

# ASIAN DEVELOPMENT BANK ADMINISTRATIVE TRIBUNAL

**Decision No. 82  
(25 January 2008)**

**Eisuke Suzuki et al.  
v.  
Asian Development Bank**

**Florentino P. Feliciano, President  
Arnold M. Zack, Vice President  
Khaja Samdani  
Claude Wantiez  
Yuji Iwasawa**

1. The Applicant in this case, Mr. Eisuke Suzuki, alleges that the Bank breached his contractual rights and discriminated against pensioners as a group when it made changes to the Group Medical Insurance Plan (“GMIP”). He seeks rescission of the changes made, compensation for moral injury, punitive damages, attorney's fees and costs.

## **I. THE FACTS**

2. The Applicant joined the Bank on 27 January 1978 as a member of the Office of the General Counsel (“OGC”) and retired on 4 February 2005 as Director General, Operations Evaluation Department. As a pensioner he participated in the GMIP.

3. The GMIP was established by the Bank in 1967 under contract with the Philippine American Life Insurance Company, originally solely for staff and dependents on a voluntary basis but was extended to pensioners and their dependents in June 1985. At that time an 80% premium subsidy was provided to staff members, but no subsidy was given to pensioners. In November 1989 administration of the plan was transferred to Vanbreda. In 1993 the 80% pension reimbursement for reasonable medical expenses was extended to pensioners. All participants were reimbursed at 100% when their accumulated 20% contribution during the policy year exceeded stop-loss limits, which for professional staff was \$2,110 or \$4,215 per professional staff family.

4. In a memorandum dated 10 February 2003, plan participants were advised of the rising cost of the GMIP which was attributed to (i) the Asian Development Bank's (ADB) aging population, ii) increases in the overall costs of medical care, (iii) the higher proportion of medical expenditure by pensioners incurred in high cost areas such as the US, and (iv) fraud. In September 2003 the Benefits and Compensation Division (BPCB) issued a Report proposing several alternative approaches to the sustainability problems and noting

We all have a responsibility to use the plan judiciously to contain costs and ensure the plan's continuation. If costs become prohibitive, ADB may have no choice but to either increase participants' share of costs (currently 25%) or reduce benefits provided by the plan.

One year later in September 2004 a second review of "GMIP/PRGMIP – Cost Management & Funding" noted anticipated premium increases and suggested measures

for cost management, including changes in stop-loss limits, changes in maximum coverage limits and different coverage options for active and retired staff worldwide, particularly for retirees living in the US.

5. Under ADB's 2004 premium schedule, premiums varied by salary for staff members and were governed by final salary at retirement for pensioners, with the ADB subsidy set at 25% for both staff and pensioners. In 2004, professional staff pensioners paid approximately twice as much for GMIP premiums as active professional staff, resulting in a higher total subsidy by the Bank. From 1996 to 2004, ADB's accrued benefit obligation for the Post Retirement General Medical Insurance Plan (PRGMIP) had grown from \$37 million to \$174 million.

6. In late 2004 the Bank negotiated certain changes effective 1 January 2005 with plan administrator Vanbreda to extend GMIP contract No 909.423 until 31 December 2006 with automatic renewal for 24 month periods thereafter unless one party provided the other with a three month notice of termination.

7. On 12 October 2005 the BPCB issued a memorandum, including a 2000-2004 Claims Experience Report which had been initially drafted in May 2005, reviewed by consultants and presented to the ADB Board on 7 June 2005 and completed by 12 October 2005 when it was sent to all pensioner-participants in the GMIP. It concluded as follows:

Despite the actions taken since 2001 to contain the costs for the GMIP, claims continued to escalate. Without the two VLCFs in

2003 which were both incurred by pensioners, the claims for 2004 were higher than claims for 2003 by 46%. This sharp increase is mainly due to pensioner claims which more than doubled between 2003 and 2004 (if the two VLCFs were deducted from the pensioners' claims in 2003). Claims for staff grew by only 4.0% in 2004. In turn, the poor experience for pensioners was due to hospital services abroad which increased in share to 38% of total claims incurred abroad in 2004, compared to only 12% in 2000. A comprehensive review of the Plan's coverage, benefits and limits will be undertaken this year in order to formulate changes to the Plan that would ensure its long-term viability.

8. On 4 November 2005 Roger Burston, Director, BPCB issued a memorandum (Decision 1) to PRGMIP including the Applicant, announcing that "in order to ensure the sustainability of the PRGMIP" the Board of Directors decided to reduce from 80% to 75% the reimbursement rate for all claims related to treatment undertaken on or after 1 January 2006 and the immediate elimination of the stop-loss benefit for all medical expenses. The Bank in its Answer noted that the President and not the Board of Directors makes the final decision on medical benefits.

9. On 19 December 2005, following an open forum and meetings between the Budget, Personnel and Management Systems Department (BPMSD) and representatives of the Staff Council and pensioners, Director General, BPMSD, Kensaku Munenaga advised all pensioner-participants (Decision 2) of the 16 December 2005 decision by President Haruhiko Kuroda to maintain the 75% reimbursement rate, to introduce a stop-loss coverage plan entirely funded by pensioner-participants in the GMIP with a stop-loss limit raised from \$2,110 to \$7,500 for professional staff

pensioners and a choice of either US cover of \$64.08 monthly or non-US cover of \$5.61 monthly, effective 1 January 2006.

10. Challenges to Decisions 1 and 2, after exhausting administrative review, were appealed by the Applicant and several other pensioners, on the grounds of breach of contractual obligations under the GMIP, breach of essential terms of employment, lack of due process and discrimination against pensioners. While that case was pending before the Appeals Committee, five meetings were held in February, March and April 2005 of a working group made up of the BPMSD, Office of the General Counsel (OGC) and representatives of the Staff Council and the Association of Former Employees - Asian Development Bank (AFE-ADB) to discuss the plan's long term sustainability while seeking to minimize the cost burden on participants. The Working Group proposed and management approved a plan (i) to reduce the reimbursement rate from 80% to 75% for pensioners only, (ii) to increase the stop-loss limits for pensioners only and (iii) to eliminate the subsidy for pensioners' premiums for stop-loss cover. The Applicant notes that the representatives of the pensioners abstained from endorsing the proposed changes announced as Decision 3. These changes were announced in Decision 3 on 15 May 2006, retroactively effective 1 January 2006.

11. On 11 June 2006 the Applicant requested the Appeals Committee to consider the Decision 3 changes as discriminatory. On 22 June 2006 the Appeals Committee denied that request as untimely on the ground that charges based on the new changes could not be considered prior to exhaustion of the administrative review process.

12. On 15 September 2006 the Appeals Committee in Report Appeal No. 4 held that “the Respondent did not follow a fair and reasonable procedure in adopting Decisions 1 and 2 in the course of the administrative review process relating to those decisions and recommended their rescission. The Committee decided not to examine further “whether there are additional grounds beyond the procedural ones, upon which to base a recommendation that decisions one and two should be formally rescinded.”

13. On 4 October 2006 the President announced that Decisions 1 and 2 need not be “formally rescinded” since they had not yet gone into effect and that they were both being superseded by Decision 3, issued on 15 May 2006 making the above noted changes to the GMIP.

14. Thereafter the President approved a request for an exception to the Administrative Review and Appeal Procedures permitting the dispute, including the challenges to Decision 3 to proceed directly to the Appeals Committee as the “Second Appeal”. The Appeals Committee recommendation in Appeal No. 11 of 2006 was issued on 21 December 2006, reading in part as follows:

Although the Committee has serious reservations about other aspects of ADB’s handling of GMIP changes in 2005 and 2006, with respect to Decision III, the Committee finds that the Bank’s Staff Regulations, Administrative Orders and policies and procedures have been correctly applied. The Committee has not found any actions by the Respondent, which can be considered as abuse of discretion, arbitrariness, discrimination, improper motivation or violation of fair and reasonable procedure. The Committee recommends ... that the President reject all of the Appellant’s claims and the relief sought by him as without merit.

15. On 4 January 2007 the President accepted the foregoing recommendation of the Appeals Committee, and the case thereafter came to this Tribunal. The Application, filed with the Administrative Tribunal on 13 March 2007 contests Decision 3. Thirty pensioners have had their applications for intervention granted, consolidated and joined to Suzuki's application.

## **II. FINDINGS**

### **Jurisdiction**

16. The Applicant seeks relief for the procedural failings acknowledged by the Respondent in adopting Decisions 1 and 2, arguing that those two decisions are a necessary precondition to the issuance of Decision 3, that the Appeals Committee decisions on those irregularities were not set aside by the President and thus remain final, and that since the Appeals Committee lacked the competence to award damages for those procedural issues as well as for the deferred substantive questions, it falls to this Tribunal to award compensation for both the procedural and substantive issues carried over from the Appeals Committee findings on Decisions 1 and 2.

17. The Bank argues that the jurisdiction of this Tribunal is restricted to issues involving Decision 3, which it recognizes is part of the contract of employment under Article II of the Statute of the ADB Tribunal. It asserts that the Applicant failed to file

for a review of Decisions 1 and 2 within the 90 day time limit following the President's 4 October 2006 decision and that those earlier two decisions have been superceded and made moot by the issuance of Decision 3. It urges that this Tribunal not rule upon a complaint regarding a decision not now in effect.

18. The evidence shows that Decision 1 became effective on 1 January 2006 but was superceded with retroactivity to that same date by Decision 3 on 15 May 2006. Decision 2 was never put into effect. The Applicant filed his application on 13 March 2007 which, although timely for challenging the Bank's actions under Decision 3, failed to meet the admissibility requirements of Article II para. 3 of the Statute for a challenge to Decision 1. That provision requires not only exhaustion of available remedies within the Bank but also a filing within 90 days of the occurrence of the event giving rise to the Application, if as here, it is a date later than the Bank's denial of a claim or failure to provide relief in a granted claim.

19. The Applicant's claim that Decisions 1 and 2 survive the pronouncement of Decision 3 lacks validity. If the Applicant had any right to challenge Decision 1 while it was extant, that right expired 90 days after 1 January 2006, its effective date. The fact that Decision 2 never went into effect, precludes any right to challenge its proposed content.

20. Accordingly, we must dismiss the claims alleging that Decisions 1 and 2 were flawed by irregularities in the administrative review procedure and in the decision



process, that the reduction in reimbursement rate and elimination of the stop-loss cover under Decision 1 constituted non-observance of the contract of post-employment medical insurance, and that the segregated treatment of stop-loss cover and premium payments under Decision 2 are a breach of contract.

### **Alleged Breach of Contractual Obligations under GMIP**

21. The Applicant asserts that the ADB breached its contractual obligations under the GMIP set forth in its December 2002 Handbook on Leaving ADB where it assures that

...staff members and their dependents may continue participation under the Post Retirement Group Medical Insurance Plan (PRGMIP), which provides the same coverage as the GMIP. If they had at least 10 years of participation in the GMIP as staff members, then they will continue to enjoy the 75 percent subsidy provided by ADB... .

The Applicant notes that the PRGMIP is the same as the Group Medical Insurance Plan (GMIP) provided for in Administrative Order (“A.O.”) No. 3.11, para. 1 which states

It is ADB’s policy to make available a group medical insurance plan for staff and other eligible persons to have them pay for medical and hospitalization expenses for themselves and their eligible dependents. The plan is called the Group Medical Insurance Plan (GMIP).

Paragraph 5.1 provides further

The GMIP reimburses 80% of all reasonable and customary eligible expense incurred by the insured persons resulting from

medical treatment, in excess of the deductible amount referred to in section 5.2 below. If the sum of the deductible and the insured person's 20% share exceed the stop-loss limit referred to in Section 5.3 below, the reimbursement will be at 100%.

According to the Applicant, the brochure explains that there is “no difference in the coverage and the benefits provided by the GMIP and the PRGMIP” except for pensioners not being entitled to direct billing arrangements with the medical providers. Although the 18 October 2004 memorandum to the Applicant states that premium rates may change “upon ADB’s renewal of contract with the insurers,” there is no statement of possible future change. He reasons that the medical insurance coverage described in A.O. 3.11 thus constitutes a separate contractual undertaking entered into between ADB and pensioners and the provision of the GMIP remains an obligation of the ADB to the pensioners, including the Applicant who opted for continued participation in the GMIP.

22. The Respondent contends that the ADB did not breach any contractual obligations under the GMIP, that the GMIP has always been subject to change, that the plan has never been a static set of specific provisions, that the Applicant has conceded that pensioner premiums are different from those paid by staff members, and that the GMIP handbook referenced by A.O. 3.11 expressly warns as follows:

**Important Note:** The information contained in this Frequently Asked Question (FAQ) booklet is provided for informational purposes and is subject to change and adjustment from time to time. Complete details of the plan coverage are contained in the Group Medical Insurance Plan (GMIP) Contract... . If there are any differences between this summary and the GMIP contract, the insurance contract governs... .

The Respondent continues that it is reasonable to retain the authority to revise the plan in light of the fact that medical insurance benefits are experience-based and thus subject to fluctuation based on variables such as health, age, lifestyle, the number of participants and the cost of healthcare in different countries. It defends the changes set forth in the Decision 3 memorandum as suitably tailored, reducing the reimbursement rate for pensioners from 80% to 75%, raising stop-loss limits from \$2,110 to \$3,000 for individual professional staff pensioners while similarly raising stop-loss limits for local staff pensioners, and raising premium rates for pensioners and staff by 17.5% for the first increase since April 2004, in the context of pensioner claims under GMIP having increased by 38.5% annually since 2000.

23. The Respondent argues that Tribunal precedent supports the changes, since the GMIP is not an express term of the employment contract, but rather is provided pursuant to an Administrative Order and subject to periodic unilateral change dependent on the Bank's financial considerations so long as such changes do not constitute a breach of an essential term of the employment contract. It contends that there is no greater obligation under a contract with a pensioner than with an active staff member. Both are free to leave the plan to seek better terms for their health insurance, although most remain because of the low cost to participants of extraordinarily good benefits. The Respondent cites Tribunal precedents that since healthcare is not an "essential term" of employment or an "acquired right", employers properly have the authority to alter or even terminate provisions of healthcare benefits of pensioners. It concludes that the consequences of the

Decision 3 changes were reasonable in the light of their not having changed since April 2004 and remain commensurate with the coverage offered to staff and pensioners of other international organizations.

24. The evidence in this case shows that the Applicant was appointed on 27 January 1978. At that time the GMIP, established in 1967 was in place solely for active staff and dependents on a voluntary basis. There was at that time no extension of its benefits to pensioners and their dependents, which did not come into effect until June 1985. Thus, although Mr. Suzuki undertook his employment with the reasonable expectation that the benefits of the GMIP would apply to him and his dependents as long as he remained an active employee of the Bank, he had no expectation at the time that its benefits would continue to apply to him, let alone his dependents, once he became a pensioner. Indeed at the time of his hire, the provision of healthcare protection during his retirement would have been a matter of private pursuit. The later expansion of the insurance program to cover pensioners was not an element which he had a reasonable expectation of enjoying at the time of his hire. It was clearly not an element of his contract of employment when he was hired.

25. Mr. Suzuki was aware from the expansion of the healthcare benefit to pensioners in 1985 that the Bank undertook to adjust the benefits of its plan from time to time in keeping with the language of A.O. 1.01 Section 2. That document reserves to the ADB the authority to amend its Administrative Orders including A.O. 3.11 which sets forth the GMIP. Even A.O. 3.11 itself in para. 11.1 states that “This Administrative Order

does not fully describe all the features of the GMIP” referring to the GMIP Handbook and the GMIP contract between the ADB and the insurers. In the Handbook is the advice that “complete details of the plan coverage are contained in the (GMIP) contract which governs.” Also in the Handbook is the further warning of potential changes in rates and benefits: “Premium rates and changes made to the GMIP after publication of this booklet will be amended by email... .”

26. Thus the same demographic projections of changes in costs, population and potential usage, which enabled the Bank to extend its GMIP coverage to pensioners with the then applicable reimbursement and stop-loss calculations, naturally remained under Bank scrutiny to assure the continued availability of offered benefits while protecting the integrity of the healthcare plan for active and retired employees alike. The Bank clearly advised employees of the transitory nature of benefits and the potential for such change with the following provision in its handbook: “There is no difference in the coverage and the benefits provided by the GMIP and PRGMIP *in the present plan*” (emphasis supplied).

27. That reservation of the right to amend from time to time the terms of insurance for Bank employees is consistent with rulings of other tribunals in other international agencies. The ILOAT in *Dekker (No.3)* ILOAT Judgment No. 1917 (3 February 2000) in para. 7 decided that “the complainant has no specific claim to a specific system of health insurance” noting that changes made did not violate any acquired right. Thus we find that the details of coverage, charges and fees of the

healthcare benefit under GMIP and PRGMIP in effect at any particular time are elements of a benefit which themselves are subject to change, and that employees were advised of that prospect when the economics of the program so justified. We must conclude that the ADB did not breach any obligation incurred by the Bank to Mr. Suzuki at the time of his hire when it later extended that healthcare program to pensioners with the potential for subsequent adjustment to retired employees and their dependents.

**The Separate Treatment for Pensioners as Illegal and/or Discriminatory.**

28. The Applicant contends that the ADB breached essential terms of employment and acted discriminatorily by segregating pensioners in their different treatment of stop-loss limits and cover, reimbursement rate and premium payment. He argues that coverage should be the same for all participants regardless of their ADB employment status. The Applicant asserts that the Bank's power to amend, modify or terminate employment benefits does not extend to unilaterally changing conditions of employment without the consent of the staff member affected (citing *De Merode*, WBAT Decision No 1 [1981] para. 42). He argues that the effect of Decision 3 was to eviscerate the essentiality of stop-loss cover by segregating pensioners and subjecting them to a different category of treatment, defeating the purpose of the GMIP, an illegal act against the essential and fundamental provision of the GMIP without the consent of the pensioners concerned.

29. Since the GMIP as described in A.O. 3.11 para. 2.1 does not distinguish between pensioners and current staff, he argues that a unilaterally imposed increase in the level of stop-loss from \$2,110 to \$7,500 is patently contrary to what members of the plan including pensioners had been ensured. He challenges the alleged agreement of the Working Group to the changes in the GMIP under Decision 3 as perfunctory and not substantive, noting that the representatives of the pensioners abstained from endorsing the proposed changes announced as Decision 3. Inasmuch as the Group Medical Insurance Plan is for all the individual participants in the Group, to identify pensioners “as a group” that “incurs greater costs than current staff under the GMIP” is to betray the purpose of a group insurance plan, and to make changes to the GMIP whereby pensioners alone are subjected to cost savings measures, constitutes blatant discrimination against that group. The Applicant reiterates his charge that the basic predisposition of the Respondent in its response to the problem was biased and discriminatory, and challenges the Bank’s insistence that the “objective of the classification of only pensioners for special treatment was to control an escalation of claims,” and characterizes that position as a subversion of the nexus principle and a carte blanche recipe for serious discrimination such as apartheid and segregation.

30. The Respondent argues that the Decision 3 changes to the GMIP are not illegal and do not unjustifiably discriminate against pensioners, that it is well established that “staff members who have left the service of the Bank need not be treated the same as staff who are still in service at a given date” and that equality of treatment is not required for pensioners and staff members because their circumstances are different and because

pensioners have been shown to seek their medical care in geographic regions with higher medical costs. It reasons that the Decision 3 changes were purposefully formulated to modify the behavior of pensioners who will now have a greater incentive to seek more affordable medical care and to help reduce ADB's escalating liability for GMIP, thus contributing to the long term viability of the plan. Although it has distinguished between pensioners and active staff in its changes to GMIP, it argues that it has not illegally or unjustifiably discriminated against the pensioners who as a group continue to incur greater costs than active staff under the GMIP. Rather, it continues, it gathered and properly weighed the facts as to relative use of GMIP, and it considered numerous alternatives to contain costs for pensioners. It claims that the evidence showed a rational nexus between pensioner coverage, the need for control of escalation in claims and the threat to the long term viability of the GMIP, and suggested resulting changes as being proportionate to achieve its objectives.

31. This Tribunal, acknowledging the responsibility of the Bank to maintain a viable healthcare program for active and retired employees and their dependents, recognizes the need for periodic adjustment in funding, benefits, premiums, and coverage. It is also alert to the requirement that the Bank be rational and fair in its treatment of the various groups who benefit from the healthcare system and that it not unfairly discriminate against any component group.

32. In examining changes in the plan's funding, benefits, premiums and coverage to assure that they are fairly and reasonably apportioned, it is essential to assure



that (i) the objective of such change is rational and legitimate, (ii) there is evidence to support the different treatment of various member groups, (iii) there is a rational nexus between the classification of persons subject to the differential treatment and the objective of the classification, and (iv) the differential treatment is proportionate to the objective of the change (see *Mr. R v. IMF*, Judgment No. 2002-1 (5 March, 2002)).

33. The Tribunal is persuaded that the undertaking of the Bank to distinguish between active employees and pensioners was not only appropriate, but also essential and legitimate in order to assure the survival of the healthcare benefit for active as well as retired employees. The evidence set forth above of the escalating cost of coverage for pensioners as they increased in number and age and expanded in geographic distribution, shows that such demographic and economic variations constituted a very real threat to the prospect of the healthcare program having sufficient funds to continue provision of benefits to even its active employees and for those entering the pensioners' group in the future. Failure to make what it perceived to be crucial adjustment in funding for pensioners as their costs increased so rapidly and dramatically ran the very real risk to the viability of the program for all.

34. We are persuaded by the evidence of increasing disparity of outlay allocated to pensioners as contrasted to active employees that the funding situation was so rapidly deteriorating as to make the need for adjustment increasingly pressing. The above-cited figures of accrued benefit obligation for the pensioners' plan more than quadrupling from 1996 to 2004, and for pensioner claims increasing from 2000 to 2004 at

an average rate of 38% annually compared to 25% for all claims, underscores the immediacy of the problem facing the plans. The rapidly increasing drain on the program by pensioners and their dependents thus made it reasonable for the Bank to focus on the unique problems of the several categories of covered individuals in its effort to try to control the rising costs of its healthcare program. In weighing the efforts undertaken by the Bank to confront these problems, the Tribunal finds that its objective of cost saving was a legitimate objective to assure protection of resources to assure continued viability of the plans. The Tribunal also finds that the evidence supports a distinction being drawn between costs incurred by pensioners as contrasted to costs incurred by active employees. The increasing number of retired employees, the increasing life span of retirees, and their increased reliance on local healthcare resources in countries throughout the world make it reasonable to assess the comparative drain on fund resources by pensioners and active employees. In making that assessment, the Tribunal is of the view that there is a rational nexus between the relative contributions to the maintenance of the healthcare plan made by those who are pensioners and those who are active employees, and assuring the achievement of the objective of the viability of the plan. We find the decrease in benefits set forth in Decision 3 has been narrowly crafted and is proportionate to achieve the Bank's objective of seeking to modify the behaviour of pensioners by providing them with a greater incentive to seek more affordable medical care and to thus help the ADB reduce its escalating liability for the GMIP. This effort would also help to achieve the goal of ensuring that active staff members are not unfairly subsidizing the additional costs of escalating pensioners' claims under the GMIP.

35. The propriety of the view that there may be legal differences in treatment between active staff and pensioners is underscored by the decision of the WBAT in *Sylvie M. Brebion (No. 2) vs. IBRD*, WBAT Reports [1999], Decision No. 212, para. 8

It is inherent to a pension plan that staff in different situations will be treated differently. In this connection it is quite evident that staff members who have left the service of the Bank need not be treated the same as staff who are still in service on a given date...it is simply because equality of treatment is not required when the circumstances of different groups of staff members are different, such that their equal treatment could be unreasonable.

Thus in this case the different treatment is not only appropriate under the Administrative Orders, it is also non-discriminatory given the above distinguishable circumstances involving the cost of such insurance for staff members and for pensioners. It is vital that any changes in such programs be tailored to the resolution of problems which if not corrected might jeopardize the survival or health of those programs, and that the changes, even though they may be different among groups thereunder, are made in good faith, and that they not discriminate in an unjustifiable manner between or among covered individuals or groups.

36. The substantial variation in cost of healthcare for pensioners compared to active staff constitutes a rational nexus for the Bank to recognize and respond to, if it is to be able to continue to provide healthcare for both groups. As noted by WBAT in *Maurice C. Mould v. IBRD*, WBAT Decision No. 210 [1999], “Differential treatment is not necessarily discriminatory if there is a rational nexus between the classification of persons subject to the differential treatment and the objective of the classification.”

37. Further, as in the decision in *Yang-Ro Yoon v. IBRD*, Decision No. 221 (28 January 2000), “There is nothing discriminatory in treating differently situated groups of staff members differently. This is particularly common in pension plans and retirement schemes, where participants acquire different rights according to their age bracket and the fulfillment of different conditions.”

38. In this case we find that the Bank's action is in conformity also with standards prescribed in *De Merode*, WBAT Decision No. 1 [1981], para. 88 where it showed that “this was not a hastily adopted reform but a change studied at length and most carefully prepared.” The Bank after its earlier efforts in developing Decisions 1 and 2, investigated the issues further and undertook consultation with staff and pensioners prior to the issuance of Decision 3. Although the pensioners as a group did not endorse the changes, we are satisfied that the Bank enhanced the contributory role of those affected by the changes and that the changes set forth benefited from such consultation.

39. In the light of the foregoing, we find that the Bank acted reasonably in changing the funding arrangements for stop-loss cover, premiums and reimbursement rates for pensioners, and that given the considerably higher costs of such coverage for pensioners, it did not act discriminatorily in adjusting the premium rates to be more compatible with the realities of pensioner usage.

40. We would point out that the claim of the Applicant that the Bank had mischaracterized the Applicant's case as being unsupported by other retirees, has been answered by the joinder actions of other pensioners, and by the Bank's acceptance of those joinders without protest.

**DECISION**

For these reasons, the Tribunal unanimously dismisses the Application of Mr. Suzuki and the several joint intervenors.