WELCOME TO THE UNJSPF PENSION PRESENTATION

Pension Elements (Age, CS, FAR), and Calculations
Presentation Goals

To share information with you about . . .

- Elements of Pension
- Age (NRA vs MAS)
- Calculating your Pension
Important Note:

The Pension Fund has **not** recently changed its Regulations and Rules with respect to Normal Retirement Age (Art. 1(n)), Normal Retirement Benefit (Art. 28), Early retirement benefit including reduction factors (Art. 29).

The rights **acquired** by staff due to their date of entry or re-entry to the Pension Fund remain the same irrespective of their Mandatory Age of Separation.
What will YOU get from your 7.9% contributions?
The type and level of the benefit from the Fund depends on your:

i. **Age** at time of separation

ii. **Length of contributory service (CS)**

iii. **Rate of Accumulation** for each year of CS (ROA)

iv. **Final Average Remuneration (FAR)**
Pension Elements: Age

Normal Retirement Age (with CS ≥ 5 yrs):
- 60 if entry into the Fund before 1 Jan 1990
- 62 if entry into the Fund on or after 1 Jan 1990
- 65 if entry into the Fund on or after 1 January 2014

Early Retirement Age (with CS ≥ 5 yrs):
- 55 or older but less than 60/62 (NRA=60 or 62)
- 58 or older but less than 65 (NRA = 65)

Deferred Retirement Age (with CS ≥ 5 yrs):
- Less than 55 up to 60/62 (NRA=60 or 62)
- Less than 58 up to 65 (NRA= 65)
Entry/Re-entry to the Fund before 01 January 1990 with CS 5 years or more

- Less than 55
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 58
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 60
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 62
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 65
  - Normal Retirement Benefit

- After 65

Entry/Re-entry to the Fund between 01 January 1990 and 31 December 2013 with CS 5 years or more

- Less than 55
  - Withdrawal
  - Deferred Ret.

- Up to 58
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 60
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 62
  - 1. Withdrawal
  - 2. Deferred Ret.

- Up to 65
  - Normal Retirement Benefit

- After 65
Entry/Re-entry to the Fund on or after 01 January 2014 with CS 5 years or more

- Less than 55
  1. Withdrawal
  2. Deferred Ret.

- Up to 58

- Up to 60
  1. Withdrawal
  2. Deferred Ret.
  3. Early Retirement

- Up to 62

- Up to 65

- After 65
  Normal Retirement Benefit
Age
(NRA vs MAS)
Normal Retirement Age (NRA):

Age when a SM can draw a pension without reduction factors (penalties). Age when a staff member is entitled to a Normal Retirement Benefit.

This age is based on the Regulations and Rules of the Pension Fund.
Normal Retirement Age for participants entering the Fund before 01 January 1990 is Age 60, between 01/01/1990 to 31/12/2013, it is Age 62

Early retirement age for these participant starts at age 55

Normal Retirement Age for participants entering the Fund on or after 01 January 2014 is Age 65

Early retirement age for these participant starts at age 58
Mandatory Age of Separation (MAS):

Age until when a staff member is allowed to work by his/her Employing Organization.

This age is based on the Regulations and Rules of the UN Common System, but cannot be before NRA.
Mandatory Age of Separation (MAS): The move to 65

The change in the Mandatory Age of Separation (MAS) for staff members in active duty as of 01/01/2018 to age 65 does NOT affect their Normal Retirement Age (NRA).

NRA remains **60** for staff with entry in the Fund before 01/01/1990 and **62** for entry between 01/01/1990 to 31/12/2013.
BREAK IN SERVICE (BIS) and its effect on NRA
Staff separates, and re-enter as a participant in a member organization, within 36 months without a benefit being paid, NRA remains the same.

Pension Fund Participation re-starts within 36 months. Participant retains NRA at 62.
If there is a Breaks-In-Service (BIS) of 36 months or more, Participation stops.
If there is a Breaks-In-Service (BIS) of less than 36, but a payment is made to the SM by the Fund, Participation stops.

Pension Fund Participation starting after a payment is made has NRA at 65, even if prior period is restored!
What’s YOUR benefit for contributing until age 65?
## Pension Elements: Contributory Service

<table>
<thead>
<tr>
<th>Less than 5 years of Contributory Service</th>
<th>5 years or more of Contributory Service</th>
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</thead>
<tbody>
<tr>
<td>Withdrawal Settlement</td>
<td>Normal Retirement Benefit</td>
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<tr>
<td></td>
<td>Early Retirement Benefit</td>
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<td>Deferred Retirement Benefit</td>
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<td>Disability Benefit</td>
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</tbody>
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## Elements of a Pension: ROA

<table>
<thead>
<tr>
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<th>Entry before 1 Jan 1983</th>
<th>Entry on or after 1 Jan 1983</th>
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<tbody>
<tr>
<td>First 5 yrs of CS</td>
<td>2.00% p.y. =&gt; 60% max</td>
<td>1.50% p.y. =&gt; 7.50% max</td>
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<tr>
<td>Next 5 yrs of CS</td>
<td>1.75% p.y. =&gt; 8.75% max</td>
<td>2.00% p.y. =&gt; 40.00% max</td>
</tr>
<tr>
<td>Next 20 yrs of CS</td>
<td>2.00% p.y. =&gt; 40.00% max</td>
<td></td>
</tr>
<tr>
<td>Next 5 yrs of CS</td>
<td>1.00% p.y. =&gt; 5% max</td>
<td>2.00% p.y. =&gt; 10.00% max</td>
</tr>
<tr>
<td>CS in excess of 35 yrs</td>
<td>1.00% p.y. with 5% max</td>
<td>1.00% p.y. with 3.75% max</td>
</tr>
<tr>
<td>Maximum ROA</td>
<td>70%</td>
<td>70%</td>
</tr>
<tr>
<td>Corresponding Career</td>
<td>40 years</td>
<td>38.75 years</td>
</tr>
</tbody>
</table>
Final Average Remuneration (FAR) is: the average of the highest 36 months of pensionable remuneration during the last five years (60 months) of contributory service prior to separation from service.
Let’s CALCULATE!
Normal Retirement Pension Calculation (Age 60 or 62):

**Full pension (P4 Top Step with 25 years of Service)**

- **Years of Contributory Service (CS):** 25 yrs
- **Rate of Accumulations (ROA):**
  - 1.50% for first 5 years = 7.50%
  - 1.75% for next 5 years = 8.75%
  - 2.00% for next 15 years = 30%
- **Final Average Remuneration (FAR):** $192,540
- **Full Annual Pension** ($192,540 \times 46.25\%) = $89,049.75 ($7,420.081/Month)

**Reduced Annual Pension (i.e. with a lump sum)**

(1/3 of $89,049.75) \times 11.697 (estimated actuarial factor) = $347,205

**Reduced Pension** (2/3 of full annual pension) = $59,366.50 ($4,947.21/month)
Normal Retirement Benefit (Art. 28)

(Age 60, 62 or 65 depending on Fund’s entry date):

- Monthly lifetime pension
- Payable as of the next day following the date of separation from service
- Possible to opt for a reduced monthly pension to combine it with a lump-sum (also known as the “one-third lump-sum”)
- Includes a child benefit (for each child under age 21)
Early Retirement Benefit (Art. 29)  
(From Age 55 or 58 depending on Fund entry date)

- Reduced Monthly lifetime pension
- Payable as of the next day following the date of separation from service
- Possible to opt for a reduced monthly pension to combine it with a lump-sum (also known as the “one-third lump-sum”)
- Includes a child benefit (for each child under age 21 at the date you reach 60/62 or 65)

Reduction factors: For participation prior to 1 Jan 2014 (from 55 to 60/62)

- CS < 25 years: 6% per year  
- 25 ≤ CS < 30 years: 2% to 3%  
- ≥ 30 years: 1% per year

Reduction factors: For participation on or after 1 Jan 2014 (from 58 to 65)

- CS < 25 years: 6% per year  
- CS ≥ 25 years: 4% per year
Example:
Staff retiring at 55 instead of 62 with 20 years of contributory service

**Standard Yearly Pension:**

$192,540 \times 36.25\% = $69,796

($5,816 per month)

Reduction at age 55 is 6% per year before NRA:

$(62-55) \times 6\% = 42\%$

Resulting Early Retirement Pension at age 55:

$(69,796 \times 58\%) = $40,482 ($3,373 per month)$
Thank you VERY MUCH for your attention!

UNJSPF
United Nations Joint Staff Pension Fund

EPPO FAO IAEA ICGEB ICCROM ICAO ICC IFAD ILO IMO IOM IPU ISA ITU ITLOS STL UNESCO UNIDO UN WHO WIPO WMO UNWTO