

Script 4: Your options when leaving the fund

What are your benefit options when leaving UNJSPF/CCPPNU?

When you leave, or as the Fund refers to it “separate”, you have different benefit options depending on how old you are and how long you have been at the Fund. You must make a decision about how you will receive money from the Fund.

Meet Khalid. Khalid has worked for a UNJSPF member organization for less than five years. He is leaving his job and is therefore separating from the Fund.

Because he has worked for less than five years, Khalid can only take a withdrawal settlement if he wants his money from the Fund—this means he receives his own contributions to the Fund plus the interest it has earned during the years that he worked.

He could choose to defer his decision, meaning, he can delay his decision for up to 3 years while he looks for a new job at a UNJSPF member organization—if he finds a job he can become an active member of the Fund again. If he does not find a job he is obliged to take a withdraw settlement.

What happens if you work for more than five years? Say you worked for 15 years. Then the age you are when you separate impacts your benefit options.

Meet Priya.

Priya has worked for a UNJSPF member organization for 15 years and is 45 years old. This means she is younger than the age for early retirement or normal retirement.

Early retirement age is 55. Unless you entered or re-entered the Fund after 01 January 2014, then your early retirement age is 58 years old. The Normal Retirement Age (NRA) determines the age at which you will be entitled to a full “un-reduced” retirement benefit. If you entered the Fund before January 1, 1990, your Normal Retirement Age is 60. If you entered the Fund between January 1, 1990, and January 1, 2014, your Normal Retirement Age is 62.

If you entered the Fund on or after January 1, 2014, your Normal Retirement Age is 65.

She has three choices. Priya can take a withdrawal settlement immediately, like Khalid, and she will not only get her own contributions plus interest, but also a 10% increase for every year in addition to her first five...This means that at her 6th year of contributory service she is eligible to receive an additional 10% of her own contributions. This rate continues to increase up to 10 years at which point she would earn double the amount of her own contributions.

Her second choice is deferment: delaying her decision for up to 3 years while, like Khalid, she looks for a new job at a UNJSPF member organization.

Priya also has one more option: She can choose a deferred retirement benefit. This means she would wait until early retirement or normal retirement age to begin receiving monthly benefits.



- **Keep in mind**, her money would NOT continue to earn interest while waiting for her deferred benefit.
- **ALSO** Remember, with a deferred retirement benefit your children are NOT eligible to receive any benefit from the Fund.

Meet Dagmar. She has worked for a UNJSPF member organization for 25 years and has now reached her early retirement age at 55.

She has four choices.

First, like Khalid and Priya, she can take a withdrawal settlement immediately.

Second, like Khalid and Priya, she can choose to defer her decision for up to three years.

Third, like Priya, she can choose a deferred retirement benefit and wait until she reaches normal retirement age to begin receiving monthly benefits.

Finally, her fourth choice would be to take an Early Retirement Benefit.

Keep in mind that with this option her children would receive a benefit but it would not be given until she reached normal retirement age.

She can choose to take a lump sum which would be up to 33% of her entitlement and would mean that her monthly benefit is less.

Be aware that an Early Retirement Benefit is calculated with a reduction factor in the following way:

If you have worked less than 25 years, your monthly benefit will be reduced by 6% per year before your Normal Retirement Age. This means if you retire at 55 years old and your normal retirement age is at

62, and you've worked for less than 25 years—your monthly benefit will be reduced by 42%.

If you have worked for 25-30 years, your monthly benefit will be reduced by 2-3% per year before your NRA.

If you have worked for more than 30 years, your monthly benefit will only be reduced by 1% per year before your NRA.

Please carefully examine your own options through the UNJSPF website, before you make any decisions.

Meet Rodrigo. He has worked for a UNJSPF member organization for 35 years and is 62 years old. He does not have the option for a withdrawal settlement; He does not have the option for a deferred retirement benefit; He does not have the option for early retirement.

The choices he has are... First, he can defer his choice of benefit for up to three years while he looks for a new job, but he must be careful not to take a new job that has a lower Pensionable Remuneration rate because that could affect his entitlement from the Fund.

Second he could choose a Full retirement benefit what the Fund refers to as an “un-reduced” benefit. With a full retirement benefit, Rodrigo can choose to take a lump sum up to 33% of his entitlement immediately and receive less in his monthly benefits.

This is a simplified overview to give you an idea of your benefit options—please visit our website UNJSPF.org for more detailed information.