

## Decision of the European Ombudsman on complaint 1146/99/BB against the European Parliament

Decision

**Case 1146/99/BB - Opened on 06/10/1999 - Decision on 26/04/2000**

Strasbourg, 26 April 2000 Dear Mr I., On 7 September 1999 you made a complaint to the European Ombudsman concerning the late payment of a transitional end of service allowance and a life insurance for a former Member of the European Parliament. On 6 October 1999 I forwarded the complaint to the President of the European Parliament. The Parliament sent its opinion on 20 December 1999 and I forwarded it to you with an invitation to make observations, which you sent on 21 January 2000. I am writing now to let you know the results of the inquiries that have been made.

### THE COMPLAINT

The complainant alleged a delay in the payment of the transitional end of service allowance. He claimed that he should have been paid immediately after the end of his term of office as a Member of the European Parliament on 20 July 1999. His assistant had contacted the competent service of the Parliament. He was told that the Parliament service would pay the sum only at the end of October 1999. The complainant claimed that the payment should be made immediately after the end of the term of office. As regards life insurance, the complainant explained that resigning members have the possibility to repurchase the insurance taken by the Parliament. According to the complainant, the members have the right to obtain the entire payment immediately.

### THE INQUIRY

**The Parliament's opinion** In its opinion the Parliament made the following points: (i) As regards the transitional end of service allowance, the complainant opted for a payment of the entire sum. In accordance with Annex V, Article 3 of the Rules Governing the Payment of Expenses and Allowances to Members, the complainant was entitled to a sum equal to the amount of three basic parliamentary salaries on termination of his term of office at the European Parliament. This sum was paid to him at the end of October 1999. This amount can only be paid at the end of the period for which the former Member is entitled to end of service allowance, on grounds that according to Annex V, Article 2, any net income received by the former Member in connection with the activities mentioned in that Article shall be deducted from the end of service allowance. (ii) As to repurchase of the life insurance contract, for which the complainant had opted, there were some delays in the payment due to the fact that the insurers had returned the option formula for the signature of the Member, as the receipt had only been signed by the



Parliament. After the competent service had confirmed that the complainant had indeed chosen the repurchase of life insurance contract the payment - according to the insurance broker - would be made to him within three or four weeks from the date of the Parliament's opinion to the Ombudsman. The Parliament pointed out that due to the large number of Members and the fact that for many Members there are two to three contracts to handle, the insurer normally needs two to three months to proceed with the life insurance payments. **The complainant's observations** The complainant maintained his complaint. According to the complainant the phrasing used in the information provided to the Members of the Parliament is not clear or the translation does not correspond to the original text. As regards the life insurance, the excuses for the delay are not acceptable taking into account the current state of technology. The complainant pointed out that the transitional end of service allowance was on his account on 25 October 1999 and the life insurance payment on 7 December 1999.

## THE DECISION

**1 Late payment of the transitional end of service allowance** 1.1 The complainant alleged a delay in the payment of the transitional end of service allowance. He claimed that he should have been paid immediately after the end of his term of office on 20 July 1999. He received the transitional end of service allowance on 25 October 1999. 1.2 The Ombudsman observes that according to the Rules Governing the Payment of Expenses and Allowances to Members the complainant was entitled to a sum equal to the amount of three basic parliamentary salaries covering the period from 31 July until 31 October 1999. According to Annex V, Article 3 of the Rules the sum shall be paid at the end of the period in respect of which the allowance is payable. In the complainant's case this meant at the end of October 1999. The Parliament made the payment on 25 October 1999. 1.3 The Ombudsman also observes that the phrasing used in the Finnish information sheet provided to the Members follows the Finnish translation of the Rules, which corresponds to the original text. 1.4 Based on the above findings the Ombudsman finds that the Parliament has applied correctly the Rules Governing the Payment of Expenses and Allowances to Members. Therefore, the Ombudsman finds no maladministration in relation to this aspect of the case. **2 Late payment of the repurchase of the life insurance** 2.1 The complainant claimed that he should be entitled to the entire payment of his life insurance contract immediately after the end of his term of office on 20 July 1999. 2.2 In its opinion the Parliament pointed out that the delay in the payment of the life insurance contract was due to the fact that the insurer had returned the option formula for the signature of the Member, as the receipt had only been signed by the Parliament. After the competent service had confirmed that the complainant had indeed chosen the repurchase of life insurance contract, the payment - according to the insurance broker - would be made to the complainant in three or four weeks from the date of the Parliament's opinion to the Ombudsman. 2.3 The Parliament also pointed out that due to the large number of Members and the fact that for many Members there are two to three contracts to handle, the insurer normally needs two to three months to proceed with the life insurance payments. 2.4 Principles of good administration require that payments should be made within a reasonable time and that clear and understandable information should be provided, on request, about the causes of any delay. 2.5 The Ombudsman observes that the complainant's term of office ended in July 1999. The Parliament made the life insurance payment on 7 December 1999. There was a delay of over four months before making the payment. However, the Parliament has explained that the delay was due partly to the fact that



the insurer had returned the option formula for the signature of the Member and partly to the fact that the insurer had a large number of contracts to handle. The Ombudsman's inquiries therefore revealed no instance of maladministration in relation to this aspect of the case. **3**

**Conclusion** On the basis of the European Ombudsman's inquiries into this complaint, there appears to have been no maladministration by the European Parliament. The Ombudsman therefore closes the case.

## **FURTHER REMARKS**

The Ombudsman notes that as regards the life insurance payments, the European Parliament has established the contractual framework with the insurer. The Ombudsman finds that there are no reasons why the Parliament should not specify in the contract with the insurer a fixed time limit for payments of this sort. The contract could also specify that if the insurer does not pay on time he should pay interest in cases where that time-limit is exceeded, in order to avoid any unnecessary delays. The President of the European Parliament will also be informed of this decision. Yours sincerely, Jacob SÖDERMAN