

# CERN-ESO PENSIONERS' ASSOCIATION

## Minutes of the Ordinary General Assembly held on 23<sup>RD</sup> March 2012

*Original: French*

### **1. Welcome, introduction and election of the Chairperson of the Meeting**

Gerrit Jan Bossen, President of GAC-EPA, opens the 2012 Ordinary General Assembly which this year takes place from 14:00 to 16:30 in the Main Auditorium.

He welcomes the some 200 participating members, thanking them for attending, and to whom should be added some 118 members represented by proxy.

He points out that this year the meeting can also be followed live by webcast, following a request from a person representing the ESO pensioners; this allows anyone who cannot attend the meeting to be able to follow it on the internet, passively and without being able to vote. (It was noted that 117 people followed the meeting on line and 30 simultaneously).

**He then pays tribute to all those retired members who have passed away since the last extraordinary Assembly and invites the audience to observe a minute's silence in their memory.**

Finally, the President proposes Michel Vitasse as Chairman of the Meeting and this is adopted unanimously.

**Nota:** Nearly all the presentations used by the speakers during this meeting are inserted in the body of the text *in italics* and can also be consulted on our website:

<http://www.gac-epa.org/History/OGA/OGA2012-03-23/Presentations-fr.html>

### **2. Approval of the Agenda**

Michel Vitasse, Chairman of the session, welcomes the audience and proposes the Assembly to adopt the agenda specifying that two items appear under any other questions:

- One about HUG and the study of cerebral ageing
- And the other about the English Book Club

The agenda is adopted unanimously.

### **3. Approval of the Minutes of the 2011 Ordinary General Assembly and the 2011 Extraordinary General Assembly**

Michel Vitasse asks if there are any remarks to make on the Minutes of the 2011 OGM; there are none.

Therefore, the Minutes of the 2011 Ordinary General Assembly, distributed in May 2011, are approved unanimously.

Then Michel Vitasse asks if there are any remarks to make on the Minutes of the 2011 EGM held on 25th March 2011; there are none.

Therefore, the Minutes of the extraordinary General Meeting held on 24th November 2011, are approved unanimously.

Michel Vitasse thanks the Secretary for the quality of his work.

#### 4. Report on the 2011–2012 Activities and Presentation of the New Committee

Michel Vitasse gives the floor to Horst Wenninger, outgoing 2011 President, whose term of office ran for 4 consecutive years and who presents the following report:

he recalls the composition of the GAC-EPA 2011 Committee as well as its objectives.

##### ***Report of the activities of the year 2011-2012***

*In 2011 the GAC-EPA Committee consisted of 23 pensioners, 20 of whom were elected,*

*+ 2 co-opted members (ESO pensioner and assistant treasurer)*

*+ 1 invited member, informatics expert.*

***At the service of our members, the objectives are to listen, inform, represent and defend them in their best interests on all CERN and ESO matters.***

He then mentions 5 former Committee Members who did not stand for election at the last elections, the number of candidates, the results, the relatively small participation rate but approaching various votations in Switzerland, and the composition of the new 2012 Committee.

*At the end of 2011, **5 Committee members (E. Deluermoz, pension guarantees, A. Blin, permanences, J.-P. Diss, P. Lazeyras, delegates to the Staff Council and the CHIS Board, and H. Wenninger, President), did not stand for election.***

*They had worked hard for many years and expressed the wish to retire and to leave their positions to the « young » pensioners.*

*At the last elections in November 2011, there were **fifteen** candidates (9 outgoing and 6 new candidates) for **thirteen vacant posts; the 9 outgoing candidates were re-elected as well as 4 new candidates.***

***With 541 valid ballots, the rate of participation was about 34%, much lower than in 2010 (48%).***

*Following these elections, since the beginning of 2012 the Committee is composed of **23 pensioners** of which **21** are elected members*

- **20** for the CERN pensioners, **1** for the ESO pensioners
- **2** invited members — one informatics expert and one medical expert.

*The members of the Committee elected **Gerrit Jan Bossen** as the new President of the GAC-EPA Committee.*

*Concerning the auditors, there were 2 candidates (one outgoing and one new) who were both elected: these are **Christian Boudineau** and **Guy Salomon**.*

Horst reminds us that our Association is attached to the Staff Association and because of this our Committee members are called to participate in the different issues set up by the Staff Association:

*Committee members co-operate closely with the work of the Staff Association:*

*Commissions on the health insurance, pensions and pension guarantees.*

*Nine members are part of the Staff Council of the Staff Association with the right to vote if the issue is in the interest of the pensioners.*

He emphasises that we are represented at the Pension Fund Governing Board (PFGB); we have one representative since 2007 and since 1st January this year, the Committee has named a designated successor; it remains to be seen how he can become a fully integrated representative of the PFGB.

*Since November 2007, we are stakeholders of the **new Governance of the Pension Fund** — in the Pension Fund Governing Board, we have **one representative with the right to vote**.*

*At our last Committee meeting in December 2011, we named **a designated successor** to our representative so that he can be ready to succeed him when the time comes.*

The Committee also has 2 new representatives on the CHIS Board (CERN Health Insurance Supervisory Board), named after the end of the mandates of Jean-Paul Diss and Pierre Lazeyras, the latter having worked extremely hard for several years especially during the last 5 yearly review and to whom we are very grateful.

*We have two representatives on the **CHIS Board**.*

*In 2010, the CHIS Board introduced adequate financing for the future within the framework of the 5 yearly financial and social review.*

*2011 saw an in depth reform of benefits in order to adapt the system to the new conditions of the health providers; from the beginning of 2012 the new rules of the Health Insurance will come into force.*

Note also the other commissions of the Staff Association where we are also represented and where we put forth our point of view:

*Our representatives are not only present at the PFGB and CHIS Board but also in the Staff Association Commissions where we put forth our points of view, such as the Commissions:*

- *The Pensions Permanence*
- *Social Protection*
- *Health and Safety*
- *Judicial Protection*

*We equally take part in the Mutual Aid Fund as well as in the working group of the SCC set up to study the conditions of pension guarantees; unfortunately, we regret that progress of work on pension guarantees is very slow; we think that the Staff Association should be more insistent on this subject.*

Horst now comes to the in depth reforms touching our social protection and which were set up by Council decision in 2011 after years of negotiations.

*In **2011 in depth reforms** were introduced to our system of **Social Protection**, both for the Pension Fund and Health Insurance; our determination along with the Staff Association has resulted in efforts being made by all parties: Member States, the Organisation, active and retired staff; for us, **our pension is frozen (no indexation) until our purchasing power has been reduced by 8%.***

*And for the **Health Insurance** we have to sustain an **annual programmed increase of our contribution for the next 5 years**, as do the active staff and the Organisation, which is necessary to benefit from a perennial health insurance and stand up to continually increasing health costs.*

Concerning pensions, 2011 did not see an end to the issue since it remains to determine the conditions of our new recruits from 1st January 2012; despite the fact that we are retired, we think that this question concerns us and we have given our full support to the Staff Association.

*Nevertheless 2011 has been a difficult year vis-à-vis pensions because after a series of balanced measures applicable to the active staff and pensioners, the conditions which will be applied to the new recruits as of 1st January 2012 need to be defined; We may think that the pensioners are not concerned with this problem but we would be mistaken; in fact it is important that CERN continues to offer attractive employment conditions to attract staff of the highest competence and that the Laboratory remains a centre of excellence; it is our best guarantee for the future and thus also for our pensions; this is the reason why we have shown our solidarity with the Staff Association and why we responded positively to the demonstration on 22nd June 2011.*

You will remember that on 24th November 2011, during the extraordinary General Meeting, the Committee presented a modification of the GAC-EPA Statutes, necessitated especially by the fact that our Association encompasses CERN and ESO pensioners; for the few ESO members, it was necessary to facilitate the election of their representative; we then asked you for written agreement on this change of Statutes and this was accepted ; consequently the new Statutes are adopted as of 1st January 2012.

*In 2011 we have been led to **modify our Statutes**; as you know, our Association comprises CERN and ESO pensioners, but for many years our Committee did not include an ESO representative.*

*The modification of the Statutes is aimed at solving this problem by allowing a candidate standing for election to be elected to represent the ESO members even though the ESO voters are fewer than the CERN voters. This modification was presented to the members during the extraordinary General Assembly held on 24th November 2011 since we had submitted it for your written approval and you had accepted it.*

***The new Statutes are therefore adopted as of 1st January 2012***

Horst emphasises the determined involvement of three Committee members in the running of the monthly information sessions (permanences) for our members every first Tuesday of the month except in January, July and August.

*Our monthly information sessions ("permanences") regularly receive members confronted with different problems to do with every day life and to which we try to find solutions or direct these persons to the appropriate services at CERN or in the local area where they can find help.*

He also speaks about the new seminar on preparation for retirement organised by the CERN Administration in October and November last year.

*In October and November 2011, the CERN HR Department organised a new seminar on preparation for retirement at which one of our vice presidents presented the GAC-EPA; these seminars can be very useful for future pensioners; note that they can also be attended by persons who have already retired.*

He also reminds us of our contacts with HUG (Geneva University Hospitals):

*Through the CERN Medical Service and with our medical expert, member of the GAC-EPA, we maintain close contact with HUG (Geneva University Hospitals).*

*The conferences on the study of cerebral ageing in 2008 and 2009 resulted in a questionnaire/inquiry in 2010 sent to CERN pensioners and a debate during a conference held on 19th January 2011; about 800 people replied to the inquiry; these people will now be contacted by HUG and asked to continue the trial which will include a series of examinations.*

Horst quotes some statistics of the Association.

*Our Association has approximately **1800 members** at the end of 2011 out of some 3410 beneficiaries of the Pension Fund as of 31st December 2011.*

*We publish a **Bulletin** twice a year (only once in 2010 and 2011) and we have our website:*

*<http://www.gac-epa.org/>*

*We hold a yearly **Ordinary General Assembly**, usually towards the end of March and we have our end of year drink end November, which is preceded by an informal Meeting.*

And finally he invites us to take note of the new committee for 2012 and the assignment of functions:

## **Membres du Comité du GAC-EPA au 01.01.2012 / *Members of the GAC-EPA Committee from 01.01.2012***

Gerrit Jan BOSSEN (2013)	Président / <i>President</i>
Jean-Claude GOUACHE (2012)	Vice-Président / <i>Vice-President</i>
André John NAUDI (2013)	Vice-Président / <i>Vice-President</i>
Martin CULLUM (2013)	Représentant des membres ESO / <i>Representative of ESO Members</i>
Monique HÄUSERMANN (2013)	Trésorier / <i>Treasurer</i>
Eddie ROEBUCK (2013)	Trésorier adjoint / <i>Assistant treasurer</i>
Mario DANESIN (2012)	Secrétaire / <i>Secretary</i>
Françoise THEVENET (2013)	Secrétaire suppléante / <i>Deputy Secretary</i>

## **Membres du Comité, délégués auprès du Conseil de l'Association du personnel**

François WITTGENSTEIN (2013)	Conseil d'Administration de la Caisse de pensions / <i>Pension Fund Governing Board</i>
Claude GENIER(2013)	Commission permanente Pensions / <i>Commission on Pension Matters</i> Successeur désigné de FW au CACP / <i>Designated Successor of FW to the PFGB</i>
Jean-Claude GOUACHE (2012)	Commission permanente Pensions / <i>Commission on Pension Matters</i> Commission permanente Pensions / <i>Commission on Pension Matters</i> Commission de la protection juridique / <i>Legal protection Commission</i>
Michel BABOULAZ (2012)	Caisse maladie(CHIS) / <i>Health Insurance (CHIS)</i>
David JACOBS (2013)	Caisse maladie(CHIS) / <i>Health Insurance (CHIS)</i>
Michel VITASSE (2012)	Commission Permanente Pensions / <i>Commission on Pension Matters</i> Groupe de travail sur la garantie des pensions / <i>Working Group on Pension Guarantees</i>
Carlo VANDONI (2012)	Suppléant auprès du Groupe de travail sur la garantie des pensions / <i>Deputy to the Working Group on Pension Guarantees</i>
Gunilla SANTIARD (2013)	Commission Hygiène et Sécurité / <i>Commission on Hygiene and Safety</i> Permanences ; Suppléante au Fonds d'entraide, aux activités sociales et culturelles et pour la gestion des communications et du courrier / <i>Information Sessions; Deputy to Mutual Aid Fund, social and cultural activities and mail and communications</i>
Jean-Claude VIALIS (2012)	Activités sociales et culturelles; Fonds d'entraide / <i>Social and cultural activities; Mutual Aid Fund</i>

***Nota: the above Commissions are set up by the CERN Staff Association***

### **Other activities of the Committee**

René BARTHELÉMY (2012)	Permanences / <i>Information Sessions</i>
Jean-François MICHAUD (2013)	Permanences / <i>Information Sessions</i>
André John NAUDI (2013)	Commission permanente Pensions / <i>Commission on Pension Matters</i>
David JACOBS (2013)	Gestion du courrier et communications / <i>Mail and Communications</i>
François GHINET (2012)	Commission permanente Pensions / <i>Commission on Pension Matters</i>
Jean-Marie THOMAS (2013)	Bulletin / <i>Bulletin</i>
Bernard DUCRET (2013)	Bulletin / <i>Bulletin</i>
Robert CAILLIAU	Expert informatique / <i>Informatics Expert</i>
Jean-Paul DISS	Expertise médicale / <i>Medical Expertise</i>

The complete structure chart can also be consulted on our website:

<http://www.gac-epa.org/Organization/Committee/Organigram/zOrganigram-en.html>

G. Bossen again thanks the 5 committee members who retired at the end of 2011 for all that they have done, benevolently and with determination for many years to defend the interests of the pensioners.

He emphasises that during the four years of the presidency of Horst Wenninger, the GAC-EPA became institutional by his participation in the PFGB; from CERN pensioners, the Association has become CERN-ESO pensioners, and the numerous contacts that Horst had in Europe have permitted our point of view to be considered during the recent modifications of our social protection.

## 5. Treasurer's Report

Michel Vitasse gives the floor to our treasurer Monique Häusermann, who briefly mentions her involuntary absence at last years' meeting and says she is very happy to be here this year to present this report:

Losses & Profits 2011:

### ***Losses & Profits***

<i>EXPENSES</i>	<i>2010</i>	<i>2011</i>	<i>BUDGET 2012</i>
Staff Association	21'897.00	20'713.00	22'000.00
Bank fees	16.30	14.80	100.00
Postal fees	19.50	41.35	100.00
Receptions	22'327.80	12'611.30	13'000.00
Printing	3'491.60	4'896.50	5'400.00
withholding tax	216.65	-	-
Experts fees			5'000.00
Mutual aid fund			1'000.00
Administration	383.50	-	300.00
Computing	961.39	612.50	800.00
Entertainment expenses	-	130.10	300.00
Total expenses	49'313.74	39'019.55	48'000.00
Surplus	-	4'405.10	-
TOTAL	49'313.74	43'424.65	48'000.00

Revenues & Expenses 2011:

### ***Revenue and Expenses***

<i>REVENUES</i>	<i>2010</i>	<i>2011</i>	<i>BUDGET 2012</i>
Membership fees	42'145.00	43'049.00	44'000.00
Donations	58.00	-	200.00
Bank interests	619.00	358.60	800.00
Postal interests	16.15	17.05	
Total revenues	42'838.15	43'424.65	45'000.00
Expense excess	6'475.59		-
TOTAL	49'313.74	43'424.65	45'000.00

Balance at 31 December 2011 and passives:

**Balance at 31 December 2011:**

ACTIVE		PASSIVE	
Postal account	14'365.67		122'409.26
UBS currency account	1'828.44	Excédent de l'exercice 2011	4'405.1
UBS savings account	110'620.25		
TOTAL own funds	126'814.36	TOTAL own funds	126'814.36

A participant asks what we are planning to do with the assets in the bank that increase year by year.

*Monique replies that this sum is kept as a reserve, essentially to face exceptional expenses such as a recourse against a decision unfavourable to our members which might lead to consulting a lawyer or the ILO.*

## **6. Auditors' Report**

Guy Salomon, outgoing auditor and re-elected, introduces Christian Boudineau, auditor newly elected.

The following report is presented by Guy Salomon and Christian Boudineau:

*«Under the mandate which has been entrusted to us at the last General Assembly, we have proceeded with the auditing of the accounts for 2011.*

*After checking, we found perfect agreement with the justifications at our disposal and the written accounting indicated in our books. We can but recommend to the present Assembly to give quitus to our devoted treasurers.*

*We congratulate our friends Monique Häusermann and her faithful deputy, Eddie Roebuck for their management, transparency and immaculate presentation of their accounts.*

*CERN, 5th March 2012*

*Signed: Christian Boudineau and Guy Salomon, auditors»*

## **7. Approval of the three preceding reports**

Michel Vitasse proposes that the Assembly approves the three precedent reports (activity 2011-2012, treasurer, auditors), simultaneously:

These three reports are approved unanimously with applause.

Michel congratulates the treasurers and the auditors for their precise and thorough work.

## **8. Scrutineers for the 2012 Elections**

The secretary, Mario Danesin, thanks the scrutineers for their participation in the counting of votes for the 2011 elections.

He then presents the list of the current 16 scrutineers and invites them to continue; they will all be maintained in 2012 unless one or more wish to resign by informing the secretary.



<i>First Name</i>	<i>Surname</i>
Olivier	BAYARD
Norman	BLACKBURNE
Mario	CESELLI
Roland	GAY
Ruth	HAAS
Louis	HENNY
Jean	HUGUENIN
Jean-François	MALO
Yolande	MARTI
Jean	PASQUALI
Luisa	PASSARDI
Bernard	PERRUCHON
Carlos	PINTO-PEREIRA
Keith	POTTER
Peter	ROHMIG
Bernard	THONY

Finally he appeals for new candidates, the Statutes of the Association foreseeing a total of 20 scrutineers; members who wish to enrol should contact the secretary or send him an e-mail:

***Call for new candidates***

*You wish to become a scrutineer:*

***Inform the secretary after the meeting***

*or*

*send an e-mail to: [secretariat@gac-epa.org](mailto:secretariat@gac-epa.org),*

*or*

*telephone the secretary on **+41 22 776 19 94***

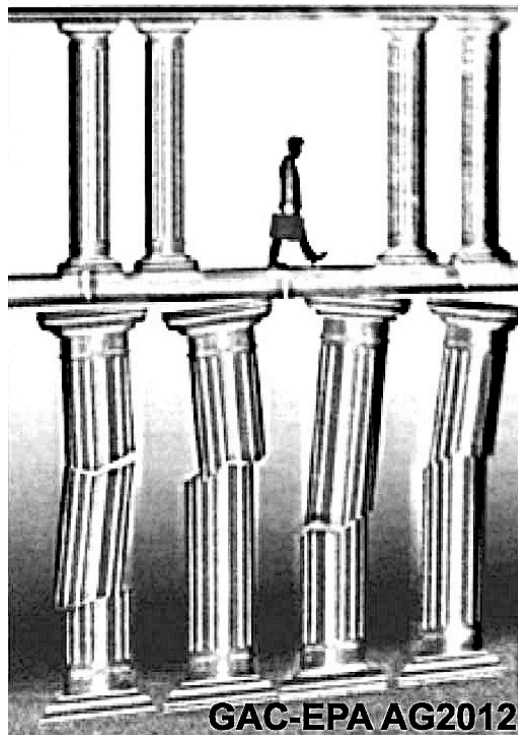
At the end of the Assembly, he receives the candidature of Edith Deluermoz, outgoing member of the committee.

## **9. Report on the Pension Fund**

Michel Vitasse gives the floor to François Wittgenstein for this important subject on the Pension Fund.

François begins by thanking the members of the association for renewing their confidence in him at the latest elections to the Committee.

His presentation uses elements taken from talks given 25 March and 24 November 2011, with updates, making him mention that he repeats himself involuntarily from year to year; He refers to the financial crisis by giving a personal impression of the world outside the Pension Fund:



*Projected image: a "Golden Boy" walks over a marble tablet which rests on Greek columns breaking up below it; or: environment outside the pension funds (Councils, Auditing Committees, all kinds of Associations, Directorates, Experts, ...) which are confronted with the problems but leave the finding of solutions to the next batch of elected officials...*

He invites the members to find details by consulting press articles (Tribune de Genève of today, Le Temps, ...) which refer on the one hand to the difficulties of the Pension Fund of the Geneva State staff and on the other hand to the fact that it is illusory to think there will be miraculous returns on investment (newspaper snippets in French).

#### ***Le Temps (22 février 2010)***

*Performances attendues des institutions de prévoyance.*

*Il est illusoire de compter sur des rendements mirifiques*

*...Au total si tout catastrophisme paraît excessif, il semble tout autant illusoire d'escompter des rendements mirifiques... Quoiqu'il en soit, le rendement de la fortune ne pourra guère compenser les déséquilibres actuariels des caisses de pension.*

*(AG2010)*

Taking as example the Pension Fund of the Swiss Railways, François shows that the treasury problems of funds are resolved slowly, since the Railway Fund was already in trouble in 1939 and was recently topped up by 1'000MCHF, 70 years later.



*Projected image: employee of the Railways in 1939, disillusioned but nevertheless patiently waiting for the accounts of his pension fund to be refinanced.*

The president of the PFGB tried in 2009 to explain how one could in theory envisage the re-financing of the CERN Pension Fund:

AG2011

### **Options to reach full funding (analysis of actuarial results)**

*Some orders of magnitude:*

- *Return of investments*  
30yrs ↔ 7.5%
- *Regular Contributions*  
30yrs ↔ 54%
- *Special contributions*
  - 80MCHF/y (Stabilising)
  - 115MCHF/y (Catching-up)

*16 sept 2009. présentation FF au CF (mod)*

To keep informed of the situation it is not sufficient that François is a member of the PFGB, he also has to consult documents of the SA, have contacts with the Fund Administrator or even the PFGB president; he wishes to remind us that the main objective as given to the Pension Fund Administrator is to preserve the Fund's capital; to achieve this goal restructuring actions were necessary, which he shows us:

### ***Summary taken from report of the CEO on 31.12.2011***

- *Principal objectives fixed in 2010 were maintained:*
  - Improve operation in view of usual practices
  - Improve ratio return/risk of the Fund
- *Progress towards getting results:*
  - Putting in place a unified system of reporting evolution of the portfolios.
  - Installing a system managing the beneficiaries
  - independent report of computing the returns
  - start putting in place a system for the preservation of the capital
  - strengthen the administrative unit's team
  - internal and external follow-up of the risk/performance ratio
  - putting in place documented internal rules for supervising financial operations.

### ***2011: A year of Milestone Actions***

François then reminds us of the general situation of the PF and of the measures decided by the Council in 2010 and 2011 to enable the PF to face its obligations and to try to refinance it.

### ***CERN Pension Fund***

- *Capitalised Fund with priority of benefits*
  - 4 bnCHF capital
  - Engagements 5.7 bnCHF
  - 6680 participants (of which about 3400 pensioners)
  - Technical Deficit: ~ (1.7) bn CHF, on 31 Dec. 2010
- *Exceptional Legal Status (International Organization)*
- *Refinancing measures adopted by the Council in Dec. 2010 and June 2011; concessions by all parties:*
  - Additional annual contribution of the Member States of 60MCHF (non-indexed) charged to the the CERN Budget
  - Annual ESO contribution of 1.3 MCHF
  - Updated annual contribution of the active members (Organizations and insured) to a total of 34%
  - New active members (from 1 january 2012) : almost 32% (ratio 40/60)
  - For all members new rules about indexation

*24 novembre 2011 modifié*

He also reminds us of the directing and active "elements" of the PF who are entrusted with managing its operation:

### ***Governance of the Pension Fund***

- *CERN Council: supreme authority*
- *Pension Fund Governing Board (PFGB), by delegation of Council: management and operation*
  - Definition of investment principles
  - Definition of objectives and limitations
  - Definition of a strategic plan
- *Pension Fund Investment Committee (PFIC), by delegation of PFGB*
  - Investments
  - Distribution of assets
  - Allocation
  - Supervision of investments
- *Actuarial Technical Committee (ATC), by delegation of the PFGB*
  - Technical Checks
- *PF Administrator (CEO) and Management Unit (PFMU)) (about 20 people)*
  - Responsible for day-to-day operation
  - Executive

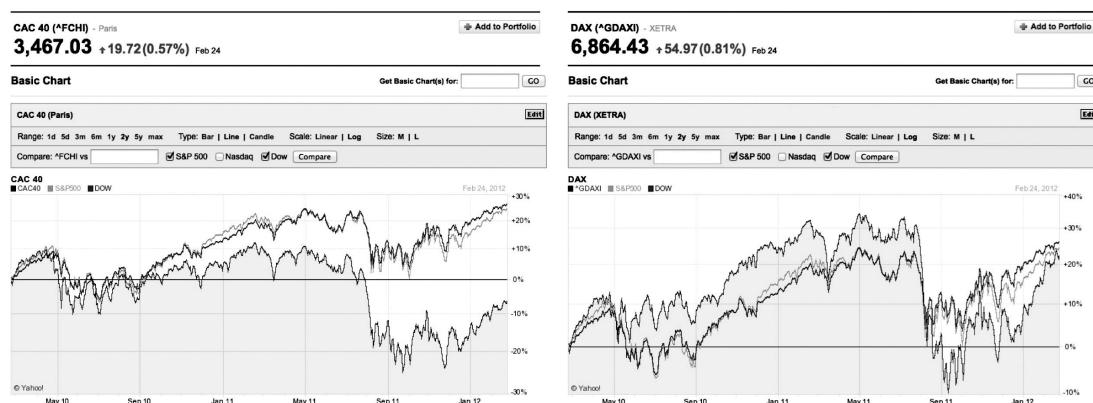
Concerning risk management, according to the report of the CEO, certain measures have already been taken (see below) to ensure that it is clear what one wants to achieve and that one reaches those goals:

### ***OPERATIONS Internal Risk Management***

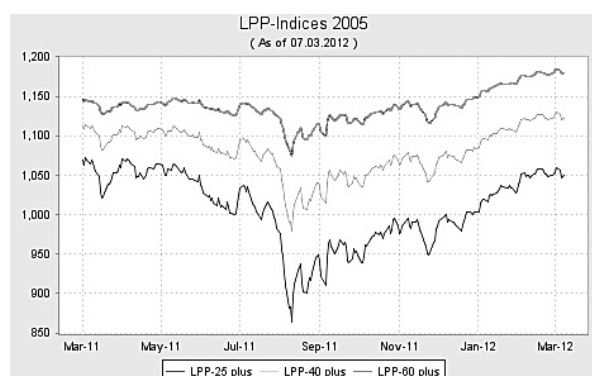
- *Determine risks*
- *Define procedures, categorise risks*
- *Define control mechanisms*
- *Status:*
  - ✓ Accounting
  - ✓ Pensions
  - ✓ IT (computing)
  - ***TO DO:*** Investments/ Risk management

François now projects two graphs to try to make us understand the evolution of financial markets in 2011 (CAC40 index, Dow Jones, SP50, DAX); one observes a great volatility (dip in September) of these indexes and a strong drop in September 2011, but noting a less pronounced variation in American indexes.

## Investments - Environment



His next graph aims, as far as possible, to make us understand why the 2011 investment results of our PF are not brilliant; a study by the bank Pictet reveals that results of pension funds depend on the part taken by shares in their portfolios; in the current environment this return seems to be inversely proportional to the shares ratio; in 2011 a portfolio with 60% shares had a return of -4% while one with only 25% was positive. Our PF was confronted with a particularly volatile investment environment.



Valeurs quotidiennes des indices LPP 2005			
Résumé des performances (Au 07 mars 2012)			
	LPP-25 plus	LPP-40 plus	LPP-60 plus
Indice			
Valeur courante (07 mars 2012)	1180.04	1122.77	1049.67
Dernier mois (févr. 12)	1180.61	1123.71	1051.14
Dernier trimestre (Q4 2011)	1148.33	1083.56	1002.63
Dernière année (déc. 11)	1148.33	1083.56	1002.63
Performance			
Dernier mois (févr. 12)	1.14 %	1.46 %	1.91 %
Dernier trimestre (Q4 2011)	2.62 %	3.92 %	5.64 %
Dernière année (2011)	1.44 %	-0.94 %	-3.93 %
Year-to-month ( - févr. 12)	2.81 %	3.71 %	4.84 %
Year-to-date ( - 07 mars 2012)	2.76 %	3.62 %	4.69 %
Depuis la création (01 nov. 2005, annualisée)	2.64 %	1.84 %	0.77 %

Taking this unfavourable environment into account, where are we with our PF? François explains with these numbers:

**2011 in Performance numbers (unaudited on 31.12.2011)**

<i>Annual performance ( actual restructured Portfolio:</i>	-2,54%
<i>Lowest point:</i>	-5,4%
<i>Annual theoretical performance (portfolio before restructuring):</i>	-4,48%
<i>Lowest point:</i>	-11,81%
<i>Combined performance over 2009-2011:</i>	+ 4,40%
<i>Reference 3% over inflation:</i>	+ 3,17%
<i>Combined performance over 2007-2011:</i>	- 0,49%
<i>Reference 3% over inflation:</i>	+ 3,57%

**CAPITAL**

<i>Year</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>
<i>MCHF</i>	<i>4613</i>	<i>3589</i>	<i>3903</i>	<i>3957</i>	<i>3665</i>

We can therefore observe that for the period 2007-2011 the preformance did not match the expected 3% over inflation criterion and that our capital strongly diminished.

In the next table François shows the distribution within the PF portfolio:

**2011 in numbers (unaudited on 31.12.2011) Classes of assets**

*Performances from 01.07.2011*

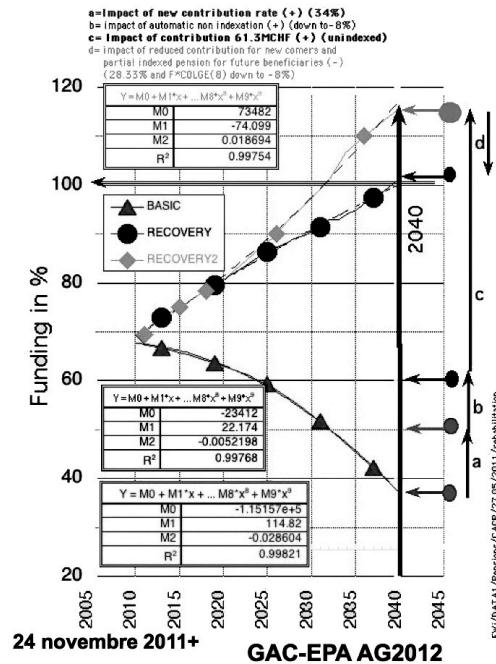
<i>Obligations</i>	<i>27.8 %</i>	<i>2.33 %</i>
<i>Shares</i>	<i>28.8 %</i>	<i>-8.61 %</i>
<i>Real Estate</i>	<i>13.0 %</i>	<i>-0.06 %</i>
<i>Unquoted Shares</i>	<i>2.3 %</i>	<i>-1.67 %</i>
<i>Alternative Funds</i>	<i>8.6 %</i>	<i>-0.11 %</i>
<i>Raw materials</i>	<i>1.0 %</i>	<i>-6.92 %</i>
<i>Cash</i>	<i>18.3 %</i>	<i>-1.60 %</i>

*Main transactions*

<i>Exchange of obligations</i>	<i>-80/+300MCHF and +280MUSD</i>
<i>Exchange of Shares</i>	<i>-440/+160MCHF</i>
<i>Ajustment of alternatives</i>	<i>up to 340MCHF</i>
<i>Reduction in Gold position</i>	<i>-20 MCHF</i>

With the next graph, already shown at the previous General Assembly, François explains the variation of the rate of coverage of the PF as a result of several management and refinancing decicions in 2010 and 2011; in theory, if the measures are respected the rate of coverage would be 100%, but if nothing had been decided the drop in coverage would have been abysmal:

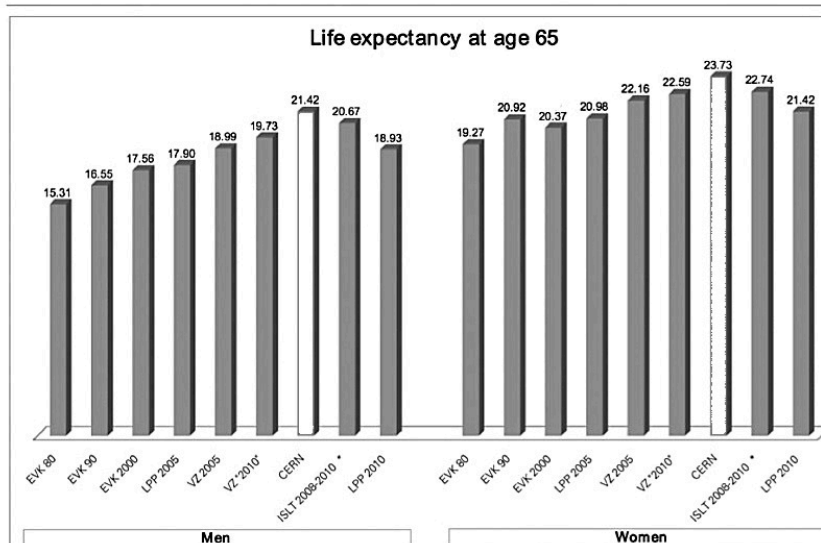
CERN PF rehabilitation project 27.05.2011 (WG2 + IAS26)  
4.2ATC\_rev2\_proposition\_26.04.2011\_report\_v3  
29th PFGB



François is delighted to see us here in relatively good health and it motivates him to talk about longevity, in other words life expectancy. We live longer but that fact was until recently not taken into account by actuaries. Actuarial tables were based on the EVK 2000 tables of Switzerland (revised every 5 years) and they show a life expectancy at age 65 of 17.56 years for men and 20.37 years for women. However recent studies done on the CERN population show that these figures should rather be 21.4 years for men and 23.73 for women. Let's note that to take these particulars into account, and as a measure of precaution, 0.5% of capital has been added:



## Life expectancy (Periodic Life Tables)





In the following table we see that the rate of coverage varies considerably depending on the hypotheses of longevity used:

<i>Longevity table</i>	<i>Liabilities 2010 (PBO, MCHF)</i>	<i>Funding ratio 2010</i>	<i>Funding ratio 2040 Contribution 34%</i>
VZ 2010 Gen (Discount rate 5%)	5'737	67.2 %	80.8 %
VZ 2010 CERN Gen (Discount rate 5%)	6'074	63.5 %	65.3 %
ICSLT + VZ 2010 (Discount rate 5%)	5'879	65.6 %	74.0 %
EVK 2000 (present table, 4.5%)	5'557	69.4 %	115.2 %

François now switches to the new arrangements destined for the recruits starting from 1 January 2012 and compares them with what was applicable before that date (according to TREF 2012-02-29):

<i>Parameter</i>	<i>Today</i>	<i>As of 2012-01-01</i>
Retirement age	65 years	67 years
Contribution to	Reference salary	Reference salary
Contribution rate	34 %	28.33%*
Contribution sharing	1/3 — 2/3	40% — 60%
Contribution employee	11.33 %	11.33 %
Contribution CERN	22.67 %	17 %
Accrual rate	2% i.e. 35 years	1.85% i.e. 37 years 10 months
Maximum pension	70 %	70 %
Pensionable salary	Last salary	Average last 3 years salary position

Finally François ends his speech with some considerations about the discount rates used in actuarial studies; this rate influences considerably the engagements to take to cover the obligations of the Fund.

At the end of François' talk 3 questions are asked:

1. With a performance of -0.5% over 5 years, how is it that the capital of the PF shrank by 1'000 MCHF?

*Answer: the negative performance is compounded by the payment of pensions (300 MCHF/year) which is by no means offset by the contributions (120 MCHF/year)*

2. In the annual report of the PF there are no longer data about the real estate; a member has nevertheless obtained this information after a request to the PF Administration, but with the recommendation not to divulge the data, why this secrecy?

*Answer: the president of the PFGB has noticed this anomaly and the general lack of information for members, it is likely this situation will change.*

3. It is disconcerting to know that the capital of the Fund diminishes by 180MCHF per year; what is envisaged to stop this dangerous spiral?

*Answer: the new measures taken for refinancing should resolve this problem, while hoping that the financial markets will perform better; a new actuarial study will be made in 2013 and*

*possible measures applied in 2014, but this hypothesis leads to believe that the negative threshold of 8% may be re-examined.*

Michel Vitasse thanks François for his excellent presentation and passes the floor to Michel Baboulaz for the next important point on the agenda:

## **10. Report on the Health Insurance Scheme**

Qualifying this report as much less stressful than the preceding one, Michel Baboulaz introduces its 4 main parts :

### ***Our Health Insurance in 2011***

- *statistical evolution*
- *financial situation*
- *Administration of the scheme*
- *ongoing reviews of the scheme*

Starting with the annual statistics, he presents the population covered by the scheme :

### ***CHIS 2011 statistics***

*Population covered on 31 december 2011*

<i>Year</i>	<i>Population covered</i>	<i>Of which pensioners</i>	<i>% pensioners</i>
2011	13451	5063	37.6 %
2010	13214	4998	37.8 %
2009	12815	4921	38.4 %

*Of the 5063 persons insured via the Pension Fund:*

*34% live in Switzerland  
58% live in France  
and 8% live elsewhere*

He notes that the number of persons insured (active and retired) is decreasing in the age bracket 56-70, due to a slowdown in recruitment in the early 80s. The numbers are however increasing outside this bracket.

He then details the amounts reimbursed by UNIQA for the CHIS and notes that following a high level of expenses in 2009 and a significant drop in 2010, 2011 saw new increase. Also notable is the ratio of reimbursements higher than 68% for pensioners who represent only 38% of the insured population:

### ***Reimbursements paid, incl. salary loss allowances***

<i>Year</i>	<i>Grand total MCHF</i>	<i>evolution</i>	<i>Total pensioners</i>	<i>% pensioners</i>
2011	65.5	+5.5%	45.0	68.7 %
2010	62.1	-8.5 %	42.6	68.6 %
2009	67.9		46.4	68.3 %

It is worth taking note of the ratio reimbursements / medical expenditures under the rules applicable in 2011, which was 87.9% overall and 88.7% for pensioners.

The revised rules now in force feature a progressive reimbursement rate and no longer apply an excess of 200 CHF/year. They aim at reimbursing expenses from the first franc and at achieving the same ratio of reimbursements over medical expenditures. In one year's time it will be possible to see if this objective has been met.

In the course of 2011 UNIQA observed a marked increase in the number and cost of non-professional accidents. They suggested that a specific communication campaign be prepared. They also pointed to the sharp increase of expenses due to prolonged sicknesses, which may be 100% covered (when costing more than 80000 CHF for ambulatory treatments) :

	<i>non-professional accidents</i>	<i>in MCHF</i>	<i>Prolonged sickness ambulatory treatment</i>	<i>in MCHF</i>
<i>year</i>	<i>Grand total</i>	<i>Of which pensioners</i>	<i>Grand total</i>	<i>Of which pensioners</i>
2011	3.1	2.2	1.5	1.3
2010	2.1	1.3	0.9	0.6
2009	2.6	1.8	0.9	0.7

*632 non-prof. accident cases in 2011, against 590 in 2010*

*54 insured persons were receiving 100% reimbursement as at 31.12.2011, with only 28 as at 31 December 2010*

Michel then presents the major cost items for the CHIS over the last 3 years. He points to a decrease in doctors fees and pharmaceutical products which may be a result of the Euro/CHF exchange rate variation. By contrast a sharp increase in expenses for ambulatory treatments (X-rays, analysis, ...) and for hospital treatments is recorded. The largest part of medical expenses is incurred in Switzerland (75%) although only 34% of pensioners reside in Switzerland.

#### ***Main cost items (in MCHF)***

<i>year</i>	<i>Doctors fees</i>	<i>Pharmaceutical products</i>	<i>Ambulatory treatments</i>	<i>Dental care</i>	<i>hospitalizations</i>
2011	8.0	6.3	10.0	5.5	30.5
2010	8.1	6.6	8.9	5.6	27.9
2009	8.1	7.2	9.2	5.6	32.6

*In 2011 medical expenses were incurred  
75% in Switzerland  
21% in France  
and 4% elsewhere*

The CERN Health Insurance Supervisory Board (CHIS Board) regularly advises the CHIS Bull readers to receive medical care in countries cheaper than Switzerland; Michel recalls the new reimbursement rule under which ambulatory care received outside Switzerland (in a published list of countries) is reimbursed with a 5% more favourable rate.

A distribution of the 2011 hospitalization costs is then presented. The high rate of reimbursement for hospitalization in private establishments is worth noting.

#### ***Hospitalization costs 2011 distribution***

*39% to Hôpital de La Tour, 17% to HUG, 8% to clinique Générale-Beaulieu  
65% to private establishments  
to 25 different countries*

UNIQA also gave us specific information on those cases for which the total amount reimbursed in 2011 exceeded 25'000 CHF :

*Out of 11'695 CHIS members who received a reimbursement  
519 (4.4%) received more than 25 kCHF  
reaching a total of 30.4 MCHF (46.4% of all reimbursements)*

These data illustrate the solidarity aspect of our insurance.

Concluding the statistical part of his presentation Michel submits the overall situation of our Long Term Care insurance and highlights the correlative increase in daily allowances and decrease in hospitalization costs:

### ***Beneficiaries of the LTC scheme***

*53 cases evaluated in 2011*

<i>year</i>	<i>Number as at 31 December</i>	<i>Daily allowances MCHF</i>	<i>Hospitalizations MCHF</i>
2011	162	4.1	3.7
2010	142	3.3	5.6
2009	139	3.1	4.2

Coming to the financial situation of the CHIS, Michel points to the raise in our contributions effective 1st January 2011, which explains why the balance for 2011 is positive. It has been possible to increase the CHIS Reserve Fund, its yield however proved negative.

### ***Financial situation***

- *Thanks to increased contributions, 2011 outcome was positive*
- *Transfers to the Reserve Fund : 4 MCHF for LTC and 12 MCHF for HIS*
- *Loss due to bank investments: 0.7 MCHF & fund management fees: 0.3 MCHF*
- *Resulting in an increase by 15 MCHF to 126.7 MCHF*

Michel then talks about the Scheme administration as handled by the contracting company UNIQA. This insurance company is in charge of processing our claims in accordance with the CHIS Rules.

### ***Scheme administration***

- *Tariff agreements with care providers: see the current list on the CHIS web site under "preferred providers" and in the coming CHISBull n° 36*
- *No problem found by UNIQA when calculating reimbursements according to the new 2012 Rules. Just a few manual adjustments to the new ceiling for optical devices.*
- *The reform of the CHIS rules is progressing with a view to clarifying the contribution for spouses and to modifying or suppressing specific schemes open to Users  
(reduced, short term insurance)*

Tariff agreements for 2012 have been signed with most hospitals with no or very small increase. No agreement was reached however with the clinique des Grangettes in Geneva.

Finally Michel tells us of the continuing review of the Scheme by the bodies in charge of CERN management :

#### **Review of the Scheme**

- *CERN's Internal Audit service recently inspected the way our Scheme operates.*
- *In their annual report CERN's External Auditors underline the likely imbalance of the Scheme, particularly in the long term.*
- *A call for tenders is currently prepared by CERN for the renewal of the CHIS administration contract.*

Michel Vitasse thanks Michel Baboulaz for his detailed report; he asks if there are any questions and notes that this is not the case; he takes the opportunity to recall that two of our outgoing members, **Jean-Paul Diss** and **Pierre Lazeyras** have been our delegates on the CHIS Board since its founding (or nearly), that they have certainly not wasted their time or efforts in the interest of the pensioners, that they have contributed to the establishment of new benefits of which one is long term care (LTC) and that for all this work they deserve to be thanked and applauded.

After this he gives the floor to Edith Deluermoz to tell us about pension guarantees and thinks that information on this subject will be brief.

### **11. Report on Pension Guarantees**

Edith, outgoing committee member, gives her report on the question of pension guarantees.

*“As I already informed you in Bulletin 41, the SCC working group on pension guarantees has currently interrupted its work.*

*We should remember that a parallel Working Group - WG-2 - was created by the PFGB. This group's mandate was intended to propose measures to ensure the full capitalisation of the Fund, but this group no longer exists. I have not seen or heard of any other recommendations.*

*However, we do have positive news on guarantees. The actuary took an interest in the question of withdrawal by a Member State. This was sparked off a few years ago by Austria threatening to withdraw from CERN. At this time the CERN management realised that there was nothing foreseen for such a scenario, even though this question had been on the agenda of the SCC working group on pension guarantees since the beginning.*

*A calculation method to estimate the cost of such a withdrawal was drawn up and approved by Council. This is a big step forward. In any case there is no danger as long as CERN exists. This is our best guarantee.*

*I have had confirmation from the Legal Service that work on guaranteeing the health insurance is going to start again during 2012. I leave this in the hands of my successor, Michel Vitasse, and wish him good luck and lots of patience”.*

Michel Vitasse asks if there are any questions; as this is not the case, he announces the following item on the agenda, the report on information sessions.

## 12. Report on the Information Sessions « Permanences »

There is a moment of confusion at the start of this subject because René Barthélémy, who should have presented this report, is absent (René gave his excuses to the President the following day, having had a small accident).

Robert Cailliau proposes to make the presentation with the help of Gunilla Santiard and Jean-François Michaud.

He begins by presenting the three members of the Committee who make up the team for the information sessions (permanences):

### ***The Information Sessions team***

- SANTIARD Gunilla,
- MICHAUD Jean-François,
- BARTHÉLÉMY René

He then indicates for whom these information sessions are intended:

### ***For Whom?***

*The information sessions are open to future pensioners and of course to all pensioners and their spouses, widows or widowers, as well as orphans who need help in their actions.*

*These meetings are individual and strictly confidential.*

And when do they take place and where at CERN:

### ***When and where?***

*The information sessions take place every Tuesday of each month except January, July and August.*

*A reminder appears in the bi-monthly CERN bulletin.*

*The meetings take place from 13:30 to 16:00. in the small conference room next to the Staff Association.*

Which questions are generally asked at the information sessions?

### ***What?***

*In 2011, we welcomed 38 people; the most frequently asked questions were:*

- *on Swiss and French taxation: Taxes, CSG CRDS etc...*
- *Savings Accounts in Switzerland*
- *How to declare CERN pensions*
- *Pensions for people having had other employment before CERN*
- *Pensions from the CRAM in France and AVS in Switzerland*
- *Complementary or State pensions*
- *Removal and installation in Switzerland/France or vice a versa or in other countries*
- *Banks*
- *CHIS*
- *Information on UNIQA reimbursements*

Finally Robert mentions that the team would be happy to receive feedback from the persons interviewed to learn how their particular problem had been solved; this information would be useful for other cases.

#### ***Reminder...***

*We would like to remind you that we are neither jurists or tax experts but we are happy to help you and **direct you towards a competent person.***

*After this action, we would like you to inform us of the results*

*Which will perhaps BE USEFUL for others ...*

This ends the presentation on information sessions and at Robert's request, Gunilla confirms the exactitude of the information given; she emphasises the many consultations on tax questions at this time of the year and also on the CHIS, especially on long term care.

### **13. Activities for the next 12 months**

Michel Vitasse gives the floor to Gerrit Jan Bossen, the new president of GAC-EPA.

Gerrit begins by saying that the objectives are the same as those announced by Horst Wenninger at the beginning of the meeting and that essentially it's a question of keeping a close eye on the maintenance of our social protection and to do that to keep in permanent contact both with the CERN Management and the Staff Association:

#### ***Principal Activities of the Committee***

*To ensure an adequate social protection*

*Keep up relations with the Management and Staff Association*

*Organisation of elections and events*

He emphasises the importance of having frequent contacts with the members of GAC-EPA to keep them informed whenever necessary; to do that we need communication methods and an up to date database; the Committee and especially the treasurer and his deputy, helped out by our informatics expert, have spent a lot of time on this and Gerrit wishes to thank them:

#### ***Communication***

- ***Database*** up to date
- ***Newsletter:*** email – send us your e-mail address!
- ***Website***
- ***Bulletin:*** classic (paper) 2x per year
- ***Echo***

***aim:*** to strengthen the ties between the Committee and Members

Gerrit also urges members to send us their e-mail address and to consult the GAC-EPA website, which is the fastest way of communicating information; he confirms the future publication of the next bi-annual bulletin; finally we also have the possibility of communicating last minute info via the Staff Association's Echo bulletin.

Gerrit addresses the question of relations with the CERN Management which he considers good but could be better; with this aim at the start of his term of office, he paid a courtesy visit to S. Lettow, Director of Administration; it was agreed to name a committee member as contact person for organisational matters, such as arrangements concerning access to the CERN site, etc.

### ***Relations with the CERN Administration***

*Good in general, but...*

*Contact person GAC-EPA: Carlo Vandoni, replacement: Jean-François Michaud*

As Horst has already pointed out, it is important to have good ongoing contacts with the Staff Association and Gerrit meets regularly with the Staff Association President; it is important that the SA takes our point of view into consideration in negotiations on main issues and it is essential for the staff and pensioners to stand together to defend our social protection.

He mentions the possibility for GAC-EPA members to obtain an SA membership card which offers certain commercial advantages.

### ***Relations with the CERN Staff Association***

- *first and foremost good contact*
- *effective use of existing channels*
- *SA membership card available on request, by 30th April at the latest*  
*e-mail [secretariat@gac-epa.org](mailto:secretariat@gac-epa.org)*  
*or*  
*letter to **GAC-EPA Secretariat**, c/o CERN Staff Association*

Gerrit reminds us that our Association also includes retired members of ESO and that since the beginning of this year, a representative has been duly elected, Martin Cullum; he makes sure that ESO is not forgotten in our discussions within the Committee; he is also very active in the ESO Management and their health insurance which is different from ours, and his position is strengthened as an elected member of the ESO pensioners.

### ***ESO***

*duly elected Committee Member*

*active to strengthen relations with the Management and the Staff Association of ESO*

Gerrit now turns to our social protection. This year should in principle be quieter after the eventful years of 2010 and 2011 which confirmed the non-indexation of our pensions until a loss of 8% purchasing power has been reached and the increase of the health insurance premiums. But we must remain alert as future problems are foreseen, (already mentioned by François in his report), with the future actuarial study which could lead to a greater reduction of our purchasing power. So the Committee has decided to make new proposals, in particular for pensions and health insurance; we have to think of solutions to the problems that could loom up and be able to make proposals to thwart ideas such as the increase of the 8% loss of purchasing power. The questions asked at the end of François' report illustrate the concern of the members which are also felt within the Committee on the subject of the Pension Fund for several reasons:

- Negative returns
- Lack of information
- Difficulties to understand the investment policy
- Audit and certification of accounts conducted by only one outside firm



We thought it necessary to demonstrate our preoccupations by asking the Staff Association to write a communal letter to the President of the PFGB to request that the accounts are controlled by the internal audit of CERN; by this we hope that things will start moving:

### ***Social Protection***

*in principle (!) a quieter year*

*foresee future difficulties:*

- *Pressure of the Member States*
- *Financial balance*

*new proposals*

*preoccupations on the situation of the Pension Fund → communal letter GAC-EPA and SA to the President of the PFGB.*

Gerrit wishes to wind up on an optimistic note, recalling the success of the LHC and CERN's scientific results, not forgetting ESO's scientific results:

### ***The success of the LHC and the scientific results of CERN are the best defence for our social systems***

*Thank you.*

Michel Vitasse thanks Gerrit and asks if there are any questions:

A member of the audience asks if new member states pay their dues:

*Gerrit replies that according to the last communication from the Finance Committee, a certain number of countries, both new and old, are not up to date with their contribution which constitutes a lack of funding for CERN of about 170 MCHF.*

## **14. Approval of the 2012 budget and contributions for 2013 and 2014**

Monique Häusermann presents the 2012 budget, assets and expenditure, as shown in paragraph 5, Treasurer's Report, and if there are no objections, requests approval of the budget.

There are no objections and Michel Vitasse requests that the budget be formally approved along with the contributions which, as confirmed by Monique, remain at 25 CHF per year.

The budget and the contributions are approved unanimously.

## **15. Any other questions**

**1. Contributions:** Our treasurer informs us that 80% of the members pay their contribution by bank transfer on 7th January; but 20% pay it later or forget to pay it; this causes a few problems and she would like to encourage members to pay by bank transfer; this year the late payers who have not paid as of 31st March 2012 will receive a written reminder inviting them to pay at the latest by 30th June 2012.

**2. Database:** thanks to the efforts of Robert Cailliau, our deputy treasurer now has the satisfaction of managing a reliable database which he keeps up to date; any changes in personal data should be sent to him as soon as possible.

### **Personal Information**

*Persons who change address, telephone number, e-mail address, etc. are kindly requested to send us this information*

*if by e-mail to:*

*tresorier@gac-epa.org or treasurer@gac-epa.org*

*if in writing to:*

**GAC-EPA**

**Trésorier**

**c/o Association du Personnel**

**CERN**

**CH-1211 GENEVE 23**

**3. Cerebral ageing:** Jean-Paul Diss, outgoing member of the Committee, but invited as medical expert, wishes to convey specific information to the attention of the 800 persons who showed an interest in the study on cerebral ageing: stage n° 3 will happen later than foreseen because it was necessary to ask for a new opinion from the HUG ethic commission and there were a few problems to obtain financial help from the Swiss scientific research Fund. We hope to take up the study again before the end of spring and this will include a memory test at the CERN Medical Service and a brain scan (MRI), details of which will be communicated later. A letter will be sent before the end of spring.

**4. English Book Club:** John Pym, secretary of the English book club, came to invite those of us who like English Literature, to join the club which exists since the beginning of CERN; the club has 4500 books, it is located near entrance A in one of the barracks at the left of the entrance. Flyers are available and he invites us to take a look at the club's website; half of the club members are pensioners who wish to keep the club going, but for that it needs new members.

Michel Vitasse thanks all the participants as well as all those who have followed us live by webcast; he closes the meeting and invites us for a friendly drink.

***Editor: Mario Danesin***

**NOTA : These Minutes must be kept for the next Ordinary General Assembly**

**There will be no further distribution**