



## **WEU PENSION SCHEME RULES**

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## WEU PENSION SCHEME RULES

### CHAPTER I - GENERAL PROVISIONS

#### Article 1 - Scope

1. The Pension Scheme established by these Rules applies to staff holding indefinite-term or definite or fixed term appointments in:

- the Council of Europe;
- the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT)
- the European Centre for Medium-Range Weather Forecasts (ECMWF)
- the European Space Agency (ESA) (ex-European Organisation for the Development and Construction of Space Vehicle Launchers (ELDO) and the European Space Research Organisation (ESRO));
- the North Atlantic Treaty Organisation (NATO);
- the Organisation for Economic Co-operation and Development (OECD); and
- the Western European Union (WEU)

who are not affiliated to any other pension scheme set up by one of these Organisations after 31 December 2000.

2. This Scheme shall not apply to other categories of personnel defined in each Organisation, such as experts, consultants, temporary staff, auxiliary staff, employees and personnel hired under local labour legislation.

3. In these Rules, the term "Organisation" refers to that Organisation listed in paragraph 1 above which employs the staff members to whom these Rules apply and the term "staff member" (\*) means the staff referred to in paragraph 1 above.

#### ***Instruction***

##### ***1.2 - Non-permanent Staff***

*Each Organisation shall precisely define what categories of staff are referred to in paragraph 2 of Article 1 of the Rules, that is to say, what categories of staff do not rank as permanent staff eligible for benefits under the Pension Scheme.*

#### **Article 2 - Deferred entitlement**

1. Where the medical examination which every staff member has to undergo as part of the appointment process (and the possible consequences of which have been duly notified to him before his appointment) shows him to be suffering from an illness or disablement, the Organisation may decide that, as regards risks arising from an illness or disablement existing before he took up his duties, the said staff member shall not be entitled to the invalidity or death benefits provided for in these Rules until the expiry of a period not exceeding five years from the date when he entered the service of the Organisation. If a staff member leaves an Organisation and takes up employment in another Organisation within a period of not more than six months, the time spent in the service of the first Organisation shall be deducted from this five-year period.

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(\*) *In the present Regulations, the terms "staff members" and "beneficiaries" apply equally to men and women*



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### **Instructions**

#### **2.1/1 - Medical examination**

*The Organisation shall inform the staff member in writing of the application of a period of deferred entitlement and of its duration, which may be from one to sixty months. The Medical Consultant of the Organisation shall inform him in writing of the nature of the illness or disablement which justified the application of the deferment period.*

#### **2.1/2 - Definition of entitlements during the deferment period**

- i) If the staff member concerned leaves the Organisation during the deferment period, the leaving allowance shall be paid to him and the years of service completed during the deferment period shall be taken into account.*
- ii) In the event of either permanent total invalidity or death resulting from a cause which justified the deferment period in course:
  - a) Should such an event occur before the staff member has fulfilled the condition provided for in Article 7, the staff member or the beneficiaries shall be entitled to a lump sum, calculated in accordance with the provisions of Article 11;*
  - b) Should such an event occur after the staff member has fulfilled the condition provided for in Article 7
    - and if this condition was fulfilled during the deferment period, the staff member or the beneficiaries shall be entitled to a lump sum calculated in accordance with the provisions of Article 11, in respect of the reckonable years of service credited within the meaning of Article 6;*
    - and if this condition was fulfilled prior to the deferment period, the staff member or the beneficiaries shall be entitled to both a lump sum calculated in accordance with the provisions of Article 11, in respect of the reckonable years of service completed during the deferment period, and the benefits to which they would have been entitled before the staff member's appointment.***
- iii) In the event of either permanent total invalidity or death resulting from either an accident at work, or an illness or disablement other than that which justified the deferment period, and which occurred after commencement of duties, the staff member or the beneficiaries shall be entitled to the benefits provided by the Pension Scheme for such events.*

#### **Article 3 - Definition of salary**

1. Unless otherwise specified, for the purposes of these Rules, salary shall be the monthly basic salary of the staff member, according to the scales in force in the Organisations listed in Article 1 at the time when the pension is assessed, and updated in accordance with the provisions of Article 36.



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### Article 4 - Definition of service conferring entitlement to benefits

1. Subject to the provisions of Articles 5 and 41, paragraph 1, entitlement to benefit under these Rules shall be determined by the total of the periods actually served in the Organisations listed in Article 1:

- i) as a staff member;
- ii) in any other capacity prior to appointment as a staff member, provided any periods so served were not separated by breaks of more than one year.

2. In addition to the total of the periods of service thus calculated, a staff member may request, on termination of service, that periods of service corresponding to certain statutory indemnities be taken into account, in particular payment in lieu of notice, for loss of employment and for leave not taken, under the provisions laid down by Instruction (\*).

3. Periods of part-time service shall be taken into consideration in calculating entitlement to benefit under these Rules provided they correspond to at least half-time work as defined by the provisions laid down by Instruction.

4. The periods referred to in Article 16, paragraph 3, shall also be taken into consideration.

### **Instructions**

#### **4.1/1 - Service counting for entitlement**

*Service counting for entitlement shall consist of the following:*

- i) *Any periods of service completed on behalf of a Co-ordinated Organisation by a staff member before the Staff Regulations or the Provident Scheme came into effect; such service must have been completed under an appointment issued by the Organisation or by the Provisional Committee or Secretariat from which the Organisation emanated;*
- ii) *Any periods of service completed as a staff member;*
- iii) *Any periods of sick leave or temporary incapacity in respect of which benefits have been paid; the person concerned shall be required to have paid his personal contribution to the Pension Scheme as calculated on the amounts so received; such periods shall be counted without any reduction;*
- iv) *Any periods of unpaid leave, if such periods are not taken into account by a new employer for the purposes of a pension scheme; the crediting of periods of unpaid leave equal to or less than two months shall be dependent on payment, for these periods, of the staff member's personal contribution to the Pension Scheme; the crediting of periods of unpaid leave beyond two months, and up to a maximum of the four months following, shall be dependent on payment by the staff member, for these periods, of a contribution equal to three times his personal contribution to the Pension Scheme;*

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(\*) *Unless otherwise provided, the term "provisions laid down by Instruction" refers, throughout these Rules, to the implementation provisions in Article 52 of the Pension Rules.*



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- v) *Any periods of secondment by the Organisation, should the staff member be reinstated; the detailed rules for the crediting of such periods shall be laid down in the regulations applicable to staff.*

### **4.1/2 - Service completed in another capacity before appointment as a permanent staff member**

*Periods of service referred to in Article 4.1 ii) may be taken into account in accordance with Article 5, paragraph 5, if the following conditions are fulfilled:*

- i) *such periods must have been prior to the appointment as a staff member;*
- ii) *such service must have been completed in the full-time or at least half-time employment (\*) of the Organisation, or of more than one Organisation mentioned in Article 1;*

*Such employment must have been remunerated according to periods of time and not by the job or piece, being service performed on the premises and under the control and to the instructions of the Organisation, according to its hours of work;*

*The staff member must have received all his emoluments for the service mentioned in the above sub-paragraph directly from the Organisation.*

- iii) *any such periods completed in the service of the same Organisation, or of more than one Organisation mentioned in Article 1, must not have been broken for more than 12 consecutive months;*
- iv) *in accordance with the provisions of Instruction 6.2, periods so to be taken into account must be of a minimum of thirty days; periods of part-time work, equal to or more than half time, shall be taken into account as a proportion of full time. The periods thus validated must total at least 30 days of full time.*

### **4.2 – Crediting of periods of service corresponding to indemnities**

*A staff member may request, on termination of service, the crediting of periods of service corresponding to:*

- i) *compensatory payments in respect of leave not taken;*
- ii) *compensatory payments in lieu of notice;*
- iii) *indemnity for loss of employment.*

*Such periods of service shall be credited subject to payment by the staff member of the personal contribution to the pension scheme or Provident Fund in respect of all these amounts and insofar as the periods on which the calculation was based are not taken into account by a new employer for the purposes of a pension scheme of a Co-ordinated Organisation.*

*Only periods of service corresponding to periods below the statutory age limit may however be taken into account for the calculation of benefits provided for in these Rules.*

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(\*) *“Employment” is used in the general sense: this applies in particular to the English text, bearing in mind OECD “employees”.*





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### **4.3 - Definition of half-time service**

*A staff member shall be considered as working half-time, within the meaning of Article 4, paragraph 3, when the number of his working hours, calculated on a monthly basis, is equal to half the number of full-time working hours.*

### **Article 5 - Calculation of service conferring entitlement to benefits**

1. Where a staff member appointed by the Organisation has previously served with one of the Organisations listed in Article 1 (\*), his entitlement to benefits under the terms of Article 4 shall be conditional upon his paying over to the Organisation which re-appoints him the amounts paid to him on leaving his previous service:

- i) pursuant to Article 11;
- ii) in respect of his Provident Fund holding, within the limits stated in Article 44, paragraph.2,

plus compound interest on such amounts at 4 percent per annum from the date when the staff member received them until the date when they are paid over in accordance with this paragraph.

Should the staff member fail to pay over the amounts in question, reckonable years of service shall count only as from the new appointment.

2. Where a staff member appointed by the Organisation was previously drawing a retirement pension in respect of service with one of the Organisations listed in Article 1, payment of that pension shall cease.

If the staff member refunds to the Organisation offering him a new appointment the pension payments he has received, the provisions of Article 4 shall apply on cessation of his new appointment.

If he does not make this refund, the years of service for which credit was acquired in the employment that originally entitled him to payment of the discontinued retirement pension shall be taken into account in the calculation of the retirement pension due on cessation of his new employment by reference to the salary for his last grading in such previous employment; moreover, that part of the final pension figure shall be abated by 5 percent for each whole year during which the staff member drew the initial pension before the age of 60.

3. Where a staff member ceases his functions at a grade and step lower than that which he had previously held in the Organisation or in a previous Organisation, his entitlement to benefits under these Rules shall be determined by taking into account the total of his reckonable years of service and the benefits shall be calculated on the basis of the salary for the highest grading held by him. However, a reduction shall be made in the number of years of service to be credited to him in respect of time served at a lower grade or step after having held the grade by reference to which benefits are calculated; this reduction shall be proportionate to the difference between the said gradings.

4. For the implementation of paragraphs 2 and 3 above, salaries shall be taken into

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(\*) *Insofar as the Scheme set up by the present Rules is made applicable to staff members of the European Union Institute for Security Studies and Satellite Centre, Agencies of the European Union and previously of the WEU, a Member organisation of Co-ordination from the outset, such staff members shall benefit from the provisions of the present Article and of the other provisions of the Rules referring to Article 1.*





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account in accordance with the scales in force when the final pension assessment is made.

5. The crediting of the periods referred to in Article 4, paragraph 1 ii) shall be conditional on:

- i) the staff member submitting an application to that effect no later than six months after confirmation of his appointment as a staff member; the application shall specify the periods of service with which the staff member wishes to be credited;
- ii) the Organisation giving its agreement;
- iii) the staff member paying, for each month of service with which he is to be credited, the contribution provided for in Article 41 of the Rules, of his first monthly salary as a staff member.

### **Instructions**

#### **5.1 - Service completed in a Co-ordinated Organisation as a staff member**

- i) *Application for any service referred to in Article 5 paragraph 1 or paragraph 2, to be taken into account must be made no later than six months after confirmation of the new appointment, or before the expiry of the option period prescribed in Article 44 or 49.*
- ii) *Where, pursuant to Article 11, the staff member received a leaving allowance at the end of his previous appointment, then pursuant to Article 5, paragraph 1, no partial crediting of such service shall be allowed; accordingly, the staff member concerned shall be required either to refund such leaving allowance in full or to forego the right to have the corresponding service credited.*
- iii) *Save where Article 44, paragraph 3 applies, the provisions of sub-paragraph ii) above shall also apply to any amounts which the staff member concerned had previously received in respect of a holding in the Provident Fund on leaving an Organisation, within the limit of the cost of crediting past service specified in Article 44, paragraph 2.*
- iv) *Should the staff member fail to make a full refund immediately, he may be authorised to make such refund, at the latest, as from the expiry of the period referred to in sub-paragraph i) above, by monthly deductions of not less than 20 percent of the amount of salary, as defined in Article 3, received at the time of beginning such refunds; compound interest at the rate of 4 percent per annum shall be applied to the amount outstanding, until the refund has been made in full.*
- v) *If at the date on which any benefit under the Pension Scheme is payable, such refunds have not been completed, the balance still due shall be repaid in its entirety, except where Article 44, paragraph 3 applies, through deduction from the benefits to be paid, including those payable to persons entitled under the staff member. The Organisation may authorise payment by instalments, in which case compound interest at the rate of 4 percent per annum shall be applied to the amount outstanding, until the refund has been made in full.*
- vi) *In the event of incapacity, death or termination of the service of the staff*



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member concerned, any amount still remaining unpaid shall be set off against the capital sums due to him or to the persons entitled under him, in accordance with the provisions of Instruction 38.1, and the balance still due shall be deducted in accordance with the provisions of sub-paragraph v) above.

- vii) In the event of the termination of his service without any payment of leaving allowance pension, the staff member concerned may request time not exceeding twenty-four months in which to make up all or part of any refund then still outstanding, subject to the provisions of sub paragraph v).

### 5.2 - Non-refund of previous pension payments

Example illustrating the application of Article 5, paragraph 2, last sub-paragraph, of the Rules:

- i) First pension paid from age 52 to 54  $\left( T' x \frac{40}{100} \right)$  Reduced pursuant to Article 8.4 of the Rules  
 ( $T'$  = salary used as basis of calculation)  
 (20 reckonable years of service at 2%)
- ii) Second pension paid from age 54 to 60  $\left( T'' x \frac{12}{100} \right)$   
 ( $T''$  = salary used as basis of calculation at age 60)  
 (6 reckonable years of service at 2%/Leaving Allowance)

#### Total Pension

$$(i) + (ii) = \left[ \left( T' x \frac{40}{100} \right) x \frac{90}{100} \right] + \left[ \left( T'' x \frac{12}{100} \right) \right]$$

i.e.  $0.4T' - 0.04 T' + 0.12T''$

- iii) In the final calculation of the total pension, the pension between brackets

$$\left[ \left( T' x \frac{40}{100} \right) x \frac{90}{100} \right]$$

has now been reduced pursuant to Article 5.2 not Article 8.4 of the Rules; the amount as stated in i) above is reduced to 90%

$$\left( 2x \frac{5}{100} \right) \text{ i.e. } 10\%$$

### 5.3 - Termination of service at a lower grade



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For the implementation of Article 5, paragraph 3 of the Rules, the calculation shall be made as illustrated below:

- i) on previous termination of service (or at highest point in career before downgrading):  
10 years' service, grading on departure, A5/5 = theoretical final salary:  $100 = T'$   
i.e. 10 years' reckonable service.
- ii) on final termination of service:  
  
10 years served in second period,  
grading on departure, A4/5 = theoretical final salary:  $75 = T''$   
the reckonable service in respect of the second period will thus be reduced in the ratio:  
  
$$\frac{T''}{T'} = \frac{75}{100}$$
  
i.e. 7.5 reckonable years.
- iii) Total:  $10 + 7.5 = 17.5$  years' reckonable service.
- v) Total pension will be calculated on the basis of:  
 $T = 100 \times 17.5$  reckonable years of service.

### **5.5 - Crediting of service completed before appointment as a staff member**

- i) Application to be credited with service completed before appointment as a staff member must be made within six months after confirmation of the said appointment or before the expiry of the option period prescribed in Article 44 or 49 in the case of staff members whose service began before the commencement of the said option period.
- ii) Persons entitled under a deceased staff member may not apply in his place for service to which this Instruction applies to be credited, with the exception of persons entitled to avail themselves of the Transitional Arrangements and to whom Articles 43, paragraph 3 and 44, paragraph 4 apply.
- iii) Service shall be credited subject to payment of the contribution referred to in Article 41 as calculated on the basis of the first monthly salary as a staff member and multiplied by the number of months of service in respect of which rights are credited, a pro rata deduction being made, where appropriate, for part-time service. First monthly salary here means the salary corresponding to full-time employment in the grade and step of the staff member, whether he be recruited on a full-time or a part-time basis. Such payment may be paid by instalments in the form of monthly deductions from emoluments, commencing not later than the end of the relevant period referred to in sub-paragraph i) above and spread over period not exceeding the duration of the previous service so credited.

Interest at 4 percent per annum shall be due in respect of any part of the



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*payments which is deferred beyond such period at the request of the staff member.*

*If, at the date on which any benefit under the Pension Scheme is awarded, such payments have not been completed, the balance still due shall be deducted from the benefits to be paid, where necessary by instalments.*

- iv) On making his application to credit such service as aforesaid, the staff member shall be required to consent to the Organisation's having first claim on any capital sums payable in the event of his death or invalidity or of the termination of his service, to the extent of any amounts then still outstanding in respect of crediting such service.*
- v) In the event of the termination of his service, the staff member or persons entitled under him may request time not exceeding twelve months in which to make up any amount then still outstanding, subject to the provisions of subparagraphs iii) and iv) above.*

### **Article 6 - Reckonable years of service**

1. The benefits provided for under these Rules shall be calculated by reference to reckonable years of service consisting of:

- i) service calculated in accordance with Articles 4 and 5;
- ii) service credited in accordance with Article 12, paragraph 1.

2. Incomplete years of reckonable service shall be taken into account on the basis of one-twelfth of a year for each whole month of service. For benefit calculation purposes the period remaining shall be treated as a whole month if it is equal to or more than 15 days.

However, the period remaining shall not be taken into account for the purpose of calculating the 10 years' service required for entitlement to the retirement pension provided for in Article 7.

3. In the case of part-time work:

- i) reckonable years of service shall be calculated in accordance with the ratio between the working hours corresponding to part-time service and the official number of hours for full-time work in the Organisation;
- ii) however, reckonable years of service shall not be reduced when the staff member authorised to work part-time has contributed to the pension scheme on the basis of full-time work, by paying, in addition to his personal contribution to the Pension Scheme for the part corresponding to his part-time work, a contribution equal to three times the rate of contribution mentioned in Article 41, paragraph 4, on the difference in salary between his part-time work and the corresponding full-time work, under the provisions laid down by Instruction.



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### **Instruction**

#### **6.2 - Fractions of a month**

*Any fraction of less than thirty days remaining after aggregating periods of service shall be treated as a whole month if it is equal to or more than fifteen days and disregarded if it is less than fifteen days.*

#### **6.3 – Non reduction of reckonable years of service**

*A staff member authorised to work part-time may request to contribute to the Pension Scheme on the basis of full-time work, provided that these periods are not taken into account by another employer for the purposes of a pension scheme and the amount of the supplementary contribution referred to in Article 6, paragraph 3 ii) is paid in accordance with the provisions of Article 41, paragraph 2. The staff member should make his request not later than the eighth day following the beginning of the period for which he is authorised to work part-time. This request shall be final, unless an exceptional derogation is granted by the Secretary / Director General upon receipt of a duly justified request from the staff member.*

#### **Article 6 bis - Part-Time service - Effects on the calculation of entitlement**

1. Where at the time of termination of his service an official was working part-time, the salary taken into account in calculating his pension entitlement shall be that payable for full-time work at his grade and step as provided in these Rules.

2. However, when an official terminating his service in the circumstances described in paragraph 1 above had been recruited to serve on a part-time basis, or authorised to work part-time for an indefinite period or for a fixed-term renewable by tacit agreement, and if the provisions of Article 6, paragraph 3 ii) are not applied, the rate of the invalidity pension provided for in Article 14, paragraph 2, and the minimum and maximum amounts that apply, shall be set in accordance with the provisions laid down by Instruction.

### **Instruction**

#### **6 bis 2/1 - Benefit payable to a staff member who has only worked part time**

- i) *For the purposes of calculating the benefit payable under Article 6 bis, paragraph 2, to a staff member who has only worked part time, the following shall be reduced by an amount corresponding to the ratio between the number of hours actually worked and the official number of hours for full-time work:*
  - (a) *the maximum rate of retirement pension provided for under Article 10, paragraph 2 and the maximum amount of retirement pension provided for under Article 10, paragraph 3;*
  - (b) *the rate of invalidity pension under Article 14, paragraph 2, and the minimum amount of invalidity pension provided for under Article 14, paragraph 4;*
  - (c) *the maximum amount of invalidity pension provided for under Article 14, paragraph 4, and the salary referred to in Article 15;*
  - (d) *the minimum amounts of survivor's or reversion pension provided for*



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*under Article 19, paragraph 3;*

- (e) the minimum amounts of orphan's pension provided for the first beneficiary under Article 25, paragraphs 3 and 4, as well as the increases provided for under Article 25, paragraphs 3 and 4, for orphans in respect of the second and every further beneficiary;*
- (f) the amount of the dependant's pension provided for under Article 25 bis, paragraph 2;*
- (g) the ceiling for benefits payable to survivors and orphans as defined in Article 29.*

- ii) However, when a staff member was recruited by the Organisation for part-time service, after having worked full time for one of the Organisations listed in Article 1, he shall be subject to the provisions of Instruction 6 bis 2/2 provided he pays over, if appropriate, the sums specified in Article 5, paragraph 1 or Article 5, paragraph 2, as the case may be.*

**6 bis 2/2 - Benefit payable to a staff member who, at the time of termination of his service, is working part time for an indefinite period or for a fixed period renewable by tacit agreement, having previously worked full time**

- i) For the purposes of calculating the benefit payable under Article 6 bis, paragraph 2 to a staff member authorised to work part time for an indefinite period or for a fixed period renewable by tacit agreement, the following shall be reduced in accordance with the ratio between the number of hours actually worked and the official number of hours for full-time work:*
  - (a) the rate of invalidity pension under Article 14, paragraph 2, as well as the the minimum amount of invalidity pension provided for under Article 14, paragraph 4, and, for those periods of part-time service, the maximum amount of invalidity pension provided for under Article 14, paragraph 4;*
  - (b) the minimum amounts of survivor's or reversion pension provided for under Article 19, paragraph 3;*
  - (c) the minimum amounts of orphan's pension provided for the first beneficiary under Article 25, paragraphs 3 and 4, as well as the increases provided for under Article 25, paragraphs 3 and 4 for the second and every further beneficiary of an orphan's pension;*
  - (d) the amount of the dependant's pension provided for under Article 25 bis, paragraph 2.*
- ii) However, when a staff member fulfils the conditions laid down in Article 7 at the date from which he is authorised to work part time for an indefinite period or for a fixed period renewable by tacit agreement, the benefit resulting from application of the provisions of sub-paragraph i) above, may not be less than that to which he or his authorised representatives would have been entitled had he ceased working for the Organisation at that date for a reason other than invalidity or death.*





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### **CHAPTER II - RETIREMENT PENSION AND LEAVING ALLOWANCE**

#### **Section 1 : RETIREMENT PENSION**

##### **Article 7 - Conditions of entitlement**

1. A staff member who has completed ten or more years' service, within the meaning of Article 4, in one or more of the Organisations listed in Article 1, shall be entitled to a retirement pension.

#### ***Instructions***

##### ***7.1/1 - Service for the purposes of Article 4***

*For the purposes of Article 4, service as a staff member in one or more of the Organisations referred to in Article 1 shall be:*

- *periods served prior to 1 July 1974, which have been credited, and for which the corresponding cost has been paid, under Article 44;*
- *periods served after 1 July 1974, in respect of which the staff member's contributions to the Pension Scheme have been paid in accordance with Article 5, paragraphs 1 i) and 5;*
- *periods referred to in Article 16, paragraph 3, in accordance with Article 4, paragraph 4.*

##### ***7.1/2 - Part-time service***

*Without prejudice to Article 6, paragraph 3 i), periods of part-time service shall be considered periods of full-time service within the meaning of Article 7.*

##### **Article 8 - Age of entitlement - Deferred pension and early pension**

1. A staff member shall become eligible for a retirement pension at the age of 60.
2. Pension rights shall continue to accrue to a staff member continuing to be employed after pensionable age, but his pension shall not exceed the maximum amount laid down in Article 10, paragraph 2.
3. If a staff member ceases his functions before pensionable age, payment of his retirement pension shall be deferred until he reaches that age.
4. However, a staff member who retires before pensionable age may request early payment of his pension provided he is at least 50 years old.

In such a case, the amount of the retirement pension shall be reduced by reference to the age of the staff member when payment of his pension begins, as shown in the table below.





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| Age when payment of pension begins | Ratio of pension on early retirement to pension at 60 |
|------------------------------------|---|
| 50                                 | 0.66  |
| 51                                 | 0.69  |
| 52                                 | 0.71  |
| 53                                 | 0.74  |
| 54                                 | 0.77  |
| 55                                 | 0.80  |
| 56                                 | 0.84  |
| 57                                 | 0.87  |
| 58                                 | 0.92  |
| 59                                 | 0.95  |

### **Instruction**

#### **8.4 - Method of reducing pension - early pension**

- i) *Early retirement pension shall be calculated as follows:*
  - *if the pension that would be due with no reduction at age 60 is lower than the minimum rate prescribed in Article 10, paragraph 3, it shall be brought up to that minimum rate and the reduction provided for in Article 8, paragraph 4, shall then be applied to it;*
  - *if the pension that would be due with no reduction at age 60 is higher than the aforesaid minimum rate, the reduction shall be applied to it even if the result is lower than that minimum.*
- ii) *The reductions provide for in Article 8, paragraph 4 shall be applied by reference to whole years, no account being taken of months.*
- iii) *Family allowances shall be paid and calculated in accordance with the provisions of the Instructions of Article 28.*
- iv) *Under the conditions laid down in Article 8 and in this instruction, an early pension may be requested at any time between age 50 and 60, once the staff member's service has terminated. Such requests must be in writing and dated.*
- v) *Subject to the provisions of Article 5, paragraph 2, payments shall begin, irrevocably, on the first of the month following the date on which the request was made.*

#### **Article 9 - Commencement and cessation of entitlement**

1. Entitlement to payment of a retirement pension shall commence on the first day of the month following that in which the person concerned became eligible for payment of the pension and requested it. Except in cases of force majeure, such request shall not have a retroactive effect.



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2. Entitlement shall cease at the end of the month in which the person receiving the pension dies.

### Article 10 - Rate of pension

1. The amount of the retirement pension shall be, per reckonable year of service within the meaning of Articles 6, 2% of the salary corresponding to the last grade held by the staff member for not less than one year before cessation of his appointment and the last step held in that grade.

2. The maximum rate of the pension shall be 70% of this salary, subject to the provisions of paragraph 3 below.

3. The amount of the retirement pension shall not be less than 4% of the salary for grade C1, step 1, per reckonable year of service credited pursuant to Articles 6; it may not, however, exceed the staff member's last salary as defined in Article 3.

### **Instructions**

#### **10.3/1 - Part-time service**

*The minimum rate of the retirement pension shall be calculated on reckonable years' service to be taken into account where applicable in fractions corresponding to any part-time service in accordance with Article 6, paragraph 3 i); this minimum shall therefore be equal to 4% of the salary for grade C1, step 1, per reckonable year of service thus credited.*

#### **10.3/2 – Termination of service at a lower grade**

*In cases where Article 5, paragraph 3 is applied, the minimum rate of the retirement pension shall be equal to 4% of the salary for grade C1, step 1, per year of service, without any reduction.*

## Section 2 : LEAVING ALLOWANCE

### Article 11 - Leaving allowance

1. A staff member whose service terminates otherwise than by reason of death or invalidity and who is not entitled to a retirement pension nor to the benefit of the provisions of Article 12, paragraph 2, shall be entitled on leaving to a payment of:

- i) the aggregate amount deducted from his salary in respect of his pension contribution, together with compound interest at the rate of 4% per annum;
- ii) an allowance equal to one month and a half of his last salary multiplied by the number of reckonable years of service credited within the meaning of Article 6(\*);
- iii) one-third of the amounts paid to the Organisation under the provisions of Article 12, paragraph 1, together with compound interest at the rate of 4% per annum. Should, however, the whole of these amounts have to be refunded to his previous employer, the reckonable years of service corresponding to those

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(\*) Refer to Article 33, paragraph 7



## WEU PENSION SCHEME RULES

amounts shall be disregarded in the calculation of the leaving allowance.

2. Termination of service shall be defined by each Organisation.

### **Instructions**

#### **11.1/1 - Refund of personal contributions**

- i) *For the purpose of the refund of any personal contributions which at the time of their payment were calculated on the basis of a scale other than that of the last country of service, the amounts involved shall be converted at the rate of exchange applicable in the Organisation at the date of the refund.*

*However, the person may request that the said personal contributions be refunded in the currency or currencies of the above-mentioned scale.*

- ii) *The refund of the said contributions shall be calculated at the rate of 4% per annum up to the last day of the month preceding the actual payment.*

#### **11.1/2 - Staff member whose service terminates at the end of a period of unpaid leave**

*When final termination of service occurs at the end of a period of unpaid leave during which no contributions were made to the Pension Scheme, the amounts stipulated in Article 11 shall, notwithstanding Instruction 11.1/1 ii), be calculated on the basis of rights acquired and salary at the date of commencement of that period, without any subsequent adjustment or interest.*

#### **11.2 – Compulsory repayment of the leaving allowance**

*A staff member who has received a leaving allowance as provided in Article 11, paragraph 1, but whose service has not terminated according to Article 11, paragraph 2, shall repay the whole leaving allowance received upon his previous appointment, in accordance with the provisions laid down in instruction 5.1 sub-paragraphs iv) to vii). The time limit for application set out in instruction 5.1 i) shall not apply.*

### **Section 3: INWARD AND OUTWARD TRANSFER OF PENSION RIGHTS**

#### **Article 12 - Inward and outward transfer of pension rights**

1. A staff member who enters the service of the Organisation after leaving the service of a government administration or national organisation, or international Organisation not listed in Article 1, paragraph 1 or a firm, may arrange for payment to the Organisation in accordance with the provisions laid down by Instruction, of any amounts corresponding to the retirement pension rights accrued under the pension scheme to which he was previously affiliated in so far as that scheme allows such a transfer.

In such cases, the Organisation shall determine, by reference to the provisions laid down by Instruction, the number of years of reckonable service with which the staff member shall be credited under its own pension scheme.

2. A staff member who leaves the service of the Organisation to enter the service of a government administration or national organisation, or international Organisation, not listed in



## WEU PENSION SCHEME RULES

Article 1, paragraph 1, which has entered into an agreement (\*) with the Organisation, shall be entitled to transfer to the pension fund of that administration or organisation:

- either the actuarial equivalent of his retirement pension rights accrued under these Rules, such equivalent being calculated in accordance with the provisions laid down by Instruction;
- or in the absence of such rights, the amounts provided under Article 11.

3. If, as a result of a staff member's transfer from one Organisation listed in Article 1 paragraph 1 to another, the leaving allowance is paid by an Organisation other than that which received the amounts referred to in paragraph 1 above, Article 11 3 shall apply as if the Organisation responsible for paying the leaving allowance had received the amounts referred to.

### **Instructions**

#### **12.1 - Inward transfer of previously accrued rights**

- i) *Previous periods of affiliation to a pension scheme*
  - a) *Reckonable years of service shall be credited pursuant to Article 12, paragraph 1, subject to the conditions set out in this Instruction, in respect of a period of affiliation to the last pension scheme prior to appointment in the Organisation. Such affiliation may cover periods served in several administrations, organisations or firms, on condition that all these rights have been taken into account by the pension scheme of the last administration, organisation or firm before appointment in the Organisation.*
  - b) *An amount shall be taken into account under this Instruction only if it has been certified by the previous pension scheme as being the amount of the actuarial equivalent of retirement pension rights or a capital payment in respect of rights to a pension or rights under a provident scheme (excluding compensation for dismissal or a leaving gratuity), and it must represent the total amounts paid to the staff member by the previous pension scheme in question. The "total amounts paid" shall be taken to mean the amounts representing the total rights transferable to the Organisation. Staff members shall not be entitled to transfer only part of their accrued rights where that part is not equal to the transferable minimum.*

- ii) *Amounts taken into account*

*For the purpose of calculating the reckonable years of service credited under Article 12, paragraph 1, the amounts indicated in sub-paragraph i) b) above shall be taken into account, as calculated by the previous pension scheme - as a capital sum, and with interest where applicable - as at the date on which they are paid to the Organisation (\*\*); any conversion into the currency of the salary paid by the Organisation shall be made at the rate of exchange in force on that*

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(\*) See list of agreements on the transfer of pension rights circulated to Staff by Administrative Memorandum  
(\*\*) The accrued rights are invariably rights which are not yet due or the actuarial equivalent thereof



## WEU PENSION SCHEME RULES

date.

iii) *Calculation of reckonable years of service*

*The number of reckonable years of service to be credited under Article 12, paragraph 1, shall be calculated on the basis of the table annexed to this Instruction, by dividing the amounts taken into account under sub-paragraph ii) above by the coefficient corresponding to the age of the staff member as at the date of payments of the amounts, and then by dividing the resultant amount by the theoretical value of a reckonable year of service (2% of the annual basic salary), established on the basis of the salary corresponding to the staff member's grade and step as at the date of payment of the amounts.*

iv) *Maximum number of reckonable years of service*

*Taking such reckonable years of service into account shall not have the effect of bringing the total pension up to more than the maximum rates prescribed in Article 10.*

v) *Time limits for application and revocation*

*Failing any special provisions in a reciprocal transfer agreement entered into by the Organisation, application for the amounts referred to in sub-paragraph ii) above to be taken into account by the Organisation shall be made in writing:*

- (a) either within 6 months from the date of notification of confirmation of appointment after the probationary period;*
- (b) or within twelve months from the date on which the previous pension scheme allowed such transfers;*
- (c) as a transitional measure, by 31.12.1978 in the case of staff in post before 30.06.1978. (\*)*

*The application to transfer pension rights may be revoked by the staff member at any time before the payments provided for in sub-paragraph ii) above have been made in accordance with sub-paragraph vi) below.*

*The application to transfer pension rights shall be null and void if the payments provided for in sub-paragraph ii) above have not been made at the time of the staff member's termination of service.*

vi) *Time limit for payment*

*Payment of the amounts referred to in sub-paragraph ii) above shall be made:*

- within three months after the expiry of the time limit prescribed in sub-paragraph v) above, if the person concerned has actually received such amounts from his previous employer;*
- on receipt of such amounts from the previous employer in other cases.*

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(\*) *This request shall be submitted before the request for the payment of a pension.*



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*Payment to the Organisation shall be made in the currency - or its equivalent value at the rate of exchange in force on the date of actual payment to the Organisation - in which the amounts referred to in sub-paragraph ii) above have been or will effectively be paid by the previous pension scheme.*

vii) *Outward transfer to a subsequent pension scheme*

*Pursuant to Articles 11, paragraph iii), and 12, paragraphs 2 and 3, the amounts paid to the Organisation under this Instruction and later refunded wholly or partly to a staff member who has not completed at least 10 years of service within the meaning of Article 4, shall be increased from the time of their payment to the Organisation by compound interest of 4% a year to be paid by the Organisation responsible for paying the leaving allowance.*

### **12.2 - Transfer of pension rights to an outside scheme**

i) *Time limit for application*

a) *Application for transfer of pension rights under Article 12, paragraph 2, must be made by the staff member to the Organisation in which his service has terminated within six months after his definitive appointment by the new administration or organisation referred to in Article 12, paragraph 2.*

b) *If the Organisation is unable to conclude with the new administration or organisation referred to in Article 12, paragraph 2, an agreement for such transfer on terms which it considers satisfactory, it shall confine itself to making immediate payment of the amounts referred to in Article 11, paragraph 1, or to immediate or deferred payment of a retirement pension.*

ii) *Conditions as to transfer*

*The amounts referred to in Article 12, paragraph 2 may be transferred only to the pension fund of the administration or organisation referred to in Article 12, paragraph 2, that is to say, to the statutory or contractual pension scheme in force in that administration or organisation.*

iii) *Calculation of amounts to be transferred*

*The actuarial equivalent of the retirement pension rights referred to in Article 12, paragraph 2, shall be calculated on the basis of the table annexed to this Instruction, the annual pension acquired in the Organisation (2% of the annual basic salary per reckonable year of service), established on the basis of the salary scale in force at the date on which the staff member ceases his functions - being multiplied by the coefficient corresponding to the age of the staff member at that date.*



**WEU PENSION SCHEME RULES**

**ANNEX TO INSTRUCTIONS 12.1 iii) AND 12.2 iii)**

| Age | Coefficient | Age | Coefficient |
|-----|-------------|-----|-------------|
| 20  | 4.7032      | 45  | 10.7410     |
| 21  | 4.8616      | 46  | 11.1070     |
| 22  | 5.0255      | 47  | 11.4740     |
| 23  | 5.1949      | 48  | 11.8603     |
| 24  | 5.3701      | 49  | 12.2579     |
|     |             |     |             |
| 25  | 5.5512      | 50  | 12.6757     |
| 26  | 5.7383      | 51  | 13.1007     |
| 27  | 5.9318      | 52  | 13.5477     |
| 28  | 6.1317      | 53  | 14.0068     |
| 29  | 6.3380      | 54  | 14.4861     |
|     |             |     |             |
| 30  | 6.5506      | 55  | 14.9830     |
| 31  | 6.7702      | 56  | 15.5030     |
| 32  | 6.9958      | 57  | 16.0344     |
| 33  | 7.2295      | 58  | 16.6009     |
| 34  | 7.4728      | 59  | 17.1914     |
|     |             |     |             |
| 35  | 7.7285      | 60  | 17.8360     |
| 36  | 7.9916      | 61  | 18.0423     |
| 37  | 8.2568      | 62  | 18.2427     |
| 38  | 8.5385      | 63  | 18.4375     |
| 39  | 8.8211      | 64  | 18.6025     |
|     |             |     |             |
| 40  | 9.1144      | 65  | 18.7657     |
| 41  | 9.4136      |     |             |
| 42  | 9.7356      |     |             |
| 43  | 10.0573     |     |             |
| 44  | 10.3918     |     |             |





## WEU PENSION SCHEME RULES

### CHAPTER III - INVALIDITY PENSION

#### Article 13 - Conditions of entitlement - Invalidation Board

1. Subject to the provisions of Article 2, an invalidity pension shall be payable to a staff member who is under the age limit laid down in the Staff Regulations and who, at any time during the period in which pension rights are accruing to him, is recognized by the Invalidation Board defined below to be suffering from permanent invalidity which totally prevents him from performing his job or any duties proposed to him by the Organisation corresponding to his experience and qualifications.

2. The Invalidation Board shall consist of three medical practitioners, the first two being appointed by the Organisation and the staff member, respectively, and the third one selected jointly by the first two. Cases shall be submitted to it by the Organisation either on its own initiative or at the request of the staff member concerned.

#### **Instructions**

##### **13/1 - Transitional arrangements**

*Staff members who were already receiving invalidity benefit in respect of total permanent incapacity and who have subsequently opted to join the Pension Scheme under Article 44 or 49, shall not be required to undergo a further examination by the Invalidation Board under Article 13, but shall submit to the medical examinations referred to in Article 16.*

##### **13/2 – Period of non-activity**

- i) *The invalidity pension shall not be payable if it results from an illness or accident occurring during unpaid leave or a period of non-active status which did not give rise to contributions to the Pension Scheme (leave for personal reasons, military service).*
- ii) *On the other hand, it shall be payable if the events mentioned above occur during a period of non-active status which follows a period of sick leave, and during which the staff member is in receipt of an allowance for temporary incapacity; in such event, he shall continue to pay contributions to the Pension Scheme in accordance with Instruction 4.1/1 iii). The same shall apply to any periods of unpaid leave provided for under Instruction 4.1/1 iv).*

##### **13/3 - Invalidation Board**

##### **Tasks of the Invalidation Board**

- i) *Subject to the provisions of Article 2, the tasks of the Invalidation Board are:*
  - a) *to ascertain whether a staff member is suffering from invalidity within the meaning of Article 13, paragraph 1;*
  - b) *When an incident is recognised by the Organisation as falling within the scope of Article 14, paragraph 2 (work accident, occupational disease or public-spirited-act), to decide to what extent the staff member's invalidity is the result thereof;*



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- c) *To decide whether, following an examination under Article 16, the former staff member no longer fulfils the conditions for entitlement to an invalidity pension.*

### **Secretariat of the Invalidity Board**

- ii) *The organisation shall appoint a staff member as secretary of the Invalidity Board. Secretariat services may also be provided by the Organisation's medical adviser, who shall be given any administrative assistance he requires.*

### **Convocation and composition of the Invalidity Board**

- iii) *When the Invalidity Board is to be convened at the staff member's request, the request shall be addressed to the Head of Personnel responsible for him: it must include his formal application to be declared a permanent total invalid and give the name of the medical practitioner who is to represent his interests on the Invalidity Board. The request may be accompanied by a medical file, under separate confidential cover, for the attention of the Organisation's medical adviser.*

*Upon receipt of this request, the Head of Personnel shall forward it to the Organisation's medical adviser with a request to contact the medical practitioner nominated by the staff member. The staff member must ask his medical practitioner to forward to the Organisation's medical adviser all medical evidence in support of his application.*

*Within 30 calendar days following receipt of the staff member's request, the Head of Personnel shall inform the medical practitioner nominated by the staff member of the name of the medical practitioner who will represent the Organisation on the Invalidity Board.*

- iv) *When the Invalidity Board is to be convened at the request of the Organisation, the Head of Personnel shall notify the staff member accordingly and ask him to make his observations, if any, and to nominate a medical practitioner to represent him on the Board, within 30 calendar days following receipt of the said notification.*

*This notification shall also state the name of the medical practitioner who will represent the Organisation on the Invalidity Board.*

*The Head of Personnel shall ask the staff member to forward all medical documents concerning him to the medical practitioner representing the Organisation.*

- v) *If one of the parties has not nominated a medical practitioner to represent it on the Invalidity Board within the prescribed time - limit, the other party shall ask the Chairman of the Appeals Board / Administrative Tribunal of the Organisation to appoint such a medical practitioner as soon as possible. He may, for this purpose, consult a list drawn up by:*

- *A national judicial body, or*
- *The Medical Council, or*
- *Failing this, another national body of the staff member's duty station or*



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home country.

- vi) *The third medical practitioner shall be selected by the other two within 30 calendar days at the most following notification of their names to the parties; failing agreement on this nomination within the prescribed time, the Chairman of the Appeals Board / Administrative Tribunal shall nominate, at the request of either party, this third medical practitioner in accordance with the procedure set out in the above sub-paragraph.*

### **Meeting of the Invalidity Board**

- vii) *The Invalidity Board shall meet at the latest within 60 calendar days following the appointment of the third medical practitioner.*
- viii) *The Invalidity Board shall have at its disposal:*
- a) *An administrative file submitted by the Head of Personnel containing, in particular, an indication of the post occupied by the staff member in the Organisation, together with a description of his duties and of any duties proposed to him by the Organisation corresponding to his experience and qualifications, so that the Board can give its opinion as to whether the staff member is incapable of carrying out those duties. This file shall also specify whether the application to be declared an invalid is likely to fall within the scope of Article 14, paragraph 2.*

*Before being forwarded to the Invalidity Board, the foregoing particulars shall be communicated to the staff member by the Head of Personnel for his written comments, if any, to be sent by him to the Personnel Division within 15 calendar days following their receipt.*

- b) *A medical file containing the report presented by the medical representative of the party - the Organisation or the staff member - that has asked for the Board to be convened, and, if appropriate, the medical report presented by the other party, as well as any reports or certificates from the staff member's medical practitioner or from practitioners whom the parties have consulted. This medical file shall also contain details of the length of absences of the staff member concerned which have provided grounds for the Board to be convened, as well as the nature of the disability on which the Board is asked to give a ruling.*

*All these reports, documents and certificates must be communicated to the three medical practitioners.*

- ix) *The proceedings of the Invalidity Board shall be secret. The Board may ask to hear the staff member concerned. It may also ask him to undergo an additional medical examination by a medical practitioner appointed by the Board.*
- x) *The cost of the meeting of the Invalidity Board shall be met by the Organisation.*

*The Organisation shall bear the fees and the travel expenses – the latter calculated according to the rules applicable to staff members - of the medical practitioner representing the staff member only when this practitioner lives in the country of the staff member's last duty station, his home country if he is*



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*living there at the time of the establishment of the lasting nature of his disability, or in the country of residence of the former staff member concerned.*

- x) *The findings of the Invalidity Board shall be determined by a majority vote. They shall be final except in the case of obvious factual errors.*

### **Findings under Article 13, paragraph 1 or Article 14, paragraph 2**

- xii) *The findings of the Invalidity Board shall state:*
- *whether or not the staff member suffers from permanent disability which totally prevents him from performing his duties or any duties proposed to him by the Organisation corresponding to his experience and qualifications.*
  - *whether the invalidity results from an incident recognised by the Organisation as falling within the scope of Article 14, paragraph 2 (work accident, occupational disease or public-spirited act);*
  - *The date on which the disability became lasting; this date may be prior to the date of the meeting of the Invalidity Board.*

### **Findings under Article 16**

- xiii) *Where the Board meets under Article 16, the findings of the Board shall state:*
- *Whether the former staff member is incapable of performing the duties attaching to his former post or any duties proposed to him by the Organisation corresponding to his experience and qualifications; or,*
  - *Whether it has been found that the former staff member is no longer an invalid.*

### **13/4 - Decision of the Secretary/Director-General**

#### **Decision under Article 13, paragraph 1, or Article 14, paragraph 2**

- i) *In accordance with the findings of the Invalidity Board, and without prejudice to the competence of the Appeals Board / Administrative Tribunal, the Secretary/Director-General of the Organisation shall decide either:*
- a) *to grant to the staff member concerned an invalidity pension under Article 13, paragraph 1, or Article 14, paragraph 2; this decision shall specify the date on which the pension takes effect; or,*
  - b) *not to recognize the staff member as an invalid within the meaning of the Rules.*

#### **Decision under Article 16**

- ii) *In accordance with the findings of the Invalidity Board, and without prejudice to the competence of the Appeals Board / Administrative Tribunal, the Secretary/Director-General of the Organisation shall decide either:*



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- a) *to continue payment of the invalidity pension to the former staff member; or,*
- b) *no longer to recognize the staff member as an invalid within the meaning of the Rules and to terminate such payment, at a date which may not be prior to the meeting of the Board, in accordance with the conditions provided for in Instruction 16/3.*

### **Obvious factual error**

- iii) *In the event of an obvious factual error, the Secretary/Director-General shall again refer the case to the Invalidity Board.*

### **Notification of the decision of the Secretary/Director-General**

- iv) *Within 30 calendar days of receipt of the findings of the Invalidity Board, the Secretary/Director-General shall notify his decision in writing, together with the findings of the Invalidity Board, to the staff member or former staff member.*

## Article 14 - Rate of pension

1. Subject to the provisions of Article 5, paragraph 3, the invalidity pension shall be equal to the retirement pension to which the staff member would have been entitled at the age limit laid down in the Staff Regulations if he had continued to serve until that age and without the need for a minimum of ten years' service under Article 7.

2. However, where the invalidity arises from an accident in the course of the performance of his duties, from an occupational disease, from a public-spirited act or from risking his life to save another human being, the invalidity pension shall be 70 per cent of salary. In the event of invalidity resulting from a cause other than these, the invalidity pension provided for in this paragraph may not be less than the invalidity pension which would be payable under paragraph 1 of this Article.

3. The salary used as a basis for the calculation of the invalidity pension referred to in paragraphs 1 and 2 above shall be the salary for the grade and step held by the staff member in accordance with the scales in force at the date laid down in Article 17, paragraph 1.

4. The invalidity pension shall not be less than 120 percent of the salary for grade CI, step 1, but may not be more than the last salary, such salaries being those which appear in the scales in force at the date laid down in Article 17, paragraph 1, subject to any adjustments provided for under Article 36.

5. In the case of invalidity deliberately brought about by the staff member, the Organisation shall decide whether he should receive an invalidity pension or only a retirement pension or a leaving allowance, depending on his length of effective service.

### **Instructions**

#### **14.1 – Part-time Service**

*Where a staff member working part time is found to be suffering from invalidity, and the provisions of Article 6, paragraph 3 ii) are not applied, the period subsequent to the date on which he is recognised as unfit for service shall, for the purposes of calculating the invalidity*



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*pension provided for under Article 14, paragraph 1, be counted as a period of part-time work in the cases referred to in paragraph 2 of Article 6 bis.*

### **14.2 – Work accident and occupational disease**

*For the purposes of Article 14, paragraph 2, reference shall be made to the Rules applicable in the Organisation for the definition of the risks of work accident and occupational disease.*

### **Article 15 - Earnings rule**

1. Where a person in receipt of an invalidity pension is nevertheless gainfully employed, this pension shall be reduced by the amount by which his pension together with the remuneration he receives for the said employment exceeds the salary for the highest step in the grade he held at the time of his recognition as unfit for service.
2. This reduction shall apply only up to the age limit laid down in the Staff Regulations.

### ***Instruction***

#### **15.1 – Double entitlement to an invalidity pension and other income**

- a) *By gainful employment under Article 15 is meant any employment outside the Co-ordinated Organisations, as well as employment pursued therein, including as temporary, auxiliary or local official personnel or as an “employee”, and also as an expert in receipt of fees.*
- b) *A person in receipt of an invalidity pension shall immediately notify the Organisation which pays the pension of any gainful, non-occasional employment; in addition, he shall inform that Organisation of the total amount of remuneration he received during the preceding calendar year, the reduction referred to in Article 15 thus being calculated on a monthly basis.*

*Express mention of this obligation shall be made in the decision notifying the award of an invalidity pension.*

### **Article 16 - Medical examination - Termination of pension**

1. While a person drawing an invalidity pension is still under the age limit laid down in the Staff Regulations, the Organisation may have him medically examined periodically to ascertain that he still satisfies the conditions for entitlement to such pension, in particular having regard to any new duties corresponding to his experience and qualifications which may have been proposed to him by the Organisation.
2. When a person drawing an invalidity pension who has not reached the said age limit ceases to satisfy the conditions for entitlement to the invalidity pension, the Organisation shall terminate that pension.
3. The time during which the person concerned has drawn his invalidity pension shall then be reckoned, without payment of back contributions, for the calculation of the leaving allowance or retirement pension, as the case may be.





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### **Instructions**

#### **16/1 - Suspension of Invalidity Pension**

*If the recipient of an invalidity pension fails to submit to medical examination as prescribed by the Organisation, payment of the invalidity pension may be suspended.*

#### **16/2 - Medical examination and new Invalidity Board**

*The periodical medical examinations required under Article 16 shall normally take place at the place of residence of the person concerned, unless the Organisation requires otherwise or it is impracticable to have the person concerned examined at his place of residence.*

*Such examinations shall be carried out by a medical practitioner chosen by the Organisation; the latter shall bear the cost thereof, including travelling expenses of the person concerned if exceeding 50 km from his home. Should the medical practitioner chosen by the Organisation report that the staff member no longer satisfies the conditions of entitlement to an invalidity pension, notably having regard to any new duties proposed to him by the Organisation corresponding to his experience and qualifications, an Invalidity Board shall be convened in accordance with the provisions of Article 13 and its implementing Instructions.*

#### **16/3 - Cessation of entitlement to an Invalidity Pension**

*Where the Invalidity Board, in application of Article 16, paragraph 2, declares that the person concerned who is still under the age limit has ceased to satisfy the conditions of entitlement to an invalidity pension, the payment of that pension shall be terminated; if the staff member concerned does not resume work in the Organisation, he shall receive either a leaving allowance based on his years of service and years of invalidity where the total is less than 10 years, or a deferred or early retirement pension.*

#### **16/4 - Re-entitlement to an invalidity pension**

*Where the person concerned is entitled to a deferred or early pension and subsequently suffers a relapse, while still under the age limit laid down in the Staff Regulations, resulting from the same condition as that which had entitled him to the previous invalidity pension, the Invalidity Board, convened at the staff member's request in accordance with Instruction 13/3, shall declare that he once again effectively fulfils the conditions required under Article 13, paragraph 1, insofar as he is not receiving for that same condition an invalidity benefit or pension borne by another scheme.*

### **Article 17 - Commencement and cessation of entitlement**

1. Entitlement to an invalidity pension shall commence on the first day of the month following the date of the beginning of the invalidity as recognised by the Invalidity Board.
2. Subject to application of Article 16, paragraph 2:
  - i) The invalidity pension payable under Article 14, paragraph 2 shall be paid for life;
  - ii) In other cases, entitlement to an invalidity pension shall terminate:
    - Either at the age limit laid down in the Staff Regulations,





## WEU PENSION SCHEME RULES

- Or at the end of the month in which the recipient of such a pension dies.

Where the invalidity pension terminates because the person concerned has reached the age limit laid down in the Staff Regulations, he shall, notwithstanding the ten-year minimum requirement provided for in Article 7, be entitled to a retirement pension calculated as follows:

- reckonable years of service shall be calculated as if he had remained in service until the age limit laid down in the Staff Regulations;
- the reference salary shall be that of his grade and step at the time of his being recognised an invalid, updated in accordance with Article 36.

3. Invalidity pensions assessed before December 1<sup>st</sup> 2002, whatever the cause of the invalidity, shall be paid for life.



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### CHAPTER IV - SURVIVOR'S AND REVERSION PENSIONS

#### **Article 18 – Conditions of Entitlement**

1. The surviving spouse (\*) of a staff member who died in service shall be entitled to a survivor's pension, provided they had been married to each other for at least one year at the time of the staff member's death, unless the death resulted either from disablement or illness contracted in the performance of his duties, or from an accident.
2. A reversion pension shall be payable to the surviving spouse:
  - i) of a former staff member drawing an invalidity pension, if they were married to each other for at least one year at the time of his being recognised an invalid; this condition of anteriority shall not apply if the marriage had existed for at least five years at the time of his death, or if the death resulted either from disablement or illness contracted in the performance of his duties, or from an accident;
  - ii) of a former staff member drawing a retirement pension, if they had been married to each other for at least one year at the time when the former staff member's appointment ceased; this condition of anteriority shall not apply if the marriage had existed for at least five years at the time of the former staff member's death; or
  - iii) of a former staff member entitled to a deferred pension, if they had been married to each other for at least one year at the time when the former staff member's appointment ceased; this condition of anteriority shall not apply if the marriage had existed for at least five years at the time of his death.
3. The above-prescribed conditions of anteriority or minimum duration of marriage shall not apply where there are one or more children of the marriage or of a marriage of the staff member contracted prior to the cessation of his appointment, inasmuch as the non-remarried surviving spouse is providing for their needs; in such case, the survivor's or reversion pension shall be payable under the derogation provided for in the present paragraph, for so long as the children are actually being so provided for.

When they are no longer being so provided for, the survivor's or reversion pension shall nonetheless continue to be payable for so long as the surviving spouse does not have an income of his own from the exercise of any occupation, or from any retirement pension or other survivor's or reversion pension, equal to at least the amount of the survivor's or reversion pension from the Organisation.

4. Entitlement to a survivor's or reversion pension shall be subject to the provisions of Article 2.

#### ***Instruction***

##### ***18.1 – Staff Member dying during Leave granted for Personal Reasons***

- i) *When a staff member who has completed at least 10 years' service within the meaning of Article 4 dies during a period of leave in respect of which no*

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(\*) *Wherever it occurs in these Rules, the expression "surviving spouse" applies indifferently to the wife or husband of the deceased staff member.*



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*contributions were made to the Pension Scheme, the surviving spouse shall be entitled to:*

- *The survivor's pension under Article 19, paragraph 1 ii), the minimum and maximum amounts of such pension being in accordance with paragraphs 3 and 4 of the same Article;*
- *And where appropriate, the benefits specified in Article 28.*

*In addition, any orphans and/or dependants shall be entitled to the benefits specified in Articles 25 and 25 bis.*

- ii) *Where the deceased staff member had not completed ten years of service conferring entitlement, as defined in Article 4, the amounts provided for in Article 11 shall be paid to his estate; such amounts shall be calculated on the basis of rights acquired and salary at the date of termination of the period in respect of which contributions to the Pension Scheme were payable, without any subsequent adjustment or interest.*

### Article 19 - Rate of pension

1. The survivor's or reversion pensions shall be 60% of:
  - i) the retirement pension that would have been payable to the staff member, had he not died in service, on the basis of his reckonable service credited up to the time of his death, without the need for a minimum of ten years' service under the provisions of Article 7;
  - ii) the deferred retirement pension that would have been paid to the former staff member at the age of sixty;
  - iii) the invalidity pension, updated in accordance with the provisions of Article 36, that was actually being paid to the staff member at the time of his death, no account being taken of reductions under Article 15;
  - iv) the retirement pension, updated in accordance with the provisions of Article 36, that was actually being paid to the staff member at the time of his death, no account being taken of any reductions under Article 8, paragraph 4.
2. Where a staff member has died as a result of an accident in the course of the performance of his duties, from an occupational disease, from a public-spirited act or from risking his life to save another human being, the survivor's pension shall be 60 per cent of the invalidity pension to which the staff member would have been entitled under Article 14, paragraph 2 had he survived.
3. The survivor's or reversion pension shall not be less than 35 percent of the staff member's last salary; nor shall it be less than the salary for Grade C1, step 1. Said pensions shall be updated in accordance with the provisions of Article 36.
4. However, the reversion pension shall not exceed the amount of the former staff member's own pension in the cases covered by paragraphs 1 ii), iii) and iv) above, nor the amount of the pension to which the former staff member would have been entitled had he reached the age limit laid down in the Staff Regulations at the time of his death.



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### Article 20 - Reduction for difference in age

1. Where the difference in age between the deceased staff member or former staff member and his younger surviving spouse and/or former spouse, less the length of time they have been married, is more than ten years, the survivor's or reversion pension, calculated in accordance with the preceding provisions, shall be subject to a reduction, per year of difference, amounting to:

- 1 % for the years between 10 and 20;
- 2 % for the years 20 up to but not including 25;
- 3 % for the years 25 up to but not including 30;
- 4 % for the years 30 up to but not including 35;
- 5 % for the years from 35 upwards.

#### **Instruction**

##### **20.1 – Calculation of the reduction for difference in age**

*The result in years of the difference in age between the deceased staff member or former staff member and his younger surviving spouse and/or former spouse, less the length of time they have been married, shall be rounded down to the nearest whole number.*

*The initial 1 % reduction shall apply for a period of 9 years following 10 complete years, i.e. from the eleventh to the nineteenth year inclusive, as illustrated in the example below:*

|   |  |
|---|--|
| Difference in age:  | 29 years and 6 months;                               |
| Length of marriage:   | 8 years and 7 months;                                |
| Duration taken into account for the calculation of the reduction: | 20 years and 11 months,<br>rounded down to 20 years. |

*Calculation of the reduction:*

- 1 % for the years between 10 and 20 =  $9 \times 1 \% = 9 \%$ ;
- 2 % for the years 20 up to but not including 25 =  $1 \times 2 \% = 2 \%$ ;

*Reduction = 9 % + 2 % = 11 %.*

### Article 21 - Remarriage

1. Entitlement to a survivor's or reversion pension shall cease on remarriage. The surviving spouse or ex-spouse shall be entitled to immediate payment of a capital sum equal to twice the annual amount of the pension, if there are no dependent children to whom the provisions of Article 25, paragraph 4 apply.

The capital sum paid to the ex-spouse shall not be more than the amount to which he could still be entitled under Article 22, paragraph 1.

#### **Instruction**

##### **21.1 - Payment of the capital sum**

*The capital sum provided for under Article 21, paragraph 1, shall be calculated with reference to the basic salary scale applicable at the date of remarriage, and paid to the recipient.*



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### Article 22 - Rights of a former spouse

1. The non-married former spouse of a staff member or former staff member shall, on the latter's death, be entitled to a survivor's or reversion pension, provided that, and for as long as the staff member or former staff member was, at the time of his death and by virtue of a court decision, which has become final and binding, under an obligation to pay maintenance or compensation to the former spouse in a personal capacity; but the survivor's or reversion pension shall not exceed the amount of such maintenance.

This entitlement shall not arise if the former spouse remarried before the staff member or former staff member died. If remarriage takes place after the staff member's or former staff member's death and while the conditions laid down in the sub-paragraph above are still fulfilled, the provisions of Article 21 shall apply.

2. Where a staff member or former staff member dies leaving both a spouse entitled to a survivor's or reversion pension and a non-remarried former spouse fulfilling the conditions laid down in paragraph 1 above, the whole of the survivor's or reversion pension shall be divided between the before-mentioned persons in proportion to the duration of their marriages.

The amount to which a non-remarried former spouse is entitled shall however not be more than the amount of the maintenance or compensation payable at the time of the death of the staff member or former staff member.

3. Where one of the persons entitled to a survivor's or reversion pension renounces his share, ceases to satisfy the conditions for entitlement or forfeits his rights under Article 35 or where the amount of his pension has been restricted under the terms of the second sub-paragraph of paragraph 2 above, his share shall accrue to the share of the other person, except where pension rights revert to orphans, as provided under Article 25, paragraph 3, last sub-paragraph. In such a case the restriction laid down in the second sub-paragraph 2 above shall apply.

4. Reductions in respect of difference in age as provided for in Article 20 shall be applied separately to survivors' and reversion pensions calculated in accordance with the present Article.

### ***Instruction***

#### ***22.1 - Rights of a non-married former spouse***

- (i) The maintenance or compensation payments referred to in Article 22, paragraph 1 shall, where appropriate, be converted into the currency of the scale applicable to the country of the staff member's or former staff member's last posting or, in cases to which Article 33 paragraph 2 applies, of the scale for which an option has been exercised by the former staff member prior to his decease, by applying the rate of exchange used in the relevant Organisation at the date the latter's pension was assessed;*
- (ii) The maintenance or compensation payments referred to in the preceding sub-paragraph shall be subject to the same adjustments as those actually applied to the basic salary corresponding to the grade and step used to calculate the survivor's or reversion pension provided for under Article 19.*



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- iii) *Failing a final and binding court decision, the non-remarried former spouse shall be entitled to a survivor's or reversion pension by virtue of an officially registered settlement in force between the former spouses.*

### Article 23 - Commencement and cessation of entitlement

1. Entitlement to a survivor's or reversion pension shall commence from the first day of the month following that in which the staff member or former staff member died. If the salary of a staff member who died in service continues to be paid to a surviving spouse or former spouse, directly and in full, under the Staff Regulations and Rules of the Organisation, payment of the pension shall be deferred accordingly.

2. Entitlement to a survivor's or reversion pension shall cease at the end of the month in which the recipient of the pension dies or ceases to satisfy the conditions for entitlement to that pension.

### Article 24 - Incapacitated widower

**ARTICLE REPEALED**



## WEU PENSION SCHEME RULES

### CHAPTER V - ORPHAN'S PENSION AND DEPENDANT'S PENSION

#### Article 25 - Rate of Orphan's pension

1. Where a staff member or former staff member drawing a retirement or invalidity pension or entitled to a deferred retirement pension dies, his children shall be entitled to an orphan's pension if they fulfil the conditions laid down in paragraph 2.

2. The legitimate, natural or adopted children of a staff member or former staff member who has died shall be entitled to an orphan's pension:

- i) When the deceased or his household provided their main and continuing support at the time of death; and
- ii) When they satisfy the conditions of age, education or handicap required for the granting of the allowance for a dependent child.

The legitimate or natural children of a deceased staff member or former staff member who were born not more than 300 days after his death shall also be entitled to an orphan's pension.

3. Where there are one or more persons entitled to a survivor's or reversion pension, the amount of the orphan's pension shall correspond to the higher of the following amounts:

- i) 40 per cent of the survivor's or reversion pension, no account being taken of reductions pursuant to Article 20; or
- ii) 50% of the salary for grade CI, step I according to the scale in force when the former staff member's pension was assessed, this amount being updated in accordance with the provisions of Article 36, or, if he was not drawing a retirement or invalidity pension, according to the scale in force at the time of his death.

The orphan's pension shall be increased, in respect of the second and every further beneficiary, by an amount equal to the allowance for a dependent child.

The orphan's pension shall be brought up to the level provided for in paragraph 4 in the event of the beneficiaries of a survivor's or reversion pension remarrying or losing the right to that pension.

4. Where there are no beneficiaries of a survivor's or reversion pension, the orphan's pension shall correspond to the higher of the following amounts:

- 80 % of the survivor's or reversion pension, no account being taken of reductions pursuant to Article 20; or
- 100% of the salary for grade CI, step I, according to the scale in force when the former staff member's pension was assessed, this amount being updated in accordance with the provisions of Article 36, or, if he was not drawing a retirement or invalidity pension, according to the scale in force at the time of death.

The orphan's pension shall be increased, in respect of the second and every further beneficiary, by an amount equal to twice the allowance for a dependent child.





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5. The total amount of the orphan's pension shall be divided equally among all the orphans.

### **Instructions**

#### **25.3 - Rate of pension for orphans dependent on a non-married former spouse**

*Subject, where appropriate, to the provisions of Instructions 27.1/1 and 27.1/2, the provisions of Article 25, paragraph 3 shall apply where a staff member or former staff member dies leaving a non-married former spouse entitled to a survivor's or reversion pension under Article 22. In such a case, the orphan's shall be fixed without having regard to the reductions provided for in Articles 20 and 22.*

#### **25.4 - Rate of pension for orphans belonging to another family group**

*Subject to the provisions of Instructions 27.1/1 and 27.2/1, the provisions of Article 25, paragraph 4 shall also apply where a staff member or former staff member dies leaving a surviving spouse or former spouse on one side and orphans belonging to another family group on the other side.*

### **Article 25 bis - Rate of pension for other dependants**

1. Where a staff member or former staff member drawing a retirement or invalidity pension or entitled to a deferred retirement pension dies, the persons (including children not fulfilling the conditions laid down in Article 25) recognised as satisfying the conditions for the granting of an allowance for a dependent child or dependent person under the Staff Regulations and Rules of the Organisation shall be entitled to a dependant's pension.

2. The pension paid to each dependant shall be equal to the lowest of the following amounts:

- i) The amount, as recognised by the Organisation, of the support provided to that person by the staff member or former staff member at the time of his death;
- ii) Twice the amount of the dependant's allowance in force in the Organisation at the time of the death of the staff member or former staff member when the former staff member's pension was assessed, this amount being updated in accordance with the provisions of Article 36, or, if he was not receiving a retirement or invalidity pension, according to the scale in force at the time of death; or
- iii) Where an orphan's pension is paid, the amount of each orphan's share pursuant to Article 25, paragraph 5.

#### **Instruction 25 bis 2 – Pension adjustment**

*The amount of the dependant's pension referred to in this Article shall be subject to the same adjustments as those effectively applied to calculate the orphan's pension provided for under Article 25.*



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### Article 26 – Commencement and Cessation of entitlement

1. The pensions provided for under Articles 25 and 25 bis shall be payable as from the first day of the month following that in which the staff member or former staff member died. If the salary of a staff member who died in service continues to be paid to a surviving spouse or former spouse, directly and in full, under the Staff Regulations and Rules of the Organisation, payment of the pensions shall be deferred accordingly.

2. The pensions under Articles 25 and 25 bis shall cease to be payable at the end of the month in which the child or other dependant ceases to satisfy the conditions for entitlement to the allowance for a dependent child or dependent person under the Staff Rules and Regulations of the Organisation.

### Article 27 - Beneficiaries of more than one category

1. Where a staff member or former staff member leaves a spouse or former spouse on the one hand, and children or dependent persons, on the other, with entitlement to a pension, the total pension, calculated as if for a surviving spouse having all these persons dependent on him, shall be apportioned among the various categories of beneficiaries in proportion to the pensions which would have been payable to each category if treated separately.

2. Where there are children or dependent persons from different family groups, with entitlement to a pension, the total pension, calculated as though all were of the same family group, shall be apportioned among the various categories of beneficiaries in proportion to the pensions which would have been payable to each category if treated separately.

#### **Instructions**

#### **27.0 – Beneficiaries of more than one category – General provisions**

*In cases of coexistent pension entitlements of a spouse, former spouse(s), children and/or dependants, the “total pension” referred to in Article 27, paragraphs 1 and 2 is defined in Instructions 27.1/1 i) and 27.2/1 i) respectively. It shall be apportioned as follows:*

i) *If the beneficiaries are:*

- *The spouse, and*
- *Former spouse(s)*

*With no dependent children and/or dependants, the pension shall be apportioned in accordance with the provisions of Article 22.*

ii) *If the beneficiaries are:*

- *The spouse or former spouse(s), on the one hand, and*
- *Children and/or dependants, on the other,*

*Belonging to different family groups, the pension shall be apportioned in accordance with the provisions of Instruction 27.1/1.*



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iii) *If the beneficiaries are:*

- *The spouse or former spouse(s), with children and/or dependants, on the one hand, and*
- *Orphans and/or dependants, on the other,*

*belonging to different family groups, the pension shall be apportioned in accordance with the provisions of Instruction 27.1/2.*

iv) *If the beneficiaries are:*

- *The spouse, and*
- *Former spouse(s)*

*one of whom at least has children and/or dependants, the pension shall be apportioned in accordance with the provisions of Article 22 for survivors' and reversion pensions, and of Instruction 27.2/1 for orphans' and/or dependants' pensions.*

v) *If the beneficiaries are:*

- *Persons entitled to orphans' and/or dependants' pensions belonging to different family groups, the pension shall be apportioned in accordance with the provisions Instruction 27.2/1.*

*Where, when Instructions 27.1/1, 27.1/2, 27.2/1 are applicable, one of the family groups is affected by a change in situation, the individual entitlement within the other family group shall remain calculated in accordance with the initial apportionment of benefits.*

### **27.1/1 – Coexistence of beneficiaries, without children or dependants, entitled to a survivor's or reversion pension on the one hand, and of orphans and/or dependants on the other, belonging to different family groups**

i) *In this case, the total pension referred to in Article 27, paragraph 1 shall be calculated as if all beneficiaries of the deceased staff member or former staff member formed part of a single family group. This total pension shall comprise:*

- *a survivor's or reversion pension as would be payable to a surviving spouse of the deceased staff member or former staff member in accordance with Article 19 only;*
- *orphans' pensions calculated as if all orphans of the deceased staff member or former staff member belonged to the family group entitled to the survivor's or reversion pension mentioned above;*
- *dependants' pensions calculated theoretically as orphans' pensions before application of the provisions of Article 25 bis, paragraph 2.*

*In accordance with Article 25, paragraph 3 ii), only one minimum orphan's pension (50% of C1/1) shall be taken into account in this calculation.*



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- ii) *The total pension shall be apportioned among:*
- *the surviving spouse or non-remarried former spouse(s) and*
  - *orphans and/or dependants,*

*in proportion to the amounts which would have been payable directly to each of these family groups considered separately, after application of Articles 20 and 22 for the survivor's or reversion pension, Article 25 for orphans' pensions, and Article 25 bis for dependants' pensions.*

- iii) *If the amounts so apportioned exceed the pensions to which the beneficiaries would have been entitled if they had been considered separately, including, for dependants' pensions, after application of Article 25 bis, any such excess amounts shall not be payable.*
- iv) *The minimum amounts laid down for survivors' and reversion pensions and for orphans' and/or dependants' pensions shall no longer apply to the shares actually attributed.*

### **27.1/2 - Coexistence of beneficiaries entitled to a survivor's or reversion pension with children and/or dependants on the one hand, and of orphans and/or dependants belonging to another family group on the other**

- i) *In this case, the total pension, calculated in accordance with Instruction 27.1/1 i) shall be apportioned among:*
- *the surviving spouse or former spouse(s) and the children or dependants thereof; and*
  - *the children and/or dependants belonging to another family group,*

*in proportion to the amounts which would have been payable directly to each of these family groups considered separately, after application, of Articles 20 and 22 for the survivor's or reversion pension, Article 25 for orphan's pensions and Article 25 bis for dependants' pensions.*

- ii) *Within the group consisting of a surviving spouse or former spouse(s) and orphans and/or other dependants, the share going to that group shall be apportioned, for the purpose of calculating the individual entitlement of each member as mentioned above, in proportion to the survivor's or reversion pension on the one hand, and the orphans' and/or dependants' pensions on the other.*
- iii) *If the amounts so apportioned exceed the pensions to which the beneficiaries would have been entitled if they had been considered separately, including after application of Article 25 bis, any such excess amounts shall not be payable.*
- iv) *The minimum amounts laid down for survivors' and reversion pensions and for orphans' and/or dependants' pensions shall no longer apply to the shares actually attributed.*



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### **27.2/1 – Coexistence of beneficiaries entitled to orphans' and/or dependants' pensions belonging to different family groups**

- i) *In this case, the total pension referred to in Article 27, paragraph 2 shall be calculated as if all the persons entitled to an orphan's pension and/or dependant's pension formed part of a single family group. Before apportionment, dependants shall be treated in theory as orphans. This total pension shall comprise:*
  - *a single orphan's pension calculated, as the case may be, in accordance with the provisions of Article 25, paragraph 3 i) if there are one or more persons entitled to a survivor's or reversion pension, or of Article 25, paragraph 4 i) where there are no such persons;*
  - *orphans' pensions equal to the dependent child allowance where there are one or more persons entitled to a survivor's or reversion pension, or to double that allowance where there are no such persons.*
- ii) *This total pension shall be apportioned among the different family groups in proportion to the pensions which would have been payable directly to each of these family groups considered separately.*
- iii) *Within each family group, marriage the share going to that group shall be divided equally among the beneficiaries before application of Article 25 bis, where applicable.*
- iv) *The minimum amounts laid down shall no longer apply to the shares actually attributed.*



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### CHAPTER VI - FAMILY ALLOWANCES

#### Article 28 – General Provisions

1. Household allowance, children's or dependants' allowance, handicapped child allowance and Education Allowance, paid to the staff members of the Organisation as family allowances, are granted and adjusted according to the modalities and conditions of entitlement provided for under the Staff Regulations and Rules and under the present Rules:

- i) to the recipient of a retirement pension as from the age of 60;
- ii) to the recipient of an invalidity pension;
- iii) to the recipient of a survivor's or reversion pension, in respect of the sole beneficiaries who were or would have been recognised as a dependant of the staff member or the former staff member if he had not died.

2. The double entitlement regulations apply to any allowance of a same nature, regardless of its name.

3. a)

4. The household allowance shall be calculated by reference to the pension of the recipient.

b) Where the recipient of a survivor's or reversion pension is a staff member of one of the Organisations listed in Article 1 or is in receipt of a pension assessed by any of these organisations, only one household allowance shall be granted.

c) Where the spouse of a person entitled to a pension referred to in paragraph 1 is a staff member of one of the Organisations listed in Article 1 or is in receipt of a pension assessed by any of these organisations, the household allowance shall only be paid to one of the spouses.

d) Where the spouse of the recipient of a pension referred to in paragraph 1 is entitled, under another scheme, to an allowance of a same nature than the household allowance, only the difference between the amount of the allowance under the present scheme and that of the allowance received by the spouse under the same scheme shall be paid to the recipient of the pension.

4. Where the recipient of a pension referred to in paragraph 1, or his household or the beneficiary concerned, is entitled to allowances referred to in paragraph 1 and also, under another scheme and for the same person, to a children's or dependants' allowance, or a handicapped child allowance of a same nature than those referred to in paragraph 1, the Organisation shall only pay the difference between the amount of the allowances granted under the present scheme and that of the allowances received under the other scheme.

5. The deduction of family allowances received under another scheme, referred to in Article 28, paragraphs 3 and 4, shall be automatic, save where the recipient produces evidence that the above-mentioned scheme makes a deduction of the amounts received under the present scheme.

6. The amount of the allowance for a child or other dependant payable to the recipient



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of a survivor's or reversion pension shall be twice the normal amount.

7. Entitlement to the allowances provided for in this Article shall cease at the end of the month in which the conditions for entitlement to those allowances under the Staff Rules and Regulations of the Organisation are no longer satisfied.

8. The education allowance is granted according to the modalities and conditions of entitlement provided for under the Staff Regulations and Rules and under the present Rules:

i) to the recipients of pensions assessed before 1 January 2025:

- a. to the recipient of a retirement pension as from the age of 60;
- b. to the recipient of an invalidity pension;
- c. to the recipient of a survivor's or reversion pension, in respect of the sole beneficiaries who were or would have been recognised as a dependant of the staff member or the former staff member if he had not died;

ii) to the recipients of pensions assessed from 1 January 2025:

- a. to the recipient of a survivor's pension, in respect of the sole beneficiaries who were or would have been recognised as a dependant of the staff member if he had not died;
- b. to the recipient of an orphan's pension where there is no recipient of a survivor's pension in the family group to which he belongs.

### **Instructions**

#### **28/1 - Entitlement**

*Entitlement to family allowances when pension benefits are being paid shall be subject to the conditions relating to the attribution of such allowances, in accordance with the Staff Regulations and Rules of the Organisation.*

#### **28.1/1 - Early pension**

*Family allowances shall not be paid before the age of 60 to the recipient of an early pension; in such a case, at the age of 60, the household allowance shall be calculated on the basis of the reduced pension, subject to the minimum prescribed by the relevant Staff Regulations and Rules; the other family allowances of fixed amount shall be granted without any reduction.*

#### **28.1/2 Monthly payment**

*Family allowances shall be paid per whole month starting from the 1st of the month following that in which the entitlement has arisen and until the end of the month during which the entitlement ceases.*

#### **28.3 - Household allowance**

*The household allowance to which the recipient of a pension is entitled shall be calculated on the basis of his pension, but shall not be less than the minimum laid down in the scales in force in the Organisations listed in Article 1, save where the allowance is reduced on the basis*





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*of the income of the spouse.*

### **28.8 - Education allowance**

- i) *Entitlement to the education allowance shall be maintained for children dependent on a former staff member, provided that the recipient of a retirement or invalidity pension – or the recipient of a survivor's or a reversion pension – has never ceased residing in the country of the last posting since termination of service and inasmuch as he continues to reside in that country.*
- ii) *In the event of the death of a staff member or of the recipient of a retirement or invalidity pension, without any survivor's or reversion pension being awarded, or in the event of the death of the recipient of a survivor's or reversion pension, any education allowance which was being paid at the time of the death shall continue to be paid unchanged in its amount, for as long as the child concerned meets the conditions to be considered a dependent child under the Staff Regulations and Rules of the Organisations.*



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### CHAPTER VII - CEILING ON BENEFITS

#### Article 29 - Ceiling on benefits for surviving spouse, former spouse(s), orphans and/or dependants

1. Where a staff member dies, the total amount payable in respect of survivor's, orphan's and dependant's pensions and of family allowances shall not exceed the maximum of the retirement pension referred to in Article 10, paragraphs 2 and 3, together with the family allowances to which the deceased staff member was entitled. In any event, this total shall not exceed the last salary received by the staff member together with the family allowances to which he was entitled.
2. Where a former staff member drawing a retirement pension dies, the total amount payable in respect of reversion, orphan's and dependant's pensions and of family allowances shall not exceed the amount of the pension and family allowances received by the former staff member.
3. Where a former staff member entitled to a deferred or invalidity pension dies, the total amount payable in respect of reversion, orphan's and dependant's pensions and of family allowances shall not exceed the amount of the retirement pension and family allowances he would have received if he had reached the statutory age limit at the time of his death.
4. The amounts payable in respect of survivor's, reversion, orphan's and dependant's pensions shall, where applicable, be reduced in proportion to the share of each beneficiary.

#### **Instructions**

#### **29/1 - Ceiling on benefits payable to a surviving spouse, former spouse, orphans and/or dependants (\*)**

- i) *Save where Article 10, paragraph 3 applies, the maximum of the retirement pension referred to in Article 29, paragraph 1 shall be 70 percent of the salary defined in Article 10, paragraph 1, as adjusted in accordance with the provisions of Article 36; the same adjustments shall be applied to the family allowances referred to in Article 29, as well as to retirement pensions, deferred or not, and to the invalidity pensions referred to in Article 29, paragraphs 2 and 3.*
- ii) *The ceilings stipulated in Article 29 shall be reviewed whenever changes are made to the basis for calculating the benefits due.*
- iii) *For the purposes of applying the instructions of this Article, account shall be taken of deductions actually made in respect of allowances received from another source.*

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(\*) *The entitlements which might have been granted prior to 1<sup>st</sup> November 1988 shall be maintained*



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### **29.3/1 - Ceiling in the event of the death of a person entitled to a deferred retirement pension or who was drawing an early retirement pension**

*Where a deceased former staff member was entitled to a deferred retirement pension or was drawing an early retirement pension, the family allowances to which he would have been entitled at age 60, but which were not paid, shall nevertheless be taken into account in calculating the ceiling referred to in Article 29.*

### **29.3/2 - Ceiling in the event of the death of a person drawing an invalidity pension under Article 14, paragraph 2**

*In the event of the death of a former staff member drawing an invalidity pension under Article 14, paragraph 2, the ceiling to be applied shall be the amount of the pension and allowances he was receiving at the time of his death.*

### **29.4/1 - Amount of the reduction applicable to survivors', reversion, orphans' and/or dependants' pensions**

*The reduction shall be applied to survivors', reversion, orphans' and/or dependants' pensions. The reduction shall be apportioned among the beneficiaries in proportion to the benefits payable in application of the provisions of Chapter IV (Survivor's and Reversion Pensions) and Chapter V (Orphan's Pension and Dependants' Pension).*

### **29.4/2 - Statutory minimum amounts**

*The minimum amounts laid down shall not apply to survivors', reversion, orphans' and/or dependants' pensions reduced in accordance with the provisions of Article 29.*



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### CHAPTER VIII - PROVISIONAL PENSIONS

#### Article 30 - Conditions of entitlement

1. Where a staff member or former staff member entitled to a retirement or invalidity pension, has been missing for more than one year in circumstances justifying a presumption of death, the persons entitled under him may provisionally be awarded a survivor's, reversion, orphan's or dependant's pension, as appropriate.
2. The provisions of paragraph 1 above shall apply mutatis mutandis to persons recognized as dependants of a person in receipt of a survivor's or reversion pension, who has been missing for more than one year.
3. Provisional pensions under paragraphs 1 and 2 above shall be converted into definitive pensions when the death of the staff member, former staff member, spouse or former spouse has been established officially or when that person has been declared missing by a final Court decision.

#### ***Instruction***

#### **30.3 - Forfeiture of rights**

*The time limits laid down by Article 35, paragraphs 2 and 3 shall run from the date of the Court decision declaring him to be missing referred to in Article 30, paragraph 3.*



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### **CHAPTER IX - DETERMINATION OF THE AMOUNTS OF BENEFITS**

#### **Section 1 : ASSESSMENT OF ENTITLEMENT**

##### **Article 31 - Organisation responsible for the assessment**

1. The assessment of entitlement to the benefits payable under these Rules shall be made by the Organisation, with the assistance of the International Service for Remunerations and Pensions, also responsible for such part of the work as can be centralised.
2. A detailed statement of the assessment shall be communicated to the staff member or the persons entitled under him after approval by the Organisation on the advice of the Pensions Administrative Committee of the Co-ordinated Organisations (CAPOC) referred to in Article 51.
3. Until this approval has been given, pensions shall be paid on a provisional basis.

#### ***Instruction***

##### ***31.2 - Pension statement***

- i) On the termination of service of a staff member, the Organisation shall draw up a statement of his pension rights, in the form provided for this purpose.*
- ii) When a staff member enters the service of another Co-ordinated Organisation, he shall hand over the form provided for this purpose.*
- iii) The Organisation making the assessment of entitlement to benefits must take account of all reckonable years of service which have been credited including, where applicable, service in more than one of the Co-ordinated Organisations.*

##### **Article 32 - No double entitlement**

1. Without prejudice to the application of Articles 4 and 5, the following may not be paid concurrently out of the budgets of one or more of the Organisations listed in Article 1:
  - i) a retirement and an invalidity pension as provided for in these Rules or under the Rules of the New Pension Scheme or of the Defined Benefit Funded Pension Scheme (\*);
  - ii) a retirement or invalidity pension and a loss-of-employment indemnity not paid as a lump sum;
  - iii) two retirement pensions (\*).

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(\*) *Except for long term consultants of the ECMWF.*



## WEU PENSION SCHEME RULES

2. Recipients of a retirement or invalidity pension under the present Rules may not be granted the status of a staff member in the meaning of Article 1. The modalities for double entitlement to a retirement pension and any other remuneration paid by a Co-ordinated Organisation shall be defined by each Organisation.

3. Where they are due to the same cause, there can be no double entitlement to benefits under the present Rules and annuities under a scheme distinct from the Pension Scheme and financed by an Organisation listed in Article 1.

### **Instructions**

#### **32.1 - Double entitlement as regards retirement or invalidity pensions**

- i) *In view in particular of the rules contained in Article 5, paragraph 2, two retirement pensions under these rules may not be paid by two Organisations listed in Article 1.*
- ii) *Double entitlement to a retirement and invalidity pension, granted under the present Rules, under the Rules of the New Pension Scheme or under the Rules of the Defined Benefit Funded Pension Scheme, shall be forbidden; in calculating an invalidity pension granted under Article 14, paragraph 1, the abatements prescribed in Article 5, paragraph 2 shall be applied in cases where retirement pension payments previously received have not been refunded.*
- iii) *Double entitlement to a retirement or invalidity pension and to an indemnity for loss of employment paid month by month on the basis of the salary being received by the staff member at the time of leaving shall be prohibited.*

#### **32.2 - Double entitlement to benefits granted under schemes distinct from the Pension Scheme**

*Where they are due to the same cause, the annuities or pensions for permanent invalidity or granted in the event of the death of a staff member or former staff member to the spouse and/or former spouse, orphans and/or dependants under a scheme distinct from the Pension Scheme shall be deducted from the amount of the relevant pensions due and calculated under the present Rules, if they were financed wholly or in part by an Organisation listed in Article 1.*

*The preceding provisions shall not relieve staff members of their financial obligations to credit past services which derive from Articles 44 and 49.*

### **Article 33 - Basis of calculation**

1. Pensions provided for in the Rules shall be calculated by reference to the salary defined in Article 3 and to the scales applicable to the country of the staff member's last posting.



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2. However, if the former staff member settles subsequently:
- i) in a Member country of one of the Co-ordinated Organisations of which he is a national, or
  - ii) in a Member country of one of the Co-ordinated Organisations of which his spouse is a national or,
  - iii) in a country where he has served at least five years in one of the Organisations listed in Article 1,

he may opt for the scale applicable to that country.

The option shall apply to only one of the countries referred to in this paragraph, and shall be irrevocable except where paragraph 3 below is applicable.

3. On the death of his spouse a former staff member who settles in the country of which he is a national, or of which such deceased spouse was a national, may opt for the scale applicable in that country.

The same option shall be open to the surviving spouse or former spouse of a former staff member and to orphans who have lost both parents.

4. These options, available under paragraphs 2 and 3, shall be irrevocable.

5. If the staff member, spouse, former spouse or orphan opts for the scale of a country referred to in paragraph 2, but there is no scale approved by the Organisation for that country, the scale applicable to the country in which the Organisation responsible for paying his pension has its headquarters shall be applied temporarily until a scale had been adopted for the country chosen.

6. The amount of the pension based on the scale chosen shall be calculated in accordance with Article 36.

7. The provisions of paragraph 2 above do not apply to the benefits under Article 11. However, a staff member who settles in a country of which he is a national may have the leaving allowance provided for in Article 11 ii) calculated in accordance with the scale for that country, provided such a scale has been approved by the Organisation at the time of his departure.

### ***Instructions***

#### ***33/1 – Proof of residence***

*Within the meaning of Article 33, the settlement of a pensioner refers to his principal and effective residence, with the transfer of the permanent and usual centre of his interests and the will to confer stability to such a residence.*

*The option is granted as from the month following the date on which the pensioner proves, to the satisfaction of the Organisation, that he has his principal and effective residence in the*





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country in question. The Organisation may in particular request:

- A recent certificate of residence;
- A certificate of removal from the population registry of the former place of residence;
- A copy of a recent invoice (water, gas, electricity, fixed telephone) established after the date of the removal and for the name and address of the person concerned;
- A copy of the rent contract or of the purchasing deed of the residence;
- A copy of the removal invoice;
- Evidence of being subject to property or residence tax;

or any other evidence it deems relevant.

### **33/2 - Alteration due to the exercise of an option**

Where, in application of Article 33, benefits under the Pension Scheme are to be calculated on the basis of a scale other than that which was in force at the time when the right to the benefits arose, then the amount of such benefits must, for the purpose of their payment as from the exercise of the option concerned, be recalculated on the basis of the new scale, in accordance with the provisions of Article 36, paragraph 5.

#### **33.3/1 – Option in cases where there are beneficiaries belonging to different family groups**

- i) Where an option is exercised by a surviving spouse or by children both of whose parents are deceased, and there are other beneficiaries, benefits shall be apportioned in accordance with the provisions of Article 22 or Article 27, as the case may be, and with the Instructions thereto, on the basis of the scale applicable to the country of the staff member's or former staff member's last posting or, in cases to which Article 33, paragraph 2 applies, the scales for which an option has been exercised by the former staff member prior to his decease;
- ii) The share of benefit apportioned to each beneficiary of the option shall be expressed as a percentage of the basic salary for the grade and step used in calculating the theoretical survivor's or reversion pension;
- iii) the share apportioned to the beneficiary of the option referred to in Article 33, paragraph 3 shall be equal to the basic salary corresponding to the grade and step referred to in sub-paragraph ii) of the scale applicable in the country chosen, multiplied by the percentage referred to in the same sub-paragraph.

#### **33.3/2 - Transitional arrangements**

If the persons entitled under a staff member who has died before having exercised his right of option choose the Pension Scheme under Article 43 and 44 of the Rules, the scale - other than that of the last country of service - for which they opt pursuant to Article 33 of the Rules



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*shall be irrevocably applicable. However, where the surviving spouse dies after having exercised the said irrevocable option, the orphans may in their turn exercise a joint option which shall also be irrevocable.*

### **33.5 - Calculation following approval of a new scale**

*In cases where Article 33, paragraph 5 is applied, benefits are calculated under the new scale as from the date of its entry into force, with no retroactive effect.*

### **Article 34 - Re-assessment - Cancellation**

1. Benefits may be re-assessed at any time in the event of error or omission of any kind. Any undue payments must be reimbursed; they may be deducted from the benefits payable to the person concerned or to the persons entitled under him or from the amounts due to his estate. The reimbursement may be spread over a period.

2. Benefits shall be subject to modification or cancellation if their award was contrary to the provisions of these Rules.

### **Article 35 - Requirement of evidence - Forfeiture of rights**

1. Persons who are eligible for benefits under these rules shall inform the Organisation or the International Service for Remunerations and Pensions of any facts which may affect their entitlement to benefits and to furnish such supporting evidence as may be required of them.

Should they fail to comply with these obligations, they may be deprived of the right to benefits under this Scheme; save in exceptional circumstances, they shall refund any sums received to which they were not entitled.

2. Where the surviving spouse, orphans or other dependants of a deceased staff member or former staff member fail to apply for their pension within twelve months from the date of his death, payment of the benefits under these Rules may, at the discretion of the Organisation, be deferred until the first day of the month following that in which they make their application.

3. Where a staff member's or former staff member's former spouse referred to in Article 22 fails to apply for a pension within twelve months from the date of his death, the former spouse's rights may, at the discretion of the Organisation, be wholly forfeited.

### ***Instructions***

#### **35.1/1 - Statement by staff member or persons entitled under him**

*Subject to the provisions of Instruction 30.3, the recipient of any benefit under the Pension Scheme Rules shall be required to fill out and sign the form to verify continuing entitlement which is sent to him every year.*

#### **35.1/2 - Refund of amounts incorrectly received**

*All amounts incorrectly received shall be refunded pursuant to Articles 34 and 35, in the*



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*manner prescribed in the Rules and Regulations applicable to staff serving in the Organisation, without prejudice to the special provisions laid down for implementing Article 42 with regard to taxation.*

### **35.1/3 – Obligation on claimants to make themselves known**

*In the absence of a statement provided for under Instruction 35.1/1, it is the responsibility of persons entitled under a deceased staff member or former staff member to notify their existence to the Organisation which they consider to be liable for the payment to them of benefits under the Pension Scheme, except for those cases where notification is the responsibility of the Organisation under Article 43, paragraphs 2 iii) and 3 ii).*

### **35.1/4 – Notifying beneficiaries**

*The Organisation shall then inform the beneficiaries concerned of the benefits which they may claim under the Pension Scheme Rules.*

## **Section 2 : ADJUSTMENT OF BENEFITS**

### **Article 36 - Adjustment of Benefits**

1. The Organisation shall adjust pensions, every year, in accordance with the revaluation coefficients based on the consumer price index for the country of the scale used to calculate each pension.

It shall also adjust them in the course of the year, for any given country, when prices in that country show an increase of at least 6%.

2. At regular intervals, the Secretary-General shall establish a comparison of the difference between increases in salary and increases in pensions, and may, where appropriate, propose measures to reduce it.

3. When the beneficiary of a pension dies, any reversion, orphan's and/or dependant's pensions that may be due shall be calculated as follows:

- i) The pension(s) shall be calculated:
  - with reference to the scale in force on 31 December 2019 if the deceased pensioner's entitlement was assessed prior to 1 January 2020;
  - with reference to the scale in force at the date on which the deceased former staff member's pension was assessed if such entitlement was assessed from 1 January 2020.
- ii) Said scale shall be updated, as from that date, by application of the pensions revaluation coefficients for the country in question.

4. If the beneficiary of an invalidity pension, which was not awarded under Article 14, paragraph 2, reaches the age limit laid down in the Staff Rules and Regulations, his invalidity pension shall be converted, in accordance with Article 17, paragraph 2, to a retirement pension



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calculated using the following method:

- i) The pension(s) shall be calculated:
  - with reference to the scale in force on 31 December 2019 if the deceased pensioner's entitlement was assessed prior to 1 January 2020;
  - with reference to the scale in force at the date on which the deceased former staff member's pension was assessed if such entitlement was assessed from 1 January 2020.
- ii) Said scale shall be updated, as from that date, by application of the pensions revaluation coefficients for the country in question.

5. If the beneficiary of a pension exercises one of the options under Article 33, the following calculation shall be made:

- i) The pension(s) shall be calculated:
  - with reference to the scale in force on 31 December 2019 for the country selected if the pension was assessed prior to 1 January 2020;
  - with reference to the scale in force at the date of its assessment for the country selected if the pension was assessed from 1 January 2020.
- ii) Said scale shall be updated, as from that date, by application of the pensions revaluation coefficients for the country in question.

### ***Instruction***

#### **36.1/1 – Notifying beneficiaries**

*Adjustments to pensions currently being paid shall be notified in writing to the beneficiaries of such pensions, either by the Organisation or, as instructed by it, by the International Service for Remunerations and Pensions.*

#### **36.1/2 – Consumer Price Indices**

*Consumer price trends shall be monitored with reference to the Harmonised Index of Consumer Prices (HICP), or where these series are not available, the national Consumer Price Indices (CPI) used in the salary adjustment procedure in force in the Organisation. The annual adjustment index shall be the evolution in consumer prices between 1<sup>st</sup> January of the year of the annual adjustment and 1<sup>st</sup> January of the previous year, less any special adjustment granted during this period.<sup>1</sup>*

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<sup>1</sup> By way of derogation and for the purpose of the annual adjustment of pensions on 1 January 2021, as well as for any special adjustment until that date as referred to in Implementing Instruction 36.1/4, consumer prices trends shall be monitored as from 1 July 2019.



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### **36.1/3 – Date of effect of the annual adjustment**

*The effective date of the annual adjustment shall be 1<sup>st</sup> January.*

### **36.1/4 – Special adjustment in the event of price evolution of at least 6% during the year**

*Whenever the 6 % inflation threshold is exceeded, the special adjustment applied to pensions shall be equal to the change in consumer prices between the month in which the previous adjustment took effect and the month in which the special adjustment threshold is exceeded. Any special adjustment shall take effect in the month following the month in which the threshold was exceeded. The monitoring of consumer price trends shall then be reset, taking the consumer price index of the month during which the high inflation threshold was reached as the basis to further monitor inflation until the next special or annual adjustment.*

### **36.1/5 – Procedure for granting the special adjustment**

*Any special adjustment is granted provisionally until PACCO's issuance of a technical opinion recommending, where applicable, the definitive granting of this special adjustment. PACCO's technical opinion is communicated to the CRSG for information.*

## **Section 3 : PAYMENT OF BENEFITS**

### **Article 37 - Mode of Payment**

1. Subject to the provisions of Article 11 and unless otherwise provided under these Rules, pensions, family allowances and provisions for tax adjustments shall be paid monthly in arrears.
2. These amounts shall be paid by the Organisation, or by the International Service for Remunerations and Pensions if it has been empowered to do so.
3. Benefits shall be paid in the currency used in their calculation in accordance with Article 33.
4. Benefits shall be paid to the recipient by bank transfer to an account either in the country of the scale used to calculate these benefits, or in the country where the recipient resides.

### ***Instruction***

#### **37.1 - Date of payment**

*Pensions, family allowances and provisions for tax adjustments shall be paid in arrears on the last working day but two of the month to which they relate.*



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### **Article 38 - Sums owed to the Organisation**

1. Any sum owed by a staff member, former staff member or pensioner to any of the Organisations listed in Article 1 at the date when the benefits are payable under these Rules shall be deducted from the amount of these benefits or from the benefits payable to those entitled under him. The deduction may be spread over a period.

#### ***Instruction***

#### ***38.1 - Buying back rights - Credit for past service***

*Any amounts remaining due on the death, recognition of invalidity or termination of service of a staff member, in respect of pension rights bought back under Article 5 or credited under Articles 44 and 49, shall constitute a debt owed to the Organisation by the staff member or the persons entitled under him or the estate*

*Payment to the Organisation of any amounts thus owing shall be made pursuant to the special condition agreed to by the staff member at the time of his application to buy back or to be credited with pension rights; this condition shall give the Organisation a preferential right to deduct such amounts from the capital sums due at the time of death or recognition of invalidity, or of termination of service, where appropriate, under the conditions provided for in Instructions 5.1 and 5.5.*

### **Article 39 - Right of subrogation**

1. Where a staff member's invalidity or death is attributable to a third party, the award of the benefits provided for in these Rules shall in principle be made subject to the beneficiary assigning to the Organisation his claims against such third party, up to the amount of such benefits.

2. However, the Organisation may waive its right to take action pursuant to such subrogation against the third party concerned where special circumstances justify such a waiver.



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### **CHAPTER X - FINANCING THE PENSION SCHEME**

#### **Article 40 - Charge on budgets**

1. Benefits paid under this Pension Scheme shall be charged to the budgets of the Organisation responsible for the assessment of these benefits pursuant to Article 31.
2. The Member States of the Organisation jointly guarantee the payment of these benefits.
3. In the event of a merger, reconstitution or other transformation or in the event of dissolution of the Organisation, the Council or any ad hoc body set up, where required in one of the afore-mentioned cases, shall take the necessary measures to ensure uninterrupted payment of the Pension Scheme benefits until the cessation of entitlement of the last beneficiary.
4. Should a country, being a Member or ex-Member of the Organisation, fail to comply with its obligations under this Article, the other countries shall meet the cost thereof in proportion to their contribution to the budget of the Organisation as fixed annually from and after the said country's default.

#### **Article 41 - Staff members' contribution - Costing the Scheme**

1. Staff members shall contribute to the Pension Scheme.
2. The staff members' contribution to the Pension Scheme shall be calculated as a percentage of their salaries and shall be deducted monthly.
3. The rate of the staff contribution shall be set so as to represent the cost, in the longer term, of one-third of the benefits provided under these Rules.
4. The rate of the staff contribution shall be 11.8% (\*).
5. An actuarial study shall be carried out every five years for all the Organisations, using the method described in Annex. In accordance with the result of that study, the staff contribution rate shall automatically be adjusted, with effect from the fifth anniversary of the preceding adjustment, the rate being rounded to the nearest first decimal.

However in the event of exceptional circumstances, the Co-ordinating Committee on Remuneration (CCR) could recommend that the date of that study, and of any adjustment of the contribution rate resulting therefrom, be advanced.

In such a case, the normal 5-year interval between two studies and any adjustment of contributions resulting therefrom shall begin as from the date of that supplementary study except for a new application of the provisions of the preceding sub-paragraph.

6. Contributions properly deducted shall not be recoverable. Contributions improperly

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(\*) *Latest revision in accordance with 266<sup>th</sup> CCR Report. Nevertheless this percentage is no longer applicable to WEU.*





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deducted shall confer no rights to pension benefits; they shall be refunded, at the request of the staff member concerned or of those entitled under him, without interest.

### ***Instructions***

#### ***41.1/1 - Sickness***

*The staff members' contribution to the Pension Scheme shall be paid during sick leave and during periods of temporary incapacity following such leave if the staff member concerned continues to receive an allowance equal to the whole or part of his emoluments. This contribution shall be calculated in relation to the portion of the allowances corresponding to salary, but reckonable years of service shall be counted at the full rate, subject to the provisions applicable in the event of temporary incapacity during a period of part-time service.*

#### ***41.1/2 - Leave for personal reasons***

*A staff member may not pay pension contributions during periods of leave for personal reasons of more than six months' duration, and during such periods the staff member shall not acquire any pension rights.*

*However, the persons entitled under him shall be entitled to receive benefits under the conditions set out in Instruction 18.1.*



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### CHAPTER XI - PROVISIONS RELATING TO ADJUSTMENT OF PENSIONS

#### Article 42 - Pensions which are subject to national tax legislation

1. The recipient of a pension under these Rules shall be entitled to the adjustment applying to the Member Country of the Organisation in which the pension and adjustment relating thereto are chargeable to income tax under the tax legislation in force in that country.

2. The adjustment shall equal 50 percent of the amount by which the recipient's pension would theoretically need to be increased, were the balance remaining after deduction of the amount of national income tax or taxes on the total to correspond to the amount of the pension calculated in accordance with these Rules.

For such purpose, there shall be drawn up, for each Member Country, in accordance with the Implementing Instructions referred to in paragraph 6, tables of equivalence specifying, for each amount of pension, the amount of the adjustment to be added thereto. The said tables shall determine the rights of the recipients.

3. In calculating the theoretical amount of income tax or taxes referred to in paragraph 2 of this Article, account shall be taken only of the provisions of tax legislation and regulations affecting the basis of liability and the amount of income tax or taxes for all pensioner-taxpayers in the country concerned.

Pensioners without spouse or dependants shall be deemed to be in the position of a pensioner without entitlement to any tax reliefs or allowances for family responsibilities, all other recipients being deemed to be pensioners enjoying the tax reliefs and allowances of a person who is married without children.

No account shall be taken:

- of individual factors related to the personal circumstances or private means of a particular pensioner,
- of income other than that arising under these Rules,
- of the income of the spouse or dependants of the pensioner.

On the other hand, account shall, in particular, be taken of circumstances arising in the course of the year as a result of:

- a change in civil status or settlement in another place of residence with a different taxation system,
- commencement or cessation of payment of the pension.

4. The Organisation shall supply the Member countries concerned with the names, forenames and full address of pensioners and the total amount of the pension and adjustment.

5. The recipient of an adjustment as specified in this Article shall be required to inform



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the Organisation of his full address and of any subsequent change therein.

Such recipient shall produce evidence of his pension and the relative adjustment having been declared or taxed; should he fail to comply with this obligation, he shall be deprived of the right to this adjustment and shall refund any amounts unduly received in this respect.

6. The other procedures for calculating the adjustment and, in particular, those necessitated by the special features of certain national tax laws, and the procedure for payment of the adjustment shall be laid down in the Implementing Instructions established in accordance with the tax legislation of Member Countries.

Notwithstanding Article 52, the implementing provisions referred to in this paragraph shall require approval by the Councils of the Organisations listed in Article 1.1.

### **Instructions**

#### **42/1 - Scope and calculation of the adjustment**

1. *Article 42 of the Pension Scheme Rules shall apply only if the pension and the adjustment relating to it are subject to taxes on income levied in a Member Country of the Organisation. The family allowances provided for in Article 28 of the Pension Rules shall be assimilated to pensions in determining the tax adjustment insofar as similar allowances are taxable under the national tax legislation of the Member country.*

2. *The adjustment referred to in Article 42 of the Pension Scheme Rules shall be determined on the basis of the legal provisions relating to taxes on income in force in the Member country in which the pensioner is legally subject to such taxation. It shall be established in respect of pensions paid during the tax period as determined in that country.*

3. *Where the pension of a person entitled to the adjustment is paid in a currency other than that of the country in which such person is subject to taxes on income, the adjustment shall be determined on the basis of the pension converted into the currency of that country. Such conversion shall be effected at the rate obtained on the official exchange market.*

4. *Where the amounts paid during any tax period include arrears of pension relating to any previous period, the adjustment shall be determined or recalculated, as the case may be, with due regard to the tax treatment applicable to such arrears.*

#### **42/2 - Establishment of tables of equivalence for payment of the adjustment**

1. *Tables of equivalence for payment of the adjustment shall be established for each tax year by the International Service for Remunerations and Pensions, hereinafter referred to as "the Service".*

2. *The tax authorities of Member countries shall provide the Service, at its request, with the details of legislation and regulations necessary for establishing the tables. The tables shall be checked and confirmed by the tax authorities of the Member country concerned. In the event of disagreement between such authorities and the Service on the content of the tables, the Secretaries-General and the Co-ordinating Committee shall consider the matter on the*



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basis of Article 42 of the Pension Scheme Rules and of these Implementing Instructions.

3. *Provisional tables of equivalence shall be drawn up prior to the commencement of the period to which they refer. They shall show, for rounded pension figures and in respect of each Member country, an amount equivalent to 90 percent of the monthly adjustment calculated according to the distinctions contained in Article 42.3 of the Pension Scheme Rules and on the basis of the tax legislation in force at the time of drawing up the tables.*

4. *The provisional tables shall be revised whenever amendments to tax legislation involve a change in the amount of the adjustment. The Secretaries-General and the Co-ordinating Committee may however decide by mutual agreement to dispense with the updating of tables in cases where the balance of gain or loss is minimal.*

5. *As soon as the authorities in Member countries have finally adopted the tax legislation applicable to income for the period covered by the provisional tables, these latter shall be replaced by final tables establishing the rights of recipients in accordance with Article 42.2 of the Pension Scheme Rules. These final tables shall show the amount of the adjustment for the whole of the period which they cover, as well as the monthly amount of the adjustment.*

6. *The provisional and final tables of equivalence shall be accompanied by all such information as is necessary for their use. Such information shall include:*

- *the rules to be observed in cases where changes in family status, dependants or permanent address (domicile) of the person entitled to the adjustment may affect the amount of the adjustment which the person concerned may claim;*
- *the names and addresses of the tax authorities to which the Organisations supply the information specified in Article 42.4 of the Pension Scheme Rules;*
- *the evidence to be supplied by persons entitled to the adjustment as proof of the declaration for tax purposes, or the taxation, of their pension and the adjustment relating thereto;*
- *the dates for making such declarations and for paying the tax in those Member countries which have been authorized to avail themselves of the provisions of Instruction 42/3, paragraph 2 below.*

### **42/3 - Method of payment of the adjustment**

1. *The adjustment shall be paid by monthly instalments by way of advance at the same time as the pension and in an amount corresponding to that appearing in the provisional tables of equivalence referred to in Instruction 42/2, paragraph 3 above. The amounts of pension, arrears of pension and adjustment shall be shown separately on the instrument of payment issued to the recipient.*

2. *At the request of a country, the Secretaries-General and the Co-ordinating Committee may, by mutual agreement, decide that by way of exception to paragraph 1, there shall be a time lag in payment of the monthly instalments of the adjustment relating to that country, provided however that payment of the whole of the monthly instalments shall be finalized*



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before the ultimate date for payment of the tax to which they refer.

3. As soon as the final tables of equivalence are available, the total amount of the monthly instalments paid in respect of the tax period shall be compared to the final amount of the adjustment due for the whole of that period. Any excess or shortfall shall be rectified but so, however, that the amount involved shall not be taken into account in determining the adjustment in respect of the following tax year.

4. The adjustments shall be paid in the currency of the country in which the recipient is subject to taxes on income.

### **42/4 - Information to be supplied to Member countries by the Organisation**

1. The particulars specified in Article 42/4 of the Pension Scheme Rules shall consist of the following:

- a) a personal particulars form giving the name and forenames, full address and, where applicable, the residence for tax purposes (domicile fiscal) of the pensioner, the total amount of pension paid for the period constituting the tax year, the final amount of the adjustment arrived at for such period, and the amount of arrears of pension, identifying the year to which such arrears relate;
- b) a master list reproducing, for each country, the information contained in the personal particulars forms.

2. The particulars listed in paragraph 1 of this Instruction shall be supplied to the tax authorities of the country in which the persons concerned are subject to taxes on income. A copy of the personal particulars form shall be sent to the pensioner and a copy of the master list shall be sent to the Representative of the country in question to the Organisation.

3. The obligations specified in this Instruction shall be complied with at the time of the rectification referred to in Instruction 42/3, paragraph 3 above.

### **42/5 - Evidence of payment of tax**

The tax authorities referred to in Instruction 42/2, paragraph 6 above shall inform the Service of the evidence by which, in accordance with Article 42.5 of the Pension Scheme Rules, recipients of the adjustment may establish that their pension and the relevant adjustment have been declared for tax purposes or have been taxed.

### **42/6 - Financing the adjustment**

1. The cost of the adjustment provided for in Article 42 of the Pension Rules shall be borne by the country in which the recipient thereof is subject to taxes on income for the period considered.

2. Expenditure arising under paragraph 1 of this Instruction shall be the subject of a separate Budget which shall be drawn up at the same time as the other Budgets of the Organisation. Final settlement of the contributions to this separate Budget shall be made at



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*the end of the period to which it relates.*

### **42/7 - Transitional measures**

1. *Arrears of pension relating to tax periods prior to the approval of the Pension Scheme Rules by the Council shall be treated as contributions towards the purchase of pension rights to the extent that they are set off against capital due for the crediting of the pensioner's past service.*

2. *The effect of this provision on the amount of the adjustment shall be determined by the tax authorities mentioned in Instruction 42/2, paragraph 6 above, in collaboration with the Service.*

### **42/8 - Date of effect**

*These Implementing Instructions shall take effect on the date of entry into force of the Pension Rules.*



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### CHAPTER XII - TRANSITIONAL ARRANGEMENTS APPLICABLE TO STAFF WHOSE SERVICE BEGAN BEFORE 1ST JULY 1974

#### Section 1 : STAFF WHOSE SERVICE DID NOT TERMINATE BEFORE 1ST JANUARY 1973.

##### Article 43 - Scope

1. Permanent staff serving on 1st July 1974, must, within the period referred to in paragraph 4 i) of this Article, state in writing which one of the options referred to in Articles 44, 45 and 48 they wish to select. Staff failing to make their choice within that period shall be deemed to have chosen the option under Article 44 and to elect to be credited with past service for the periods referred to in paragraph 2 of that same Article.

This choice shall be irrevocable both for the staff member and for persons entitled under him.

2.

- i) Should a staff member who was serving on 1st July 1974 become incapacitated without having made the choice referred to in this Article, his choice will in future be limited to Articles 44 and 48.
- ii) Should a staff member who was serving on 1st July 1974 die without having made the choice referred to in this Article, his spouse or, in the event of the latter's death, his orphans or other dependants, may only make the choices referred to in sub-paragraph i) above.
- iii) The choice in favour of Article 44 or 48 must, in any event, be made by the staff member, or the persons entitled under him, within the period referred to in paragraph 4 i) of this Article, or, in the event of death of the staff member or his spouse, six months after the date on which the Organisation has notified the new scheme to the persons entitled under them.

In the cases dealt with in this paragraph 2, if the choice is not made within the time limit laid down, the staff member or the persons entitled under him shall be deemed to have made the choice covered by Article 48.

3.

- i) Staff who have left the Organisation between 1st January 1973 and 1st July 1974 may also opt for the Pension Scheme under the terms of Article 44 provided they make an application to this effect within the period referred to in paragraph 4 i) of this Article.
- ii) Should a staff member to whom this paragraph applies die without having opted for Article 44, the persons entitled under him may exercise such option not later than six months after the date on which they have been notified of the new scheme by the Organisation.

4.

- i) The option period provided for in this Article shall end in each of the





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Organisations listed in Article 1.1 one year after final approval of these Rules has been given by the Council of the said Organisation, save in the cases referred to in paragraphs 2 iii) and 3 ii) of this Article.

- ii) The options provided for under this Section of the Rules shall take effect on 1st July 1974; however, the option referred to in paragraph 3 above shall take effect on the date of the award of the benefits under the Pension Scheme, but not earlier than 1st January 1973.

### **Instructions**

#### **43/1 - Time for exercising options and statement of the position of each staff member**

- i) *The time limits laid down in Articles 43 and 44 of the Rules shall begin to run from the date fixed by the Council of the Organisation at the time of the approval of the Pension Scheme Rules.*
- ii) *A statement of the position of each staff member, to be established provisionally as at 1st January 1977 shall show as at that date:*
  - *the actual amount of the staff member's holding in the Provident Fund;*
  - *the amount of contributions paid after 1st July 1974, such contributions being the property of the Organisation, with the actual yield thereon, save where the option under Article 48 of the Rules is exercised;*
  - *the amount due in accordance with the provisions implementing Article 44 of the Rules, should the person concerned opt to be credited with all service completed as a permanent staff member prior to 1st July 1974, or prior to termination of service if this occurred before 1st July, 1974.*
- iii) *The options provided for in Article 43 of the Rules shall be exercised in the Organisation where the staff member is actually serving before the end of the transitional period; if the staff member has transferred from one Organisation to another between 1st July 1973 and the end of the option period, and any break in service does not exceed six months, the said staff member shall be entitled to the same options.*

#### **43/2 - Option exercisable by widow**

*In application of Article 43.2 ii) and 3 ii) of the Rules, the right to exercise an option shall be accorded only to the widow of the deceased staff member, to the exclusion of any former wife.*

*However, where the deceased staff member has left neither a widow nor any orphans but an un-remarried former wife to whom he was paying maintenance, such ex-wife may exercise the option provided for in Article 43.2 ii) of the Rules.*



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### Article 44 - Pension with credit for past service

1. A staff member to whom this Section of the Rules applies and who has chosen the option provided for by this Article shall be bound by the terms of the Pension Scheme, and be credited with any periods served by him before 1st July 1974 in one or more of the Organisations listed in Article 1.

2. A staff member credited with past service under paragraph 1 shall surrender his holding in the Provident Fund.

However,

- i) for the period prior to the setting-up of the Provident Fund, the staff member shall retain the difference between a) the amounts contributed by the Organisation plus their yield up to the date when the option referred to in Article 43.4 ii) takes effect, and b) the aforesaid amounts plus compound interest at 4 percent per annum up to the aforesaid date.
- ii) for the period between the setting-up of the Provident Fund and the date when the option referred to in Article 43.4 ii) takes effect, the staff member shall retain such part of his holding as exceeds 21 percent of the salaries paid to him during this period plus compound interest at 4 percent per annum on the said amount of 21 percent up to the aforesaid date;
- iii) notwithstanding the provisions of sub-paragraphs i) and ii) above, a staff member may not retain that part of his Provident Fund holding which corresponds to any interest-bonuses granted in certain Organisations.

The cost of crediting past service under this paragraph shall be determined in nominal terms in the currency of the country or countries of service where the salaries used as a basis for the calculation of contributions were actually paid, the necessary conversions into the currency ultimately used for keeping the individual accounts being effected on the basis of exchange rates in use for Provident Fund operations on the date when the option takes effect. In cases where the Provident Fund holding paid over to a staff member when he left is refunded, the cost of crediting past service may be paid directly in the currency (or currencies) in which the contributions were payable.

The crediting of past service in the manner prescribed in this paragraph shall be irrevocable and must include all periods of service covered by this paragraph.

3.
  - i) Where a staff member has exercised his right to make withdrawals from his Provident Fund holding and where, in consequence, the amount standing to his credit is less than the amount he would have surrendered under paragraph 2 if he had not made withdrawals, service prior to 1st July 1974 shall only be credited in the proportion these two amounts bear to each other.



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- ii) This provision shall not apply where a staff member has, within the period referred to in Article 43.4 i), undertaken to repay the difference between the two amounts plus compound interest at the rate of 4 percent per annum as from that date.

If the staff member makes only partial repayment, past service shall only be credited in the proportion referred to in the first sub-paragraph above.

- iii) Should a staff member become incapacitated or die without having made the choice referred to in this Article, the figure of 70 percent referred to in Article 14.2 as well as the minimum pensions referred to in Articles 14.4 and 19.3 shall be reduced according to the ratio between:
- a) the total number of years of service that would have been reckonable - up to the age limit laid down in the Staff Regulations, in the event of invalidity - allowing for the reductions referred to in this paragraph, and
  - b) the total number of years of service that would have been credited if the staff member had entirely repaid the withdrawals made from his Provident Fund holding.
- iv) Repayments provided for in this paragraph must be made within the time limit laid down in the Instructions for the implementation of these Rules.

4. A staff member may also, within the period referred to in Article 43.4 i), ask to be credited with service completed before his appointment as a permanent staff member, in accordance with Article 5.5.

5. A staff member to whom this Article applies and who leaves the Organisation at the age limit laid down in the Staff Regulations after having completed less than the ten years required under Article 7 shall be entitled to opt for a grant calculated in accordance with Article 11 or for a proportionately reduced pension calculated in accordance with Article 10.

### **Instructions**

#### **44/1 - Credit for past service where there have been no withdrawals**

*A staff member who chooses the option specified in Article 44 of the Rules and who has not made any withdrawals affecting the amount required for crediting past service must elect to be credited with all periods of service referred to in the said Article.*

#### **44/2 - Staff who left the Organisation between 1st January 1973 and 1st July 1974**

- i) *If such staff members opt for Article 44 of the Rules, the cost of crediting their past service shall be calculated as stated in Article 44/3 below, but as at the date of actual termination of their service.*
- ii) *Where a pension is due to the staff member - or to any persons entitled under him - on termination of service, the above-mentioned cost of crediting past*



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*service shall be deducted from the arrears of pension. Any balance remaining outstanding shall be deducted from the staff member's holding in the Provident Fund or failing this, shall be repaid before any payment of pension.*

- iii) In the case of a deferred pension, the cost of crediting past service referred to in paragraph i) shall be repaid within twenty-four months from the end of the option period, and at a rate of compound interest of 4 percent per annum from the date of termination of service up to the date when such repayment is completed.*
- iv) The above-mentioned amounts shall be refunded in the currency of the last country of service at the rate in force for Provident Fund operations on the first day of the month following the termination of service; however, the staff member concerned may make the refunds directly in the currency of the country where the remuneration was paid, in respect of the crediting of the relevant pension rights.*

### **44/2 bis - Staff leaving the Organisation after 1st July 1974**

- i) Staff serving before 1st July 1974, and having left the Organisation after that date, shall be entitled to exercise the option on the terms laid down in Articles 43 and 44 of the Rules.*
- ii) In the case of such staff members, or of pensions entitled under them, Instructions 44/2 ii) and iii) and 44/3 shall be applicable, but the cost of crediting past service to be taken into account shall be determined as at 1st July 1974.*
- iii) They shall in addition be liable to pay over the 21 percent contributions paid after 1st July 1974, with the actual yield thereon up to the date of repayment. Such repayment must be made not later than the end of the option period, save where Article 48 of the Rules applies.*

### **44/3 - Cost of crediting past service for staff serving at the time when the option is exercised**

- i) Contributions paid from 1st July, 1974*

*A staff member or any person entitled under him who opts for Article 44 or Article 45 of the Rules shall be liable to pay over the contributions paid after 1st July 1974, with the actual yield thereon in the Provident Fund of the Organisation; such amount is to be paid over not later than the end of the option period.*

- ii) Cost of crediting service prior to 1st July 1974*

*Such cost, as determined in accordance with Article 44.2 of the Rules, shall not be greater than the Provident Fund holding to which the person concerned would have been entitled if he had not made any withdrawals.*

*Subject to this limit, the calculation of the amount of Provident Fund holding*



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*which must be surrendered to the Organisation in respect of the crediting of past service shall be made at the rate of compound interest of 4 percent per annum from the date of actual payment of the contributions until 1st July 1974; if the contributions were in fact calculated at the time on the basis of salaries corresponding to countries of service other than the country of service on 1st July 1974, they shall be calculated separately, with compound interest at the rate of 4 percent per annum up to 1st July 1974, in the respective currencies of the said other countries, and then converted into the currency of the country of service on 1st July 1974, at the rate of exchange in force on that date for operations of the Provident Fund. The total of such costs of crediting past service corresponding to different countries of service shall determine the amount due at 1st July 1974, in order to have such past service credited.*

iii) *Reconstitution of the cost of crediting past service*

*Where a staff member has exercised his right to make withdrawals from his Provident Fund before 1st July 1974, and the amount standing to his credit in his individual account at that date is less than the cost of crediting past service as calculated at 1st July 1974, he may refund the difference between the two amounts, with compound interest on such difference at the rate of 4 percent per annum accruing from 1st July 1974, over a maximum period of five years from the end of the option period, provided, however, that such refund may not continue beyond the age limit laid down in the Staff Regulations.*

*Where a staff member has exercised his right to make withdrawals from his Provident Fund after 1st July 1974, and the amount standing to his credit in his individual account is less than the cost of crediting past service as calculated at 1st July 1974, plus the actual yield of the Fund thereon up to the date of the withdrawal, he may refund the difference between the said two amounts over a maximum period of five years from the end of the option period, such refund not continuing however beyond the age limit laid down in the Staff Regulations, with compound interest at 4 percent per annum accruing from the date of the withdrawal.*

*The same provisions shall apply where the staff member had received his Provident Fund holding on leaving a previous Organisation.*

iv) *Refunds made after 1st July 1974*

*Such refunds are to be taken into account on the successive dates on which they are made, for the purpose of:*

- *reconstituting, in priority, the contributions referred to in paragraph i);*
- *reducing the amount to be refunded in respect of the cost of crediting past service referred to in paragraph iii).*

*Such refunds, within the limits of the amounts due under paragraphs i) and iii) above, shall increase for the benefit of the Organisation, at the rate of the actual*



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*yield on the Provident Fund.*

v) *Credit balance*

*If the statement referred to in Instruction 43/1 ii) shows that the staff member's Provident Fund holding is greater than the total of the amounts due pursuant to the preceding paragraphs of this Instruction, the staff member may, in accordance with the relevant provisions of the Rules of the Provident Fund of the Organisation, either:*

- *have his credit balance paid to him within such time as is compatible with the management of the Fund; or*
- *leave such balance invested with the other Provident Fund holdings.*

*Until such time as it is withdrawn by him, the staff member's credit balance shall be subject to the fluctuations of the Provident Fund of the Organisation, all risks of gain or loss being borne solely by the staff member or any persons entitled under him.*

vi) *Partial credit for past service*

*If a staff member who has availed himself of the facilities provided for in paragraph iii) above for refunding the amounts identified in that paragraph has not succeeded in refunding the total of such amounts on the expiry of the period prescribed in that paragraph, his past service completed prior to 1st July 1974 shall be credited only in proportion to the amount of capital actually paid over for the purpose of crediting such service.*

vii) *Reduction of minimum pensions*

*In the cases provided for in Article 44.3 iii) of the Rules, the calculation of the reductions shall be made in accordance with the example annexed hereto, if the staff member became incapacitated or died before exercising the option specified in Article 44 and if the service completed by him before 1st July 1974, in the Organisation responsible for paying the invalidity or survivor's pension - and in any other previous Co-ordinated Organisation - has not been fully credited at the time when the above-mentioned pension is awarded.*

*However, no reduction in the minimum pensions referred to in this paragraph shall be made if the staff member or persons entitled under him pay the sums remaining due in respect of credit for past service before the payment of pension benefits.*





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**ANNEX TO INSTRUCTION 44/3 vii)**

*Example of Calculation of a Reduction*

|       |   |                |  |
|-------|---|----------------|--|
| 1     | <i>Past service: 10 years up to 1st July 1974</i>   |                |  |
| 2     | <i>Cost of crediting past service at 1st July 1974</i>  |                | <i>45 734.71 EUR</i>   |
| 3     | <i>Holding in Provident Fund at the date of exercising the option (no account being taken of interest from 1st July, 1974)</i>  |                | <i>15 244.90 EUR</i>   |
| 4     | <i>Actual capital refunds at pension time (within time limit prescribed by Article 44.4)</i>  |                | <i>7 622.45 EUR</i>  |
| 5     | <i>Amount actually paid in respect of credit for past service</i><br>$15\,244.90 + 7\,622.45$   |                | <i>22 867.35 EUR</i>   |
| 6     | <i>Reduction of reckonable years of service credited:</i><br>$1.52 \times 22\,867.35 = 5 \text{ years instead of}$<br>$45\,734.71 \quad 10 \text{ years}$                               |                |  |
| 7     | <i>Reckonable years of service remaining to be acquired from 1st July 1974, up to age 65, including bonus after age 60: 11 years</i>  |                |  |
| 8     | <i>Reckonable years of service acquired at age 65:</i>  |                | } <i>thus automatically affecting the minimum retirement pension (article 10.3)</i>  |
|       | <i>Instead of</i>   | $5 + 11 = 16$  |  |
|       |   | $10 + 11 = 21$ |  |
| 8 bis | <i>Assumption of default in making full refund of amounts withdrawn from contributions paid after 1st July 1974: nil credit for past service.</i>                                       |                |  |
| 9     | <i>Reduction of the rate of 70% (Art. 14.2)</i><br>$70\% \times 16$<br><br><i>21</i>  |                | } <i>In the event of the staff member becoming incapacitated or dying before exercising the option and in the event of default of payment of full cost of credit for past service, either on the part of the staff member or of the person or persons entitled to a survivor's pension (widow-orphans)</i> |
| 10    | <i>Reduction of minimum pensions (Art. 14.4)</i><br>$120 \times C1/1 \times 16$<br>$100 \times 21$<br><i>Reduction of minimum pensions (Art. 19.3)</i><br>$C1/1 \times 16$<br><i>21</i> |                |  |





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### **44/4 - Refund of amounts due in respect of the cost of crediting past service**

- i) *Refunds due as mentioned in Instruction 44/3 iii) for the purpose of reconstituting the cost of crediting past service shall be made in equal monthly instalments within a maximum period of five years.*

*They may not, except with the consent of the person concerned, exceed 20 percent of his basic salary for the first month following the decision of the Council approving the Pension Scheme Rules; they shall, however, be at least 10 percent of such salary.*

- ii) *In the event of the staff member becoming incapacitated or dying, any amounts still remaining due in respect of credit for past service shall be deducted from the capital amounts payable to the staff member concerned or the persons entitled under him, in accordance with the provisions of Instruction 38.1.*

*However, any amounts due under Instruction 44/3 i) shall be deducted in priority from such capital amounts, or failing this, from the pension benefits.*

- iii) *A staff member who, when exercising his option under the Transitional Arrangements, requests that years of service completed in one or more Co-ordinated Organisations be taken into account shall be required to pay over to the Organisation in which he is serving at the time of exercising his option the cost of crediting the above-mentioned years of service, as calculated according to the rules applicable to the previous Organisation or Organisations; if any refunds in respect of such years of service are due from the staff member concerned, such amounts shall be paid to the Organisation in which the option was exercised, in accordance with the terms of paragraph i) above.*

- iv) *However, if the staff member concerned is entitled to any arrears of pension, such arrears shall be set off against the refunds due in respect of credit for past service (\*), and the rate of compound interest of 4 percent per annum shall not be taken into account during the period running from the date on which the pension takes effect up to the date of actual award of the arrears of pension. Any balance remaining due in respect of credit for past service shall be repaid before any payment of pension.*

### **Article 45 - Pension without credit for past service**

1. A staff member to whom this Section of the Rules applies and who has chosen the option provided for by this Article shall be bound by the terms of the Pension Scheme but shall in derogation of Article 5.1. ii) irrevocably renounce the right to be credited with service prior to 1st July 1974, in one or more of the Organisations listed in Article 1.1.

2. If he leaves the Organisation without completing ten years' service subsequent to 1st July 1974, he shall receive a leaving allowance as provided for in Article 11 in respect of his service subsequent to that date.

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(\*) *The cost of validation covers all amounts due by entitled persons at the date of accrual of the right to a pension.*



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3. If he leaves the Organisation after completing ten or more years' service subsequent to 1st July 1974, he shall, subject to the conditions laid down in Chapter II, be entitled to a retirement pension for his service subsequent to that date. In calculation of the minimum retirement pension provided under Article 10.3 only the years served after the afore-mentioned date shall be taken into account.

4. If he becomes incapacitated or dies while serving, the provisions of Chapter III to VI shall be applied as appropriate.

### Article 46 - Bonus for service after the age of sixty

1. A staff member to whom this Section of the Rules applies, who has chosen one of the options given in Article 44 and 45, and who has continued to serve beyond the age of sixty, shall, in respect of each year completed after that age, be entitled to an increase in pension corresponding to 5 percent of the reckonable years of service credited to him at the age of sixty, but

- i) the increase granted in respect of each year served after the age of sixty shall not exceed 2 percent of the salary defined in Article 10.1, and
- ii) his total pension shall not exceed 70 percent of the salary so defined.

2. Within the same limit, pension rights shall continue to accrue as provided for in Article 10.1.

3. This Article shall, in the case covered by Article 14.1, apply only in respect of actual service after the age of sixty.

### **Instruction**

#### **46/1 - Calculation of bonus**

- i) *The bonus provided for in Article 46 of the Rules shall be calculated by reference to the reckonable years of service acquired at the end of the month in which the staff member attained his sixtieth year:*
  - *even if on that date they number less than ten years;*
  - *full months of service being counted as twelfths of a reckonable year of service;*
  - *account being taken, where appropriate, of reckonable years of service up to the age of 60 years for the purpose of Articles 14.1 and 16.2 of the Rules.*
- ii) *Subject to the ceilings specified in Article 46.1 of the Rules, the bonus percentage ascertained as above shall be added to the normal rate of pension entitlement, namely 2 percent, which is allotted for each year of service, or for each fraction amounting to at least one-twelfth of a year, completed after the age of 60 years.*



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### *Examples of Calculations*

|   |  |  |
|---|--|--|
| 1 | <i>Reckonable years of service at age 60:</i>                        | 12, i.e. rate of pension = 24%                     |
|   | <i>Bonus per year from age 60 to 65:</i>                             | $\frac{24\% \times 5}{100} = 12\%$                 |
|   | <i>Total pension entitlement per year from age 60 to 65:</i>         | $2 + 12 = 3.2\%$                                   |
| 2 | <i>Reckonable years of service at age 60:</i>                        | 20 years and 6 months, i.e. rate of pension = 41%  |
|   | <i>Bonus per year from age 60 to 65:</i>                             | $\frac{41\% \times 5}{100}$<br>2.05% reduced to 2% |
|   | <i>Total pension entitlement per year from age 60 to 65:</i>         | $2 + 2 = 4\%$                                      |
|   | <i>e.g. if the staff member leaves at age 62 years and 6 months:</i> | $41 + 8 + 2 = 51\%$                                |
| 3 | <i>Reckonable years of service at age 60:</i>                        | 25, i.e. rate of pension = 50%                     |
|   | <i>Annual bonus reduced to maximum of 2%</i>                         |  |
|   | <i>Total pension entitlement per year from age 60 to 65:</i>         | $2 + 2 = 4\%$                                      |
| 4 | <i>Reckonable years of service at age 60:</i>                        | 30, i.e. rate of pension = 60%                     |
|   | <i>Bonus per year from age 60 to 65:</i>                             | $\frac{60\% \times 5}{100}$<br>3% reduced to 2%    |
|   | <i>Total pension entitlement per year from age 60 to 65:</i>         | $2 + 2 = 4\%$                                      |
|   | <i>Maximum of 70% at 62.5 years.</i>                                 |  |

### Article 47 - Compensation for loss of previous pension rights

A staff member to whom this Section of the Rules applies may receive compensation by way of reckonable years of service under the conditions and within the limits laid down in the provisions implementing the Rules if he establishes that, by reason of having joined the Pension Scheme of the Organisation, he has been obliged to forfeit all or part of any pensions rights that may have accrued to him previously in his country of origin, without being able to obtain the actuarial equivalent of such rights.

#### ***Instructions***

#### ***47/1 - Conditions of entitlement***

*The compensation referred to in Article 47 of the Rules shall be awarded if the staff member satisfies all the following conditions:*

- i) that he has lost, in whole or in part, the pension rights corresponding to periods of service immediately preceding his appointment by the Organisation, or by another Organisation listed in Article 1.1 of the Rules in the case of a change*



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*from one of such Organisations to the present one;*

- ii) that the earlier pension scheme has not made a payment of the actuarial equivalent or of a capital commutation representing the full value of the aforesaid rights, e.g. under Article 12.1 of the Rules;*
- iii) that the staff member pays over to the Organisation a fraction of any amounts he may receive from the earlier pension scheme, although not representing the full actuarial value of the rights lost; such fraction shall be calculated according to the ratio between the number of reckonable years lost and the number of reckonable years allotted as compensation under this Instruction;*
- iv) that, under the earlier scheme, it is impossible to retain the full benefit of previous rights, e.g. by contributing to such scheme on a voluntary basis or by way of secondment rather than resignation;*
- v) that he elects to be credited in full for all service with the Organisations listed in Article 1.1, in accordance with Articles 4, 5 and 44 of the Rules;*
- vi) that he continues to serve in the said Organisations until the age limit laid down in the Staff Regulations, save in case of death or loss of employment.*

### **47/2 - Calculation of compensation**

*Compensation by way of reckonable years of service shall be calculated by applying to the past reckonable years which have been recognized as lost the coefficients and maxima appearing in the annexed table, established by reference to age at the time of the appointment referred to in paragraph 1 i) above. Such compensation may not exceed:*

- the number of years of actual service which it will be possible for the staff member to complete up to the age limit laid down in the Staff Regulations;*
- half the number of years of service which, upon his attaining the age limit laid down in the Staff Regulations, would still have been required for him to complete 35 reckonable years of service.*



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### *COEFFICIENTS REFERRED TO IN INSTRUCTION 47/2*

| Age on Appointment | Compensation Coefficients applicable |                | Ceiling for Compensation |        |
|--------------------|--------------------------------------|----------------|--------------------------|--------|
|                    | to years lost                        | to months lost | Years                    | Months |
| 30                 | 0.5624                               | 0.0468         | -                        | -      |
| 31                 | 0.5722                               | 0.0477         | -                        | -      |
| 32                 | 0.5822                               | 0.0485         | -                        | -      |
| 33                 | 0.5924                               | 0.0493         | 1                        | 6      |
| 34                 | 0.6027                               | 0.0502         | 2                        | -      |
| 35                 | 0.6135                               | 0.0511         | 2                        | 6      |
| 36                 | 0.6243                               | 0.0520         | 3                        | -      |
| 37                 | 0.6356                               | 0.0529         | 3                        | 6      |
| 38                 | 0.6470                               | 0.0533         | 4                        | -      |
| 39                 | 0.6587                               | 0.0548         | 4                        | 6      |
| 40                 | 0.6707                               | 0.0558         | 5                        | -      |
| 41                 | 0.6833                               | 0.0569         | 5                        | 6      |
| 42                 | 0.6960                               | 0.0580         | 6                        | -      |
| 43                 | 0.7091                               | 0.0590         | 6                        | 6      |
| 44                 | 0.7224                               | 0.0602         | 7                        | -      |
| 45                 | 0.7359                               | 0.0613         | 7                        | 6      |
| 46                 | 0.7497                               | 0.0624         | 8                        | -      |
| 47                 | 0.7639                               | 0.0636         | 8                        | 6      |
| 48                 | 0.7785                               | 0.0648         | 9                        | -      |
| 49                 | 0.7935                               | 0.0661         | 9                        | 6      |
| 50                 | 0.8092                               | 0.0674         | 10                       | -      |
| 51                 | 0.8254                               | 0.0687         | 10                       | 6      |
| 52                 | 0.8425                               | 0.0702         | 11                       | -      |
| 53                 | 0.8604                               | 0.0717         | 11                       | 6      |
| 54                 | 0.8791                               | 0.0733         | 11                       | -      |
| 55                 | 0.8984                               | 0.0748         | 10                       | -      |
| 56                 | 0.9186                               | 0.0765         | 9                        | -      |
| 57                 | 0.9393                               | 0.0782         | 8                        | -      |
| 58                 | 0.9602                               | 0.0800         | 7                        | -      |
| 59                 | 0.9820                               | 0.0819         | 6                        | -      |
| 60                 | 1.0000                               | 0.0900         | 5                        | -      |

#### **47/3 - Time-limit for applying**

*Applications for compensation must be submitted before the end of the option period.*

#### **47/4 - Repayments of amounts received for previous rights**

- i) *Any repayments due under Instruction 47/1 iii) must be made before the end of the option period or as soon as the relevant amounts are paid by the previous pension scheme.*
- ii) *If, instead of the actuarial equivalent of the previous pension rights, the staff member concerned has received any payments in satisfaction of such rights, he shall refund to the Organisation a fraction of such payments equal to the*



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*ratio between the number of reckonable years of service awarded as compensation under Article 47 of the Rules and the number of reckonable years which he has had to relinquish under the previous scheme.*

*Failing such repayment within two months of the payment made in satisfaction of such rights, or of the application for compensation, no compensation shall be awarded under Article 47 of the Rules.*

- iii) *In the case of total or partial refusal to award the above compensation on the termination of service of a staff member, any amounts repaid under this Instruction shall be refunded to the staff member, where necessary in proportion to the compensation awarded.*

**EXAMPLES ILLUSTRATING THE APPLICATION OF ARTICLE 47 OF THE RULES  
(EEC Examples - Article 107)**

**I. Lost IMF pension rights (years of pensionable service)**

1. Date of birth: 12.9.1918
2. Date of statutory affiliation to EEC scheme: 1.9.1958
3. Age at date of EEC affiliation: 39 years, 11 months, 19 days
4. Impossibility for official to complete maximum years of pensionable service in EEC by age 65
5. Affiliation to international organisation Fund *before* EEC affiliation: from 8.1.1948 to 31.7.1958
6. Non-payment of full actuarial equivalent of rights acquired according to 5. above, but part payment: 44 554.44 EUR
7. Impossibility established of preserving or acquiring pension rights in previous scheme
8. Period lost in previous scheme: from 8.1.1948 to 31.7.1958, i.e. 10 years, 6 months, 23 days
9. Calculation of EEC compensation for 10 years and 6 months lost (23 days = fraction of month not qualifying for compensation)

- Coefficient according to age (39 years) at affiliation to EEC scheme:

0.6587 per year lost  
0.0548 per month lost

- Compensation for 10 years lost:

|                                       |                   |
|---------------------------------------|-------------------|
| 10 years x 0.6587 = 6.587 years       | 6 years           |
| 0.587 years x 360 days = 211.320 days | 7 months<br>1 day |



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- Compensation for 6 months lost:
 

|   |          |
|---|----------|
| 6 months x 0.0548 = 0.3288 months       | 3 months |
| 0.328 months x 360 days = 118.3680 days | 28 days  |
  
- Total compensation
 

|  |           |
|--|-----------|
|  | 6 years   |
|  | 10 months |
|  | 29 days   |

10. Maximum according to age at affiliation and number of EEC years of pensionable service up to retirement age (50%):

|   |          |
|---|----------|
| 65 years – 39 years, 11 months, 19 days               | 25 years |
|   | 12 days  |
| 35 years of pensionable service – 25 years, 12 days = |          |
| <u>9 years, 11 months, 19 days</u> -                  |          |
| 2   |          |
| <u>4 years, 11 months, 24 days</u>                    |          |
| EEC compensation granted                              |          |

11. Repayment to EEC of part of amounts referred to under 6. (44 554.44 EUR).  
Formula:

|   |          |
|---|----------|
| <u>4 years, 11 months, 24 days (see 10)</u> | = 47.17% |
| 10 years, 6 months, 23 days (see 8.)        |          |

Fraction to be refunded: 44 554.44 x 47.17% = 21 015.55 EUR

**II. LOST FEDERAL REPUBLIC OF GERMANY PENSION RIGHTS (Years of pensionable service)**

1. Date of birth: 14.12. 1902
2. Date of statutory affiliation to EEC scheme: 25.2.1958
3. Age at date of EEC affiliation: 55 years, 2 months, 11 days
4. Impossibility for official to complete maximum years of pensionable service in EEC by age 65.
5. Federal Republic of Germany rights acquired *before* EEC affiliation: from 1.1.1928 to 24.2.1958 i.e. 75%
6. Non-payment of actuarial equivalent of previous rights
7. Reduction of rights acquired *prior*to EEC:
  - 2.14% per year from 7th year at EEC, i.e.:
  - 9 full years at EEC - 6 years = 3 years
  - (Federal Republic of Germany rights being thus reduced from 75% to 68.58% = 2.14% x 3)





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8. Calculation of EEC compensation corresponding to age 55: Man (date of EEC affiliation):  
0.8984 per year lost, i.e.:  
3 years x 0.8984 = 2 years, 8 months, 10 days
9. Maximum according to age at affiliation and number of EEC years of pensionable service to retirement age: not applicable in the particular case.

### Article 48 - Provident Fund

1. A staff member to whom this Section of the Rules applies may opt to remain in the Organisation's Provident Fund Scheme instead of receiving the benefits provided for in these Rules, where his contractual situation requires that such an option be given to him.
2. In derogation of Article 5.1 ii), he shall thus irrevocably renounce the right to be credited with service prior to 1st July 1974 in one or more of the Organisations listed in Article 1.1.

#### ***Instruction***

#### ***48/1 - Limited nature of the option***

*A staff member whose contract is terminated after he has chosen the option specified in Article 48 of the Rules and who, after leaving the Organisation, is then re-appointed by the same or another Co-ordinated Organisation, shall be subject to the Pension Scheme from the commencement of this new appointment.*

## Section 2 - STAFF WHOSE SERVICE TERMINATED BEFORE 1ST JANUARY 1973

### Article 49 - Scope

1. As a transitional measure, the provisions of these Rules shall, if so requested by them, apply to:
  - i) former staff members, with not less than ten years' service who left the Organisation at the age of sixty or more, and their widows, incapacitated widowers and orphaned children,
  - ii) the widows, incapacitated widowers and orphaned children of staff members who died while serving,
  - iii) staff members permanently incapacitated while serving, and their widows, incapacitated widowers and orphans, when the events referred to in i), ii) and iii) occurred before 1st January 1973.
2. These beneficiaries shall, however, refund to the Organisation responsible for payment of the benefits the Provident Fund holding due to the staff member at the time of his departure, death or recognition as unfit for service. This refund shall include non-reimbursed withdrawals under the conditions laid down in Article 44.3.



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This refund shall be limited to the amount of contributions paid by the staff member and by the Organisation, plus compound interest at 4 percent per annum, such refund shall be abated, where applicable, by an amount calculated by means of the following fraction:

- Numerator: the difference between the age of the staff member on 1st January 1973 and his age at the time of departure, death or recognition as unfit for service.
- Denominator: the difference between 80 and the age of the staff member at the time of departure, death or recognition as unfit for service.

3. The request referred to in paragraph 1 above must be made within the period referred to in Article 43.4 i), failing which the rights to do so shall lapse. The benefits under this Article shall be granted with effect from 1st January 1973.

4. Benefits under this Article shall be calculated by reference to the staff member's grading when he left the service before 1st January 1973 but on the basis of the corresponding scales in force on 1st January 1973, subsequently adjusted in accordance with Article 36.

5. Staff to whom this Article applies shall not benefit under the provisions of Article 46.

### **Instructions**

#### **49/1 - Abatement showing a positive balance**

*When the abatement under Article 49.2 of the Rules is greater than 100 percent, such excess shall not be paid to the beneficiary.*

#### **49/2 - Special case of staff members re-appointed in an auxiliary or temporary capacity**

*The abatement shall be calculated in a manner specified in Article 49.2 of the rules if the former staff member concerned is granted a retirement pension with effect from 1st January 1973 in accordance with paragraph 3 of that Article.*

#### **49/3 - Procedure for refund of Provident Fund holdings**

- i) *The amounts refundable under Article 49.2 of the Rules shall be calculated at 4 percent per annum compound interest up to 1st January 1973; they shall then be abated as prescribed in Article 49.2 of the Rules. If the refunds actually made constitute only part of the above-mentioned amounts, the pension rights and minimum pensions shall be reduced proportionately, in accordance with the rule laid down in Article 44.3 of the Rules.*
- ii) *The amounts referred to in the preceding paragraph may include, before any abatement is applied, withdrawals previously made by the staff member concerned from his Provident Fund holdings in order to maintain his rights under a national retirement pension scheme or to finance dealings in real estate. The refund of such withdrawals may be partial, in which case the pension rights and minimum pensions shall be reduced in accordance with the rule laid down in Article 44.3 of the Rules, in the ratio existing, after abatement, between the amounts partly refunded (Provident Fund plus withdrawals) and*



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*the same amounts were they to be refunded in full.*

- iii) *The amounts payable for the crediting of past service thus determined shall be refunded at the time when payment of the corresponding pensions commences.*

*If the sums due in respect of arrears of pensions taking effect at 1st January 1973, fall short of the amount to be paid for the crediting of past service, the balance remaining due must be paid by the staff member concerned as soon as the pensions are effectively paid, where necessary by deduction from holdings remaining in the Provident Fund or, failing this, in monthly instalments with interest at the rate of 4 percent per annum from the commencement of actual payment of pension and within a maximum period of 12 months.*

### Section 3 : HARDSHIP ALLOWANCE

#### Article 50 – Hardship Allowance

1. As an exceptional measure, when a staff member governed by the transitional arrangements is - or the persons claiming under him are - unable to make the refunds required under Article 44 or Article 49, he - or they - may, if the Secretary-General considers this justified in the light of his - or their - overall income, be granted a hardship allowance. This allowance shall not exceed the amount of the minimum pension provided for in the Rules in respect of each category of beneficiary.

A hardship allowance may also be granted on grounds of low level of income to the widowers of female staff members who died before 1st January 1979. In this case any pension granted as the case may be to the children or other dependants shall be reduced to the amount laid down in Article 25.2.

2. The hardship allowance may only be granted as from the first day of the month following that in which the application is made, and in any event not earlier than 1st July 1974; it may not, however, be granted to a former staff member before he has reached the age of sixty, unless he is incapacitated.

3. Detailed application of this Article will be governed by the Instructions referred to in Article 52.

#### ***Instructions***

##### ***50/1 - Other income taken into account***

- i) *The Secretary-General of the Organisation shall decide, after consulting the Staff Association, unless the person concerned objects to such consultation, whether a hardship allowance is justified having regard to the impossibility of the staff member or those entitled under him to refunding the amounts referred to in Instructions 44 or 49, taking account of their income or assets in the form of capital or real estate which could be realised to make the refunds in question.*



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- ii) *In any event, the hardship allowance shall be reduced to the extent that the former staff member required to make refunds (or the persons entitled under him) is in receipt of taxable income exceeding the salary for Grade C1, Step 1 for the country where he resides, or the last country in which he served if the country of residence is not a Member of one of the Co-ordinated Organisations mentioned in Article 1.1 of the Rules.*

### **50/2 - References to the Pension Scheme Rules**

*The hardship allowance shall not constitute a right for a former staff member or for any other beneficiaries; subject to this proviso, the following provisions of the Pension Scheme Rules shall apply to it: Articles 3, 7, 9.2, 10.3, 14.3 and 14.4, 15, 16, 17.2, 18, 19.3 and 19.4, 21 (first sentence), 22.1, 23 to 29, 31, 33 to 40 and 42.*



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### CHAPTER XIII - FINAL PROVISIONS

#### Article 51 - Co-ordination

1. These Rules must be applied in a uniform manner by the different Organisations listed in Article 1. To this end, the Secretaries/Directors-General of those Organisations shall consult among themselves in order to carry out the appropriate co-ordination.

#### **Instructions**

##### **51.1/1 - Administrative Committee on Pensions**

*The Standing Committee of Secretaries-General has set up the Administrative Committee on Pensions of the Co-ordinated Organisations (CAPOC) so as to have at its disposal a body which can effectively ensure that the provisions of the Pension Scheme Rules are uniformly applied (document CCG/W(74)43 of 27 December 1974, paragraph 1).*

##### **51.1/2 - Forms**

*A standard form is used for determining the position regarding each staff member's reckonable years of service for pension purposes at a particular date, viz:*

- *either on leaving the Organisation or on the assessment of benefit ; or*
- *on changing from one Organisation to another.*

*This form recapitulates the regulatory provisions to be consulted on such occasions.*

#### Article 52 - Detailed implementation

1. Instructions for the implementation of these Rules shall be drawn up by the Secretary/Director-General of the Organisation.

#### **Instruction**

##### **52.1 – Date of issue**

*The implementing Instructions shall be issued by the Secretary/Director-General on a proposal by the Committee of Representatives of the Secretaries-General (CRSG) of the Co-ordinated Organisations after consultation of the Committee of Staff Representatives (CRP).*

*They shall be updated periodically.*



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### Article 53 – Entry into Force

1. These Rules shall enter force on 1<sup>st</sup> July 1974 (\*).

#### ***Instruction***

##### *53.1 - Date of entry into force of the Implementing Instructions*

*The Implementing Instructions shall enter into force on the date as laid down by the Secretary/Director-General of the Organisation.*

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(\*) *The changes to the Pension Scheme Rules set out in the 132<sup>nd</sup> Report of the Coordinating Committee on Remuneration, approved by Council on 18 October 2002, entered into force on 1 December 2002 [C(02)35 final dated 10 December 2002]. These changes and all other subsequent changes have been incorporated into this text.*



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### ANNEX TO ARTICLE 41 - ACTUARIAL STUDIES

**Periodicity:** at least every 5 years

#### **Method**

1. Calculation, as at the effective date of the study for all the organisations, of the rate of contribution payable by staff in order to finance one-third of benefits provided under the Scheme, establishing the present value of future entitlements and salaries.
2. Projections of annual amounts of future entitlements will be calculated, on the one hand, for the overall population of staff members at the date of the study and, on the other hand, for the population of staff members who will be recruited by the Co-ordinated Organisations in the years to come. Projections of salaries for these populations will also be established year by year. Each of these amounts will be discounted to present worth.
3. Combining these results will make it possible to determine the rate of contribution needed to finance one-third of benefits provided under the Scheme.

#### **Demographic assumptions**

4. The demographic assumptions are derived from detailed demographic studies for each of the Co-ordinated Organisations. These studies examine past experience over a period of fifteen years in tranches of five years so as to identify trends; they also take account of available forecasts regarding future numbers of staff.
5. The rates obtained are adjusted so as to eliminate distortions resulting from insufficient data in certain Organisations.

#### **Economic assumptions**

6. The discounting process is based on observed rates of return on long-term bonds issued in the reference countries, as from the date when they become a reference country.
7. A discount rate net of inflation shall be used. It shall be equal to the arithmetical average of average real rates observed over the thirty years preceding the date when the actuarial study is conducted.
8. The average real rate for a given past year is obtained from the real rates in each country, calculated as the quotient of the rate of gross return on bonds by the corresponding rate of inflation, as shown by the national consumer price index. The average is obtained by weighting the real rate in each country by the number of serving staff in that country at the effective date of the study.

#### **Salary increase assumptions**

9. The salary increase assumptions are derived for each organisation from an analysis of the past experience over a period of 15 years in tranches of five years so as to identify trends. They also take account of available forecasts in that respect.





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**RECORD OF AMENDMENTS  
(since dissolution of WEU and creation of RATU)  
(COUNCIL DECISIONS 2011/297/CFSP AND 2014/401/CFSP)**

| <b>Amendment</b> | <b>Reference</b>              | <b>Article</b>                                    | <b>Implementing Instructions</b>   | <b>Subject</b>   | <b>Date of entry into force</b> |
|------------------|-------------------------------|---|--|--|---------------------------------|
| 1                | 212 CCR report (CCR/R(2011)4) |   | 36.1   | Mandate of ISRP  | 18.02.12                        |
| 2                | 217 CCR report (CCR/R(2012)1) |   |  | Adhesion of Eumetsat   | 20.12.12                        |
| 3                | 218 CCR report (CCR/R(2012)2) | 18, 21, 22, 26, 28, 32                            | 15, 22, 27, 28, 32 & 33  | Polishing & Correction of anomalies  | 20.12.12                        |
| 4                | CAP/WD(2014)76                | 12  | 12.1 iii), 12.2 iii)   | Update of Coefficients   | 30.10.15                        |
| 5                | 263 CCR report (CCR/R(2019)5) | 22, 29, 28, 25b, 33, 36, 4.2, 5, 3, 17, 19, 9, 41 | 28.1/3, 25b, 33.2, 36, 4.2, 5, 11.1/2, 4.1/1, 6b 2/1, 6b 2/2, 10.3/1, 11.1/3, 12.2, 20.1, 22.1, 29.1, 38.1 | Revision pension contribution rate, inflation-based adjustment for pensions, amendment Education allowance, other technical amendments | 18.11.19                        |
| 6                | 267 CCR report (CCR/R(2020)1) | 8   | 8.4  | Update of Coefficients   | 09.07.20                        |
| 7                | CRSG Memorandum               | 12, 36  | 12.2, 36.1/1-2   | Update of Coefficients, Adjustment of benefits   | 25.11.20                        |