

Appendix V bis – Second Pension Scheme "SPS" ^{1 2}

Chapter I – General provisions

Article 1 - Scope

1. The Pension Scheme established by these Rules, hereinafter referred to as the Second Pension Scheme (SPS), applies to staff members who:

- took up duty on or after 01/01/2014;
- have never contributed under the Pension Rules of the Council of Europe Development Bank as approved by the Administrative Council pursuant to Resolution 1432 ³; and
- are appointed for an indefinite duration or fixed-term in accordance with the conditions laid down in the Staff Regulations.

2. A staff member who, during his last appointment with the Organisation, benefited from the provisions of Article 11 of the Pension Rules of the Council of Europe Development Bank and who has not repaid the amounts provided for under that Article, shall be deemed to have relinquished entitlement to benefit from the scheme to which he was previously affiliated and shall be irrevocably affiliated to the SPS.

3. The SPS shall not apply to any other categories of personnel of the Organisation.

4. In these Rules, the term "Organisation" refers to the Council of Europe Development Bank and the term "staff member" means the staff referred to in paragraphs 1 and 2 above.

Article 2 - Deferred entitlement

Where the medical examination which every staff member has to undergo as part of the appointment process (and the consequences of which will have duly been expounded 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 of his appointment.

Article 3 - Definition of salary

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 Organisation at the time when the pension is assessed, and updated in accordance with the provisions of Article 36.

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 Organisation:

- 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.

¹ As amended by Administrative Council Resolution No. 1577 (2016) of 22 January 2016

² It is understood that all references to the masculine include the feminine and vice versa

³ As modified from time to time

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2. In addition to the total reckonable years of service thus calculated, a staff member may request, on cessation of work, that those corresponding to certain statutory allowances 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 Instruction⁴.

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.

Article 5 - Calculation of service conferring entitlement to benefits

1. Where a staff member appointed by the Organisation has previously served with the Organisation, 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 pursuant to Article 11 plus compound interest on such amounts at 4% per annum from the date when the staff member received them until the date they are paid over in accordance with this paragraph. Should the staff member fail to pay over the amounts in question, reckonable 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 the Organisation, payment of that pension shall cease.

If the staff member refunds to the Organisation 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% for each whole year during which the staff member drew the initial pension before the pensionable age.

3. Where a staff member ceases his functions at a grade and step lower than that which he had previously held in the 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 and 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 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 within six months following the 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, calculated on the basis of his first monthly salary as a staff member.

⁴ Unless otherwise specified, the term "provisions laid down by Instruction" refers, throughout these Rules, to the implementation provisions in Article 43

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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 the provisions of 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 ten 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 SPS on the basis of full-time work, by paying, in addition to his personal contribution to the SPS for the part corresponding to his part-time work, a contribution equal to three times the rate of contribution mentioned in Article 41, paragraph 2, on the difference in salary between his part-time work and the corresponding full-time work, under the provisions laid down by Instruction.

Article 6 bis - Part-time service – Effects on the calculation of entitlement

1. If, when a staff member's service ends, he is working part-time, the amount of the benefit due shall be calculated with reference to the full salary for the grade and step to be used as a basis under the provisions of these Rules.

2. However, when a staff member 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.

Chapter II – Retirement pension and leaving allowance

SECTION 1 – RETIREMENT PENSION

Article 7 - Conditions of entitlement

A staff member who has completed at least ten years of service, within the meaning of Article 4, in the Organisation shall be entitled to a retirement pension.

Article 8 - Age of entitlement, deferred or early pension

1. A staff member shall become eligible for a retirement pension at the age of 65.

2. Should there be a difference between the pensionable age and the statutory age limit, 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. In case of a staff member's employment beyond the statutory age limit, his situation with regard to the accrual of pension rights shall be governed by the provisions governing this type of employment.

3. If a staff member ceases his functions before pensionable age, payment of his retirement pension shall be deferred until he reaches that age.

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4. However, a staff member who retires before pensionable age may request early payment of his pension.

In such a case, the Organisation makes an actuarial determination, by reference to the provisions laid down by Instruction, of the ratio between the early retirement pension and the amount of pension due at pensionable age.

The minimum age for entitlement to an early pension shall be 55 years for staff members appointed between 1 January 2014 and 31 December 2015 inclusive; 56 years for staff members appointed between 1 January 2016 and 31 December 2018 inclusive; 57 years for staff members appointed between 1 January 2019 and 31 December 2021 inclusive; 58 years for staff members appointed between 1 January 2022 and 31 December 2024 inclusive; 59 years for staff members appointed between 1 January 2025 and 31 December 2027 inclusive; and 60 years for staff members appointed as from 1 January 2028.

5. Where the Organisation terminates the appointment of a staff member, the reduction coefficient applicable to early payment of his pension shall be 3% a year between the age of 60 and the pensionable age. However, this provision does not apply when the Organisation terminated the appointment as a result of disciplinary action or for unsatisfactory service.

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.

2. Entitlement shall cease at the end of the month in which the pensioner dies.

Article 10 - Rate of pension

1. The amount of the retirement pension shall be, per reckonable year of service within the meaning of Article 6, 1.75% of the salary corresponding to the last grade held by the staff member for not less than two years 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 1.75% of the salary for grade B3, step 1, per reckonable year of service credited pursuant to Article 6; it may not, however, exceed the staff member's last salary as defined in Article 3.

SECTION 2 – LEAVING ALLOWANCE

Article 11 - Leaving allowance

1. A staff member whose service ceases 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 payment of an amount equal to 2.7 times his rate of contribution as applied to his last annual salary, multiplied by the number of reckonable years of service credited within the meaning of Article 6, paragraph 1 i).

2. The reckonable years of service credited in accordance with Article 12, paragraph 1, shall not be taken into account for the calculation of the leaving allowance but shall give rise to the payment of an actuarial equivalent calculated in accordance with Article 12, paragraph 2, unless the amounts initially transferred are refunded to the previous employer.

3. A staff member who is re-appointed by the Organisation after having received a leaving allowance must pay it back if the period during which he was not employed by the Organisation, in whatever capacity, is less than 12 months.

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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, 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 he shall be credited under the present 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, 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.

Chapter III – Invalidity pension

Article 13 - Conditions of entitlement – Invalidity 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 which pension rights are accruing to him, is recognised by the Invalidity Board defined below to be suffering from permanent invalidity which totally prevents him from performing his job or any duties corresponding to his experience and qualifications which may have been proposed to him by the Organisation.

2. The Invalidity 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.

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, the requirement for a minimum of ten years' service under Article 7 not being applicable.

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% 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 100% of the salary for grade C1, step 1. The invalidity pension may not be more than the last salary. Salaries are 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.

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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.

Article 15 - Concurrent earnings

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 being recognised an invalid.

2. This reduction shall apply only up to the age limit laid down in the Staff Regulations.

Article 16 - Medical examination - Termination of pension

1. While a person receiving 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 receiving 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 received 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.

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;
- 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.

Chapter IV – Survivor's and reversion pensions

Article 18 - Conditions of entitlement

1. The surviving spouse⁵ 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.

⁵ 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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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 the former staff member's 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 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.

Article 19 - Rate of pension

1. The survivor's pension shall be 60% of the retirement pension that would have been payable to the staff member, had he not died in service, on the basis of his reckonable years of service credited up to the time of his death, the requirement for a minimum of ten years of service under the provisions of Article 7 not being applicable.

2. Where a staff member has died as the 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% of the invalidity pension to which the staff member would have been entitled, had he survived, under Article 14, paragraph 2.

3. The survivor's pension shall not be less than 30% of the staff member's last salary; nor shall it be less than 100% of the salary for grade C1, step 1.

4. When the former staff member was receiving a pension at the time of his death, the amount of the reversion pension shall correspond to the highest of the following amounts:

- 60% of the retirement or invalidity pension to which the former staff member was entitled at the time of the assessment of his pension, no account being taken of any reductions resulting from the application of Article 8, paragraph 4, or Article 15;
- 30% of the former staff member's last salary at the time of the assessment of his pension; or
- 100% of the salary for grade C1, step 1, under the scale in force at the time of the assessment of his pension.

These amounts shall be updated in accordance with the provisions of Article 36.

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5. When the former staff member was not receiving a pension at the time of his death, the amount of the reversion pension shall correspond to the highest of the following amounts:

- 60% of the retirement pension to which the former staff member would have been entitled had he reached the pensionable age at the time of his death;
- 30% of the former staff member's last salary corresponding to his last grade and step, under the scale in force at the time of his death; or
- 100% of the salary for grade C1, step 1, under the scale in force at the time of the former staff member's death.

6. The amount of the reversion pension shall not exceed that of the pension received by the former staff member or, in cases provided for under paragraphs 4 and 5 above, the amount of the pension to which the former staff member would have been entitled had he reached, respectively, the statutory age limit or the pensionable age at the time of his death.

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, minus 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.

Article 21 - Remarriage

Entitlement to a survivor's or reversion pension shall cease on remarriage.

Article 22 - Rights of a former spouse

1. The non-remarried 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 payment.

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 the last sub-paragraph of Article 24, paragraph 3. In such a case, the restriction laid down in the second sub-paragraph of 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.

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 of the person concerned 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.

Chapter V – Orphan's or dependant's pension

Article 24 - Rate of orphan's pension

1. Where a staff member or former staff member receiving a retirement or invalidity pension or entitled to a deferred 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 child's allowance.

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% 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 C1, step 1, 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 receiving 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 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 dying or remarrying or losing their 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:

i) 80% of the survivor's or reversion pension, no account being taken of reductions pursuant to Article 20; or

ii) 100% of the salary for grade C1, step 1, 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 receiving a retirement or invalidity pension, according to the scale in force at the time of death.

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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.

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

Article 25 - Rate of pension for other dependants

1. Where a staff member or former staff member receiving a retirement or invalidity pension or entitled to a deferred pension dies, the persons (including children not fulfilling the conditions laid down in Article 24) recognised as satisfying the conditions for the granting of the child's or dependant's allowance 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; or

iii) where an orphan's pension is paid, the amount of each orphan's share pursuant to Article 24, paragraph 5.

Article 26 - Commencement and cessation of entitlement

1. The pensions provided for under Articles 24 and 25 shall be payable 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 24 and 25 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 persons concerned 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 from 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.

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 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 depending on 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) 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 the Organisation or is in receipt of a pension assessed by the Organisation, 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 the Organisation or is in receipt of a pension assessed by the Organisation, 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 other 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 of a survivor's or reversion pension shall be twice the normal amount.

7. Entitlement to the education allowance shall be maintained for the recipient of a pension referred to in paragraph 1 for a duration limited to the time needed to complete, in the same establishment, the educational cycle in progress at the time of the staff member's termination of service.

8. 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.

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Chapter VII – Ceiling on benefits

Article 29 - Ceiling on benefits

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 receiving 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 pension 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.

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 recognised 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.

Chapter IX – Determination of the amounts of benefits

SECTION 1 – ASSESSMENT OF ENTITLEMENT

Article 31 - Organisation responsible for the assessment

1. The assessment of the benefits payable under these Rules shall be made by the Organisation with the assistance of the International Service for Remunerations and Pensions.
2. A detailed statement of the assessment shall be communicated to the staff member or the persons entitled under him at the same time as the decision awarding the pension.

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 budget of the Organisation:
 - i) a retirement and an invalidity pension as provided for in these Rules;

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ii) a retirement or invalidity pension and a loss-of-employment indemnity not paid as a lump sum.

2. Recipients of a retirement or invalidity pension under the present Rules may not be granted the status of staff member in the meaning of Article 1.

Article 33 - Basis of calculation⁶

1. Pensions provided for under the SPS shall be calculated at the time of their assessment by reference to the salary defined in Article 3 and to the scales applicable to the country of the staff member's or former staff member's last posting.

2. However, if the former staff member settles subsequently:

i) in a Member State of the Organisation of which he is a national, or

ii) in a Member State of the Organisation of which his spouse is a national, or

iii) in a country where he has served the Organisation for at least five years, he may opt for the scale applicable to the country in question. The option shall apply to only one of the countries referred to in this paragraph, and shall be irrevocable, except where paragraph 4 below is applicable.

3. 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 country in question.

4. 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.

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

6. If the staff member, spouse, former spouse or orphan opts for the scale of a country referred to in paragraph 2, but no scale has been established for that country, the scale applicable to the country of the CEB's headquarters shall be applied temporarily until a scale has been established for the country chosen.

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

8. The provisions of paragraph 2 above do not apply to the benefits under Article 11.

Article 34 - Re-assessment – Cancellation

1. Benefits provided for under the SPS 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.

⁶ The scales referred to in this article are those approved by the coordinated organisations in effect as at the date of implementation of the decisions provided for in said article or, for the purposes of the application of the provisions of paragraph 6, the scales established by the International Service for Remunerations and Pensions.

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Article 35 - Requirement of evidence – Forfeiture of rights

1. Persons who are eligible for benefits under these Rules shall notify 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 12 months from the date of his death, payment of the benefits under these Rules may, at the discretion of the Organisation, be postponed 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 her pension within 12 months from the date of his death, his rights may, at the discretion of the Organisation, be wholly forfeited.

SECTION 2 – ADJUSTMENT OF PENSIONS

Article 36 - Adjustment of pensions

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 Governor 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. Where a person receiving a pension dies, and reversion, orphan's or dependant's pensions are due, the following calculation shall be made –

- pensions shall be calculated with reference to the scale in force at the date of the assessment of the entitlement of the deceased former staff member;
- the amounts thus determined shall be updated, as from that date, by application of the pensions revaluation coefficients for the country in question.

4. Where a person receiving an invalidity pension 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 calculated using the method referred to in paragraph 3 above.

5. Where the person receiving a pension exercises one of the options under Article 33, the following calculation shall be made –

- the pension shall be recalculated with reference to the scale in force at the date of its assessment for the country selected;
- the amount thus determined shall be updated, as from that date, by application of the pensions revaluation coefficients for the country in question.

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SECTION 3 – PAYMENT OF BENEFITS

Article 37 - Mode of payment ⁷

1. Subject to the provisions of Article 11 and unless otherwise provided under these Rules, pensions and family allowances 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 in the country whose scale was used for calculating these benefits, or in the country in which he resides.

Article 38 - Sums owed to the organisation

Any sum owed by a staff member, former staff member or pensioner to the Organisation which pays the pension 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.

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.

Chapter X – Financing the Pension Schemes ⁸

Article 40 - Payment of benefits

1. Benefits paid under these Pension Rules shall be charged to the provision in respect of the Pension Schemes.
2. Contributions of staff members and contributions of the CEB shall be credited to the provision in respect of the Pension Schemes.
3. In the event of the amounts recorded by the CEB in respect of the Pension Schemes being insufficient to cover the corresponding liabilities, the Administrative Council of the CEB shall make the necessary supplementary allocations to the amounts recorded by the CEB in respect of the Pension Schemes.
4. In the event of a merger, reconstitution or other transformation of the CEB, the CEB's statutory bodies shall take the necessary measures to ensure uninterrupted payment of the Pension Scheme benefits until the cessation of entitlement of the last beneficiary.
5. In the event of dissolution or liquidation of the CEB, the CEB's statutory bodies shall set aside, before any distribution of available assets, the amounts necessary to ensure uninterrupted payment of the Pension Scheme benefits until the cessation of entitlement of the last beneficiary.

⁷ As amended by Administrative Council Resolution No. 1577 (2016) of 22 January 2016

⁸ By Pension Schemes, it should be understood:

- the Pension Scheme approved by the Administrative Council, on 29 January 1999, by Resolution 1432 and modified by Resolution 1559 (2013) and;
- the Pension Scheme (Second Pension Scheme, "SPS") approved by the Administrative Council, on 14 November 2013, by Resolution 1560 (2013)

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Article 41 - Contribution to the Pension Schemes

1. The Pension Schemes shall be funded by:

- i) contributions of staff members
- ii) contributions of the CEB

2. Staff members shall pay a contribution whose rate ensures that the Pension Schemes are at actuarial equilibrium. At the date of entry into force of these Rules, the contribution rate of staff members amounted to 9.1% of their basic salary.

3. The CEB shall pay a contribution whose amount shall be equal to the cost of the Pension Schemes for a year minus the staff member contributions for that year.

4. The Governor of the CEB shall arrange for an assessment of the liabilities of the CEB in respect of the Pension Schemes to be carried out at the end of each year. The purpose of this assessment is to determine the cost of the Pension Schemes for the year.

5. The cost of the Pension Schemes is the amount of funds that needs to be set aside to ensure that the provision in respect to the Pension Schemes is equal to the amount of the liabilities of the CEB in respect of the Pension Schemes.

6. The Governor of the CEB shall arrange for an assessment of the actuarial equilibrium of the Pension Schemes to be carried out at regular intervals. The purpose of this assessment is to determine whether the Pension Schemes are at actuarial equilibrium.

7. Actuarial equilibrium is achieved when contributions paid by staff members during a year amount to one third, more or less 10%, of the service cost for that year. The service cost is the actuarial value of pension entitlements acquired by staff members during a year.

8. If the assessment of the actuarial equilibrium of the Pension Schemes shows that the Pension Schemes are below actuarial equilibrium, the Administrative Council of the CEB, acting on a proposal from the Governor, adopted on the advice of the Advisory Pension Committee, shall decide on the measures to restore the actuarial equilibrium of the Pension Schemes.

9. The actuarial assessments provided in this article shall be carried out in accordance the method described in the Annex to this article.

10. Contributions properly deducted shall not be recoverable. Contributions improperly deducted shall confer no rights to pension benefits; they shall be refunded at the request of the staff member concerned or those entitled under him without interest.

Chapter XI – Provisions relating to adjustment of pensions

Article 42 - Pensions which are subject to national tax legislation

Deleted.

Chapter XII – Final provisions

Article 43 - Detailed implementation

Instructions for the implementation of these Rules shall be drawn up by the Governor of the Organisation.

Article 44 – Entry into force

These Rules shall enter into force on 1st January 2014.

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Annex to article 41 - Actuarial studies

1. The assessment of the liabilities of the CEB in respect of the Pension Schemes and the assessment of the actuarial equilibrium of the Pension Schemes shall be carried out in accordance with the methodology set out in this annex.

Assessment of the liabilities of the CEB in respect of the Pension Schemes

2. For the assessment of the liabilities of the CEB in respect of the Pension Schemes, the actuarial adviser shall calculate the total cost of the Pension Schemes for the year. The total cost of the Pension Schemes is the sum of the service cost and the interest cost. The service cost is the actuarial value of pension entitlements acquired by staff members during the year. The interest cost is the increase in the actuarial value of pension entitlements acquired by staff members during the previous years, as a result of the discounted period being one year less.

3. To do so, the actuarial adviser shall calculate the present value of future pension entitlements acquired for staff affiliated to these Pension Schemes at the date of the assessment, using the accounting discount rate. The accounting discount rate shall be established in accordance with the accounting standards applied by the CEB at the date of the assessment.

Assessment of the actuarial equilibrium of the Pension Schemes

4. For the assessment of the actuarial equilibrium of the Pension Schemes, the actuarial adviser shall calculate the service cost of the Pension Schemes for the year.

5. To do so, the actuarial adviser shall calculate the present value of future pension entitlements acquired for staff affiliated to these Pension Schemes at the date of the assessment, using the long term discount rate. The long term discount rate is equal to the average of the accounting discount rates used in the end-of-year assessment of the liabilities of the CEB in respect of the Pension Schemes during the previous ten years.

6. The actuarial adviser shall then calculate the ratio between the service cost for the year and the contributions of the staff for that year.

7. The assessment of the liabilities of the CEB in respect of the Pension Schemes and the assessment of the actuarial equilibrium of the Pension Schemes shall be carried out in accordance with the projected unit credit method.

8. The Governor of the CEB, on the basis of a recommendation from the actuarial advisers and a proposal from the Advisory Pension Committee, shall determine the actuarial assumptions.

9. The actuarial assumptions shall be objective and consistent with one another. The actuarial assumptions shall be the best estimates made by the CEB of the variables that will determine the final cost of the Pension Scheme benefits. These assumptions shall comprise:

i) demographic assumptions relating to the future characteristics of the members of the staff and their beneficiaries. These demographic assumptions shall take into account the following factors:

- a) rate of mortality, during and after employment;
- b) rate of staff turnover, invalidity and early retirement;
- c) rate of claims by beneficiaries of family allowances, survivor's and reversion's pensions, orphan's and dependant's pensions; and

ii) financial assumptions, which shall take into account of the following factors:

- a) the discount rate, as defined above;
- b) future changes in salaries;
- c) the future revaluation of pensions.

10. The mortality table must be recent and relate to a population with characteristics similar to the population of members of the staff.