

GAC-EPA
GROUPEMENT DES ANCIENS
CERN-ESO
PENSIONERS ASSOCIATION
Association du Personnel du CERN
CH-1211 GENEVE 23

June 14th, 2011

Dear Colleagues,

I am writing to keep you informed on the evolution of the situation of our Pension Fund.

You will remember that, faced with a Pension Fund record deficit of two thousand million Swiss francs, we were two thousand, active and retired staff, to show our concern in a demonstration on 18th March 2010 beneath the windows of the Finance Committee meeting.

Following this mobilization in particular, a first set of measures was approved in December 2010, requiring the three parties to make an equal effort:

- an increase of the contribution rate from 30.88 % to 34 % for active staff members;
- a freeze on pensions by the suppression of any indexation, with a maximum individual loss of purchasing power of 8%, for retired staff;
- an annual payment by the Organization of an exceptional contribution of 60 million Swiss francs until the Fund reaches full funding (foreseen in 30 years).

What remained was to define the conditions applicable to future staff and future retirees from 1st January 2012 onwards. At the end of June these should be finalized. Indeed, Management has just drawn up its proposals which, if they are adopted, will lead the Member States to impose a solution which dramatically downgrades the pension conditions of new staff and seriously reduces the Fund's revenue. Such conditions will turn CERN into the least attractive employer among the International Organizations, putting at risk its capacity to hire the best and to stay at the forefront in research. Let us not forget that our own future as a pensioner and that of the Organization remain closely linked and that the payment of our pensions is expressly guaranteed only by the Organization and not by the Member States.

But there is even worse: for the first time in fifteen years, true concertation between the Staff Association (the statutory channel by which also our interest are defended), the CERN Management and the Member States was rendered impossible by a Diktat by CERN Council. Moreover, by this same Diktat, the Pension Fund Governing Board (the only body where the pensioners have their own representative) has been short-circuited and, de facto, has not been involved in the discussions. The voice of the staff, active and retired, was practically ignored. This is unacceptable and jeopardizes two fundamental principles of social dialogue: the mechanism of concertation and a search for consensus.

The Staff Association organizes at present information meetings and a referendum among the present staff. Following the referendum, the Staff Council (where we are also represented by 9 delegates) will decide which actions to be carried out to say "NO to the Diktat" and "YES to real concertation" on **Wednesday 22 June**, the day of the Finance Committee meeting.

The GAC-EPA Committee invites you to answer favorably to any call for mobilization by the Staff Association to express our disagreement with the proposals by the Management and the Diktat by the Member States. For more details you can refer to the website of our association (<http://www.gac-epa.org>) or the secretariat of the Staff Association (tel. +41 22 767 42 24).

A handwritten signature in blue ink, appearing to read "Horst Wenninger".

Horst Wenninger
President of GAC-EPA