.2 of the Rules. If the refunds actually made constitute only part of the above-mentioned amounts, the pension rights and minimum pensions shall be reduced proportionately, in accordance with the rule laid down in Article 44.3 of the Rules.*
- ii) *The amounts referred to in the preceding paragraph may include, before any abatement is applied, withdrawals previously made by the staff member concerned from his Provident Fund holdings in order to maintain his rights under a national retirement pension scheme or to finance dealings in real estate. The refund of such withdrawals may be partial, in which case the pension rights and minimum pensions shall be reduced in accordance with the rule laid down in Article 44.3 of the Rules, in the ratio existing, after abatement, between the amounts partly refunded (Provident Fund plus withdrawals) and the same amounts were they to be refunded in full.*

- iii) *The amounts payable for the crediting of past service thus determined shall be refunded at the time when payment of the corresponding pensions commences.*

*If the sums due in respect of arrears of pensions enduring at 1<sup>st</sup> January 1973, fall short of the amount to be paid for the crediting of past service, the balance remaining due must be paid by the staff member concerned as soon as the pensions are effectively paid, where necessary by deduction from holdings remaining in the Provident Fund, or failing this, in monthly instalments with interest at the interest rate of 4% per annum from the commencement of actual payment of pension and within a maximum period of 12 months.*

## Section 3: Hardship allowance

### Article 50      Hardship allowance

1. As an exceptional measure, where a staff member governed by the transitional arrangements is - or the persons claiming under him are - unable to make the refunds required under Article 44 or Article 49, he - or they - may, if the Secretary-General<sup>(1)</sup> considers this justified in the light of his - or their - overall income, be granted a hardship allowance. This allowance shall not exceed the amount of the minimum pension provided for in the Rules in respect of each category of beneficiary.

A hardship allowance may also be granted on grounds of low level of income to the widowers of female staff members who died before 1<sup>st</sup> January 1979. In this case any pension granted as the case may be to the children or other dependants shall be reduced to the amount laid down in Article 25.2.

2. The hardship allowance may only be granted as from the first day of the month following that in which the application is made, and in any event not earlier than 1<sup>st</sup> July 1974; it may not, however, be granted to a former staff member before he has reached the age of 60, unless he is incapacitated.
3. Detailed application of this article will be governed by the instructions referred to in Article 52.

### Instructions

#### 50/1      **Other income taken into account**

- i) *The Secretary-General of the Organization<sup>(1)</sup> shall decide, after consulting the Staff Association, unless the person concerned objects to such consultation<sup>(2)</sup>, whether a hardship allowance is justified having regard to the impossibility of the staff member or those entitled under him to refunding the amounts referred to in Instructions 44 or 49, taking account of their income or assets in the*

<sup>(1)</sup> For NATO, this authority is vested in the Secretary General for the Organization as a whole.

<sup>(2)</sup> Within NATO, such consultation will only take place if the person concerned so requests.



*form of capital or real estate which could be realised to make the refunds in question.*

- ii) *In any event, the hardship allowance shall be reduced to the extent that the former staff member required to make refunds (or the persons entitled under him) is in receipt of taxable income exceeding the salary for grade C.1, step 1 for the country where he resides, or the last country in which he served if the country of residence is not a Member of one of the Coordinated Organizations mentioned in Article 1.1 of the Rules.*

50/2      **References to the Pension Scheme Rules**

*The hardship allowance shall not constitute a right for a former staff member or for any other beneficiaries; subject to this proviso, the following provisions of the Pension Scheme Rules shall apply to it: Articles 3, 7, 9.2, 10.3, 14.3 and 14.4, 15, 16, 17.2, 18, 19.3 and 19.4, 21 (first sentence), 22.1, 23 to 29, 31, 33 to 40 and 42.*



## Chapter XIII

# Final provisions

### Article 51 Coordination

1. These Rules must be applied in a uniform manner by the different Organizations listed in Article 1. To this end, the Secretaries/Directors-General<sup>(1)</sup> of those Organizations shall consult among themselves in order to carry out the appropriate coordination.

#### Instructions

##### 51.1/1 **Administrative Committee on Pensions**

*The Standing Committee of Secretaries-General has set up the Administrative Committee on Pensions of the Coordinated Organizations (CAPOC) so as to have at its disposal a body which can effectively ensure that the provisions of the Pension Scheme Rules are uniformly applied (document CCG/W(74)43 of 27 December 1974, paragraph 1).*

##### 51.1/2 **Forms**

*A standard form is used for determining the position regarding each staff member's reckonable years of service for pension purposes at a particular date, viz.:*

- *either on leaving the Organization or on the assessment of a benefit; or*
- *on changing from one Organization to another.*

*This form recapitulates the regulatory provisions to be consulted on such occasions.*

### Article 52 Detailed implementation

1. Instructions for the implementation of these Rules shall be drawn up by the Secretary/Director-General<sup>(1)</sup> of the Organization.

#### Instruction

##### 52.1 **Date of issue**

*The implementing instructions shall be issued by the Secretary/Director-General on a proposal by the Committee of Representatives of the Secretaries-General (CRSG) of the Coordinated Organizations after consultation of the Committee of Staff Representatives (CRP).*

*They shall be updated periodically.*

<sup>(1)</sup> For NATO, this authority is vested in the Secretary General for the Organization as a whole.

**Article 53      Entry into force**

1.      These Rules shall enter into force on 1<sup>st</sup> July 1974.

**Instruction****53.1      Date of entry into force of the implementing instructions**

*The implementing instructions shall enter into force on the date as laid down by the Secretary/Director-General of the Organization.*

## Appendix 1 to Annex IV

### **Rules governing entitlement to a survivor's pension for widows of present or former staff members who were affiliated to the Pension Scheme prior to 27<sup>th</sup> March 1979**

(161<sup>st</sup> Report of the Coordinating Committee of Government Budget Experts, Sect. IV(b), Transitional measures)

#### **Article 18      Conditions of entitlement**

1. A survivor's pension shall be payable to the widow:
  - (i) of a staff member who died in service, provided she had been married to him for at least one year at the time of his death, except if his death resulted either from disablement or illness contracted in the performance of his duties, or from an accident;
  - (ii) of a former staff member entitled to a deferred pension, if she had been married to him for at least one year at the time when he left the Organization or for at least 5 years at the time of his death;
  - (iii) of a former staff member drawing an invalidity pension, if she was married to him at the time of his recognition as permanently unfit for service, or had been married to him for at least 5 years at the time of his death, or if his death resulted either from disablement or illness contracted in the performance of his duties or from an accident;
  - (iv) of a former staff member drawing a retirement pension, if she had been married to him for at least one year at the time of his retirement or for at least 5 years at the time of his death.
2. The conditions laid down above with regard to duration of the marriage shall be waived where there are one or more children of the marriage or of a marriage of the staff member contracted prior to his leaving the Organization, inasmuch as the widow is providing or has provided for their needs.
3. Entitlement to a survivor's pension shall be subject to the provisions of Article 2.



## Appendix 2 to Annex IV

### ACTUARIAL STUDIES

(197<sup>th</sup> Report of the Coordinating Committee on Remuneration)

**Periodicity:** At least every 5 years

#### Method

1. Calculation, as at the effective date of the study for all the organizations, of the rate of contribution payable by staff in order to finance one-third of benefits provided under the Scheme, establishing the present value of future entitlements and salaries.
2. Projections of annual amounts of future entitlements will be calculated, on the one hand, for the overall population of staff members at the date of the study and, on the other hand, for the population of staff members who will be recruited by the Coordinated Organizations in the years to come. Projections of salaries for these populations will also be established year by year. Each of these amounts will be discounted to present worth.
3. Combining these results will make it possible to determine the rate of contribution needed to finance one-third of benefits provided under the Scheme.

#### Demographic assumptions

4. The demographic assumptions are derived from detailed demographic studies for each of the Coordinated Organizations. These studies examine past experience over a period of fifteen years in tranches of five years so as to identify trends; they also take account of available forecasts regarding future numbers of staff.
5. The rates obtained are adjusted so as to eliminate distortions resulting from insufficient data in certain Organizations.

#### Economic assumptions

6. The discounting process is based on observed rates of return on long-term bonds issued in the reference countries, as from the date when they become a reference country.
7. A discount rate net of inflation shall be used. It shall be equal to the arithmetical average of average real rates observed over the thirty years preceding the date when the actuarial study is conducted.
8. The average real rate for a given past year is obtained from the real rates in each country, calculated as the difference between the rate of gross return on bonds and the corresponding rate of inflation, as shown by the national consumer price index. The average is obtained by weighting the real rate in

each country by the number of serving staff in that country at the effective date of the study.

**Salary increase assumptions**

9. The salary increase assumptions are derived for each organization from an analysis of the past experience over a period of 15 years in tranches of five years so as to identify trends. They also take account of available forecasts in that respect.



## Annex V

# Regulations on the indemnity for loss of job

Council decision of 26<sup>th</sup> July 1972 - C-R(72)35 (78<sup>th</sup> Report of the Coordinating Committee of Government Budget Experts) modified by Council decision of 17<sup>th</sup> July 1986 PO/86/53 (217<sup>th</sup> Report of the Coordinating Committee) and by Council decision of 25<sup>th</sup> July 2003 - C-M(2003)80(INV).

### General principles

1. The Secretaries-General of the Coordinated Organizations<sup>(1)</sup> shall have power to award an indemnity for loss of employment to any staff member of the Coordinated Organizations<sup>(2)</sup>:
  - (1) who holds a firm contract<sup>(3)</sup>;
  - (2) and whose services are terminated for any one of the following reasons<sup>(4)</sup>:
    - (a) suppression of the budget post occupied by the staff member;
    - (b) changes in the duties of the budget post occupied by the staff member of such a nature that he no longer possesses the required qualifications;
    - (c) general staff cuts including those due to a reduction in or termination of the activities of an Organization;
    - (d) the withdrawal from the Organization of the Member country of which the staff member is a national;

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<sup>(1)</sup> This authority is reserved to SACEUR in respect of international civilian members of the staff employed in military headquarters within Allied Command Operations.

<sup>(2)</sup> For the purposes of these Regulations, the term "staff member" shall mean a member of the international civilian staff, whatever the nature of his contract. The present Regulations shall therefore not apply to staff of local status, temporary staff, experts or consultants.

<sup>(3)</sup> A firm contract shall be interpreted to mean a contract made with a staff member on completion of the probationary period. It goes without saying that a staff member who has held a firm contract in a Coordinated Organization and who has subsequently been offered, either in that Organization or in another Coordinated Organization, a contract involving a probationary period, shall be deemed to satisfy this condition if such contract is terminated during or on completion of such probationary period.

<sup>(4)</sup> The Council decided on 29<sup>th</sup> January 1986 that turnover of staff for political or technical reasons after at least 10 years of service shall be assimilated to the reasons set out in paragraph 1(2)(PO/86/4 dated 14<sup>th</sup> January 1986 and PO/86/53 dated 7<sup>th</sup> July 1986).

- (e) the transfer of the headquarters of the Organization or of any of its units to another country and the consequent transfer of the whole staff concerned;
  - (f) the refusal by the staff member, where his contract does not cover the point, to be permanently transferred to a country other than that in which he is serving;
  - (g) withdrawal of security clearance on grounds which do not warrant the dismissal of the staff member as a result of disciplinary action;
  - (h) specific staff policy as agreed by the Council or as provided for in the staff regulations of the Organization concerned (excluding cases where the services of a staff member are terminated on grounds of health, discipline or on reaching the age limit), after not less than 10 consecutive years of service in one or more of the Coordinated Organizations;
- (3) and who
- (a) is not offered a post in the same grade in the same Organization, or
  - (b) is not appointed to a vacant post in one of the other Coordinated Organizations at a comparable remuneration, or
  - (c) if employed in the public service, has failed to obtain immediate reintegration in his national civil or military administration.
- (4) who holds a firm contract and whose services are terminated for persistent unsatisfactory service, other than through negligence or deliberate intention on the part of the staff member, as assessed under a system of performance management established by the Head of a NATO body in accordance with Article 55 of the Civilian Personnel Regulations, and who is not covered by the provisions of paragraph 1.(3) of the present article.
2. The method of calculating the indemnity differs as between fixed term appointments and indefinite term appointments.

## A. Fixed term appointments

### Amount of indemnity

3. The amount of indemnity for loss of job shall be equal to half the product of the monthly emoluments of the staff member (basic salary plus the Organization's contribution to the Provident Fund or Defined Contribution Pension Scheme and, where appropriate, the household allowance and the dependant's allowance) multiplied by the number of months remaining up to the expiry of the term of his contract, provided that it shall in no case exceed:
- 5 months' emoluments in the case of a contract for three years or less;
  - 8 months' emoluments in the case of a contract for four years, or for any term between three years and four years;
  - 10 months' emoluments in the case of a contract for more than four years.

4. The emoluments to be taken into account in calculating the amount of the indemnity shall be those received by the staff member at the date of leaving the Organization.

**Payment of the indemnity**

5. The indemnity shall be paid to the staff member in full at the time he leaves the Organization.

**B. Indefinite term appointments**

**Amount of indemnity**

6. The amount of the indemnity, expressed in months or fractions of a month of emoluments (basic salary plus the Organization's contribution to the Provident Fund or Defined Contribution Pension Scheme and, where appropriate, the household allowance and the dependant's allowance) shall be one month's emoluments for each year of service from the date when the staff member joined the Organization. However, the amount of indemnity so calculated shall be subject to a ceiling. This ceiling is set at 18 months emoluments at 1<sup>st</sup> January, 1972 and shall be raised at the rate of one month per year up to a maximum level of twenty four months. Furthermore, the amount of indemnity shall not represent a number of months, or fractions of a month in excess of the period which the staff member would still have to serve before reaching the age limit specified by the Staff Rules of the Organization concerned.
7. The emoluments to be taken into account in calculating the amount of the indemnity shall be those received by the staff member at the date of leaving the Organization.

**Payment of the indemnity**

8. The indemnity shall be paid to the staff member in full at the time he leaves the Organization.

**Miscellaneous provisions**

9. In calculating the amount of indemnity for loss of job under paragraph 6 above, account shall be taken, where appropriate, of any years of service previously performed by the staff member concerned in other Coordinated Organizations and in respect of which he has not received any indemnity for loss of job under the present Report or the 33<sup>rd</sup> Report, provided, however, that no account shall be taken of any years of service preceding:
  - (1) an interruption of the service of the staff member concerned with the Coordinated Organizations;
  - (2) the termination for disciplinary reasons of his services with any Coordinated Organization.
10. Any staff member who has served not less than 10 consecutive years with one or more Coordinated Organizations and whose services are terminated in the conditions specified in paragraph 1 hereof shall be entitled to an indemnity for loss of job calculated under the provisions of paragraph 6 and,

where appropriate, of paragraph 9 hereof, whatever the nature of the contract held by him at the time when his appointment is terminated.

11. Staff members serving with the Coordinated Organizations at the time when the new regulations come into effect shall have the right to opt for the continued application to them of the provisions of the 33<sup>rd</sup> Report.

**Annex VI**

# Regulations governing the NATO Defined Contribution Pension Scheme

**Article 1 Purpose of the Scheme**

- 1.1 As from 1<sup>st</sup> July 2005, a defined contribution pension scheme (hereinafter referred to as «the Scheme») is set up by the North Atlantic Treaty Organization (hereinafter «NATO») for the benefit of such of the civilian personnel of the Organization as enjoy international status under either the Agreement on the Status of the North Atlantic Treaty Organization, National Representatives and International Staff (hereinafter «the Ottawa Agreement»), or the Protocol on the Status of International Military Headquarters set up pursuant to the North Atlantic Treaty (hereinafter «the Paris Protocol»). The Scheme shall share in the juridical personality of the North Atlantic Treaty Organization.
- 1.2 The Scheme shall receive and administer the amounts paid into it in pursuance of these Regulations. The Scheme shall pay benefits in accordance with these Regulations.
- 1.3 For the purpose of these Regulations:
  - (i) the term «Organization» denotes NATO as a whole comprising NATO bodies governed either by the Ottawa Agreement or by the Paris Protocol;
  - (ii) the terms «personnel», «staff member», «members of the staff» or «staff» denote international civilian personnel as defined in the Preamble to the Civilian Personnel Regulations except, to the extent laid down in these Regulations, those assigned to NATO under Article 19 of the Ottawa Agreement or Article 7.2 of the Paris Protocol.

## **Article 2 Administration and management of the Scheme**

- 2.1 The Secretary General shall be responsible for the administration and management of the Scheme in accordance with the provisions set out in these Regulations. He may delegate authority fully or partly, subject to conditions and within limits to be determined by him.
- 2.2 In carrying out this task, the Secretary General shall be assisted by a consultative committee to be known as the Management Board, the composition of which is set out in Article 3 below. The Secretary General may appoint commercial firms to undertake the management of the Scheme administration and the management of the investment of the funds of the Scheme on behalf of NATO. The Management Board will advise the Secretary General on issues of Scheme administration and fund investment management as required.
- 2.3 The policy and conditions governing the investment and management of the Scheme's assets shall be laid down by the Secretary General, acting on the advice of the Management Board, and shall be approved by the Council.
- 2.4 The Organization shall be responsible for keeping the aggregate accounts of the Scheme. The obligations concerning account keeping and the provision of information of any commercial firm, to which the management of the Scheme's administration or the management of the investment of the Scheme's assets have been outsourced, shall be laid down in the firm's contract with NATO.
- 2.5 The Scheme's accounts shall be kept in Euros. The Scheme's balance sheet and profit and loss accounts shall also be prepared in Euros. The assets of Scheme members shall be kept in Euros and/or US Dollars or such other currency as may be agreed by the Management Board in accordance with the Implementing Instructions for the Scheme.
- 2.6 Unless provision is made to the contrary in these Regulations, the conversion of one currency into another shall be made on the basis of the exchange rate prevailing on the date the transaction is made.
- 2.7 The Secretary General shall submit, by 30 June of the following year, an annual report to the NATO Council of the operation of the Scheme and the results of the Scheme's transactions during the financial year.
- 2.8 The Management Board shall report on its activities to the Secretary General and to the staff every year and whenever else it deems fit.

## **Article 3 Management Board**

- 3.1 The Management Board shall consist of:

**A. a Chairman appointed by the Secretary General;**

**B. seven representatives of the Administrative Services, as follows:**

- (a) for bodies governed by the Ottawa Agreement:
  - (i) for the International Staff, the International Military Staff, the NATO Standardization Agency and the NATO Defence College, the

ASG, Executive Management and the Financial Controller of the International Staff or their representatives;

- (ii) for the NATO Procurement, Logistics or Service Organizations (NPLSOs) and other bodies not listed in (i) above, two representatives of the Administrative Services appointed by a joint decision of the General Managers of the NPLSOs and other bodies or, in the absence of such a decision, for a term of one year by the Secretary General of NATO;
- (b) for bodies governed by the Paris Protocol, a representative from SHAPE J1 Manpower and Personnel, and the Financial Controller, Allied Command Operations, or their representatives and one representative from the Administrative Services of a NATO military body in Allied Command Transformation appointed by SACT.

Representatives of the Administrative Services may, when necessary, be replaced by alternates appointed at the same time and on the same terms as themselves.

#### **C. six representatives of the staff:**

The Confederation of NATO Civilian Staff Committees (CNCSC) shall nominate six representatives to the Management Board from among the members of the Scheme. At least one representative shall be a member of the NATO International Staff. Until 25% of the staff of NATO are affiliated to the Scheme, the requirement for the representatives of the staff to be members of the Scheme may be waived by the Chairman of the Management Board if necessary.

Representatives of the staff may, when necessary, be replaced by alternates appointed at the same time and on the same terms as themselves.

#### **D. one representative of retired NATO staff**

The Confederation of NATO Retired Civilian Staff Associations (CNRCSA) shall nominate a representative to the Management Board from among its members who is affiliated to the Scheme. Until such time as 100 members of the CNRCSA are members of the Scheme, the requirement for the representative of the CNRCSA to be a member of the Scheme may be waived by the Chairman of the Management Board if necessary.

Representatives of the CNRCSA may, when necessary, be replaced by alternates appointed at the same time and on the same terms as themselves.

- 3.2 Regulations approved by the Secretary General shall determine the procedure of the Management Board.

### **Article 4 Membership of the Scheme**

- 4.1 Active members
  - 4.1.1 Active members of the Scheme shall contribute to the Scheme. The Organization shall also contribute to the Scheme in respect of active members.
  - 4.1.2 All international civilian staff recruited by NATO on or after 1 July 2005, including those of unclassified grade and those who have previously been

employed by NATO or another Coordinated Organization and who left with a leaving allowance payable under Article 11 of the Rules of the Pension Scheme of the Coordinated Organizations (see CPRs, Annex IV), shall be active members of the Scheme except as laid down in Article 4.1.3 below.

4.1.3 The following shall not be members of the Scheme:

- staff who have drawn a pension paid under the Pension Scheme of the Coordinated Organizations (see Annex IV to the CPRs); or
- staff who have rights to a deferred pension in the Pension Scheme of the Coordinated Organizations (see Annex IV to the CPRs); or
- nationals of a Member state who are assigned to NATO under Article 19 of the Ottawa Agreement or Article 7.2 of the Paris Protocol and whose salaries and emoluments are paid by that member state from its own funds; or
- consultants and temporary staff, as defined in the Civilian Personnel Regulations.

4.1.4 Staff who at the time of recruitment by NATO have drawn a pension paid under the Pension Scheme of the Coordinated Organizations or who have rights to a deferred pension in that Scheme shall be affiliated to that Scheme from the date of recruitment by NATO subject to any conditions laid down in the Rules of that Scheme (see Annex IV to the CPRs).

4.1.5 A Member state, which has entered into an agreement to assign its nationals to NATO under Article 19 of the Ottawa Agreement or Article 7.2 of the Paris Protocol and which pays the salaries and emoluments of these nationals from its own funds at a scale fixed by it, is responsible for the fulfilment, for those nationals, of the obligations and the exercise of rights deriving from the existence of the Pension Scheme set up under these Regulations for the period of such assignment.

4.2. Passive members

4.2.1 Former staff, who were active members of the Scheme and who leave the Organization having completed at least 5 years' service as an active member of the Scheme and who have not transferred their holdings in the Scheme to another pension scheme in accordance with these Regulations or who are not drawing a pension under the Scheme, shall be passive members of the Scheme.

4.2.2 Passive members shall not contribute to the Scheme. The Organization shall not contribute to the Scheme in respect of passive members.

4.2.3 Their holdings in the Scheme will continue to be invested in accordance with these Regulations.

## **Article 5 Contributions**

5.1 Contributions to the Scheme form part of the emoluments of the Scheme member. As such, contributions are covered either by Article 19 of the Ottawa Agreement or by Article 7 of the Paris Protocol as appropriate.



- 5.2 A contribution equal to 8% of monthly basic salary shall be deducted each month from the emoluments of each active member of the Scheme and shall be paid into the Scheme. The Organization shall pay into the Scheme each month a contribution equal to 12% of the same monthly basic salary in respect of each active member.
- 5.3 An active member may also elect to pay an amount up to 5% of basic salary into the Scheme as an additional voluntary contribution. An active member may change the amount of any additional voluntary contribution once per calendar year. No counterpart contribution will be made by the Organization in respect of any such additional voluntary contribution.
- 5.4 In the event of absence on sick leave, for the period during which the emoluments of a member of the staff are being paid under the group insurance scheme, the 12% contribution shall be paid into the Scheme by the insurer on behalf of the Organization; the member of the staff concerned shall also make the personal contribution of 8% of basic salary. The member of the staff may also make an additional voluntary contribution as specified in the Article 5.3.

## **Article 6 Inward transfer of pension rights**

- 6.1 A Scheme member, who enters the service of the Organization after leaving the service of a government administration or national organization, or international organization, or a firm, may arrange for payment to the Scheme in accordance with the provisions laid down in the Implementing Instructions of the Scheme, of any amounts corresponding to the retirement pension rights accrued under the pension scheme to which the Scheme member was previously affiliated in so far as that scheme allows such a transfer.

### **Instructions**

#### **6.1/1 Inward transfer of previously accrued rights**

- i) *Pension rights accrued in the previous pension scheme (other than the Coordinated Pension Scheme)*
- a) *An amount corresponding to the pension rights accrued by a member of the Scheme in the last occupational pension scheme to which he or she was affiliated prior to appointment in the Organization may be credited to his or her account in the Scheme pursuant to Article 6.1, subject to the conditions set out in this instruction.*
- b) *Such an amount may cover periods served in several administrations, organizations or firms, on condition that all these rights have been taken into account by the occupational pension scheme of the last administration, organization or firm before appointment in the Organization.*

*An amount indicated in sub-paragraph i) a) above shall be taken into account, as calculated by the previous pension scheme - as a capital sum, and with interest where applicable - as at the date on which it is paid to the Organization<sup>1</sup>.*

- c) An amount shall be taken into account under this instruction only if it has been certified by the previous pension scheme as being the amount of the actuarial equivalent of retirement pension rights or a capital payment in respect of holdings in a provident scheme or defined contribution pension scheme (excluding compensation for dismissal or a leaving gratuity), and it must represent the total amounts paid to the staff member by the previous pension scheme in question. The «total amounts paid» shall be taken to mean the amounts representing the total rights or holdings transferable to the Organization. Staff members shall not be entitled to transfer only part of their accrued rights where that part is not equal to the transferable maximum.*
- ii) Previous pension scheme (other than the Coordinated Pension Scheme)*
  - a) The previous pension scheme must be a bona fide occupational pension scheme to which employees of the previous administration, organization or firm are affiliated. It may be administered directly by, or indirectly for, the previous administration, organization or firm or it may be a commercially available scheme but in all cases it must be offered generally by the previous administration, organization or firm to its employees. The Scheme member will be required to provide details of the previous scheme.*
  - b) Previously self-employed Scheme members may request pension rights previously accrued in a bona fide pension scheme to be transferred to the Scheme. The Scheme member will be required to provide details of the previous scheme.*
- iii) Pension rights accrued in the Coordinated Pension Scheme*
  - a) An amount corresponding to the amount of a leaving allowance paid to the member of the Scheme by NATO or one of the Coordinated Organizations may be credited to his or her account in the Scheme pursuant to Article 6.1, subject to the conditions set out in instructions 6.1/1 iii) c), iv), v) and vi) below.*
  - b) A member of the Scheme may choose to increase the amount of the leaving allowance with 4% compound interest calculated from the date of payment by the Organization concerned to the date of payment to the DCPS.*
  - c) If the leaving allowance has already been paid to the Scheme member, he/she may apply to pay it, together with any increase calculated under sub-paragraph iii) b) above, in instalments over a period up to a maximum of twelve months.*

<sup>1</sup> The accrued rights are invariably rights which are not yet due or the actuarial equivalent thereof.

iv) *Time limits for application and revocation*

*Failing any special provisions in a reciprocal transfer agreement entered into by the Organization, application for the amounts referred to in sub-paragraph i) a) above to be taken into account by the Organization shall be made in writing:*

- a) *either within 6 months from the date of notification of confirmation of appointment after the probationary period;*
- b) *or within 12 months from the date on which the previous pension scheme allowed such transfers.*

*The application to transfer pension rights may be revoked by the staff member at any time before the payments provided for in sub-paragraph i)c) above have been made in accordance with sub-paragraph v) below.*

v) *Time limit for payment*

*Payment of the amounts referred to in sub-paragraph i)c) above shall be made:*

- *within 3 months of the time limit prescribed in sub-paragraph iv), if the person concerned has actually received such amounts from his/her previous employer;*
- *on receipt of such amounts from the previous employer in other cases.*

vi) *Currency of payment*

*Payment to the Organization shall be made in the currency - or its equivalent value at the rate of exchange in force on the date of actual payment to the Organization - in which the amounts referred to in sub-paragraph i)c) above have been or will effectively be paid by the previous pension scheme.*

## **Article 7      Assets of the Scheme**

- 7.1 Contributions made in accordance with Article 5 shall form the assets of the Scheme and shall be invested. The value of the assets will vary according to the gains and losses made by the investments.
- 7.2 All the assets of the Scheme shall be acquired and held in the name of the Organization. They are covered by the provisions of Part II of the Ottawa Agreement.
- 7.3 These assets shall not be merged with the assets of the Organization and shall be subject to separate administration and accounting. They shall be used only for the payment of the benefits prescribed in Article 12 and 13 below and for the fees of the investment manager(s).

**Article 8 Holdings of Scheme members**

- 8.1 The holdings of Scheme members will be expressed in terms of units in a fund or funds. The value of a unit will be adjusted to take account of any gains or losses realised on the Scheme's assets.

**Article 9 Staff members' accounts**

- 9.1 An individual account shall be opened for each member of the Scheme.
- 9.2 This account shall be credited with the contributions specified in Article 5 above which will be used to purchase units in a fund or funds.
- 9.3 The value of a Scheme member's holdings will be expressed by the number of units purchased in the funds concerned multiplied by the value of the corresponding unit. The value of the holdings shall be expressed in the currencies in which they are held.
- 9.4 Every year, each Scheme member shall receive a summary statement as at 31st December of his/her account. The Scheme's balance sheet and profit and loss account are available to all members of staff on request.

**Article 10 Investments**

- 10.1 The Secretary General shall appoint a commercial investment manager or managers to manage the investment of the assets of the Scheme. The investment manager(s) will provide a range of funds in which the assets of the Scheme will be invested.
- 10.2 The Management Board shall oversee the investment policy of the Scheme. In doing so it will act with due diligence and prudence bearing in mind the purpose to which the assets are to be used.
- 10.3 The Organization shall not be held responsible for any losses on investments incurred by movement in the investment markets.
- 10.4 The Management Board may decide to set up an Investment Committee to advise it on the choice of these funds. Any such Investment Committee will comprise three representatives of the Financial Controllers' Offices of the various bodies of the Organization and representatives of the investment manager(s) and three representatives of the members of the Scheme nominated by the Confederation of NATO Civilian Staff Committees who have appropriate financial qualifications.
- 10.5 The Scheme member, subject to the provisions of Article 10.6 below, may specify the fund or funds in which the holdings are to be invested and in which proportions. The Scheme member may change the funds in which the holdings are invested twice per calendar year.
- 10.6 The Scheme will invest a member's holdings in the Scheme in the funds provided under Article 10.1 above according to a pre-determined strategy approved by the Management Board, if the Scheme member so wishes or if the Scheme member does not notify the Scheme of a personal choice or

subsequently confirm such a choice. In any event, the Scheme will invest the contributions for the first three calendar months after recruitment according to this strategy.

### Instruction

#### 10.5/1 *Investments*

*The process of changing the funds in which the holdings of a Scheme member are invested is part of the administration of the Scheme. The procedures for changing funds shall be part of the responsibilities of the Scheme Administrator.*

### Article 11 Scheme members who leave the Organization

- 11.1 Scheme members who leave the Organization and who have contributed to the Scheme for less than 6 years will receive the cash value of their account in the Scheme on leaving. They may apply to have the account value transferred to an approved pension scheme of a subsequent employer or national social pension scheme or approved private pension plan. Provided that this pension scheme will accept the account value and, subject to other conditions that the Management Board may prescribe, NATO shall transfer the full value of the account to the new scheme. Their accounts will be closed.
- 11.2 A Scheme member who leaves the Organization having contributed to the Scheme for 6<sup>1)</sup> or more years:
1. may apply to have the account value transferred to an approved pension scheme of a subsequent employer or national social security pension scheme or approved private pension plan. Provided that this pension scheme will accept the account value and, subject to other conditions that the Management Board may prescribe, NATO shall transfer the full value of the account to the new scheme. The account of the staff member will be closed; or
  2. may apply to receive the retirement benefits set out in Article 12 below; or
  3. may maintain the account in the scheme as a passive member. In this case the account will no longer receive any contributions but the value of the account will vary in accordance with the value of the investments or any interest. Passive members may change the funds in which the holdings are invested on the same basis and with the same frequency as active members. Passive members of the Scheme may choose at any time to close their account and receive the retirement benefits set out in Article 12 below.
- 11.3 The account of a staff member or retired staff member will be closed on the first day of the month following that in which he or she applies to receive the benefits provided for in Article 12 below, and these will be paid to the person concerned.

<sup>1)</sup> A Scheme member, who was affiliated to the Scheme before 4 June 2010 and who leaves the Organization having contributed to it for 5 or more years, retains the right to opt for the application of Article 11.2.

- 11.4 If the staff member is dismissed by the Organization on disciplinary grounds (see CPRs, Chapter XIII) or if the staff member unjustifiably breaks his/her contract with the Organization, the Head of the NATO body may order that his/her holdings in the scheme should be forfeited in whole or in part. However such forfeiture shall not extend to the amount which can reasonably be attributed to the Scheme member's personal contributions. Any amounts not paid to the Scheme member shall be credited to the budget of the Organization.

### Instruction

#### **11.2.1/1 Transfer of pension rights to an outside scheme**

*i) Application to transfer*

*An active Scheme member may apply for the transfer of the value of his or her holdings in the Scheme to be made to another pension scheme as part of the departure process. A passive Scheme member may apply at any time after leaving NATO but before the age of 65.*

*ii) Conditions for transfer*

*The amounts referred to in Article 11.2.1 may be transferred only to a pension scheme approved by NATO as a bona fide pension scheme. The Scheme member will be required to provide details of this scheme.*

### **Article 12 Retirement benefits**

- 12.1 A Scheme member who requests the payment of retirement benefits in accordance with Article 11.2.2 or whose account is closed under Article 11.3 will be entitled to the payment of a retirement pension. The Scheme member may choose to receive in cash any portion of the value of the account. The pension entitlement shall be based on the remaining value of the Scheme member's account, net of such cash received by the Scheme member. Contributions to and withdrawals from the Scheme form part of the emoluments of the Scheme member.
- 12.2 The Secretary General may, acting on the advice of the Management Board, select a pension provider or providers to establish and offer a range of different types of annuities and pay the type of retirement pensions as chosen by members of the Scheme. The amount of the retirement pension will be determined by a selected pension provider according to commercial rates established by it. The Scheme will allow the retirement pension to be adjusted annually by the cost of living under the conditions as may be offered by the provider in accordance with such rates.
- 12.3 If the Scheme member is married and/or has dependent children, the retirement pension shall provide options for survivor benefits.

### **Article 13 Death in service**

- 13.1 The Secretary General and Strategic Commanders shall arrange for insurance to provide survivor's benefits to the surviving spouses and dependent children of serving staff who are Scheme members who die in service under Article 47 of the Civilian Personnel Regulations. The holdings of the deceased Scheme member may be used in whole or in part to finance such insurance.

## **Article 14     Invalidity in service**

- 14.1 The Secretary General and Strategic Commanders shall arrange for insurance to provide cover to serving staff who are members of the Scheme for loss of earnings through permanent disability under Article 47 of the Civilian Personnel Regulations.

## **Article 15     Adjustment of pensions liable to national tax legislation**

- 15.1 The recipient of a pension under these Regulations shall be entitled to the adjustment applying to the member country of the Organization in which the pension and adjustment relating thereto are chargeable to income tax under the tax legislation in force in that country.
- 15.2 The adjustment shall equal 50% of the amount by which the recipient's pension would theoretically need to be increased, were the balance remaining after deduction of the amount of national income tax or taxes on the total to correspond to the amount of the pension calculated in accordance with these Regulations.
- 15.3 For such purposes, there shall be drawn up, for each member country, in accordance with the implementing instructions referred to in Article 20 below, tables of equivalence specifying, for each amount of pension, the amount of the adjustment to be added thereto. The said tables shall determine the rights of the recipients.
- 15.4 In calculating the theoretical amount of income tax or taxes referred to in Article 15.2, account shall be taken only of the provisions of tax legislation and regulations affecting the basis of liability and the amount of income tax or taxes for all pensioner-tax-payers in the country concerned. Pensioners without spouse or dependants shall be deemed to be in the position of a pensioner without entitlement to any tax reliefs or allowances for family responsibilities, all other recipients being deemed to be pensioners enjoying the tax reliefs and allowances of a person who is married without children. No account shall be taken:
- of individual factors related to the personal circumstances or private means of a particular pensioner,
  - of income other than that arising under these Regulations,
  - of the income of the spouse or dependants of the pensioner.
- On the other hand, account shall, in particular, be taken of circumstances arising in the course of the year as a result of:
- a change in civil status or settlement in another place of residence with a different taxation system,
  - commencement or cessation of payment of the pension.
- 15.5 The Organization shall supply the member countries concerned with the names, forenames and full address of pensioners and the total amount of the pension and adjustment.

- 15.6 The recipient of an adjustment as specified in this article shall be required to inform the Organization of his/her full address and of any subsequent change therein. Such recipient shall produce evidence of his/her pension and the relative adjustment having been declared or taxed; should he or she fail to comply with this obligation, he or she shall be deprived of the right to this adjustment and shall refund any amounts unduly received in this respect.
- 15.7 The other procedures for calculating the adjustment and, in particular, those necessitated by the special features of certain national tax laws, and the procedure for payment of the adjustment shall be laid down in the implementing instructions established in accordance with the tax legislation of member countries. Notwithstanding Article 20, the implementing instructions referred to in this paragraph shall require approval by the Council.

#### **Article 16      Balance sheet - Profit and loss account charging and apportionment**

- 16.1 The Scheme shall keep proper accounts in accordance with the NATO Financial Regulations. Except for 2005, the financial year shall run from 1<sup>st</sup> January to 31<sup>st</sup> December.
- 16.2 The Scheme's accounts shall be closed on 31<sup>st</sup> December of each year. An inventory and evaluation of the Scheme's assets and liabilities shall be made on the basis of the exchange rates prevailing at that date.
- 16.3 The balance sheet and the profit and loss account shall be drawn up annually as at 31<sup>st</sup> December.

#### **Article 17      Winding-up of the Scheme**

- 17.1 Any decision to wind up the Scheme shall be taken by the Council of the Organization, which shall also establish the procedure for discharging the Scheme's commitments.

#### **Article 18      Auditing**

- 18.1 The accounts of the Scheme shall be audited annually by the International Board of Auditors for NATO, who shall submit an annual report on their findings to the NATO Council and the staff. NATO may request that the accounts of any commercial firm which provides services to the Scheme, for example by way of administration, investment or pension provision, should be audited as far as such accounts concern the services provided to the Scheme by the firm in question.

#### **Article 19      Transitional measures**

- 19.1 Serving staff who are members of the NATO Provident Fund (CPRs, Annex VII) and who have not opted to join the Pension Scheme of the Coordinated Organizations under Article 45 of the Rules of that Scheme (CPRs, Annex IV) may join the Scheme set up under these Regulations subject to such



conditions as the Provident Fund Board of Supervisors, on the one hand, and the Management Board of the Scheme, on the other, shall decide.

- 19.2 Staff who decide to join the Scheme under Article 19.1 above shall transfer the totality of their holdings in the Provident Fund to the Scheme on joining.
- 19.3 These Regulations shall apply to those serving staff who join the Scheme under Article 19.1 above except that they shall not be covered by any specific insurance for Scheme members arranged under Articles 13 and 14. They shall contribute to the Scheme.
- 19.4 The phrase «6 years» in Articles 11.1 and 11.2 shall be read as «3 years» in the case of serving staff who join the Scheme under Article 19.1 above.

## **Article 20      Detailed implementation**

- 20.1 The Instructions for the implementation of these Regulations shall be drawn up by the Management Board and shall be submitted to the Secretary General for approval. The approved Implementing Instructions shall be binding on those concerned.



**Annex VII.A**

# Regulations governing the NATO Provident Fund<sup>(1)</sup>

**Article 1 Purpose of the Fund**

1. As from 1<sup>st</sup> July, 1956, a Provident Fund (hereinafter referred to as "the Fund") is set up for the benefit of such of the civilian personnel of the Organization as enjoy international status under either the Ottawa Agreement<sup>(2)</sup>, or the Paris Protocol<sup>(3)</sup>. The Fund shall share in the juridical personality of the North Atlantic Treaty Organization.
2. The Fund shall receive and administer the amounts paid into it in pursuance of the present Regulations.
3. For the purpose of the present Regulations:
  - (i) the term "Organization" denotes the bodies governed either by the Ottawa Agreement or by the Paris Protocol, namely, at the present time, the International Staff, the International Military Staff and the Military Headquarters, as well as the NATO Procurement, Logistics or Service Organizations (NPLSOs) and the Military Agencies and Organizations;
  - (ii) the term "personnel" denotes civilian personnel enjoying international status and employed by the bodies specified above.

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<sup>(1)</sup> Consolidation of the original Regulations: C-M(58)76 approved by the Council on 23<sup>rd</sup> July 1958 (C-R(58)55) taking into account the amendments made to them:

- C-M(59)68 approved by the Council on 16<sup>th</sup> July, 1959 (C-R(59)27);
- C-M(60)97 approved by the Council on 30<sup>th</sup> November 1960 (C-R(60)45);
- C-M(64)66 approved by the Council on 2<sup>nd</sup> September 1964 (C-R(64)40);
- C-M(71)45 amended by PO/71/727 and approved on 11<sup>th</sup> January 1972 (EXS/72/4);
- C-M(78)91 approved by the Council on 27<sup>th</sup> December 1978.
- PO(96)72 approved by the Council on 30<sup>th</sup> May 1996.
- PO(98)23 approved by the Council on 13<sup>th</sup> February 1998.
- PO(2007)0059 approved by the Council on 29<sup>th</sup> June 2007.

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<sup>(2)</sup> Agreement on the Status of the North Atlantic Treaty Organization, national representatives and international staff signed in Ottawa on 20<sup>th</sup> September 1951.

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<sup>(3)</sup> Protocol on the status of the international military headquarters set up pursuant to the North Atlantic Treaty signed in Paris on 28<sup>th</sup> August 1952.

## **Article 2 Administration and management of the Fund**

1. The Secretary General shall be responsible for the administration and management of the Fund in accordance with the provisions set out in the present Regulations. The powers invested in that individual for this purpose shall be as extensive as possible. In particular, the Secretary General may delegate authority fully or partly, subject to conditions and within limits to be determined by him/herself. In the absence of the Secretary General, or should the post be vacant, the Assistant Secretary General for Executive Management (ASG/EM) shall act in his/her stead. The Secretary General may also appoint commercial firms to undertake the management of the Fund investments as well as the Fund administration.
2. In carrying out his/her task, the Secretary General shall be assisted by a consultative committee to be known as the Board of Supervisors, the composition of which is described in Article 3 below.
3. The conditions governing the investment and management of the Fund's assets shall be laid down by the Secretary General, acting on the advice of the Board of Supervisors.
4. The Organization shall be responsible for keeping the accounts and for the Fund's treasury transactions.
5. The Fund's accounts shall be kept in Euros with effect from 1 January 2003. The Fund's annual financial statements shall also be prepared in Euros.
6. For conversion purposes, national currencies shall be valued at the NATO parity rate applied for those budgets.
7. Unless provision is made to the contrary in the present Regulations, conversions of national currencies into Euros, or of Euros into national currencies, shall be made on the basis of the NATO parity rate prevailing on the date the transaction is made.
8. The Secretary General shall submit an annual report to the NATO Council of the operation of the Fund and the results of the Fund's transactions during the financial year.
9. The Board of Supervisors shall report on its activities to the Secretary General and to the staff every year and whenever else it deems fit.

## **Article 3 Board of Supervisors**

1. The Board of Supervisors shall consist of:

**A. a Chair appointed by the Secretary General<sup>(1)</sup>;**

**B. six representatives of the Administrative Services, as follows:**

- (a) for bodies governed by the Ottawa Agreement:
- (i) for the International Staff, the International Military Staff, the NATO Standardization Agency and the NATO Defence College, the DASG Human Resources and the Financial Controller of the International Staff or their representatives;

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<sup>(1)</sup> ASG Executive Management

- (ii) for the NPLSOs and other bodies not listed in (i) above, one representative of the Administrative Services appointed by a joint decision of the General Managers of the NPLSOs and other bodies or, in the absence of such a decision, for a term of one year by the Secretary General of NATO;
- (b) for bodies governed by the Paris Protocol, the Chief, ACO Policy and Plans Section/J1, SHAPE, and the Financial Controller, Allied Command Operations, or their representatives and one representative from the Administrative Services of a NATO military body in ACT appointed by SACT.

#### **C. six representatives of the staff affiliated to the Provident Fund:**

The Confederation of NATO Civilian Staff Committees shall decide on the bodies responsible for nominating these representatives, having due regard, in particular, to the administrative representation of NATO bodies. At least one representative shall be a member of the NATO International Staff.

Representatives of the personnel may, when necessary, be replaced by deputies appointed at the same time and on the same terms as themselves.

2. Regulations approved by the Secretary General shall determine the procedure of the Board of Supervisors.

#### **Article 4 Affiliation to the Fund**

1. Members of the staff, including those of unclassified grade, other than those specified in paragraph 2 of this article, recruited before 1<sup>st</sup> July 1974 and who have opted under Article 48 of the Pension Scheme Rules to remain in the Provident Fund are affiliated to the Fund.
2. Members of the staff as defined in paragraph 1 above who have opted under Article 45 of the Pension Scheme Rules to remain in the Provident Fund for service prior to 1<sup>st</sup> July 1974 may maintain their holdings in the Fund but are excluded from the provisions of Article 5 below.
3. The following shall be excluded from affiliation to the Fund: consultants and temporary staff, as defined in the Staff Rules.
4. With respect to officials referred to in Article 19 of the Ottawa Agreement or in Article 7, paragraph 2 of the Paris Protocol, the Member states which have entered into individual arrangements with NATO for the application of the provisions of these articles shall be the rightful representatives of their nationals for the fulfilment of the obligations and the exercise of the rights deriving from the existence of the Fund. Special agreements to this effect shall be concluded between the Secretary General or the competent military authority and such Member states, as may be necessary.

#### **Article 5 Contributions**

1. A contribution representing 7% of the monthly basic salary, including the allowances deemed to form part of this salary, shall be deducted each month from the emoluments of the staff and shall be paid into the Fund. The

Organization shall pay into the Fund each month a contribution equal to 14% of the same monthly basic salary, increased by the same allowances.

2. In the event of absence on sick leave, for the period during which the emoluments of a member of the staff are being paid under the supplementary insurance scheme, the 14% contribution shall be borne by the insurer; members of the staff concerned shall nevertheless continue to make their personal contribution of 7% of the above-mentioned basic salary.
3. During any period of absence on unpaid leave, no contribution to the Fund shall be made either by the Organization or by the member of the staff concerned.

#### **Article 6          Assets of the Fund**

1. All the assets of the Fund shall be acquired and held in the name of the Organization. They are covered by the provisions of Part II of the Ottawa Agreement.
2. These assets shall not be merged with the assets of the Organization and shall be subject to separate administration and accounting. They shall be used only for the payment of the benefits prescribed in Article 9 below and for the administrative costs of the Fund.

#### **Article 7          Holdings**

1. The assets held by the Fund on behalf of the staff members affiliated to it shall be expressed exclusively in Euros irrespective of the accounting methods used.
2. Holdings will be expressed in terms of units of the Fund and shall be adjusted to take account of any gains or losses noted in the Fund's assets, in accordance with the procedures laid down in the present Regulations.

#### **Article 8          Staff members' accounts**

1. An individual account shall be opened for each staff member affiliated to the Fund.
2. This account will be kept in units of the Fund. The value of a Provident Fund member's holdings will be expressed by the number of units of the Fund multiplied by the value of the unit expressed in Euros.
3. This account shall be credited with:
  - (a) the two-fold contributions specified in Article 5 above;
  - (b) an amount representing the consolidated separation benefits accruing to the member of the staff concerned;

- (c) the contribution made to the old age section of the host country social security scheme prior to 2<sup>nd</sup> July 1956, when such contributions are refunded by the national authorities;
  - (d) reimbursements by staff members of authorized withdrawals of assets to ease their housing problems;
  - (e) optional reimbursements of contributions paid by members of the staff in accordance with the provisions of paragraph 4(b) below.
4. The account shall be debited :
- (a) with authorized withdrawals under current Regulations, especially with a view to easing the housing problems of members of the staff;
  - (b) with contributions paid by members of the staff:
    - (1) to the old age section of a national social security scheme;
    - (2) in connection with their affiliation to a pension scheme applying in their own national administration, in the case of civil servants or military personnel seconded to the Organization.
5. Every year, affiliated staff members shall receive a summary statement of their account as at 31<sup>st</sup> December.

## **Article 9            Closure and settlement of the accounts of members of the staff**

1. On the occasion of the final departure of members of the staff, and except in the event of decease or dismissal for disciplinary reasons, the staff members' accounts shall be closed on their date of departure. The amounts paid out in settlement of an account shall be calculated on the basis of the NATO parity rate prevailing on the date the account is closed.

Members of the staff may request by letter, the date of which shall be duly authenticated, that one-third of the amount standing to their credit at the date of their request should be paid over to them not earlier than 3 months prior to their date of departure. Such requests may not be made more than 4 months before the date of departure.

In this event, settlements of the amount requested shall be made on the basis of the NATO parity rate prevailing on the date of the transaction, the balance being paid on the basis of the NATO parity rate prevailing on the day the account of the staff member is closed.

The contribution provided for in Article 5 and due for the last month of service shall be paid to the member direct.

For the purposes of the present sub-paragraph, the term "final departure" shall not be considered as denoting the transfer of a member of the staff from one NATO body to another. In this event, the individual account of the staff member shall simply be the subject of an administrative transfer carried out at the instance of the Administrations concerned.

2. In the event of the decease of members of the staff, their accounts shall be closed with effect from the date of their decease and the amounts standing to their credit shall be paid to their rightful heirs on the basis of the NATO parity rate prevailing on the above date.
3. In the event of dismissal for disciplinary reasons, the account shall be closed with effect from the date of dismissal and the persons concerned shall be paid only such amounts as correspond to their individual contributions expressed in units of the Fund. The settlement of the balance shall be left to the discretion of the Head of the body concerned, subject to the latter decision being referred by the member of the staff to the Appeals Board. Any outstanding amounts which have not been paid over to the member of the staff shall be credited to the budget of the body concerned. Payments shall be made on the basis of the NATO parity rate prevailing on the date of dismissal.
4. Where a contract is unjustifiably broken by members of the staff, their accounts shall be closed with effect from the date on which the breach of contract occurs and the provisions set out in paragraph 3 above shall apply.
5. Where members of the staff leave the Organization during the initial probationary period referred to in the Staff Rules, or where their contracts are not confirmed at the expiration of this period, they shall be paid in settlement of their accounts only such amounts as correspond to their individual contributions during the period of their affiliation. Any outstanding amounts which have not been paid over to the members of the staff shall be credited to the budget of the Organization.
6. The amounts standing to the credit of members of the staff shall be paid in the currency of the country where the body employing them is located or, at their request, either in the currency of the country of which they are nationals or into other currencies provided there are good grounds for this and subject to authorization by the Head of the body employing the member of the staff. Transfers into the currencies of member countries of the Organization shall be made at the NATO parity rates prevailing on the date the account is closed; for transfers into other currencies, the market rates prevailing on the actual date of transfer shall be applied. Such transfers of the total or partial settlement to which they relate shall be requested at least 15 working days before the end of the month in which the staff member's employment with the Organization is terminated.
7. Payments made in settlement of the individual accounts of members of the staff shall be regarded as emoluments and, as such, are covered either by Article 19 of the Ottawa Agreement or by Article 7 of the Paris Protocol.

## **Article 10      Balance sheet**

1. The financial year shall run from 1<sup>st</sup> January to 31<sup>st</sup> December.
2. The balance sheet shall be drawn up as at 31<sup>st</sup> December. The Fund's current balance sheet shall be made available to all affiliates.



**Article 11      Winding-up of the Fund**

Any decision to wind up the Fund shall be taken by the Council of the Organization, which shall also establish the procedure for discharging the Fund's commitments.

**Article 12      Auditing**

The accounts of the Fund shall be audited annually by the International Board of Auditors for NATO, who shall submit an annual report on their findings to the NATO Council and the staff.

**Article 13      Special provisions**

In order to ease their housing problems, or to help them improve their living accommodation, members of the staff covered by Article 4 above shall be authorized to draw on the amounts standing to their credit in the Fund. The procedures and conditions for such withdrawals and the limitations to be placed thereon, together with those for the subsequent repayments, shall be decided by the Secretary General in consultation with the Board of Supervisors (Annex VII.C). Such withdrawals and repayments shall be dealt with in a chapter in the general yearly report on the Fund's transactions.



**Annex VII.B**

# Regulations of the NATO Provident Fund Board of Supervisors

The Secretary General,

Considering the revised Regulations governing the Provident Fund as approved by the North Atlantic Council on 11th January 1972, which stipulate:

- in Article 2, paragraph 2, that "in carrying out his/her task, the Secretary General shall be assisted by a consultative committee to be known as the Board of Supervisors, the composition of which is described in Article 3 below",
- and in article 3, paragraph 3, that "regulations approved by the Secretary General shall determine the procedure of the Board of Supervisors".

Considering the Advisory Opinion (CSCP-D(73)4 Advisory Opinion N° 46) of the Provident Fund Board of Supervisors, hereinafter called "the Board", relating to the revision of the Regulations of the Board of Supervisors approved on 7<sup>th</sup> July 1965 by the Secretary General; and

Considering the Advisory Opinion (CSCP-N(2007)13 Advisory Opinion N° 112) of the Provident Fund Board of Supervisors relating to the revision of the Regulations of the Board of Supervisors approved on 16th January 1973 by the Secretary General.

**Decides as follows:**

## **Article 1                      Composition of the Board<sup>(1)</sup>**

1.     The composition of the Board shall be as laid down in Article 3, paragraph 1 of the Regulations governing the Provident Fund.

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<sup>(1)</sup> Amended by decision of the Secretary General, 21<sup>st</sup> March 1980 (CSCP-D(80)3).

2. Members of the Board other than the Chair may be replaced as follows:
  - (a) Representatives of the staff, if necessary, by their deputies.
  - (b) Representatives of the Administrative Services, if unable to attend a meeting of the Board, by members of the staff from their service nominated by them.

## **Article 2      Chair<sup>(1)</sup>**

1. The Chair shall be appointed by the Secretary General. He/She shall relinquish his/her functions on a decision to that effect by the Secretary General, or on his/her resignation.
2. If the Chair is unable to attend a meeting of the Board, he/she may nominate a member as a replacement.

## **Article 3      Duties of the Board**

1. Under the terms of Article 2, paragraph 2 of the Provident Fund Regulations, as approved by the Council, the Board of Supervisors is a consultative body.
2. Irrespective of the procedure for the appointment of the members of the Board, the latter shall act as advisers to the Secretary General and shall represent the overall interests of the Fund and of those affiliated to it. The Board shall, by a majority vote, elect a Secretary who shall not be a member of the Board.
3. The Board shall supervise the administration of the Provident Fund, oversee its investment policy and take special care to ensure that Council-approved Regulations are observed. The Board will act with due diligence and prudence in order to protect as much as possible the affiliates' holdings, in particular in view of the fact that, under present circumstances, the Fund will close its activities in 2019 at the latest. To this end, it shall carry out periodic benchmark studies and make recommendations to the Secretary General for any remedial actions deemed necessary including the replacement of the Investment Manager.
4. The Board's opinion shall be required on the manner of using the Fund's assets and on the determination of the value of the Provident Fund units based on the market return. It shall also make appropriate recommendations regarding the Fund's accounting procedures.
5. The Board shall receive a copy of the annual report of the Board of Auditors for NATO for comment.
6. The Board may also furnish an opinion on any change in the Regulations of the Provident Fund.
7. The Board may likewise furnish an opinion on its own rules of procedure, particularly as regards the creation from among its number of restricted groups to act on its behalf within the limits of specific terms of reference.

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<sup>(1)</sup> Amended by decision of the Secretary General, 21<sup>st</sup> March 1980 (CSCP-D(80)3).

8. All the opinions, reports and comments of the Board shall be forwarded to the Secretary General by the Chair.
9. Every year, the Board shall prepare a report on the administration of the Fund. This report shall be communicated to the Secretary General and, through the staff representatives, to the staff association.

#### **Article 4 Meetings, voting and other rules of procedure**

1. The Board shall meet when convened by the Chair or at the request of at least four of its members. It shall meet as frequently as is necessary to review in particular the investment strategy as well as the performance of the Fund.
2. For the Board's proceedings to be valid, six members, excluding the Chair but including at least three representatives of the staff, must be present at the meeting. All decisions of the Board shall be taken by a straight majority vote. However, decisions relating to the statutory changes referred to in Article 3, paragraph 6 and in Article 5 of the present Regulations shall require a three-quarters majority and a quorum of two-thirds of the members of the Board including at least four representatives of the staff. The Chair or his/her appointed deputy shall have the casting vote in the event of a tie.
3. The proceedings of the Board shall be disclosed. They may, however, remain confidential to the extent decided by the Board.

#### **Article 5 Amendments**

The present Regulations can be amended by the Secretary General after seeking the reasoned opinion of the Board of Supervisors given in accordance with the procedure laid down in Article 4, paragraph 2 above.

#### **Article 6 Entry into force**

As from 1<sup>st</sup> July 2007 the present Regulations shall supersede the previous Regulations dated 16th January 1973.

13<sup>th</sup> June 2007

(Signed): Jaap de Hoop Scheffer



**Annex VII.C**

# Regulations concerning authorized withdrawals from the Provident Fund to ease the housing problems of members of the staff<sup>(1)</sup>

## **Part I      Conditions governing the authorization of withdrawals**

### **Article 1**

- (a) Members of the international civilian staff who have contributed to the Provident Fund for at least one year may be authorized by the Head of the NATO body to which they belong to withdraw from their individual accounts with the Provident Fund the sums required for the purchase or construction of a house or flat to be occupied by them<sup>(2)</sup>. The repayment of sums previously borrowed for such a purpose will be considered as a purchase.
- (b) Without prejudice to the special provisions of Part V below, withdrawals for the purchase or construction of accommodation which is outside the locality in which members of the staff are employed, and which they do not intend to occupy themselves until later, may be authorized for the benefit of members of the staff who, at the date of their request, have:
  - 1.        reached the age of 55;
  - 2.        contributed for not less than 10 years to the Provident Fund and reached the age of 50;
  - 3.        contributed for not less than 15 years to the Provident Fund.

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<sup>(1)</sup> In accordance with the provisions of Article 13 of the Regulations governing the Provident Fund and Article 54.2 of the NATO Civilian Personnel Regulations, the present regulations have been drawn up in pursuance of the Secretary General's decisions of 16<sup>th</sup> January 1973, 15<sup>th</sup> August 1975 and 21<sup>st</sup> March 1980 on the basis of the recommendations adopted by the Board of Supervisors at its meetings on 12th January 1973, 18<sup>th</sup> July 1975 and 8<sup>th</sup> February 1980.

<sup>(2)</sup> In accordance with the recommendation of the Board of Supervisors approved by the Secretary General on 3<sup>rd</sup> December 1973, "a house or flat to be occupied by them" means "any accommodation belonging to staff members and used by them or by their close relatives rent-free, regardless of whether or not the accommodation is situated in the locality in which the staff members are employed".

- (c) Withdrawals may also be authorized when the purpose of the transaction contemplated by the staff member is considered to be closely connected with the improvement of housing conditions, provided that such improvements concern buildings or fixtures <sup>(1)</sup>.

In the case of accommodation outside the locality in which members of the staff are employed, applicants for a withdrawal must prove that they fulfil one of the conditions set out in sub-paragraphs 1, 2 and 3 of Article 1(b) above.

- (d) Subject to the exceptions provided for in Part V below, no member of the staff who has obtained permission to make a withdrawal may be granted any further authorizations except in respect of the accommodation covered by the original withdrawal, unless the latter has been fully reimbursed.

## **Part II Procedure for the examination of requests for withdrawals**

### **Article 2 Preparation of dossiers**

- (a) All applications by staff members wishing to take advantage of the above arrangements shall be made to the Director of Personnel of the NATO body to which they belong. Their applications must be accompanied by a full justification in support of the request, namely: details of the nature of the transaction contemplated (purchase, construction, payment of mortgages or improvements to accommodation), the names of the law officers handling the transaction (notaire, avoué, huissier), the names of the architects or contractors in the case of construction or improvement of premises, and any other particulars likely to assist the Administration in forming an opinion of the nature and scale of the operation contemplated.
- (b) The Personnel Service will examine the dossiers, that is to say, it will assemble the necessary documents, ask the staff member for any further explanations that may be required and check the amount standing to the credit of the latter's individual account with the Provident Fund on the date of the application for the loan, etc.

### **Article 3 Loan Committee**

- (a) Dossiers ready for examination will be submitted to a Long-Term Loan Committee. The function of this Committee shall be to recommend approval of the application, its modification or even, if appropriate, its rejection. The recommendations of the Loan Committee will be submitted for approval to the Heads of the NATO bodies concerned or to the person nominated by them.
- (b) The Loan Committee shall consist of:
- Chair: The Director of Administration and Personnel, his/her representative or, for NATO bodies other than the International Staff, the person nominated by the Head of the NATO body.

<sup>(1)</sup> Furnishings are therefore not covered.



- Members: The Chair of the Board of Supervisors of the Provident Fund, his/her representative or, for NATO bodies other than the International Staff, the person nominated by the Head of the NATO body.

The Financial Controller of the NATO body or his/her representative.

## **Part III Upper limit of withdrawals authorized**

### **Article 4 Initial and supplementary withdrawals**

Members of the Staff may be authorized to withdraw the funds requested in one or more instalments. Supplementary withdrawals may be authorized in addition to the initial withdrawal. However, no supplementary withdrawal may be made less than 6 months at least after the date of authorization of the initial withdrawal or the previous supplementary withdrawal.

- (a) In the case of construction, the initial withdrawal and the supplementary withdrawal may be made by instalments.
- (b) When an authorized withdrawal or, as the case may be, supplementary withdrawals by a member of the staff have been fully repaid in anticipation of the prescribed date, new withdrawals to cover expenditure in respect of the accommodation for which the fully repaid withdrawals had been granted cannot be authorized less than one year from the date of reimbursement.
- (c) All supporting evidence must be submitted with any request for a withdrawal or, if this is not possible, within a maximum of 6 months. Members of the staff who fail to comply with this condition will be required to repay the amounts withdrawn from their Provident Fund immediately.

### **Article 5 Upper limit on withdrawals**

- (a) Withdrawals shall only be authorized up to a maximum of 95% of the amount standing to the credit of the staff member's individual account.
- (b) The above limit shall apply both to the initial withdrawal and to any supplementary withdrawals. For the purpose of determining the maximum amount which may be authorized as a supplementary withdrawal, it is necessary to calculate the sum which would have stood in staff members' individual accounts if the amount still to be reimbursed were added to the amount actually standing in their account. The maximum amount of the withdrawal will be established in accordance with (a) above. From this sum will be deducted the amount of the repayments still outstanding, and the figure obtained will give the maximum amount withdrawable, subject to the conditions governing the reimbursement of loans described in Article 6 hereunder.
- (c) Members of the staff taking advantage of the above facilities will pay no interest on authorized withdrawals; however, the amount withdrawn from their individual accounts in the Provident Fund will no longer bear interest.

## **Part IV Repayments to the Provident Fund of amounts withdrawn**

### **Article 6 Progressive repayment of amounts withdrawn from the Fund**

Members of the staff will be required to make progressive repayments to their account in the Provident Fund of the amounts they have withdrawn. The following procedure will apply for the repayment of these amounts:

- (a) No repayment into the Fund will be made during the first 12 months following the initial withdrawal from the individual account of the staff member, except at the latter's request.
- (b) The Funds withdrawn will be repaid by means of monthly deductions from the staff member's salary. These monthly deductions, which shall in no case represent less than 5% of the staff member's emoluments, will be calculated so as to provide for full repayment within 8 years of the amount withdrawn, without exceeding 20% of the emoluments. However, if the monthly deductions exceed 10% of the emoluments, the period of repayment may be extended, at the request of the staff member concerned, so that the monthly repayments represent at least 10% of the staff member's emoluments at the date of the application. The monthly deductions shall in no case exceed the limit of 20% of the staff member's emoluments.
- (c) Monthly deductions will be adjusted:
  - 1. obligatorily by the Administration each time a supplementary withdrawal is authorized;
  - 2. optionally at the request of the staff member concerned, within the limits set out above.
- (d) The one or more supplementary withdrawals will be reimbursed in accordance with the procedure laid down in Article 6, paragraph (b) above.
- (e) Staff members may, in exceptional cases, request the suspension of monthly repayments for a maximum period of one year. These requests shall be submitted to the Loans Committee for consideration and shall be duly justified, the purpose of this concession being to allow staff members faced with financial difficulties normally covered by the provisions of Article 36.2.1 of the Personnel Regulations to meet their commitments without over-stretching their monthly budget.

Members of the staff may at any time reimburse all or part of their loan in anticipation of the prescribed date. Such repayments must, however, be equal to the amount outstanding on the loan or to six monthly deductions from salary.

### **Article 7                      Financial arrangements applying to the amounts repaid to the Provident Fund**

- (a) Withdrawals from individual accounts by civilian staff with international status will be recorded in Euros on the basis of the exchange rates in force at the time such withdrawals are made. The liabilities of the staff member towards the Provident Fund will however be expressed in the currency of the host country of the NATO body employing the staff member on the basis of the exchange rates in force at the time such withdrawals are made.
- (b) Advance repayments, as well as the monthly repayments to the Fund by deduction from the staff member's salary, will be recorded in Euros on the basis of the NATO parity rate on the date of such payments.
- (c) After meeting their liabilities in connection with withdrawals from the Fund, staff members may, if the total amounts reimbursed, expressed in Euros, are less than the amounts withdrawn in Euros, make a single additional contribution to their account not exceeding the difference between the total withdrawals and total reimbursements, both expressed in Euros. This option must be exercised within 6 months from the date of the last repayment.

## **Part V                      Special arrangements concerning the transfer of NATO staff members**

### **Article 8**

Members of the staff referred to in Article 1 who, as a result of their transfer to another NATO body, cease to occupy the accommodation in their former place of work for which the withdrawal was made and who have not fully reimbursed the amounts in question:

- (a) shall not be required to repay the balance outstanding immediately; however, in the event of sale of the said accommodation, the balance in question shall be repayable forthwith;
- (b) may formally request that the monthly repayments which they are required to make be deferred for not less than 3 months and not more than one year starting from the date of their transfer, the total period of repayment being extended accordingly; this request must be submitted within one year of the date of transfer of the staff member concerned.

### **Article 9**

Monthly repayments by members of the staff after their transfer to a new place of work may be calculated on the basis of their new salaries. Except in the case of further withdrawals under the terms of Articles 10 and 11 below, these repayments shall not be higher, in terms of percentage of the new salary, than the last monthly repayment before the transfer, in terms of percentage of the old salary, unless the staff member concerned so requests (within the percentage limits laid down in the present regulations), even if this leads to an extension of the period of repayment. Should repayment be deferred, in

accordance with the terms of Article 8(b) above, the necessary adjustments would be made at the date of resumption of the repayments.

### **Article 10**

Any members of the staff who have made a withdrawal for housing before their transfer shall be authorized to make additional withdrawals for the housing in question after their transfer in accordance with the Regulations in force. The upper limits and conditions of repayment of the aforementioned withdrawals shall be calculated on the basis of the salary paid in the new place of work.

In such cases, staff members shall not be authorized to make withdrawals from their account for accommodation in their new place of work until they have fully repaid the initial withdrawal and any additional withdrawals previously made.

### **Article 11**

Other than in the circumstances referred to in paragraph 2 of Article 10 above, members of the staff shall be authorized to make withdrawals from their individual account for accommodation in their new place of work, subject to the conditions and in accordance with the Regulations in force, but, in such a case, shall not be authorized to make additional withdrawals in respect of the accommodation for which one or more withdrawals may have been made before the transfer under the terms of Parts I to IV above.

All withdrawals authorized in application of the above paragraph shall be deemed to be initial withdrawals and may be supplemented, if necessary, by other withdrawals. These various withdrawals may be in addition to previous withdrawals, within the upper limits prescribed.

## **Part VI      Date of entry into force of the new system**

### **Article 12**

The present decision is applicable as from 17<sup>th</sup> February 1972, and supersedes the previous arrangements concerning authorized withdrawals from the Provident Fund to ease the housing problems of members of the staff. Requests submitted to the Personnel Service after 17<sup>th</sup> February 1972 will be examined in accordance with the new procedure described above.

The conditions governing authorized withdrawals before the date of entry into force of the present decision will continue to be applied, unless the staff members concerned wish to avail themselves of the provisions of Article 6(b) or request a supplementary withdrawal. In the latter case, however, the present regulations will govern all withdrawals made by the staff members.

## **Annex VIII**

# Basic principles of performance management and criteria for performance assessment

The following basic principles of performance management and assessment shall apply to performance management systems which shall be implemented by Heads of NATO bodies to replace systems previously applied under Annexes VIII.A and VIII.B of these Regulations. Heads of NATO body are charged to issue implementing instructions. The official responsible for personnel management shall manage and support the performance management process.

### **I. General**

- 1.1 The overall performance of the Organization is directly linked to the performance of each staff member. An effective performance evaluation, completed on an annual basis and applied across all NATO bodies allows:
  - (a) The alignment of staff performance with the objectives of the Organization,
  - (b) Enhancement of the staff member's performance and improved Organizational efficiency,
  - (c) Ongoing dialogue between supervisors and staff members concerning individual, team, divisional and organizational objectives and performance,
  - (d) Clarification of job responsibilities and expectations,
  - (e) Use of annual performance appraisals to make consistent personnel decisions concerning the award or not of salary step increments, staff transfers, contract renewal or to terminate employment.
- 1.2 Performance management comprises an annual cycle of events, each of which contributes to the overall goals of establishing an ongoing dialogue between staff members and their immediate supervisors about individual

work performance, of aligning staff performance with the objectives of the Organization, of maximizing the individual development of each member of the staff, and of providing information for consideration in personnel decisions.

- 1.3 A performance management system, to be fully effective, should be linked to the pay step increments' progression, which may be complemented through an appropriate recognition programme.

## **II. Performance management cycle**

- 2.1 The cycle should start with individual objective setting, referring to work related and personal development objectives of each staff member for the coming cycle.
- 2.2 In addition to performance related objectives, an individual development plan (IDP) or training requirements may be established for each staff member.
- 2.3 Ongoing feedback and coaching should occur throughout the cycle. This means regular two-way communication between the immediate supervisor and the staff member on progress in meeting the objectives set.
- 2.4 Notwithstanding Article 2.3 above, the cycle should include a formal mid-term review. Its main purpose should be to let staff members know, before the annual review, how they are doing in achieving objectives and demonstrating any competencies and/or personal attributes established for their posts. This meeting need not include a performance rating.
- 2.5 Annual review. During the annual review each staff member's performance should be formally assessed against the objectives set at the beginning of the cycle, taking note of any adjustments made at the mid-term review or throughout the reporting period. This allows for recognition of staff members' contribution to NATO's objectives and for identification of those staff members requiring assistance to meet expected standards.

## **III. Performance assessment**

- 3.1 The assessment of overall performance by the immediate supervisor should be based on the staff member's performance against the following type of assessment criteria:
  - the degree of achievement of his or her objectives (with an associated evaluation of the reasons for any non-achieved objectives);
  - performance with respect to any competencies and/or personal attributes which have been established for his or her post.
- 3.2 The proposed assessment should then be vetted by a second level supervisor (e.g. Section/Branch/Division Head), calibrated by the Organization for consistency, and signed by the supervisors and staff member. The staff member will be given the opportunity to comment formally should he or she wish to. The second level supervisor/countersigning officer should also

discuss any revisions to the proposed assessment with both the staff member and the immediate supervisor and the revised assessment should then be signed by both the supervisors and the staff member.

#### **IV. Conflict resolution**

- 4.1 In case of disagreement and if a satisfactory solution cannot be reached, a conflict resolution mechanism may be invoked by a staff member in the performance management system. The following principles should be respected:
- (i) agreement by the Head of the NATO body and the local staff association on the procedure;
  - (ii) safeguard of the rights of the parties concerned;
  - (iii) neutrality and objectivity;
  - (iv) different stages to resolve the conflict, which, as necessary, may include:
    - conciliation – conducted in the Division/Organization unit concerned under the responsibility of the appropriate second level supervisor
    - mediation – involves the services of a neutral mediator, whose role is to assist the parties involved to come to understanding/resolution
    - resolution – brings the matter before a Joint Review Board, which is responsible for making the final decision
  - (v) prompt handling of conflicts.





**Annex IX**

# Regulations governing administrative review, mediation, complaints and appeals

Approved by the Council on 23 January 2013<sup>(1)</sup>, the present Regulations enter in effect on 1 July 2013. Any proceedings initiated before that date under the previous Regulations will continue to be governed by the previous Regulations until they are settled in a final manner.

## **Article 1      Definitions and calculation of time limits in the present annex**

- 1.1 The term “staff member” refers to the personnel included in the categories listed in paragraph B(v)(c),(d),(e) and (f) of the Preamble to the CPRs.
- 1.2 The term “claimant” refers to a staff member or a member of the retired NATO staff, who has brought a formal complaint as provided in Article 4 of this Annex.
- 1.3 The term “appellant” refers to a staff member or a member of the retired NATO staff or his or her legal successor, who has lodged an appeal with the Administrative Tribunal as provided in Article 6 of this Annex.
- 1.4 The calculation of time limits in this Annex prescribed in terms of “days”, which shall mean “calendar days”, shall not include the day of the event from which the period runs, and shall include the next working day in the NATO Body when the last day of the period is not a working day. Respect of time limits is mandatory, except in exceptional cases, such as staff members on a probationary period.
- 1.5 Where a decision is deemed to have been taken as a result of the failure to act within a specified period of time, such decision shall be deemed to have been taken on the day immediately following the expiration date of such time period.
- 1.6 Where the grievance is the result of a decision taken directly by the Head of a NATO body, the aggrieved party may lodge an appeal directly with the Administrative Tribunal.

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<sup>(1)</sup> PO(2013)0004-Rev 1

- 1.7 The claimant or appellant may determine which official language will be used during the mediation, administrative review, complaints and appeals processes. Interpretation will be provided during Administrative Tribunal hearings and, upon express request, in the mediation, administrative review and complaints processes.

## **Article 2 Administrative Review**

- 2.1 Staff members or retired NATO staff who consider that a decision affecting their conditions of work or of service does not comply with their terms and conditions of employment and decide to contest the decision, may, within 30 days after the decision was notified to them, initiate the process for seeking an administrative review of the decision. As provided in Articles 2.2-2.4, the process shall be initiated in the NATO body in which the staff member is appointed or member of the retired NATO staff was appointed, so long as the Head of that NATO body has authority to rescind or modify the contested decision; otherwise, the process shall be initiated in such other NATO body, if any, that has the authority to rescind or modify the decision in question. In cases of doubt, staff members or retired NATO staff should consult with the human resources management in the NATO body in which they are, or were last employed for guidance.
- 2.2 In cases where an administrative review is to be conducted within the NATO body to which the staff member is appointed, the following steps shall apply:
- (a) they shall, through their own immediate supervisor, seek administrative review by the official who is the immediate supervisor of the manager or other official who took the contested decision. The staff member's immediate supervisor shall respond within 21 days, except that this period may be extended with the consent of the staff member.
  - (b) those wishing to contest the decision of the immediate supervisor shall, within 21 days of receiving a response pursuant to Article 2.2(a) of this Annex, refer the matter to the Head of NATO body concerned, requesting a further administrative review and indicating the reasons for the measure(s) or other outcome they are seeking by way of remedy. The Head of NATO Body shall review the matter, including the gathering of any information he/she deems necessary to consider whether to agree to the measures or other outcome sought. The Head of NATO Body shall, within 21 days from receipt of the staff member's request, make known his/her position and shall either confirm, rescind or modify the contested decision.
- 2.3 In cases where an administrative review is to be conducted in a NATO body other than the staff member's employing NATO body, he/she shall refer the matter to the immediate supervisor of the manager or other official who took the contested decision in that NATO body, requesting an administrative review of the contested decision and indicating the reasons for the measure(s) or other outcome he/she is seeking by way of remedy. The immediate supervisor of the manager or other official who took the contested decision shall review the matter, including the gathering of any information he/she deems necessary to consider whether to agree to the

measures or other outcome sought, and within 21 days from receipt of the staff member's request, respond in writing to the staff member. The response shall make known his/her position and shall either confirm, rescind or modify the contested decision.

- 2.4 Retired NATO staff members who wish to contest a decision shall refer their request for administrative review to the official responsible for human resources management at NATO Headquarters, unless it concerns a work or career-related matter that arose during their employment, in which case it shall be referred to the equivalent official in the NATO body in which the retired NATO staff member was last employed<sup>(1)</sup>. This request shall be made within 30 days after receipt of the notification of a contested decision.
- 2.5 In the event a NATO Body receives a request for administrative review or complaint that in the opinion of the Head of NATO Body should be dealt with by another organization, it shall without delay forward the matter to the appropriate NATO Body and so inform the staff member, or member of the retired NATO staff. In the event that the two NATO bodies concerned cannot agree as to which should take action, the matter is to be forwarded for resolution at the Administrative Tribunal. The time limits for response shall apply from the date the matter is received by the appropriate service.

### **Article 3            Mediation**

- 3.1 Before submitting a written complaint to the Head of the NATO body concerned as provided in Article 4.1, staff members may request mediation. The Head of the NATO body may, but is not obligated to agree to the request.
- 3.2 Where there is agreement to mediate, the mediation shall be conducted in accordance with common rules and procedures adopted for this purpose by the Organization, which shall be consistent with this Annex. The Organization shall establish guidelines to standardize modalities of mediation procedures NATO-wide.
- 3.3 Submission of a dispute to mediation shall suspend, until the mediation has been completed, even if it is not successful, the time limits foreseen under this Annex.
- 3.4 Submission of a dispute to mediation shall not, of itself, have the effect of suspending the contested decision or any actions taken as a result thereof. However, pending completion of the mediation and at the request of the staff member, the Head of the NATO body may suspend the contested decision, and/or refrain from taking any further action that would change the circumstances within the NATO body to the detriment of the staff member, by rendering impossible or impractical the relief sought by the staff member in the event that the mediation settles the dispute.
- 3.5 The mediation, its proceedings and the mediation report shall be marked "Sensitive - Administrative Tribunal - handle in confidence." Mediation

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<sup>(1)</sup> In the event that the NATO Body has been disbanded, the request for administrative review should be submitted to the higher Military Command for NATO bodies to which the Paris Protocol applies or to the International Staff in the case of a NATO body to which the Ottawa Agreement applies.

involves the services of a neutral, qualified mediator who is appointed by the Head of NATO Body in consultation with the Staff Association and who has no direct chain of command involvement with any of the parties involved.

- 3.6 A settlement of the dispute through mediation shall be recorded in writing and signed by both parties, and retained on the staff member's personal file. Unless otherwise agreed by the parties, settlement shall preclude any further action being taken by the Head of the NATO body or the staff member in respect of the subject matter of the settlement, other than for the purpose of ensuring compliance with the terms of the settlement itself.
- 3.7 If the mediation does not result in settlement of the dispute the staff member may submit a complaint to the relevant Head of NATO body, as set out in Article 4 below.

#### **Article 4            Submission of complaints**

- 4.1 Claimants wishing to contest the decision after pursuing an administrative review as prescribed in Article 2 of this Annex, or, where applicable, mediation as described in Article 3, or if no response has been received within the applicable time limit, may make a formal complaint in accordance with the provisions of Article 61 of the Civilian Personnel Regulations. Such complaints shall be submitted to the Head of the NATO body in which the administrative review was conducted. In order to be considered by the Head of the NATO body, a complaint must be submitted to him/her within 30 days following the outcome of the administrative review or mediation, where applicable and if pursued.
- 4.2 Claimants shall be entitled to request that, before a decision is taken, the complaint be submitted to a Complaints Committee established in accordance with the provisions of Article 5 below. The Head of the NATO body shall accept the request to submit the complaint to the Complaints Committee unless, within 15 days of receiving the complaint, he/she agrees to rescind or modify the contested decision. Alternatively, Heads of NATO bodies may decide to submit a complaint to the Complaints Committee on their own initiative.
- 4.3 The Head of the NATO body and the claimant may agree to submit the matter directly to the Administrative Tribunal, for example, where the issue(s) in dispute are purely legal in nature, and both parties agree in their written submissions that there are no material facts in dispute. The Head of the NATO body shall not render a decision with respect to matters submitted directly to the Administrative Tribunal under this paragraph.
- 4.4 Claimants who are obliged to travel over 100 kilometres in order to participate in a Complaints procedure shall be reimbursed by the NATO body their reasonable travel expenses in accordance with CPR Article 40.

## **Article 5 Complaints Committee**

### **5.1 Composition**

5.1.1 In each NATO body<sup>(1)</sup>, a Complaints Committee as described in Article 5.1.3 shall be formed and shall consist of a Chair and up to six other members, that is to say:

- (a) a Chair, appointed by the Head of the NATO body concerned, after appropriate consultations with the Staff Association, for a period of two years and selected from among the personnel of that body;
- (b) one to three members designated by the Head of the NATO body from among the personnel of that body;
- (c) one to three members designated from among the same personnel by the Staff Association concerned.

5.1.2 An alternate Chair of the Complaints Committee, to replace the Chair in cases where the latter is unable to act, shall be appointed by the Head of the NATO body at the same time as the Chair, under the same conditions and for the same period.

5.1.3 Each complaint will be considered by a committee consisting of the Chair and two members, one selected by the Head of the NATO body, and one selected by the Staff Association, taking into account the grade level of the member in relation to the claimant, the availability of the member to participate in the case, and any relevant expertise the member may have. Effort should be made to ensure both national and gender diversity on the Complaints Committee whenever practicable. Any member of the Complaints Committee who has a conflict of interest in a given case shall not be competent to hear that case.

5.1.4 The Complaints Committee shall act independently and impartially in the exercise of its duties. The members shall sign a statement to this effect upon appointment or designation. Aside from the regulations set out in this Annex, no directives relating to their work on the Committee shall be given to Committee members. Committee members shall work independently of any interference by those outside the Committee. The Chair has the authority and is responsible for the organisation and conduct of the work of the Committee.

### **5.2 Procedure**

5.2.1 Within 21 days of receipt of a complaint referred by the Head of the NATO body, the Chair of the Complaints Committee shall convene a Complaints Committee in accordance with Article 5.1.3 of this Annex to consider the complaint.

5.2.2 The Complaints Committee shall proceed as it deems necessary to carry out its responsibilities for advising the Head of the NATO body, consistent

<sup>(1)</sup> The higher Military Command for NATO bodies to which the Paris Protocol applies or the International Staff in the case of a NATO body to which the Ottawa Agreement applies. The Secretary General should be construed to be the Head of NATO body for disbanded NATO Agencies and the respective Supreme Command should identify the Head of NATO Body for International Military Headquarters which have closed.

with Appendix 3 to this Annex. The proceedings of the Committee, including the evidence and testimony presented, shall be conducted and handled by the Complaints Committee with appropriate regard to the considerations of confidentiality. The Complaints Committee will ordinarily hear claimants and other witnesses in person.

- 5.2.3 The claimant may be assisted by another staff member or someone external to the NATO body, including a member of the retired NATO staff or professional counsel, in preparing the complaint and any other submissions and in presenting his/her case at the oral hearing(s). Such other person may not, however, speak for the claimant and must, as a condition of his/her continued presence at the hearing, comply with any directive issued by the Complaints Committee concerning the conduct of the hearing.
- 5.2.4 The Complaints Committee shall provide its findings of facts, views and recommendations, including any minority views, as applicable, and recommendations in a written report to the Head of the NATO body concerned, within 45 days from the date on which the complaint was referred to it. The claimant shall receive a copy of the report of the Complaints Committee at the same time it is provided to the Head of the NATO body.
- 5.2.5 The Head of the NATO body shall take a decision and notify the claimant thereof within 30 days of receipt of the report of the Complaints Committee. Before this decision is taken, the claimant shall have the right to submit his/her views, including with respect to the findings and recommendations of the Complaints Committee, in writing to the Head of the NATO body. The Head of the NATO body will consider such views and may, but is not required to, meet in person with the claimant before taking a decision.

### **5.3 Protection**

- 5.3.1 No individual shall be subject to adverse action of any kind because of pursuing a complaint through administrative channels, presenting any testimony to the Complaints Committee, or assisting another staff member.
- 5.3.2 Members of the Complaints Committee shall be similarly protected in the exercise of their functions.

## **Article 6 Administrative Tribunal**

### **6.1 Composition**

- 6.1.1 On the same date as these regulations enter into force (see Preamble), there shall be established an Administrative Tribunal of the North Atlantic Treaty Organization (herein "Tribunal") composed of five members, including the President, who shall be of different nationalities. The members of the Tribunal, each of whom must be of the nationality of one of the Member states of NATO, may not be staff members or members of the retired NATO staff or of the national delegations to the Council. Each member will be appointed on the basis of merit, be a competent citizen of good character, integrity, reason, intelligence, and judgment and possess the qualifications required for appointment to high judicial office or be a jurisconsult of recognized competence in a field or fields relevant to the work of the Tribunal.

6.1.2 The members of the Tribunal shall be appointed as follows:

- (a) The President and other members of the Tribunal shall each be appointed by the Council for a five-year term;
- (b) The terms of office of the initial members of the Tribunal shall begin on the same date as these regulations enter into force. As a transitional measure, two of the four initial members of the Tribunal other than the President shall, as determined by drawing of lots following their appointment by the Council, serve for initial terms of three years;
- (c) The members of the Tribunal may be reappointed for one further five-year term, following the same procedure.
- (d) In the event a member of the Tribunal does not complete his or her term, a replacement member shall be appointed following the same procedure. A member appointed to replace a member whose term of office has not expired shall hold office for the remainder of his/her predecessor's term. Any such interim appointment shall not be taken into account when applying the term limitation.
- (e) If persons who are current or former members of the NATO Appeals Board are appointed as members of the Tribunal, the time spent serving on the Appeals Board shall not be taken into account for purposes of the above term limits.

6.1.3 Each member of the Tribunal must, from the date his or her term in office begins, hold a security clearance certificate authorizing him or her to have access to information classified NATO SECRET.

6.1.4 The decisions of the Tribunal in a case shall be taken by a panel consisting of the President and two other members designated by the President. If the President recuses him/herself or is otherwise unable to hear a case, s/he shall name a third member to serve on the panel. In such case, the longest serving of the members of the panel shall act as President for that case, provided that if two or more members are of equal seniority, the eldest shall serve as acting President. The panel in such case shall thereupon consist of the acting President and two other members.

6.1.5 Any member of the Tribunal who has a conflict of interest in a case shall recuse him/herself. Each party may ask for a change in the composition of the Tribunal panel constituted in a case on account of presumed partiality. The parties may not, however, invoke the nationality of a member of the Tribunal to this effect. The two remaining members of the Panel shall take a decision on the request submitted in the absence of the member concerned and, if they disagree, the longest serving of the two shall decide.

6.1.6 The members of the Tribunal shall be completely independent in the exercise of their duties; they shall not receive any instructions or be subject to any constraint. They shall enjoy, so far as is necessary for the effective exercise of their functions, the privileges and immunities specified in Article 21 of the Agreement signed in Ottawa on 20th September, 1951 under the conditions laid down in that Agreement.

6.1.7 A former member of the Tribunal may not be employed as a staff member of the Organization for a period of five years after such person has served on the Tribunal.

## **6.2 Competence**

6.2.1 The Tribunal shall decide any individual dispute brought by a staff member or a member of the retired NATO staff or his or her legal successor concerning the legality of a decision taken by the Head of a NATO body either on his or her own authority or in application of a decision of the Council. In this respect, the Tribunal shall make decisions according to the Civilian Personnel Regulations, other pertinent rules, contracts or other terms of appointment, as well as their interpretation and application to the staff in individual cases<sup>(1)</sup>.

6.2.2 In the event of a dispute as to whether a particular matter falls within the competence of the Tribunal as defined in section 6.2, the issue shall be settled by the Tribunal.

6.2.3 The Tribunal shall not have any powers beyond those conferred under this Annex. Nothing in this Annex shall limit or modify the authority of the Organization or the Head of NATO body, including the lawful exercise of their discretionary authority to establish and amend the terms and conditions of employment of staff.

6.2.4 The Tribunal shall establish in writing its rules of procedure in accordance with the provisions of this Annex. These rules of procedure shall be included in Appendix 1 to this Annex of the Civilian Personnel Regulations.

## **6.3 Appeals**

6.3.1 Except with respect to decisions for which there are no channels for submitting complaints or where the appellant and the Head of the NATO body concerned have agreed to submit the matter directly to the Tribunal, the Tribunal shall only entertain appeals after the appellant has exhausted all available channels for submitting complaints under this Annex. In cases where channels for submitting complaints are available and have been pursued, the appeal must be submitted within 60 days of the latest of the following to occur:

- (a) the appellant has been notified by the Head of the NATO body concerned that the relief sought or recommended will not be granted; or
- (b) the appellant has been notified by the Head of the NATO body concerned that the relief sought or recommended will be granted, but such relief has not been granted within 30 days after receipt of such notice; or
- (c) the Head of the NATO body concerned has failed to notify the staff member or a member of the retired NATO staff within 30 days of receiving the report and recommendation of the Complaints Committee in the matter, which shall be considered as equivalent to a decision that the relief sought will not be granted.

<sup>(1)</sup> It is understood that the Tribunal shall have the authority to rule on the Civilian Personnel Regulations in the event that a CPR provision seriously violates a general principle of international public service law.



- 6.3.2 With respect to appeals against decision for which there are no channels for submitting complaints, or where the appellant and the Head of the NATO body have agreed to submit the matter directly to the Tribunal, the appeal must be submitted within 60 days of the notification of the decision to the appellant or agreement to submit the matter to the Tribunal.
- 6.3.3 Notwithstanding the time limits prescribed in Articles 6.3.1 and 6.3.2, and in very exceptional cases and for duly justified reasons, the Tribunal may admit appeals lodged up to a further 30 days after the time allowed.
- 6.3.4 Appeals shall be made in writing. They shall state all grounds of appeal asserted by the appellant and shall be accompanied by all documentary evidence relevant thereto including, where one has been submitted, the report and recommendations of the Complaints Committee in the matter.
- 6.3.5 Although an appeal shall not stay the execution of the decisions appealed against, pending the conclusion of the case and at the request of the staff member or a member of the retired NATO staff, the Head of the NATO body may suspend the contested decision, and/or refrain from taking any further action during the period within which an appeal may be brought or is being heard that would change the position within the NATO body to the detriment of the appellant, by rendering impossible or impractical the relief sought by the appellant, in the event of the appeal being upheld.

#### **6.4 Administrative arrangements**

- 6.4.1 The Secretary General shall make the administrative arrangements necessary for the functioning of the Tribunal, including designating a Registrar who, in the discharge of his or her duties in support of the Tribunal, shall be responsible only to the Tribunal. The Registrar shall provide such professional, technical and administrative support as the Tribunal deems useful for its work. The Registrar may be part-time and perform other non-Tribunal duties as well.
- 6.4.2 The expenses of the Tribunal shall be borne by NATO. The Tribunal shall prepare and manage its budget independently.

#### **6.5 Preliminary procedure**

- 6.5.1 Appeals shall be transmitted immediately by the Registrar of the Tribunal to the Head of the NATO body concerned, who shall answer the Appeal in writing within 60 days of its receipt. The answer shall be communicated by the Registrar to the appellant who may, within 30 days of its receipt, submit a reply in writing. In case the Appellant submits a reply, this reply should be communicated by the Registrar to the Head of the NATO body concerned who may, within 30 days of receipt, submit a rejoinder in writing.
- 6.5.2 Appeals, together with the documentary evidence, the comments of the Head of the NATO body, the appellant's reply and the Head of NATO body's rejoinder, if any, shall be communicated to the members of the Tribunal by the Registrar at least 30 days before the date of the session at which they are to be considered.
- 6.5.3 If the direct implementation by the Head of a NATO body of a decision of the Council is being examined before the Tribunal, the Council, on its own initiative, may submit written observations to the Tribunal. These observations shall be made available to all parties to the case.

## **6.6 Sessions**

- 6.6.1 The President, in consultation with the members of the Tribunal, shall decide on the timing and agenda of the Tribunal's sessions.
- 6.6.2 The Tribunal shall hold its sessions at NATO Headquarters, unless it considers that the efficient conduct of the proceedings necessitates holding a session or sessions elsewhere.
- 6.6.3 The Tribunal shall hear appeals submitted to it not later than 90 days after the date of communication of the relevant documentation to the members of the panel.
- 6.6.4 The Tribunal shall have discretion, in exceptional circumstances, to depart from the time limits laid down both in the preceding paragraph and in Article 6.3 above. Either party may request an expedited hearing on the basis of exceptional circumstances, in particular the need to avoid irreparable harm, in which case the request will be decided by the President, taking into account the views of the other party on the matter.

## **6.7 Hearings**

- 6.7.1 Unless all parties agree otherwise, appeals lodged before the Tribunal will require an audience in the form of an oral hearing where all concerned parties may be present and or represented. In accordance with the provisions of the present Annex, oral hearings may be attended by any interested staff members or retired NATO staff, or a member of the delegation of any of the member States who hold appropriate security clearance, unless the Tribunal decides, upon the request of a party and taking into account the views of the other party, that exceptional circumstances, such as the personal and private nature of the matters raised, require that the hearing be held in private. The Tribunal may adopt rules concerning attendance of hearings and conditions thereof.
- 6.7.2 Both the Head of the NATO body and the appellant may attend the oral hearings and make statements in support of the arguments put forward in their submissions. They may be aided or represented for this purpose by other persons, including counsel selected by them. However, in the event the Tribunal considers it necessary, at the request of either the Head of the NATO body, or the appellant, to take cognizance of NATO classified material and in the event this material is included in the file of the case notwithstanding the provisions of Article 6.7.5 below, the parties may only be assisted or represented by a member of the NATO civilian Staff, retired NATO staff, military personnel or by counsel who have received appropriate security clearance, unless the material is declassified.
- 6.7.3 The Tribunal may, subject to the recognition of well-accepted privileges accorded to certain types of communications, including those relating to attorney-client communications and settlement discussions, require the production of any document which it deems useful for the consideration of an appeal before it. Documents so communicated to the Tribunal shall also be communicated to the Head of the NATO body and to the appellant, respecting procedures relating to the transmission of classified information, so long as the appellant holds the appropriate security clearance with respect to the document in question.

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- 6.7.4 The Tribunal may hear any witnesses, including persons whose attendance has been requested by a party in writing, whose evidence it deems may be useful in the proceedings. Any official, whether civilian or military, of NATO called as a witness, shall appear before the Tribunal and may not refuse the required information, except under the conditions laid down in the Tribunal's rules of procedure.
- 6.7.5 If the interests of the Alliance necessitate the use of classified information or documents in the Administrative Tribunal, the Secretary General, acting in his/her capacity as Chair of the Council, may, either on his/her own initiative or at the request of the Head of a NATO body concerned, personally decide that certain information or documents shall not be communicated to the Tribunal or may instruct a member of his staff not to reply to certain questions. Classified material originating from a Member state shall not in any event be disclosed without the consent of the Member state concerned. Recourse to the provisions of the present article shall in no case be interpreted to the disadvantage of the appellant. The Tribunal shall use all appropriate means to ascertain the validity of reasons given for not providing the requested information or documents and shall ultimately decide on the validity of such reasons, whether the requested information or documents shall be provided and whether a member of the staff shall reply to all questions.
- 6.7.6 All those attending a hearing of the Tribunal shall preserve the utmost secrecy concerning the facts which come to their knowledge and the views expressed during the hearing.
- 6.7.7 The Tribunal shall deliberate alone and in secret.
- 6.7.8 The Office of the Legal Adviser of the International Staff shall, at the request of the President of the Tribunal, or may, on its own initiative, submit written observations, attend and participate in the hearing, or both. Any such observations shall be made available to all parties in the case.

## 6.8 Judgments

- 6.8.1 Judgments of the Tribunal shall be taken by majority vote. They shall be delivered in writing and shall state the grounds on which they are based. They shall be circulated by the Registrar, particularly for the benefit of national delegations and Heads of NATO bodies.
- 6.8.2 In cases where it is admitted that there were good grounds for the appeal, the Tribunal shall order the NATO body to reimburse, within reasonable limits, justified expenses incurred by the appellant; provided, that the appellant shall not be entitled to recover the expenses incurred by reason of being assisted by another staff member or a member of the retired NATO staff in respect of his/her own time incurred in pursuing the appeal. The Tribunal may also order the NATO body to reimburse the justified expenses incurred by witnesses who have been heard, within the limits to be fixed by the Tribunal.
- 6.8.3 In cases where the Tribunal finds that the appellant intended to delay the resolution of the case or harass NATO or any of its officials, or that the appellant intended abusive use of the appeals procedure, it may order that reasonable compensation<sup>(1)</sup> be made by the appellant to the NATO body in question. If so ordered, the amount awarded by the Tribunal shall be collected

by way of deductions from payments owed by NATO to the appellant or otherwise, as determined by the Head of the NATO body in question.

6.8.4 (a) The judgments of the Tribunal shall be final and not subject to any type of appeal by either party, except that the Tribunal may be requested by either party within 30 days from the date of the judgment to rectify a clerical or arithmetical mistake in a judgment delivered.

(b) Either party may petition the Tribunal for a re-hearing should a determining fact not have been known by the Tribunal and by the party requesting a re-hearing at the time of the Tribunal's judgment. Petitions for a re-hearing must be made within 30 days from the date on which the above-mentioned fact becomes known, or, in any case, within 5 years from the date of the judgment. With the consent of the parties, the Tribunal may decide in a given case that no oral hearing is required and a decision can be taken on the basis of the written record before it.

6.8.5 The Tribunal shall decide in each case whether in light of the written record before it, a decision can be taken on the petition without the need for an oral hearing.

#### 6.9 Award of remedies

6.9.1 If the Tribunal concludes that the appeal is well founded in whole or in part, the Tribunal may grant, in whole or in part, the remedies sought by the appellant, including annulment of such decisions of the Heads of NATO bodies as are contrary to the contracts or other terms of appointment of the staff member concerned or to the relevant provisions of NATO regulations governing personnel, and specific performance of an obligation such as a pay increase, promotion, transfer or reinstatement of employment, and the payment of monetary relief. It may also order the NATO body to pay compensation for the injury resulting from any irregularity committed by the Head of the NATO body.

6.9.2 Nevertheless, where the Head of NATO body concerned or, as regards those bodies to which the Paris Protocol applies, the Supreme Commander concerned, affirms that the annulment of a decision or specific performance of an obligation is not possible or would give rise to substantial difficulties, the Tribunal shall instead determine the amount of compensation to be paid to the appellant for the injury sustained.

6.9.3 In cases where the judgment of the Tribunal includes annulment of the contested decision that applies or gives effect to a rule, regulation or other decision of general applicability to a staff member or a member of the retired NATO staff which the Tribunal declares to be invalid, in whole or in part, such rule, regulation or decision or invalid portion thereof may not thereafter be applied to similarly-situated staff members or retired NATO staff.

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<sup>(1)</sup> Which shall in no case exceed 50% of one month's basic salary for the staff member.

**6.10 Transitional provisions**

Appeals pending before the NATO Appeals Board on 30 June 2013 shall be transferred to the NATO Administrative Tribunal. Appeals that were submitted to the Appeals Board prior to the date when these regulations enter into force, but not decided by that date, shall be decided by the Tribunal in accordance with the provisions of Annex IX in effect prior to when these regulations enter into force.

**6.11 Final provisions**

- 6.11.1 The original of each judgment shall be filed in the archives of NATO. A copy of the judgment, attested to by the President, shall be delivered to each of the parties concerned and to the Office of the Legal Adviser of the International Staff.
- 6.11.2 A copy shall also be made available by the Registrar to any interested staff member or a member of the retired NATO staff, provided that the President may decide that the identities or any other means of identification of the appellant or other persons mentioned in the judgment shall be deleted from the judgement, which would be made available to staff members and retired NATO staff in an appropriate electronic format.



**Appendix 1 to Annex IX**

# Rules of procedure of the Administrative Tribunal

Adopted on 1 July 2013 according to PO(2013)0356

**Chapter I**

## General provisions

**Rule 1                      General provisions**

1. These Rules of Procedure (hereinafter "Rules") shall apply to the Administrative Tribunal (hereinafter "Tribunal") of the North Atlantic Treaty Organization (hereinafter "NATO").
2. These Rules shall be subject to the provisions of the NATO Civilian Personnel Regulations, in particular Annex IX thereto (hereinafter "Annex IX").
3. These Rules are established by the Tribunal in accordance with Article 6.2.4 of Annex IX and will apply to all appeals that may be submitted to it after 1 July 2013. They may be amended by the Tribunal.
4. The Tribunal, or, when the Tribunal is not in session, the President of the Tribunal (hereinafter "the President") after giving notice to the Parties and after consultation, where appropriate, with the other members of the Tribunal or of a Panel, may, in exceptional cases and in accordance with Article 6.6.4 of Annex IX, depart from any applicable time limits.
5. The Tribunal or, when the Tribunal is not in session, the President may deal with any matter not expressly provided for in the present Rules.

**Rule 2                      Organization of the Tribunal**

1. The Tribunal is composed of the President and four other members.
2. The Tribunal shall seek to conduct its affairs so that the President and all of its other members may meet together at least once a year.

3. A Panel consisting of the President and two other members of the Tribunal shall consider an appeal or a group of appeals. Decisions of such Panels shall be deemed to have been taken by the Tribunal.
4. The members of the Tribunal shall be assigned to Panels consisting of the President and two other members each. The President shall assign each of the other members in rotation to a Panel with each of the other three members. The President shall assign cases to Panels with due consideration to the principle of rotation as well as equitable distribution of workload.
5. In each case the President shall serve as judge-rapporteur or designate another member of the Panel as such, *inter alia*, for purposes of preparing a draft judgment for consideration and approval by the Panel.
6. The seat of the Tribunal shall be at NATO Headquarters in Brussels, Belgium. The President may decide to hold one or more particular sittings in a place other than at the Tribunal's seat, in accordance with Article 6.6.2 of Annex IX.

### **Rule 3                      Official languages**

The official languages of the Tribunal shall be English and French.

### **Rule 4                      President**

The President, or if the President is recused or is otherwise unable to perform his or her functions, the member of the Tribunal identified in accordance with Article 6.1.4 of Annex IX, shall direct the work of the Tribunal. In particular the President shall:

- (a) perform the functions entrusted to the President by Annex IX and by these Rules;
- (b) preside over the consideration of the cases by the Tribunal;
- (c) make such orders as may be required for the conduct of the proceedings;
- (d) convene the Tribunal and fix its order of business;
- (e) direct the Registrar of the Tribunal in the performance of the Registrar's functions;
- (f) represent the Tribunal in its administrative and related matters;
- (g) when the Tribunal is not in session deal with any matter not expressly provided in the present Rules; and
- (h) prepare an annual report on the activities of the Tribunal.

### **Rule 5                      Registrar**

Under the authority of the President, the Registrar of the Tribunal shall:

- (a) receive appeals instituting proceedings and related documentation for each case before the Tribunal;



- (b) be responsible for transmitting all documents and making all notifications required in connection with each case;
- (c) make for each case a dossier which shall record all actions taken in connection with the case, the dates thereof, and the dates on which any document or notification forming part of the procedure is received in or dispatched from the Registrar's office;
- (d) attend hearings and meetings of the Tribunal;
- (e) keep the minutes of these hearings and meetings as instructed by the President;
- (f) have the custody of the archives of the Tribunal;
- (g) expeditiously perform the functions entrusted to the Registrar by Annex IX and these Rules and carry out tasks as assigned by the President; and
- (h) issue practice directions relating to the lodging of written pleadings and to the preparation for and conduct of hearings.

## **Rule 6                    Recusal**

1. The President or other members of the Tribunal shall recuse themselves:
  - (a) in cases involving persons with whom the member has a personal, familial or professional relationship;
  - (b) in cases concerning which the member has previously been called upon in another capacity, including as advisor, representative, expert or witness; or
  - (c) if there exist other circumstances such as to make the member's participation seem inappropriate.
2. Any recused member shall immediately inform the President of the Tribunal. If the President is recused, the President shall immediately inform the members of the Panel and name a third member to serve on the Panel in accordance with Article 6.1.4 of Annex IX.

## **Rule 7                    Representation**

Each party may at any time choose to be assisted by counsel or other representatives, whose designation shall be notified to the Registrar.

## **Rule 8                    Sessions**

The President shall, in consultation with the other members of the Tribunal and taking into account the caseload, fix the dates and agendas of the Tribunal's sessions.

## Chapter II

# Written Procedure

### Rule 9 Appeal

1. An appeal shall be filed by the appellant or the appellant's duly authorized counsel or other representatives.
2. An appeal instituting proceedings shall be submitted to the Tribunal through the Registrar. Each appeal shall contain:
  - (a) the name and official status of the appellant;
  - (b) the name of the appellant's counsel other representative, if any;
  - (c) the decision being challenged, and the Head of NATO Body concerned for the decision;
  - (d) the channels of administrative review and complaints, as applicable, that the appellant has pursued in accordance with the relevant provisions of Annex IX and the results thereof;
  - (e) the legal grounds on which the appeal is based;
  - (f) a statement of the supporting facts and any supporting evidence and documents, including, where appropriate, statements of any supporting witness;
  - (g) the relief or remedy that is being sought, including (i) the amount of compensation, if any, claimed by the appellant or the specific performance of any obligation which is requested, or both, and (ii) costs as the Tribunal may award;
  - (h) any request for production of documents.
3. The appeal, the supporting evidence, and any other documents being produced that are essential for the appeal must be submitted in one of the official languages of the Tribunal. If a document other than the appeal is not in one of the official languages, the appellant shall attach a certified translation into one of these official languages. Any translations into the other of these languages shall, if necessary, be prepared under the responsibility of the Registrar. The appellant shall include as attachments relevant portions of all documents cited in the appeal in an original or in an unaltered copy. The appellant shall also attach a copy of any report and recommendation of the Complaints Committee in the matter. The pages of all documents submitted shall be consecutively numbered.
4. The appeal shall be signed on the last page by the appellant or the counsel or other representative, if any, designated in accordance with Paragraph 1 above. In the event of the appellant's incapacity, the required signature shall be furnished by the appellant's legal representative.
5. The date of filing shall be considered the first of the two following dates:

- a. the date on which the Registrar has received an electronic copy of the appeal, and its complete enclosures, at mailbox.tribunal@hq.nato.int. A complete paper copy of the appeal shall be dispatched by mail to the Tribunal no later than the first business day following submission of the electronic copy; or
  - b. the date on which the Registrar has received by mail one paper copy, and its complete enclosures, of the appeal. However, a complete electronic version of the appeal shall be submitted by e-mail to the Registrar at mailbox.tribunal@hq.nato.int.
6. If following review of the appeal, the Registrar determines that the appeal contains minor defects or omissions the Registrar shall advise the appellant and prescribe a reasonable period of time, not to exceed 15 days, to correct the defects or omissions.
7. If this is done within prescribed time, the appeal shall be considered filed on the original date. If corrections are not made in the time specified by the Registrar, but are made at a later date, the filing date shall be the later date on which the corrected document is filed.
8. Upon receipt of the appeal, or following correction of any minor defects or omissions in accordance with the preceding paragraphs the Registrar shall transmit the appeal to the President of the Tribunal, and communicate a copy to the Head of NATO Body concerned (hereinafter "HONB") and the Office of Legal Affairs of the International Staff (hereinafter "OLA").

## **Rule 10                      Summary dismissal**

1. Where the President considers that an appeal is clearly inadmissible, outside the Tribunal's jurisdiction, or devoid of merit, the President may instruct the Registrar to take no further action on it until the next session of the Tribunal. Such ruling shall suspend all procedural time limits.
2. After notifying the appellant and considering any additional written views of the appellant, the Tribunal at the next session may either summarily dismiss the appeal as being clearly inadmissible, outside its jurisdiction, or devoid of merit, stating the grounds therefor, or it may decide to proceed with the case in the normal way.

## **Rule 11                      Anonymity**

1. An appellant may request at any time prior to judgment that his or her name or other information not be made public by the Tribunal.
2. The HONB may request in the answer that the name of any other individual not be made public by the Tribunal. An intervener may request anonymity in the application for intervention.
3. The parties shall be given an opportunity to present their views to the Tribunal in response to a request for anonymity.

4. The Tribunal shall grant a request for anonymity if good cause has been shown for protecting the privacy of an individual from public disclosure. However, a grant of anonymity does not extend to the parties or to the oral procedure.

## **Rule 12                      Answer**

1. After an appeal has been transmitted by the Registrar to the HONB, the HONB shall answer the appeal within 60 days of receipt unless, upon request by either party with notice to both, the President sets another time limit, in accordance with Rule 1, Paragraph 4. The HONB's answer shall be submitted to the Tribunal and to the appellant through the Registrar. The HONB shall include as attachments the relevant portions of all documents referred to in the answer in accordance with these Rules, unless the document has been attached to the appeal, in which case reference should be made to the page number. The pages of all documents submitted shall be consecutively numbered.
2. The answer shall be signed on the last page by the representative of the HONB.
3. The date of filing shall be considered the first of the two following dates:
  - a. the date on which the Registrar has received an electronic copy of the answer, and its complete enclosures, at mailbox.tribunal@hq.nato.int. A complete paper copy of the answer shall be dispatched by mail to the Tribunal no later than the first business day following submission of the electronic copy; or
  - b. the date on which the Registrar has received by mail one paper copy, and its complete enclosures, of the answer. However, a complete electronic version of the answer shall be submitted by e-mail to the Registrar at mailbox.tribunal@hq.nato.int.
4. Upon ascertaining that the formal requirements of this Rule have been met, the Registrar shall transmit a copy of the HONB's answer to the President of the Tribunal, to the appellant and, as appropriate, communicate a copy to OLA. If these requirements have not been met, Rule 9, Paragraph 6 shall apply *mutatis mutandis* to the answer.
5. The HONB shall include in the answer a response to any requests for production of documents or anonymity that the appellant has included in the appeal.

## **Rule 13                      Transmission of a case to a Panel**

1. After the Registrar receives both the appeal and the answer, the President shall assign the case to a Panel in accordance with Rule 2, Paragraph 4, and the Registrar shall transmit the appeal and answer to the members of the Panel. Thereafter, the Registrar shall transmit the reply and rejoinder to the Panel as each is received.
2. The Registrar shall inform the parties of the composition of the Panel. Each party may, in accordance with Article 6.1.5 of Annex IX, within 15 days ask

for a change in the composition of the Panel constituted in a case on account of presumed partiality. The two remaining members of the Panel shall take a decision on the request in the absence of the member concerned, and if they disagree, the longest serving of the two shall decide. No further requests for a change in composition may be submitted unless on the basis of new information or developments.

3. The Tribunal or, when the Tribunal is not in session, the President may decide to join cases.

### **Rule 14                      Reply**

1. The appellant may file with the Registrar a reply to the answer within 30 days from the date on which he or she received the answer, unless, upon request, the President sets another time limit in accordance with Rule 1, Paragraph 4.
2. The relevant portion of any document referred to in the reply shall be attached in accordance with the Rules established for the appeal in Rule 9, unless the document has been attached to an earlier pleading in which case reference should be made to the page number. The pages of all documents submitted shall be consecutively numbered.
3. The requirements of Rule 9, Paragraph 4 shall apply to the reply.
4. The date of filing shall be considered the first of the two following dates:
  - a. the date on which the Registrar has received an electronic copy of the reply, and its complete enclosures, at mailbox.tribunal@hq.nato.int. paper copy of the reply shall be dispatched by mail to the Tribunal no later than the first business day following submission of the electronic copy; or
  - b. the date on which the Registrar has received by mail one paper copy, and its complete enclosures, of the reply. However, a complete electronic version of the reply shall be submitted by e-mail to the Registrar at mailbox.tribunal@hq.nato.int.
5. Upon ascertaining that the formal requirements of this Rule have been met, the Registrar shall transmit a copy of the reply to the President of the Tribunal and the other members of the Panel, to the HONB and, as appropriate, communicate a copy to OLA. If these requirements have not been met, Rule 9, Paragraph 6 shall apply *mutatis mutandis* to the reply.

### **Rule 15                      Rejoinder**

1. The HONB may file with the Registrar a rejoinder to the reply within 30 days from the date on which the reply is received from the Registrar, unless, upon request, the President sets another time limit in accordance with Rule 1, Paragraph 4.
2. The relevant portion of any document referred to in the rejoinder shall be attached in accordance with the Rules established for the appeal in Rule 9, unless the document has been attached to an earlier pleading in which case reference should be made to the page number. The pages of all documents submitted shall be consecutively numbered.

3. The requirements of Rule 12, Paragraph 2, shall apply to the rejoinder.
4. The date of filing shall be considered the first of the two following dates:
  - a. the date on which the Registrar has received an electronic copy of the rejoinder, and its complete enclosures, at mailbox.tribunal@hq.nato.int. A complete paper copy of the rejoinder shall be dispatched by mail to the Tribunal no later than the first business day following submission of the electronic copy; or
  - b. the date on which the Registrar has received by mail one paper copy, and its complete enclosures, of the rejoinder. However, a complete electronic version of the rejoinder shall be submitted by e-mail to the Registrar at mailbox.tribunal@hq.nato.int.
5. Upon ascertaining that the formal requirements of this Rule have been met, the Registrar shall transmit a copy of the HONB's rejoinder to the President of the Tribunal and the other members of the Panel, to the appellant and, as appropriate, communicate a copy to OLA. If these requirements have not been met, Rule 11, Paragraph 7, shall apply *mutatis mutandis* to the rejoinder.
6. Without prejudice to Rule 16 below, after the rejoinder has been filed, no further pleadings shall be received.
7. The HONB shall include in the rejoinder a response to any requests for costs or other matters that the appellant has included in the reply.

#### **Rule 16 Additional pleadings**

1. In exceptional cases, and if necessary, the President may, *sua sponte*, or at the request of a party, call upon the parties to submit additional written statements or additional documents within a period which the President shall fix. The additional documents shall be furnished in the original or in an unaltered copy and accompanied by any necessary certified translations.
2. The requirements of Rule 9, Paragraphs 4 and 5, or Rule 12, Paragraphs 2 and 3, as the case may be, shall apply to any written statements and additional documents.
3. Upon ascertaining that the formal requirements of this Rule have been met, the Registrar shall transmit a copy of any additional written statements or additional documents to the President of the Tribunal and the other members of the Panel, to the parties and, as appropriate, communicate a copy to OLA. If these requirements have not been met, Rule 9, Paragraph 6 shall apply *mutatis mutandis*.

#### **Rule 17 Withdrawal**

Should the appellant withdraw the appeal, the President may accept the withdrawal without convening the Tribunal or a Panel for this purpose, provided the withdrawal is unconditional.

## Chapter III

# Additional Participants

### Rule 18 Third parties

The President may decide that the appeal should be communicated to a third party who should be invited to participate in the proceedings, and shall fix the time limit within which such third party may submit comments. Should the third party accept this invitation and submit comments within the time limit fixed, he or she shall become a party to the proceedings and have the same rights, *mutatis mutandis*, as the appellant and the HONB. The third party's comments shall be communicated by the Registrar to the President and other members of a Panel, to the parties, and, as appropriate, to OLA.

### Rule 19 Office of the Legal Adviser

In accordance with Article 6.7.8 of Annex IX, OLA shall, at the request of the President, or may, on its own initiative, submit written observations, within a week after receiving the rejoinder or other final pleadings. Any such written observations shall be made available to all parties in the case. At the request of the President or on its own initiative, OLA shall or may attend and participate in the hearing.

### Rule 20 Intervention

1. Any person who could be materially affected by the judgment and who wishes to express views on an issue or issues in a case potentially affecting his or her interests may draw up an application for intervention and file it with the Registrar of the Tribunal.
2. Applications in intervention must be filed no later than 30 days after the filing of the reply.
3. The Tribunal shall rule on such a request in its judgment.
4. The Registrar shall send a copy of the intervention document to the President and other members of the Panel and to the parties and, as appropriate, communicate a copy to OLA.
5. The intervener is not a party to the case, may not file additional documents, and is not bound by the judgment solely by reason of having intervened.

### Rule 21 Council's observations

In accordance with Article 6.5.3 of Annex IX, any observations by the Council shall be received at the latest 30 days before the hearing.

**Rule 22                    *Amicus curiae***

The Tribunal may, at its discretion, permit any person or persons, including the duly authorized staff representatives, and the Confederation of NATO Retired Civilian Staff Associations, to communicate written views to the Tribunal as *amici curiae*. The Tribunal may permit an *amicus curiae* access to the pleadings of the parties. The Tribunal shall enable the parties to submit timely observations on an *amicus* brief.

## **Chapter IV**

# Measures

**Rule 23                    Amicable Settlement**

1. The Tribunal or, when the Tribunal is not in session, the President shall rule on any request made by the parties for suspension of the proceedings for the purpose of examining the possibilities of an amicable settlement of the dispute.
2. The Tribunal or, when the Tribunal is not in session, the President may at any time encourage negotiation aimed at putting an end to the dispute and adopt appropriate measures with a view to facilitating such settlement. With the consent of the parties, the proceedings may be suspended for a time specified by the Tribunal or the President. If an agreement is not reached within this period of time, the proceedings will continue.
3. No opinion expressed, suggestion made, proposal put forward, concession made or document drawn up for the purposes of the amicable settlement may be relied on for any purpose by the Tribunal or the parties in the contentious proceedings.

**Rule 24                    Interim measures**

At any time during the proceedings, the Tribunal or, when the Tribunal is not in session, the President may request that the HONB consider taking action under Article 6.3.5 of Annex IX.



## Chapter V

# Oral Procedures

### Rule 25 Convening of hearings

1. There shall, unless all parties agree otherwise, be a hearing of all parties. The President shall in consultation with the parties determine the sequence of the hearing.
2. The dates of hearings shall be decided by the President after consulting the members of the Panel and the parties. Dates shall be notified by the Registrar to the members, parties, interveners and the staff representatives, as a general rule, at least 30 days in advance. The President shall rule on any request for a hearing to be postponed.
3. As soon as the time limit for submitting written documents has expired, the Registrar shall inform the parties who then have seven days in which to notify the Registrar in writing of the names and description of the witnesses they wish to have called, together with the reasons why they wish to question them. The Registrar shall notify each party of the witnesses the other wishes to have called; each party may within seven days offer any observations on whether witnesses named by the other should be called.
4. If the Tribunal considers that their evidence would be useful, witnesses cited by the parties shall be summoned by the Registrar, as a general rule, at least two weeks before the day of the hearing. The Tribunal may authorize witnesses to be heard using videoconferencing, Internet telephony, or other similar techniques.
5. Where a witness is not in a position to appear before the Tribunal for reasons of health or other reasons acceptable to the Tribunal, the Tribunal may decide that the witness shall reply in writing to the questions of the parties. The parties shall, however, retain the right to comment on any such written reply.
6. The Tribunal or, when the Tribunal is not in session, the President, may also call witnesses and experts to appear at the hearing.

### Rule 26 Hearing

1. The hearing of the Tribunal shall be held in accordance with Article 6.7.1 of Annex IX. The Tribunal or, when the Tribunal is not in session, the President, at the request of either party, may decide that part or all the hearing may be held in camera. Hearings in any case involving matters of discipline shall be held in camera.
2. The language used in the proceedings shall be English or French. Any party will be provided with interpretation unless otherwise agreed.
3. The Tribunal may hold the hearing in the absence of one of the parties, provided that the date of the meeting has been duly notified to both parties.

4. The President and each of the other members may in the course of the hearing:
  - (a) put questions to the parties; and
  - (b) invite the parties themselves to express their views on certain aspects of the case.
5. The parties or their counsel or other representatives may make statements and, under the direction of the President, put questions to the witnesses and experts.
6. Each witness or expert shall be requested to give an undertaking to reply fully and accurately to the questions put to him.
7. The President is empowered to issue orders and decide such matters as are necessary for the fair and orderly conduct of the hearing, including on objections raised concerning the examination of witnesses and experts or the introduction of documentary evidence.
8. The Tribunal may limit hearings to the oral arguments of the parties and their counsel or representatives, where it considers the written evidentiary record to be adequate.

## Chapter VI

# Judgments

### Rule 27 Judgments

1. The Tribunal shall deliberate in closed session. All deliberations of the Tribunal shall be confidential.
2. Judgments shall be adopted by majority vote. They shall be in writing and address the grounds relied upon by the parties and state the reasons on which they are based. A member of the Panel may attach a dissenting opinion.
3. Once the final text of a judgment has been approved and adopted, it shall be signed by the President and the Registrar. It shall contain the names of the members who have taken part in the judgment.
4. Judgments shall be delivered in one of the official languages and, under the responsibility of the Registrar, translated into the other one. The only authentic text shall be the original version.
5. Judgments shall be transmitted to the parties, OLA, the Confederation of NATO Civilian Staff Associations, interveners and *amici curiae*. The Registrar shall arrange for their expeditious publication.
6. The Registrar may communicate judgments to any person who so requests. However, the Tribunal may decide that a judgment shall not be communicated

until the name of the appellants or any person mentioned therein and any identifying information, or any classified or other sensitive information has been deleted.

7. Subject to Article 6.8.4 of Annex IX, judgments are final and binding.

#### **Rule 28 Rectification of error**

Clerical and arithmetical errors in the judgment may be corrected by the Tribunal on its own initiative or at the request of a party.

#### **Rule 29 Revision of Judgments**

In accordance with Article 6.8.4 of Annex IX, either party may petition the Tribunal for a re-hearing should a determining fact not have been known by the Tribunal and by the party requesting a re-hearing at the time of the Tribunal's judgment. Petitions for a re-hearing must be made within 30 days from the date on which the above-mentioned fact becomes known, or, in any case within 5 years from the date of the judgment. With the consent of the parties, the Tribunal may decide in a given case that no oral hearing is required and a decision can be taken on the basis of the written record before it.

#### **Rule 30 Clarification of Judgments**

1. After a judgment has been rendered, a party may, within three months of the notification of the judgment, request from the Tribunal a clarification of the operative provisions of the judgment.
2. The request for clarification shall be admissible only if it states with sufficient particularity in what respect the operative provisions of the judgment appear obscure, incomplete or inconsistent.
3. The Tribunal shall, after giving the other party or parties a reasonable opportunity to present its or their views on the matter, decide whether to admit the request for clarification. If the request is admitted, the Tribunal shall issue its clarification, which shall thereupon become part of the original judgment.

## **Appendix 2 to Annex IX**

# List of the NATO bodies referred to in Article 1 of Annex IX

### **I. Bodies subject to the Ottawa Agreement**

#### **1. International Staff**

#### **2. Bodies under the Military Committee**

- International Military Staff
- NATO Defence College
- Research and Technology Agency (RTA)

#### **3. Production and Logistics Organizations**

- NATO Maintenance and Supply Organization (NAMSO)
- Central Europe Pipeline Management Organization (CEPMO)
- NATO HAWK Production and Logistics Organization
- NATO Eurofighter 2000 and TORNADO Development, Production and Logistics Management Organization (NETMO)
- NATO Medium Extended Air Defence System Design and Development, Production and Logistics Management Organization (NAMEADSMO)
- NATO Airborne Early Warning and Control Programme Management Organization (NAPMO)
- NATO Helicopter for the 1990s Design and Development, Production and Logistics Management Organization (NAHEMO)
- NATO Alliance Ground Surveillance Management Organization (NAGSMO)
- NATO Airlift Management Organization (NAMO)

**4. Other organizations subject to the Ottawa Agreement**

- NATO Consultation, Command and Control Organization (NC3O)
- NATO Air Command and Control System Management Organization (NACMO)
- NATO Battlefield Information Collection and Exploitation Systems Organization (NBO)
- NATO Standardization Organization (NSO)

**II. Bodies subject to the Paris Protocol****1. Supreme Headquarters or equivalent**

- Supreme Headquarters Allied Powers Europe (SHAPE)
- Headquarters Supreme Allied Commander Transformation (SACT)

**2. Subordinate Headquarters**

- Air Command Headquarters Izmir (Air Cmd HQ Izmir)
- Air Command Headquarters Ramstein (Air Cmd HQ Ramstein)
- Force Command Headquarters Heidelberg (FC HQ Heidelberg)
- Force Command Headquarters Madrid (FC HQ Madrid)
- NATO Airborne Early Warning Force Command (NAEW FC)
- Joint Analysis and Lessons Learned Centre (JALLC)
- Joint Force Command Headquarters Brunssum (JFC HQ Brunssum)
- Joint Force Command Headquarters Lisbon (JFC HQ Lisbon)
- Joint Force Command Headquarters Naples (JFC HQ Naples)
- Joint Force Training Centre (JFTC)
- Joint Warfare Centre (JWC)
- Maritime Command Headquarters Naples (Mar Cmd HQ Naples)
- Maritime Command Headquarters Northwood (Mar Cmd HQ Northwood)
- NATO Airborne Early Warning & Control Force E-3A Component
- NATO Joint Electronic Warfare Core Staff (NATO JEWCS)
- NATO Undersea Research Centre (NURC)

## **Appendix 3 to Annex IX**

# Implementing procedures applicable to Complaints Committees

### **1. Purpose**

Article 61 of the NATO Civilian Personnel Regulations and Articles 4 and 5 of Annex IX to those Regulations set out *inter alia* the right of staff members, consultants, temporary staff and retired staff members to submit within a reasonable time to the Head of the NATO body concerned a written complaint seeking to have altered or annulled an administrative decision taken with respect to them by a subordinate authority. This complaint procedure is not applicable to administrative decisions taken directly by the Head of the NATO body or by the Council.

The purpose of this text is to set out the implementing procedures applicable to Complaints Committees, whose terms of reference, composition and procedures are laid down in Articles 4 and 5 of the above-mentioned Annex IX (Regulations governing complaints and the Complaints Committees).

### **2. Initiation of the Complaints Committee procedure**

Upon receipt of a written complaint from a staff member or a member of the retired NATO staff, unless the claimant and the administration agree to submit the matter directly to the Administrative Tribunal, the Head of the NATO body concerned shall within five days of receipt refer the complaint to the Chair of the Complaints Committee for the NATO body in question, along with a request that the Committee make findings of fact and recommendations in respect of the complaint including, where appropriate, proposals to resolve the matters in dispute.

### **3. Role of the Complaints Committee**

It is clear from the provisions of Article 5.2.2 of Annex IX of the Civilian Personnel Regulations that a Complaints Committee is not a judicial body with powers of adjudication.

The Complaints Committee will provide its findings of fact and recommendations to the Head of the NATO body concerned in order to enable him/her to take a decision regarding a complaint against an administrative decision taken by a subordinate authority.

#### **4. Complaints Committee procedure**

(a) Notification

A claimant whose complaint is submitted to a Complaints Committee will be notified as soon as possible of the members comprising the panel in his/her case.

(b) Composition of the Complaints Committee

The composition of the Complaints Committee and the designation of panels to hear cases are prescribed in Article 5.1 of Annex IX of the Civilian Personnel Regulations. The claimant may, however, request a change in the composition of the Complaints Committee in his/her case by making out a prima facie case of bias, or for some other serious reason.

The Chair will be the sole judge of the validity of the challenge, unless the challenge concerns the Chair, in which case the matter will be decided by the two other members of the Committee.

In the event that the claimant's challenge results in the withdrawal of the Chair, this withdrawal is deemed to be an inability to act within the meaning of Article 5.1.2 of Annex IX of the Civilian Personnel Regulations, and the Chair will accordingly be replaced by the alternate Chair. In the event that the claimant's challenge results in the withdrawal of a member of the Complaints Committee, the Chair will select another member in his/her place from the members designated by the same authority (i.e., the Head of the NATO body or the Staff Committee of the Staff Association, as applicable), upon which selection the time limit specified in Article 5.2.1 of Annex IX shall recommence.

(c) Competence of the Complaints Committee

The Complaints Committee is authorized to consider complaints by claimants who consider that they have been adversely affected by a decision that was inconsistent with NATO regulations governing personnel and their conditions of service, including whether the relevant policies and procedures were correctly interpreted and applied. It is understood that the Committee's views and recommendations in this regard are advisory in nature, and that the interpretation or application of the regulation in question may be confirmed or overruled either by the Head of the NATO body or by the Administrative Tribunal.

(d) Fact-finding powers of the Complaints Committee

Before delivering its report, the Complaints Committee must hear the claimant.

The Complaints Committee has broad authority and discretion to hear witnesses whose testimony appears necessary or useful and is not required

to interview all witnesses suggested by the complainant. Any staff member who is requested to appear before the Complaints Committee and give testimony is required to do so.

The Committee has access to any document or information deemed essential to its consideration of the complaint.

These measures are designed to enable the Committee to be in full possession of the facts of the case so that it may make findings of fact and give the Head of the NATO body a reasoned opinion.

(e) Assistance to the claimant

The claimant may be assisted by another staff member or someone external to the NATO body, including a member of the retired NATO staff or external professional counsel, in preparing the complaint and any other submissions and in presenting his/her case at the oral hearing, provided that such other person may not speak for the claimant and must, as a condition of his/her continued presence at the hearing, comply with any directive issued by the Complaints Committee concerning the conduct of the hearing.

## **5. Final report of the Complaints Committee**

- (a) The Complaints Committee will issue its report to the Head of the NATO body, with a copy to the claimant, normally within 45 days from the date on which the complaint was referred to it. The report should be drafted clearly and concisely and should set out the Committee's findings of fact, views and recommendations with respect to the complaint, including, where appropriate, proposals to resolve the matters in dispute in order to assist the Head of the NATO body in reaching a decision on the matter. At the same time, it should provide the claimant with a clear understanding of the basis for the Committee's findings, views and recommendations.
- (b) Furthermore, the report should not contain any statement not relevant to the matter under review; nor should it contain any statement expressing a judgment on the character of the claimant unless such a judgment has a significant bearing on an essential element of the case.
- (c) The report will be signed by all members of the Committee. In the event of a difference of opinion over the facts, or over the recommendations to be submitted to the Head of the NATO body, a special annex shall be attached to the report.
- (d) All relevant documentary evidence should be included as an annex to the final report.

## **6. Decision by the Head of the NATO body - Rights of appeal**

- (a) Before the Head of the NATO body takes a decision on a complaint against an administrative decision, the claimant may submit his/her views, including with respect to the report of the Complaints Committee, in writing to the Head of the NATO body within 5 days of receiving the report. The Head of the NATO



body will consider such views and may, but is not required to, meet in person with the claimant before taking a decision.

- (b) The claimant has the right to appeal the decision of the Head of the NATO body to the NATO Administrative Tribunal by filing an appeal within 60 days from the date of notification of the decision.



**Annex X**

# Disciplinary powers and procedures

**1. Purpose**

The purpose of the present regulations is to set out in accordance with Article 60.1 of the NATO Civilian Personnel Regulations the rules applicable to disciplinary powers and procedures.

**2. Scope**

These regulations apply to all staff members and former members of the staff, but do not apply to temporary staff and consultants.

**3. General**

- 3.1 Any failure by staff members or former staff members to comply with their obligations under the Civilian Personnel Regulations, whether intentional or through negligence on their part, shall make them liable to disciplinary action.
- 3.2 The grounds on which disciplinary action is taken must be specified and the staff members concerned informed of the grievances against them.
- 3.3 The disciplinary measures must take account of the scope and gravity of the fault (e.g. voluntary omission, serious negligence, whether or not premeditated, deliberate harmful intention, etc.).
- 3.4 Staff members may not be penalised more than once for the same offence. However, disciplinary action may be preceded by immediate suspension as provided for in Article 60.2 of the Personnel Regulations.
- 3.5 Where staff members are the subject of criminal proceedings, the Head of the NATO body may, in pursuance of Article 60.2 of the Personnel Regulations, suspend them from their functions while such proceedings are taking place.

A final decision regarding the disciplinary action to be taken against such staff members for the same acts shall not be taken until the verdict of the court hearing the case has been confirmed.

#### **4. Competent authorities**

- 4.1 Subject to the provisions of Article 4.4 below, the Head of the NATO body shall prescribe the disciplinary action provided for in sub-paragraphs (d), (e) and (f) of Article 59.3 of the Personnel Regulations after consulting a Disciplinary Board established in accordance with paragraph 6 below.
- 4.2 The disciplinary action provided for in sub-paragraphs (b) and (c) of Article 59.3 of the Personnel Regulations shall be prescribed:
  - (a) by the Head of the NATO body in the case of staff in grades A.6 and above;
  - (b) by the official responsible for personnel management in the case of other staff.
- 4.3 The disciplinary action provided for in sub-paragraph (a) of Article 59.3 may be taken by the immediate or other superior of the staff member.
- 4.4 The disciplinary action entailing the reduction, suspension or withdrawal in whole or in part, either temporarily or permanently, of benefits under the Pension Scheme, Provident Fund or group insurance policy, as provided for in sub-paragraphs (e) and (f) of Article 59.3 of the Personnel Regulations, may be prescribed only with the prior agreement of the Secretary General of NATO, for staff employed by NATO bodies governed by the Ottawa Agreement, or by the Major NATO Commanders, for staff employed by NATO bodies governed by the Paris Protocol.
- 4.5 The authorities responsible for prescribing disciplinary action must ensure that the procedure laid down in paragraph 5 below has been complied with and, where appropriate, defer taking a decision until the prescribed formalities have been properly carried out.

#### **5. Proceedings**

- 5.1 Disciplinary proceedings shall be initiated:
  - (a) by the immediate superior of the staff member provided the superior is in categories A or L or in a military rank of grade OF.1 or above. However, where the staff member's immediate superior is in categories B or C or in a military rank below OF.1, disciplinary proceedings shall be initiated by the most immediate superior in categories A or L or in a military rank of grade OF.1 or above;
  - (b) by the official responsible for personnel management, who shall first consult the staff member's superior as defined in the previous sub-paragraph;
  - (c) by the official responsible for personnel management in the case of a former staff member.

- 5.2 The authority initiating disciplinary proceedings shall prepare a report setting out the facts complained of and the circumstances in which they occurred and proposing one of the penalties provided for in the Personnel Regulations. Two signed copies of this report shall be prepared, the first forwarded through the usual channels to the official responsible for personnel management and the second sent to the staff member. The staff member shall sign the report, indicating the date on which it was received, and return it or hand it over to the authority which has initiated the proceedings.
- 5.3 After receiving the report, the staff member shall have 15 working days in which to submit written or verbal comments to the authority initiating the proceedings. These comments shall be forwarded to the official responsible for personnel management for inclusion in the file to be submitted to the authority responsible for taking disciplinary action and, where appropriate, to the Disciplinary Board.
- 5.4 Where the disciplinary action does not fall within his/her competence, the official responsible for personnel management shall:
- convene the Disciplinary Board in the case of the action provided for in sub-paragraphs (d), (e) and (f) of Article 59.3 of the Personnel Regulations;
  - refer the case to the Head of the NATO body concerned in the case of the action provided for in sub-paragraphs (b) and (c) of that same article for staff in grades A.6 and above.
- 5.5 Where the suggested disciplinary action is within his/her competence, the official responsible for personnel management may:
- (a) prescribe the said disciplinary action;
  - (b) refrain from prescribing disciplinary action and thus put an end to the disciplinary proceedings;
  - (c) prescribe more lenient disciplinary action than has been suggested;
  - (d) prescribe more severe disciplinary action than has been recommended, without, however, acting *ultra vires*;
  - (e) convene the Disciplinary Board if he/she considers that the staff member should be the subject of disciplinary action under Article 59.3(d), (e) or (f).
- 5.6 The decision referred to in sub-paragraphs (b) to (e) above shall be taken in agreement with the authority initiating the proceedings. In the event of disagreement, the case shall be referred to the Head of the NATO body for a decision.
- 5.7 The procedure described above does not apply to disciplinary action prescribed under sub-paragraph (a) of Article 59.3. The immediate superior shall - after having given the staff member concerned an opportunity to make known oral or written comments - inform the official responsible for personnel management in writing of any disciplinary action taken.

- 5.8 A final decision on the disciplinary action referred to above should be taken and notified within 30 working days, either from the date of submission by the staff member of written or oral comments to the authority initiating the procedure or, if appropriate, from the date of receipt of the recommendation by the Disciplinary Board.

## **6. Disciplinary Board**

- 6.1 The Disciplinary Board shall be composed of three members: the official responsible for personnel management or such other official as the Head of the NATO body may appoint (Chair), the Head of Division or independent service to whom the staff member is responsible<sup>(1)</sup>, and a staff member nominated by the Staff Committee holding in so far as possible a grade not lower than the staff member who is the subject of disciplinary procedures.
- 6.2 Should it see fit, the Disciplinary Board may require any member of the staff to appear before it; it may also invite anyone else to testify. The Board must hear the staff member, who may also submit written or verbal comments and ask that certain witnesses be heard.
- 6.3 Recommendations of the Disciplinary Board shall be decided by majority vote. They shall be delivered in writing to the Head of NATO body and shall state the grounds on which they are based. Any member of the Board disagreeing with the recommendations of the majority may submit a memorandum to the Head of the NATO body indicating that disagreement and the grounds therefor.

## **7. Decision - Personal file**

- 7.1 The authority prescribing the disciplinary action shall send the staff member a signed letter informing him/her of such action and of the reasons for which it has been taken.
- 7.2 The action taken shall be recorded in the staff member's personal file, in accordance with Article 59.2 of the Personnel Regulations.

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<sup>(1)</sup> Under the above regulations, where the staff member is employed in the office of the official responsible for personnel management, the Board would consist of only two members. In order to bring the Board up to three members, the official responsible for personnel management shall, in such cases, detail for service on the Board a staff member holding at least the same grade as the staff member.

**Annex XI**

# Joint Consultative Board

1. With a view to providing appropriate means of consultation between the Administrations, the Confederation of NATO Civilian Staff Committees and the Confederation of NATO Retired Civilian Staff Associations, the Secretary General and the Supreme Commanders have set up and established terms of reference for a Joint Consultative Board consisting of representatives of the Administrations and the Staff Associations.
2. The purpose of the Board is:
  - (a) to discuss proposals initiated by the Confederation of NATO Civilian Staff Committees for changes in the conditions of service of the staff as a whole;
  - (b) to examine other appropriate matters of common concern to the international civilian staffs throughout the Organization or of concern to retired NATO staff as a whole.
3. The Joint Consultative Board is an advisory body forwarding its views and recommendations to the Secretary General and the Supreme Commanders. It shall in no circumstances have power of decision.
4. The setting up of the Joint Consultative Board shall in no way impede local contact between the Staff Association or the recognized Association of retired NATO Staff and the Administration of any NATO body by means of such local consultation as the Head of the NATO body shall decide.





**Annex XII**

# Part-time work and job-sharing

1. The Head of the NATO body may, provided that such an arrangement is compatible with the requirements of the service:
  - (i) authorize staff members, at their request, to work part-time for a limited renewable term on duly attested grounds of a family or social nature, provided they have completed the probationary period in accordance with Article 6 of the Civilian Personnel Regulations. Authorization shall normally be given for one year at a time;
  - (ii) authorize staff members, at their request, to work part-time on a permanent basis provided they have completed the probationary period in accordance with Article 6 of the Civilian Personnel Regulations;
  - (iii) recruit staff to work part-time to fill established part-time posts on a permanent basis;
  - (iv) recruit staff members, or authorize staff members, to work half-time to share a single full-time post.
2. Part-time work is to be understood as meaning a reduced working time arrangement whereby a staff member is authorized to work 50% or more of the prescribed working hours together with a corresponding salary reduction.
3. Authorization to work part-time shall not be given as a matter of right. In taking the decision, the Head of the NATO body shall give due consideration to the exigencies of the service.
4. The Head of the NATO body shall determine the schedule for part-time work, e.g. on a daily, weekly, fortnightly or monthly basis, having regard in each case to the wishes of the staff member concerned and to the requirements of the service.

5. When the staff member authorized to work part-time is appointed to a different post as a result of transfer or promotion, the continuation of part-time work shall be subject to a new authorization.
6. If a staff member authorized to work part-time on a permanent basis wishes to revert to full-time work he/she shall be authorized to do so, provided that the post he/she is filling is available full-time. If the staff member is filling a position which has been established on a part-time basis, he/she must apply for another suitable vacancy.
7. Staff members authorized to work part-time for a limited renewable term shall receive the corresponding percentage of the various components of their emoluments, except that the children's allowance, dependant's allowance, education allowance and handicapped child's allowance shall be paid in full<sup>(1)</sup>.
8. Staff members recruited to work part-time or authorized to work part-time on a permanent basis shall receive the corresponding percentage of all the various components of their emoluments, except that the children's allowance and handicapped child's allowance shall be paid in full<sup>(1)</sup>.
9. The minimum fixed for the household allowance and the expatriation allowance shall be reduced by the percentage of the portion not worked.
10. For the purpose of Annex III.F, Article 3, the amount of the household allowance payable shall be established by reducing pro rata the earned income of the spouse and that of a staff member of grade B.3 step 1.
11. For the purpose of calculating the rent allowance, only that part of the rent corresponding to the percentage of hours worked will be taken into account.
12. In calculating the seniority required for an increment, the period during which the staff member works part-time shall be counted as full-time work.
13. If a part-time staff member is required to work overtime, only those hours worked in excess of the prescribed full-time working hours will be compensated at overtime rates.
14. If a staff member working part-time becomes entitled to an indemnity for loss of job under the terms of Annex V, periods of part-time service shall be taken into account proportionally in establishing the amount of the indemnity to be paid.
15. A staff member working part-time shall be entitled to the leave provided for in Article 42 of the Civilian Personnel Regulations proportionally to the hours worked.
16. For staff members working half-time, entitlement to refund of travelling expenses for home leave under the terms of Article 38 of the Civilian Personnel Regulations shall be reduced by 2% for each month worked half-time falling within the period of 2 years in respect of which the staff member is entitled to home leave.

<sup>(1)</sup> The payment of these allowances are subject to the deduction of allowances of the same nature to which the household or the unmarried staff member may be entitled (see Article 24.7 of the Civilian Personnel Regulations, and Articles 12 and 13 of Annex III.D).

17. If, as provided for in Article 10.5 of the Civilian Personnel Regulations, the Head of the NATO body pays a staff member the emoluments and allowances due for the period of notice, the amount payable shall be calculated on the basis of part-time work for the period remaining to be worked part-time if authorization was given for a limited period, and on the basis of full-time work for the period remaining to be worked full time.
18. The arrangements applicable to pensions shall be as provided in the Rules of the Coordinated Pension Scheme (Annex IV to the Civilian Personnel Regulations) and their implementing instructions.
19. Staff members authorized to work part-time for a limited renewable term shall be entitled to the insurance coverage referred to in Article 47 of the Civilian Personnel Regulations. Contributions to the group insurance scheme shall be calculated on the basis of full-time work. Payment of salary during sick leave shall be made on the basis of the emoluments payable for part-time work for the first 3 months of absence or until the end of the period for which authorization was given for part-time work, whichever ends earlier. Thereafter, emoluments shall be paid on the basis of full-time employment.
20. Staff members recruited to work part-time or authorized to work part-time on a permanent basis will be entitled to the reimbursement of medical expenses within established limits referred to in Article 47.1(a) of the Civilian Personnel Regulations. The contributions to the group insurance scheme relating to those medical expenses shall be calculated on the basis of full-time work.  
  
They shall also be entitled to the coverage described in Article 47.1(b), (c) and (d), as appropriate, but this coverage will be reduced proportionally to the hours worked. Group insurance premiums due in this respect will be calculated on the emoluments actually paid.
21. The Head of the NATO body may at any time for compelling reasons of service call upon staff members working part-time for a limited renewable term to resume temporarily their full-time duties, in which case full emoluments shall be paid. The present article does not, however, apply to staff members recruited to fill a part-time post nor to those authorized to work part-time on a permanent basis.
22. Staff working part-time shall be bound by those rules and regulations that are applicable to full-time staff members except those that are waived by the present articles.
23. While working part-time, a staff member may engage in no other gainful activity, save if in receipt of an authorization as provided for under Article 12.2 of the Civilian Personnel Regulations.



**Annex XIII**

# Retirees' Medical Claims Fund

## Rules of procedure

**Article 1           Origins of the Fund**

1. The Retirees' Medical Claims Fund (RMCF) was set up with effect from 1<sup>st</sup> January 2001 pursuant to Council approval of PO(2000)123. In approving the PO, the Council agreed to the establishment of a reserve to ensure that sufficient funds are available for the years to come to enable NATO to meet its obligations under Article 51.2 of the Civilian Personnel Regulations. This article lays down that staff members who leave the Organization having completed a minimum of 10 years' uninterrupted service and who have reached the age of 55 are permanently entitled to the reimbursement of medical expenses for themselves and their recognized dependants within the prescribed limits. However, the RMCF only concerns retirees from the age of 65: staff members between the ages of 55 and 65 are covered under the terms of the "bridging cover", which is not dealt with herein.

**Article 2           Financing of the RMCF**

1. The RMCF shall be made up of the annual premium for continued medical coverage, payable two-thirds by the Organization and one third by the staff. The premiums received in respect of retirees who are required to contribute towards their coverage under the terms of Article 51.2 shall also be paid into the Fund. These premiums are payable two-thirds by the Organization and one third by retirees.
2. The insurance premium due to cover the medical expenses of the retirees in a given year shall be withdrawn from this Fund each month and paid to the insurance brokers on the basis agreed under the NATO Group Insurance Policy.
3. The Fund, held in the name of NATO, will be entrusted to an independent investment manager who will be required to manage the Fund on behalf of NATO, subject to the objectives and restrictions set out in the contract signed between NATO and the Managers.

### **Article 3            Supervisory Committee**

1. A Supervisory Committee shall be set up to oversee the management of the RMCF. Its rules of procedure shall be approved by the Secretary General and the Supreme Commanders. The Committee shall meet twice a year at which time they shall be briefed by the Managers on investment strategy and results. In addition, in accordance with the terms of the investment contract, the Managers will provide NATO with full monthly reports. These reports will be distributed to all members of the Committee.
2. The Committee will also meet when convened by the Chair.

### **Article 4            Composition of the Supervisory Committee**

1. The composition of the Committee shall be as follows:  
  
A Chair appointed by the Secretary General (Director of Economics or Financial Controller, IS). The Chair shall be neutral;  
  
One representative of the International Staff (Director of Economics or Financial Controller, IS);  
  
Two representatives for the NPLSOs;  
  
One representative for bodies governed by the Paris Protocol;  
  
Two staff representatives appointed by the Confederation of NATO Civilian Staff Committees;  
  
Two representatives appointed by the Confederation of NATO Retired Civilian Staff Associations.  
  
When necessary, representatives may be replaced by deputies appointed at the same time and on the same terms as themselves.  
  
The Supervisory Committee is assisted by a Secretary appointed by the International Staff and a banking expert appointed by the Committee who are not themselves members of the Committee.
2. All members should preferably have a financial background.

### **Article 5            Duties of the Supervisory Committee**

1. The Supervisory Committee is a consultative body.
2. The Committee acts as advisers to the Secretary General and represents the overall interests of the Organization, staff members and retirees, with the object of ensuring that sufficient funds will always be available to cover medical costs until the last NATO pensioner or his/her recognized dependants die.
3. The Committee is authorized to propose to the Secretary General that the annual premium be adjusted as appropriate in the light of the long-term financial situation of the Fund.
4. The Committee may also furnish an opinion on any change in the rules of procedure governing the RMCF.

5. The Committee shall have knowledge of the contract passed between the Secretary General and the Managers governing the investment of the Fund and shall monitor its implementation.
6. In accordance with the terms of their contract, the Managers shall keep the Supervisory Committee informed of all matters relating to present and intended investment policy. The Committee shall convey their thoughts on the investment to the Managers, who, while fully accepting responsibility for all aspects of the investment management, will take into account any views expressed by the Committee.
7. The Committee's proceedings can be disclosed, although they may remain confidential to the extent decided by the Committee themselves.
8. All the opinions, reports and comments of the Committee shall be forwarded to the Secretary General by the Chair.
9. Every year, the Committee shall prepare a report on the administration of the Fund. This report shall be communicated to the Secretary General and, through the staff representatives, to the Staff Associations.

#### **Article 6            Audit of the RMCF**

1. The Fund shall be subject to an annual audit by the International Board of Auditors for NATO. The Committee shall receive a copy of the annual report of the Board of Auditors for comment.





## **Annex XIV**

# Participation of international civilian personnel in Council-approved operations and missions

### **1. Applicability**

- 1.1 This Annex sets out the regulations which apply to staff who participate in Council-approved Operations and Missions. The Council-approved policy is set out in full in C-M(2005)0041 as supplemented by C-M(2010)0115.
- 1.2 The provisions of this Annex also apply to staff filling posts established at a location within a theatre of operation except those related to pay and conditions of service (see C-M(2005)0041, Annex 1, Appendix 1, Enclosure 2, paragraph 6.2).

### **2. Definitions**

- 2.1 This Annex applies to staff members as defined in the Civilian Personnel Regulations, Preamble, section B, article(v)(c, d, e, f) who deploy in support of Council-approved operations/missions.
- 2.2 Deployment is defined as the assignment of a staff member to a remote location, to perform duties (inside or outside a theatre/deployment location) in support of a Council-approved operation/mission.
- 2.3 Staff members whose post descriptions include a requirement for the incumbent to deploy and who must deploy if so directed, are considered as 'deployable staff'.

### **3. Requirement to Deploy**

- 3.1 A staff member must expressly agree to be deployed if the deployment is for more than 30 consecutive days; the Head of the NATO body must make every effort to deploy volunteers if the deployment is for 30 consecutive days or less. A staff member who does not volunteer nevertheless is required to deploy for a period up to and including 30 consecutive days if required by the service.

- 3.2 A staff member may indicate their agreement to deploy for more than 30 consecutive days: either
- (i) by signing an employment contract linked to a job description which carries a requirement to deploy; or
  - (ii) by agreeing to deploy on an ad hoc and voluntary basis.
- 3.3 Heads of NATO bodies must consider any claim by a staff member that deployment in support of an operation/mission would cause undue hardship.
- 3.4 The deployment of a staff member to a remote location for more than 30 consecutive days in support of a Council-approved operation/mission must not adversely affect the staff member's position or the mission of the sending NATO body. The staff member's established post shall be protected from suppression or downgrading during the staff member's absence on deployment.

#### **4. Job Descriptions and Contracts**

- 4.1 The Head of NATO body shall not require staff members to deploy to a remote location, not specifically mentioned in their contracts, on a single assignment for periods exceeding 6 months (183 days) in any period of 18 months (547 days). Similarly, staff shall not be deployed on an involuntary basis on short-term deployments to a remote location not specifically mentioned in their contracts for periods totaling more than 183 days in any period of 547 days. Exceptionally, if operational circumstances require it, authority is delegated to SACEUR to waive these limits.
- 4.2 A post description which introduces a mandatory requirement to deploy in support of a Council approved operation/mission is considered as a significant change to the duties attached to the post.
- 4.3 If a staff member is unable to agree to the terms outlined within a changed post description, and cannot be reassigned or otherwise re-employed, the contract will be terminated with the payment of indemnities and allowances as provided within these regulations.
- 4.4 Where high physical standards are demanded to perform the duties attached to a specific post, due to the inclusion of a requirement to deploy in support of a Council-approved operation/mission, the physical standards shall be clearly set out within the post description.

#### **5. Legal Status**

- 5.1 Prior to the assignment or appointment to a post outside the territory of NATO member States, an appropriate legal status should be accorded to civilian staff serving on foreign territory.

#### **6. Pre-Deployment Readiness**

- 6.1 All staff members likely to deploy must be prepared to use special equipment, to wear protective clothing, to undergo training, to be immunised against

infectious diseases and to comply with other preparatory measures established by SACEUR.

- 6.2 Staff members who deploy shall be informed of the policy on combating the trafficking of human beings. (refs.: PO(2004)0057, PO(2004)0103 and PO(2007)0025).

## **7. Support**

- 7.1 The Head of NATO body must ensure that adequate support arrangements for deploying staff will be made during the pre-deployment and post-deployment phases.
- 7.2 The Senior NATO Military Commander in-theatre is responsible for ensuring the support arrangements for staff members under his operational command.
- 7.3 The Head of each NATO body shall establish local policies and procedures to ensure that Family Support is provided for the immediate families/spouses of deployed staff and will also ensure that adequate support arrangements will be provided during the pre-deployment and post-deployment phases.

## **8. Security**

- 8.1 The Senior NATO Military Commander in-theatre<sup>(1)</sup> must establish and certify whether the level of risk is acceptable to allow staff to be deployed and, once in theatre, whether the level of risk is acceptable to allow staff to remain there.
- 8.2 The Senior NATO Military Commander in-theatre must evacuate staff members from the theatre of operations/mission as a priority as soon as the level of risk is judged to be unacceptable.
- 8.3 The Senior NATO Military Commander must keep staff members informed of prevailing security conditions and must be able to account for all staff at any given time including those staff who are deployed for short-term assignments.
- 8.4 Staff members shall not carry a weapon or wear military clothing for any reason. Staff members shall not wear any clothing which may result in their being mistaken for military personnel.

## **9. Operational and administrative responsibilities**

- 9.1 SACEUR has overall responsibility to approve the participation of a staff member in support of a Council-approved operation or mission.
- 9.2 Heads of NATO bodies shall delegate full operational responsibility for their staff members, including legal and safety aspects, to the Senior NATO Military Commander in-theatre.
- 9.3 Heads of NATO bodies shall retain administrative authority over staff members while deployed with respect to all other aspects concerning their employment.

<sup>(1)</sup> For personnel deployed to a location remote from the actual theatre of operations/mission, these responsibilities fall to the Senior NATO Military Commander responsible for the deployed location

**10. Obligations of NATO civilians**

- 10.1 Staff members must comply with all instructions and procedures, and maintain their awareness of security policies and regulations that affect their personal safety and security in-theatre/at the deployment location including the wearing of protective clothing and restrictions on personal movement.

**11. Remuneration and Benefits**

- 11.1 Heads of NATO Bodies shall inform staff of the provisions concerning remuneration and benefits relating to Council-approved Operations and Missions as set out in C-M(2005)0041, C-M(2010)0115 and C-M(2010)0034.

**12. Implementation**

- 12.1 In accordance with C-M(2005)0041, Annex 1, paragraph 5(ii), SACEUR has established implementing instructions which set out specific policy and procedural guidance for the deployment of staff and which are mandatory for all categories of civilian personnel.
- 12.2 The provisions set forth in C-M(2005)0041 and C-M(2010)0115 shall take precedence in case there is a difference of interpretation with the above provisions.

## **Annex XV**

# Regulations for continued employment beyond the age limit

### **Article 1      Definition**

- 1.1 Continued employment is defined as employment beyond the normal retirement age of 65.

### **Article 2      Applicability**

- 2.1 Members of the staff, not limited in their employment by way of medical restriction, may, by way of exception, continue to be employed in the posts they hold beyond the normal retirement age defined by the CPRs, Article 11 in accordance with these regulations. Members of the staff who decline an invitation to continue employment beyond the normal retirement age shall not be employed as consultants to perform identical or similar functions to those performed in the posts held at any time within a period of two years before their normal retirement age.
- 2.2 The Head of NATO Body may offer contracts for continued employment beyond the age limit in accordance with the procedures described below.

### **Article 3      Eligibility**

- 3.1 Continued employment beyond the age limit is not a right and will be offered only in exceptional circumstances when dictated by the needs of the Organization to retain employees to assist during the recruitment of their replacements and to allow completion of ongoing projects or initiatives.

### **Article 4      Conditions of employment**

- 4.1 The conditions of employment and remuneration shall remain as before reaching the normal retirement age in accordance with the Civilian Personnel Regulations except that:
- 4.1.1 contracts beyond the normal retirement age shall be offered for a limited period (CPRs, Article 5.6). Such contracts shall not extend beyond the end of the month in which the staff member becomes 67 years of age;

- 4.1.2 employment beyond the age of 65 will not accrue additional pension rights in addition to those that have been accrued at the time of normal retirement;
- 4.1.3 the Organization and staff members shall not contribute to any NATO retirement scheme;
- 4.1.4 medical insurance coverage, including work accident insurance, will continue for as long as staff members are employed by the Organization subject to payment of the contributions as foreseen in CPRs, Articles 50.2 and 50.3;
- 4.1.5 staff members will also continue to contribute to the Retirees Medical Claim Fund; however, continued employment beyond the age limit does not constitute eligibility for permanent entitlement to the reimbursement of medical expenses;
- 4.1.6 continued employment beyond the age of 65 will not provide entitlement to sick leave benefits beyond 30 days nor to incapacity, invalidity or death insurance cover unless related to a work accident or occupational illness;
- 4.1.7 absence on sick leave for a period or periods which extend beyond 30 days shall be deemed to be reason for termination of contract unless related to a work accident or occupational illness;
- 4.1.8 the Indemnity for Loss of Job will not be payable to any staff member employed beyond the age of 65.

## **Article 5            Procedures**

- 5.1 The initiative to retain the services of a staff member beyond the age of 65 lies only with the Head of the NATO body.
- 5.2 The Head of the NATO body may establish and consult an advisory board on the business needs to retain the services of the staff members considered for continued employment beyond the age limit. He/she may invite representatives of other entities to attend such boards as observers. In the case of NATO bodies established by the Council by means of a Charter, final authority to offer employment beyond the age limit shall rest with the governing body provided for in such Charter.
- 5.3 Unless urgent requirements arise at short notice, the Head of the NATO body should invite the staff member to work beyond the age limit at least 6 months before the staff member reaches age 65.
- 5.4 Continued employment beyond 65 is by mutual agreement of the invited staff member and the Head of NATO body concerned. If the Head of NATO Body invites the staff member to work beyond age 65 and the staff member accepts, the official responsible for personnel management shall offer the staff member a limited contract(s) up to a maximum period of 2 years.

## **Article 6            Special Provisions**

- 6.1 These regulations take precedence in case there is a difference of interpretation with the general provisions of the Civilian Personnel Regulations.

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(to be published later)

