



UNJSPF

United Nations Joint Staff Pension Fund

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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



UNJSPF

What will **YOU**
get from your

7.9%

contributions ?





Pension Elements

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 \geq 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*

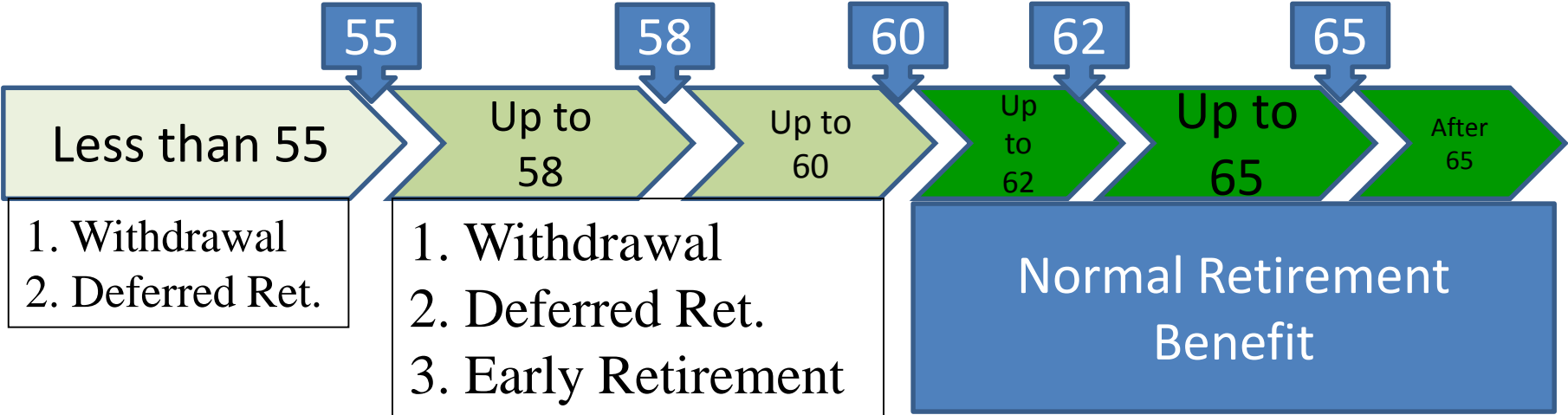
Early Retirement Age (with CS \geq 5 yrs):

- 55 or older but less than 60/62 (NRA=60 or 62)
- *58 or older but less than 65 (NRA = 65)*

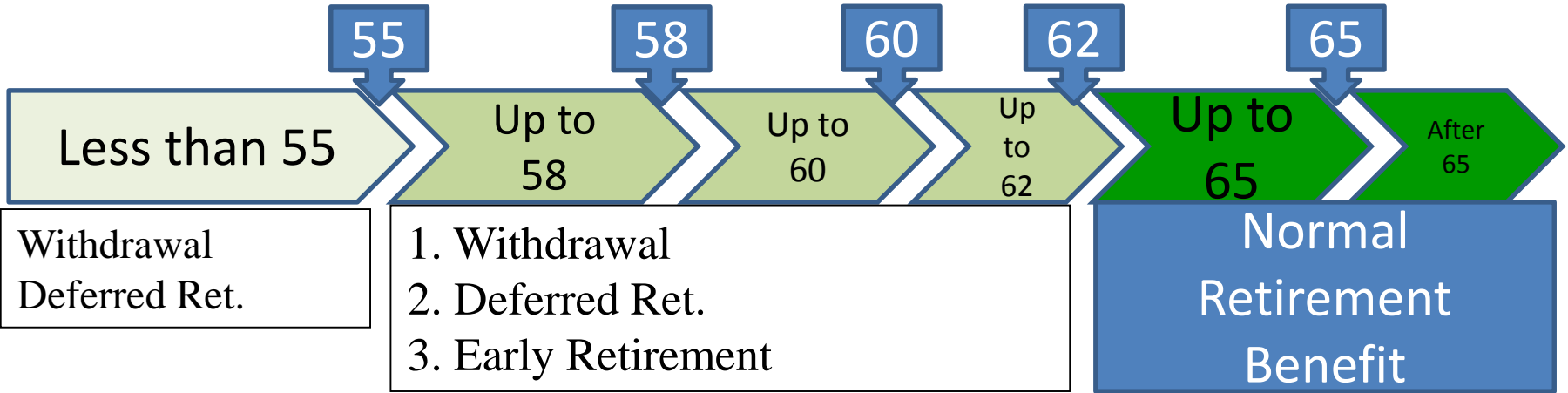
Deferred Retirement Age (with CS \geq 5 yrs):

- 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

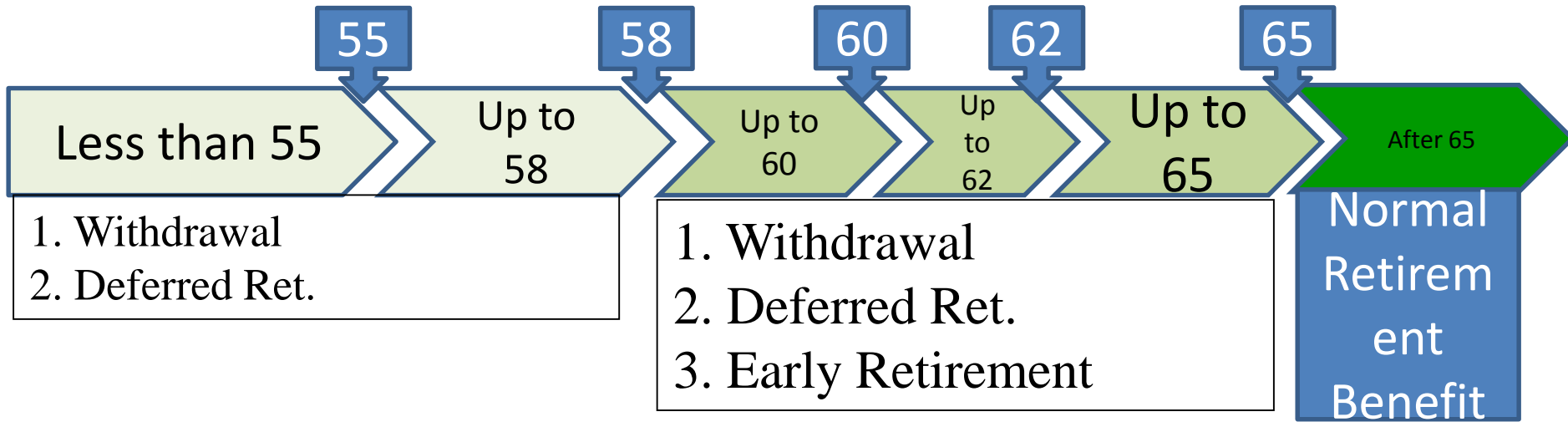


Entry/Re-entry to the Fund between 01 January 1990 and 31 December 2013 with CS 5 years or more





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





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

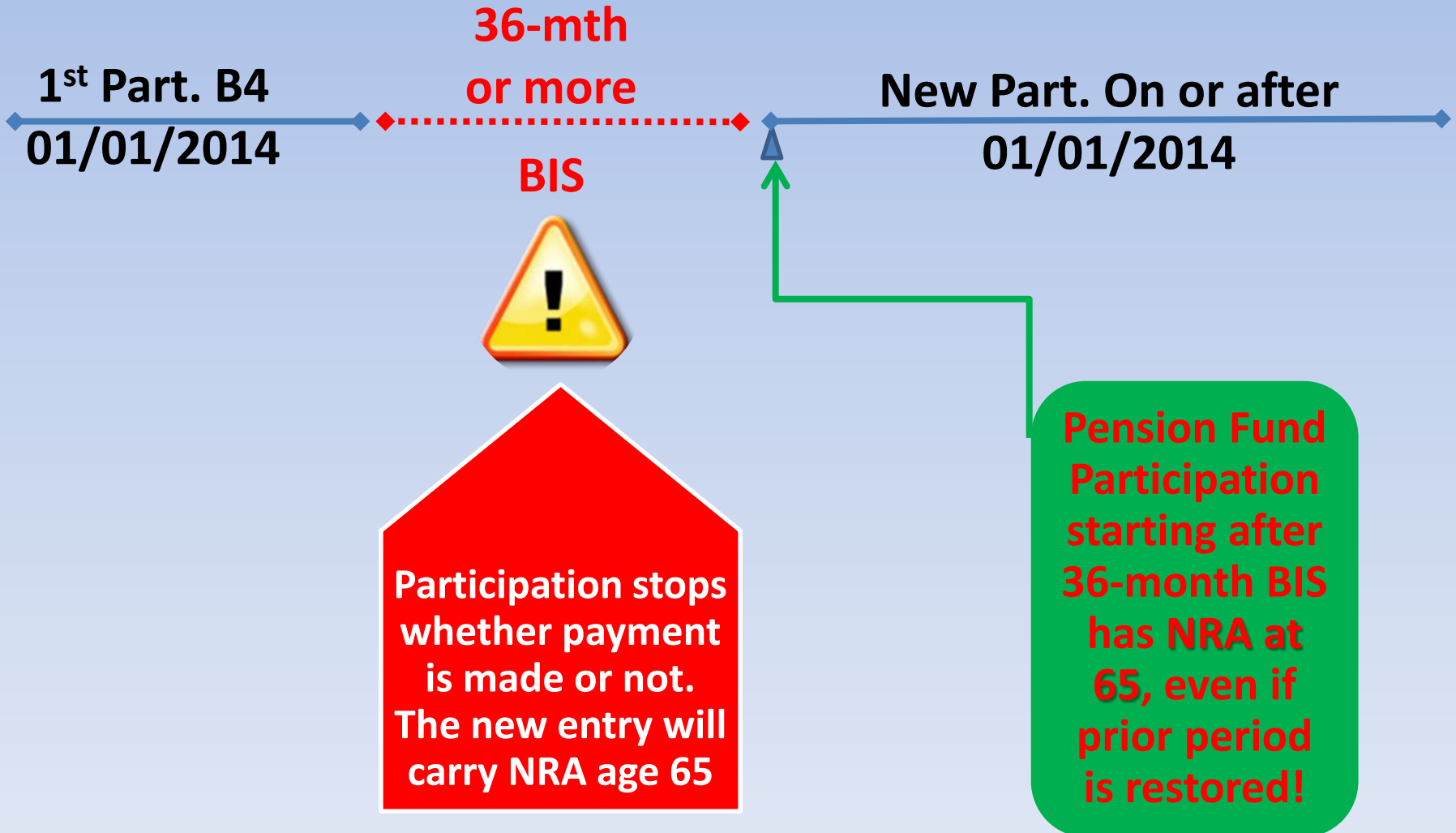
**BREAK IN
SERVICE (BIS)
and its effect
on NRA**

Staff **separates**, and re-enter as a participant in a member organization, **within 36 months** without a benefit being paid, **NRA remains the same**

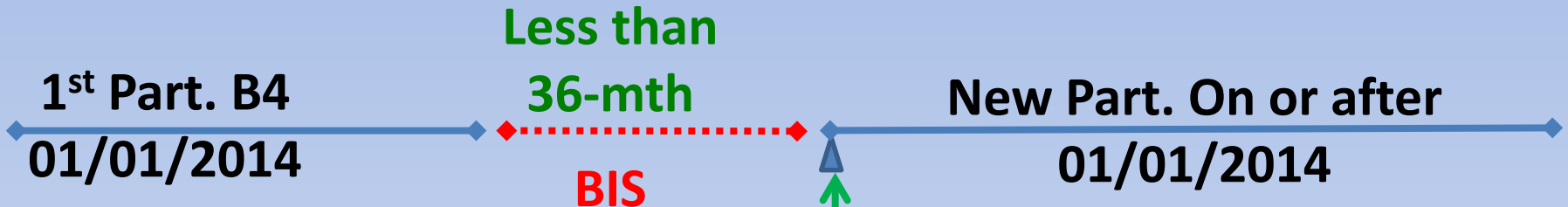


Pension Fund Participation re-starts within 36 months. Participant retains NRA at 62

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**.



Participation stops whenever the Fund makes a payment to the staff member regardless the gap

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

Less than 5 years of Contributory Service	5 years or more of Contributory Service
Withdrawal Settlement	Normal Retirement Benefit
	Early Retirement Benefit
	Deferred Retirement Benefit
Disability Benefit	



Elements of a Pension: ROA

	Entry <u>before</u> 1 Jan 1983	Entry <u>on or after</u> 1 Jan 1983
First 5 yrs of CS	2.00% p.y. => 60% max	1.50% p.y. => 7.50% max
Next 5 yrs of CS		1.75% p.y. => 8.75% max
Next 20 yrs of CS		2.00% p.y. => 40.00% max
Next 5 yrs of CS	1.00% p.y. => 5% max	2.00% p.y. => 10.00% max
CS in excess of 35 yrs	1.00% p.y. with 5% max	1.00% p.y. with 3.75% max
Maximum ROA	70%	70%
Corresponding Career	40 years	38.75 years



Elements of a pension: FAR

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%

} 46.25%

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)

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

Reduced Pension (2/3 of full annual pension) = \$59,366.50
(\$4,947.21/month)



Participants' Benefits Options at Separation from Service (cont.)

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)



Participants' Benefits Options at Separation from Service (cont.)

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	25 ≤ CS < 30 years	≥ 30 years
6% per year	2% to 3%	1% per year
- Reduction factors: *For participation on or after 1 Jan 2014 (from 58 to 65)*

CS < 25 years	CS ≥ 25 years
6% per year	4% per year



Example:

Staff retiring at 55 instead of 62 with 20 years of contributory service

Standard Yearly Pension:

$$\begin{aligned} \$192,540 \text{ (FAR)} \times 36.25\% \text{ (ROA)} &= \mathbf{\$69,796} \\ &\mathbf{(\$5,816 \text{ per month})} \end{aligned}$$

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

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

Resulting Early Retirement Pension at age 55:

$$(\$69,796 \times 58\%) = \mathbf{\$40,482 (\$3,373 \text{ per month})}$$



UNJSPF

If you need further assistance . . .

UNJSPF NY

UNJSPF
P.O. Box 5036
New York, NY 10017

Tel: +1-212-9636931
Fax: +1-212-9633146
E-mail:

www.unjspf.org/contact-us



UNJSPF GVA

UNJSPF

Palais des Nations
1211 Geneva 10

Skype: [unjspf.geneva](https://www.skype.com/people/unjspf.geneva)

Tel: +41-22-9288800
Fax: +41-22-9289099

E-mail:

www.unjspf.org/contact-us

Office Location:
DuPont de Nemours Building
Ch. du Pavillon 2,
1218 Grand-Saconnex,

**Thank you VERY
MUCH
for your attention!**



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