



**AIACE**

**International Association of Former Staff of the European Union**  
*More than 12.000 members – open to former employees of the EU institutions and all bodies*

The President



AIACE – Annual General Meeting, Valencia 2018

AIACE President's Annual Report  
by Francis Wattiau,  
acting President from end 2017 through early 2018

At last year's Congress in Maastricht our then President Bernhard Zepter presented a pretty comprehensive report on a wide range of issues including the somewhat turbulent political environment confronting the European Union, not least the Brexit saga, and various other matters calling for a response on our part. He set out AIACE's traditional role, and gave an account of our ongoing work. Specific issues raised in that report include the rules that govern our pensions, and the JSIS. It also covered finance, communication tools, AIACE's day to day management, and the future of the Congress in the light of the low attendance at Maastricht.

What has happened in the interim? In the first place, health problems finally forced Bernhard Zepter to step aside from the duties of the Presidency, which he had carried out for almost the whole length of his mandate. In accordance with our rules, he asked the vice-president to take over as acting president and called on the international Management Board to look to elect a new president at its next meeting, ahead of the Congress. Accordingly, in March, Joaquín Díaz Pardo, hitherto president of the AIACE Spain section, was duly elected President of AIACE International, with Heinz Zourek of the AIACE Austria section as vice-president. You can read what they have to say in the latest VOX 109, and

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meet them at the Congress. Each of them had a substantial career at the Commission, which is a major asset for us in terms of the governance of this Association and in high-level contacts with the institutions.

Apart from this smooth hand-over at the top, what are the other points of note in the past year?

## **Brexit**

After a slow start, the negotiations started to make some progress in 2018. Two aspects in particular are of concern to us. First is the position of retired officials living in the UK, and retired British nationals living in another Member State. Unless the Protocol on Privileges and Immunities continues to apply to these retired officials they could be severely affected by Brexit, and AIACE has been active in arguing for their continuing coverage. Our UK section has been working tirelessly and has drafted a number of papers briefing the Commission's chief negotiator about our rights and urging that they be upheld. Another issue – and this one affects all retired officials – is the UK's acknowledgement of its financial obligations in respect of future pension payments. The Member States' employer contributions to our pension scheme do not take the form of payments into a pension fund, and our own pension contributions are treated in the same way as well, even though they are calculated as such on our pay statements. For years, therefore, the Member States have made substantial savings, in return for a collective commitment to guarantee payment of our pensions. In the negotiating agreement the UK has acknowledged its obligation in terms of pension payments. This is an important point, as our Treasurer, Marc Oostens, has emphasized, and at the same time sends a signal to those countries that are remaining in the EU that they too must honour their obligations and guarantee payment of our pensions.

## **The future of our pensions**

In the Brexit negotiations, therefore, we have won an important point. But other negotiations are getting under way, to prepare the next multiannual financial framework, in which the UK will not be taking part. The danger is that the Council, given the scale of their obligations towards our pension scheme, will call in question the scheme itself as it stands. In VOX 109 you will find a letter to Commissioner Oettinger, signed by Ludwig Schubert – who is an expert in this field - and myself, together with Mr Oettinger’s reply. From this it is clear that the Commission itself realises it cannot afford to see any further erosion in the attractiveness of a European civil service career, but that we are still not immune to challenges in the Council from individual Member States. As well as this uncertainty about the future, we should bear in mind that the Council has already taken decisions waiving the adjustment method for two consecutive years. Representatives of AIACE – Ludwig Schubert and Pierre Blanchard – and the staff unions lodged an appeal with the EU Civil Service Tribunal (formerly the ECJ’s Court of First Instance); a hearing took place in February this year, and you can again read more about this in VOX 109.

## **AIACE’s relations with JSIS, the PMO and the CGAM**

The Director of the PMO, Véronique Gaffey, seems very open to dialogue with AIACE. Nevertheless, one or two recent experiences with the PMO have not been encouraging, for example:

- the introduction in July 2015 of preventive medicine programmes that fell well short of the objectives laid down in Article 72 of the Staff Regulations
- attempts to insist on a narrow application of the four criteria set out in the Staff Regulations for defining serious illness, instead of an open-minded assessment looking at all four criteria together; the ECJ ruled in favour of the latter approach

- attempts to halt 100% reimbursements completely after a given period in cases of serious illness. Here again, in a separate judgment, the ECJ ruled that tests to monitor recurrence of a serious illness must be 100% reimbursed without any cut-off period.

Following representations made by the Commission's HR Director to her colleagues on the board of Heads of Administration, new preventive medicine programmes are to be introduced. In VOX 109 you will find details of our reaction to these new programmes.

As representatives of AIACE we attend meetings of the Sickness Insurance Management Committee, the CGAM. We don't have voting rights but we do have the right to speak and we make sure we use it. The CGAM's structure, which includes staff representatives as well the administration, is satisfactory to that extent, but we have misgivings about the make-up of the representation on the administration side, which tends to side pretty well automatically with the PMO in assessing appeals under Article 90.

On the other hand, the PMO has made great strides in cutting down repayment times and providing better information to beneficiaries both on the JSIS and pensions side. New tools have been made available and we congratulate the PMO's management on the progress achieved here.

There is also the issue of overbilling by hospitals in Luxembourg, notwithstanding the agreement signed in 1996 with the Luxembourg government. The Commission only began questioning the rates charged at the end of 2016 and early 2017, but there has been no successful outcome to date. However, there are signs of movement at various levels and the Luxembourg section and international board are backing an appeal I have lodged with the Court of Justice.

## **Social assistance and Welfare**

This is one of AIACE's main areas of cooperation with the European Institutions. It is also one of the most valuable and rewarding parts of the work of the different sections, helping members who are in difficulties whether because of age, illness or isolation. The PMO is working with AIACE to enhance this cooperation, and at a seminar which all the national sections attended, it set up a network of ambassadors. The AIACE Spain section for its part ran a seminar to exchange information and experience on best practice in this area; it was attended by representatives of the institutions and six of the national sections (see VOX 108).

## **Communication**

This topic was well covered in the 2017 annual report, and all these measures have been followed up along the lines set out there: communications seminars with the different sections, the publication of VOX, which is improving steadily in both content and presentation, the new AIACE International website and the Yammer after EC forum.

## **Finances**

Our international treasurer, Marc Oostens, will be reporting on our financial situation at the Congress. I should like to thank him for his careful management of our finances, which, as you can see, are under control.

## **The future of the Congress**

The poor attendance at the Maastricht Congress posed a problem which our former President, Bernhard Zepter, discussed last year. This year's Valencia edition has not really dispelled these doubts. The new President and Bureau will be presenting their views on where to go from here.

## **2018 - an anniversary year**

This year marks the tenth anniversary of the framework agreement between AIACE and the Commission. The other Institutions have entered into similar agreements. This gives us both responsibilities and resources to provide social and welfare assistance to retired officials. So there is a responsibility towards any retired official in difficulties to whom the Institutions draw our attention, but also funding that we share out each year among the different sections for their work in this area. The Commission's DG HR is planning to publish a tenth anniversary brochure, including a contribution from the AIACE International Bureau, and all those attending the Congress in Valencia will get a copy. We wish the new team all the very best in carrying this valuable work forward.

Francis Wattiau,  
acting President