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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee (Part 2)/Council

Subject: Council Decision entrusting to the European Commission - the Office for the Administration and Payment of Individual Entitlements (PMO) - the exercise of powers conferred on the appointing authority and the authority empowered to conclude contracts of employment related to the insurance against the risk of occupational disease or accidents
- Adoption

1. The General Secretariat of the Council (GSC) is intending to entrust the management of accident and occupational disease insurance of its staff to the Office for the Administration and Payment of the Individual Entitlements (PMO) of the European Commission.
2. The management of accident and occupational disease insurance is one of the services offered by the PMO under the Service Level Agreement (SLA) concluded between the GSC and the PMO on 3 May 2019. In fact, as regards the GSC staff the PMO is already responsible for the administration and payment of salaries, individual entitlements (allowances and reimbursement of costs), pension rights, unemployment benefits, and sickness insurance benefits under the Joint Sickness Insurance Scheme (JSIS).

3. The insurance against the risk of accidents and occupational disease for staff of EU institutions is provided for in Article 73 of the Staff Regulations¹. The implementing rules concerning in particular the procedure are set out in Common Rules drawn up by common agreement of all the institutions recorded by the President of the Court of Justice on 13 December 2005. Moreover, the liability of the institution is covered by a single inter-institutional contract with an insurance company, concluded and managed for all the institutions by the Commission (PMO).
4. The financial benefits to which staff is entitled under the accident and occupational disease scheme are lump sums payable in case of death, total or partial invalidity and - most often - reimbursement of the portion of medical expenditure which is not covered by the sickness insurance under the JSIS.
5. The GSC has been handling approximately 200 files per year, often concerning very small amounts. There was an internal health audit recommendation in 2017 to acquire a dedicated IT tool. However, the project to develop or acquire an IT tool has been dropped as not being cost-effective. The absence of such a tool represents indeed a considerable structural inefficiency.
6. The PMO has a custom-made IT tool to manage the approx. 6000 files per year which it processes for the Commission, the Court of Auditors and EU agencies. This digitalisation, along with the insurance expertise of specialised teams in the PMO, improves efficiency and also service to staff members of those institutions and agencies, who can submit their claims online. They can also expect faster reimbursement of medical expenses, since the PMO manages both the JSIS and accident and occupational disease insurance portions of expenses.
7. For the transfer to be fully effective the PMO should be entrusted the exercise of the powers of the appointing authority and of the authority empowered to conclude contracts of employment for the GSC staff (powers to decide to grant or refuse individual benefits) as regards Article 73 of the Staff Regulations.

¹ Pursuant to Articles 28 and 95 of the Conditions of Employment of Other Servants of the European Union, Article 73 of the Staff Regulations applies also to temporary and contract staff.

8. Article 2(2)² of the Staff Regulations provides for the legal basis for such a transfer of powers between institutions:
- "2. [...] one or more institutions may entrust to any one of them or to an inter-institutional body the exercise of some or all of the powers conferred on the Appointing Authority other than decisions relating to appointments, promotions or transfers of officials."*
9. The application of that Article requires a Council Decision. A similar decision was adopted by the Council to allow for the transfer of powers regarding the management of individual entitlements of the GSC staff to the PMO under the SLA of 2019³.
10. The draft Council Decision together with an explanatory note was communicated in writing to the members of the Working Party on the Staff Regulations on 30 April 2021. By the deadline for the informal consultation (12 May 2021), delegations have not expressed any remarks or reservations.
11. In view of above, the Permanent Representatives Committee is invited to:
- confirm its agreement on the text of the Council Decision entrusting to the European Commission - the Office for the Administration and Payment of Individual Entitlements (PMO) - the exercise of powers conferred on the appointing authority and the authority empowered to conclude contracts of employment related to the insurance against the risk of occupational disease or accidents (ST 8321/21);
 - recommend that the Council adopt the abovementioned Decision, as set out in document ST 8321/21, at one of its forthcoming meetings.

² Applicable to temporary and contract staff pursuant to Article 6 of the Conditions of Employment.

³ Council Decision (EU) 2019/792 of 13 May 2019 entrusting to the European Commission — the Office for the Administration and Payment of Individual Entitlements (PMO) — the exercise of certain powers conferred on the appointing authority and the authority empowered to conclude contracts of employment, OJ L 129, 17.5.2019, p. 3.