



UNJSPF

United Nations Joint
Staff Pension Fund

UNJSPF

THE PENSION ADJUSTMENT SYSTEM

20 March 2024

Client Services and Outreach Section, UNJSPF

DISCLAIMER:



This presentation is made available for the convenient information of the UNJSPF participants, retirees and other beneficiaries.

Should there be any ambiguity or inconsistency between the information provided herein and the UNJSPF Regulations, Rules and Pension Adjustment System, any decisions will be based on the appropriate provisions contained therein.

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UNJSPF

United Nations Joint
Staff Pension Fund

AGENDA

THE PENSION ADJUSTMENT SYSTEM PURPOSES

**US DOLLAR TRACK
ADJUSTMENTS
PAYMENTS UNDER US DOLLAR TRACK AND
FLUCTUATIONS**

**LOCAL TRACK
ADJUSTMENTS AND AMOUNT PAYABLE
PAYMENTS UNDER LOCAL TRACK AND FLUCTUATIONS**

EXAMPLE OF LOCAL TRACK

GENERAL INFORMATION

THE PENSION ADJUSTMENT SYSTEM

The Pension Adjustment System

INTENDED

- To preserve the purchasing power of a pension from inflation and, where applicable, from currency fluctuations.

WHICH benefits are adjusted?

- All periodic benefits.



Deferred Retirement Benefits is adjusted only as

The Pension Adjustment System

HOW FREQUENTLY are benefits adjusted?

- **Annually, on 01 April, if the relevant consumer price index moved by at least 2%** since the date of the last adjustment.
- **Semi-Annually, on 01 April and on 01 October, if the consumer price index moved by 10% or more since the April adjustment during the same year.**
(October 2023 : Suriname (22.4 %), Ethiopia (15.2 %))



- ✓ **The first adjustment will be reduced by 0.5 percent.**
- ✓ **Adjustments can be also negative**

TYPES OF BENEFITS

DEPEND ON YEARS OF CONTRIBUTORY SERVICE AT SEPARATION DATE and AGE

LESS THAN 5 YEARS OF CONTRIBUTORY SERVICE	5 YEARS OR MORE OF CONTRIBUTORY SERVICE
WITHDRAWAL SETTLEMENT	Withdrawal settlement (before normal retirement age)
	Normal retirement
	Early retirement
	Deferred retirement
Disability or surviving spouse benefit (in case of disability or death in service)	

THE US DOLLAR TRACK

THE US DOLLAR TRACK

Reminder: All benefits are initially calculated in USD

On USD Track:

- Pension vary subject to cost-of-living adjustment based on the Consumer Price Index (CPI) of the USA.
- You can reside wherever you wish
- No obligation to provide proof of residence.

COST- OF- LIVING IN THE USA

CPI Adjustment

USA

Showing 13 Records

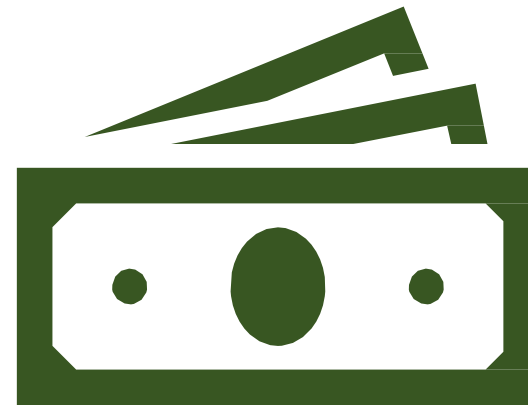
Effective Date	Adjustment
April 2023	6.4
April 2022	8.6
April 2020	4.2
April 2018	2.2
April 2017	3.6
April 2014	3.2
April 2012	4.5
April 2010	2.8
April 2008	4.1
April 2007	2.5
April 2006	3.4
April 2005	5.2
April 2003	4.0

Currency of Payment under the USD Track

CURRENCY OF PAYMENT in US DOLLAR TRACK

You can have your **USD Track Pension** paid in any one of the 18 following currencies in the country of your choice:

1. US Dollars
2. Euro (EUR)
3. Swiss Franc (CHF)
4. Pound Sterling (GBP)
5. Canadian Dollar (CAD)
6. Australian Dollar (AUD)
7. New Zealand Dollar (NZD)
8. Singapore Dollar (SGD)
9. Japanese Yen (JPY)
10. Danish Krone (DKK)
11. Norwegian Krone (NOK)
12. Swedish Krone (SEK)
13. Indian Rupee (INR)
14. Pakistani Rupee (PKR)
15. CFA Franc (XAF and XOF)
16. Chilean Peso (CLP)
17. Peruvian Nuevo Sol (PEN)
18. Russian Rouble



**Payment
Fluctuation
under the USD
Track**

PAYMENT FLUCTUATION in US DOLLAR TRACK

SUMMARY TABLE:

CHOSEN CURRENCY OF PAYMENT	PAYMENT FLUCTUATION	EXAMPLES
USD	NO	1000 \$ ->
OTHER CURRENCIES	EACH QUARTER using the UN Quarterly Rate (NO maximum – No minimum)	1000 \$ -> 1,500 EUR or 500 EUR

NB: UN Quarterly Exchange Rate is the rate at the beginning of the month prior to

US DOLLAR TRACK - SUMMARY

- Your pension is **calculated** in USD
- It's adjusted based on Cost of Living adjustments in the USA (6.4% in 2023).
\$1,000 in 2005 would be today \$1,551.77
- **You do not** need to prove residency
- **You can** change to the Local Track anytime
- **You can** change your country of residence as many times as you wish and travel for as long as you wish.
- You can have this **USD** pension **paid in your currency of choice in your country of choice.**
The conversion will be done using the UN Quarterly Exchange Rate (*viewable on our*

**THE TWO – TRACK
OR LOCAL TRACK**

THE TWO TRACK OR LOCAL TRACK

INTENDED

- **To preserve the purchasing power of a pension from inflation and, where applicable, from currency fluctuations**



IN YOUR COUNTRY OF RESIDENCE.

THE TWO TRACK OR LOCAL TRACK

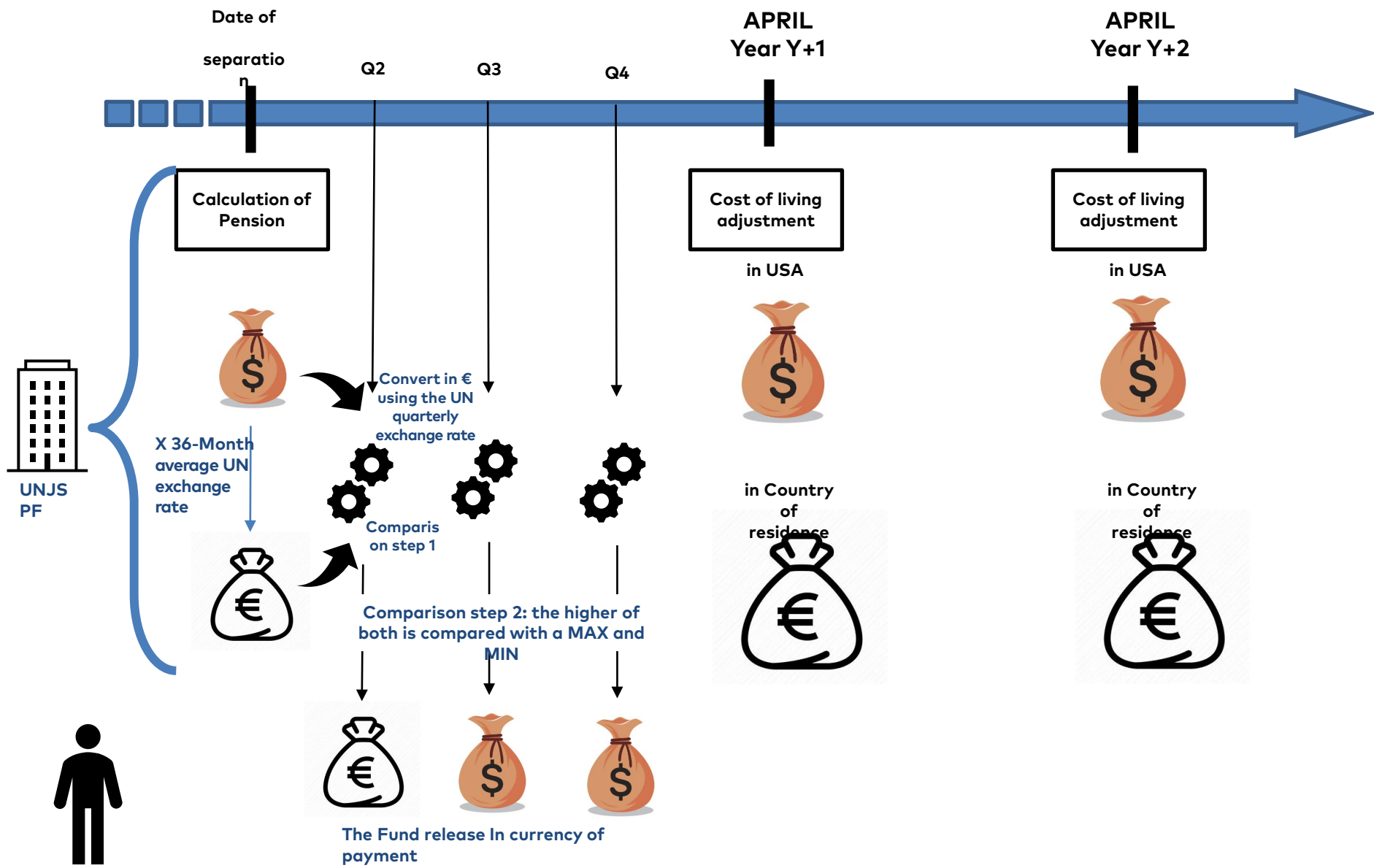
All benefits **initially calculated in USD** but...

- Monthly Benefit can also be **calculated** in another currency.
- Initial value converted from USD using a **36-Month Average Exchange Rate at the date of separation**

Two-Track:

How it works...

HOW DOES THE TWO-TRACK WORK?

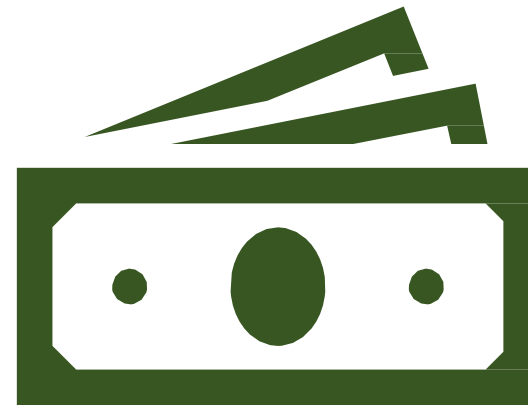


Currency of Payment under the Local Track

CURRENCY OF PAYMENT in LOCAL TRACK

You can have your **USD Track** Pension paid in any one of the 18 following currencies **in the country of your choice**:

1. US Dollars
2. Euro (EUR)
3. Swiss Franc (CHF)
4. Pound Sterling (GBP)
5. Canadian Dollar (CAD)
6. Australian Dollar (AUD)
7. New Zealand Dollar (NZD)
8. Singapore Dollar (SGD)
9. Japanese Yen (JPY)
10. Danish Krone (DKK)
11. Norwegian Krone (NOK)
12. Swedish Krone (SEK)
13. Indian Rupee (INR)
14. Pakistani Rupee (PKR)
15. CFA Franc (XAF and XOF)
16. Chilean Peso (CLP)
17. Peruvian Nuevo Sol (PEN)
18. Russian Rouble



CURRENCY OF PAYMENT in LOCAL TRACK

Our recommendation:

Keep the currency of payment the same as the currency of the local track (if possible) to avoid fluctuations

LOCAL TRACK - SUMMARY

- **It is an option**
- **Your pension is converted into the currency of your country of residence (CHF, Euro, GBP, ETB, HUF, etc.) at the *United Nations 36-month average exchange rate*.**
- **Adjustment based on Cost-of-Living in the country of residence**
- **Proof of Residence is necessary (Requirements for each country on the Pens. E/10 form)**
 - **Possible to change country**
 - **Reside in declared country of residence for at least more than half of the year.**

LOCAL TRACK - SUMMARY

- **Not possible** normally to switch back to the Dollar Track
 - Reversion to USD Track can happen if the country is suspended from the two-track system
 - Reversion of individual retirees is reviewed on a case-to-case basis
- **Currency of payment among the 18 available and in any country. The conversion will be done using the UN Quarterly Exchange Rate (*viewable on our website*)**
- **COL Adjustments can be negative**

**Let's See in
numbers**

The Pension Adjustment System

US TRACK with USA COST OF LIVING

PERIOD	AMOUNT	COL ADJ %	ADJUSTED AMOUNT
31/03/2005	1,000.00		
Apr-06	1,000.00	3.4% - 0.5% = 2.9%	1,029.00
Apr-07	1,029.00	2.5	1,054.73
Apr-08	1,054.73	4.1	1,097.97
Apr-10	1,097.97	2.8	1,128.71
Apr-12	1,128.71	4.5	1,179.50
Apr-14	1,179.50	3.2	1,217.25
Apr-17	1,217.25	3.6	1,261.07
Apr-18	1,261.07	2.2	1,288.81
Apr-20	1,288.81	4.2	1,342.94
Apr-22	1,342.94	8.6	1,458.43
Apr-23	1,458.43	6.4	1,551.77

The Pension Adjustment System

Payments in the US track

UN Quarterly Exchange Rate: The Beginning of the Month Rate for the month prior to the new quarter.

Example:

Rate of beginning March is the Quarterly Rate for Apr-May-Jun Quarter

EXAMPLES OF DETERMINATION OF QUATERLY RATE

TRACK
(calculation)

USD
Track
(USD
1,000
per
month)

Conversion
at the UN
Quarterly
Rate

**Payment in 18 Payroll Currencies
(Your Choice)**

CURR	1 SEP	OCT-NOV-DEC
USD	1.000	1,000.00
EUR	0.914	914.00
CHF	0.875	875.00
GBP	0.785	785.00
CAD	1.353	1,353.00
AUD	1.533	1,533.00
NZD	1.665	1,665.00
SGP	1.349	1,349.00
JPY	145.570	145,570.00
DKK	6.812	6,812.00
NOK	10.537	10,537.00
SEK	10.799	10,799.00
INR	82.730	82,730.00
PKR	303.946	303,946.00
XOF	599.485	599,485.00
XAF	599.485	599,485.00
CLP	855.000	855,000.00
PEN	3.685	3,685.00
RUB	95.942	95,942.00

EXAMPLES OF FLUCTUATION DUE TO QUATERLY EXCHANGE RATE

CURR	1 DEC	JAN-FEB-MAR	1 JUN	JUL-AUG-SEP	1 SEP	OCT-NOV-DEC
USD	1000	1000	1000	1000	1,000.00	1,000.00
EUR	0.909	909.00	0.906	906.00	0.842	842.00
CHF	0.999	999.00	0.968	968.00	0.906	906.00
GBP	0.777	777.00	0.814	814.00	0.753	753.00
CAD	1.327	1,327.00	1.378	1,378.00	1.311	1,311.00
AUD	1.475	1,475.00	1.506	1,506.00	1.364	1,364.00
NZD	1.557	1,557.00	1.611	1,611.00	1.489	1,489.00
SGP	1.366	1,366.00	1.418	1,418.00	1.360	1,360.00
JPY	109.27	109,270.00	107.76	107,760.00	105.490	105,490.00
DKK	6.791	6,791.00	6.754	6,754.00	6.296	6,296.00
NOK	9.175	9,175.00	9.845	9,845.00	8.827	8,827.00
SEK	9.591	9,591.00	9.565	9,565.00	8.657	8,657.00
INR	71.35	71,350.00	75.75	75,750.00	73.790	73,790.00
PKR	155.286	155,286.00	160.98	160,980.00	166.470	166,470.00
XOF	596.27	596,270.00	594.325	594,325.00	552.478	552,478.00
XAF	596.27	596,270.00	594.325	594,325.00	552.478	552,478.00
CLP	811.00	811,000.00	813.00	813,000.00	781.000	781,000.00
PEN	3.394	3,394.00	3.446	3,446.00	3.546	3,546.00

THE TWO-TRACK OR LOCAL TRACK

SAMPLE CASE

SEPARATION DATE:

31 MARCH 2022

US TRACK AMOUNT:

USD 1,000

**COUNTRY OF
RESIDENCE:**

XXX

CALCULATION

UN 36-month Average Rate:
Average of the last 36 mid-monthly rates up to and including the month of separation

UN Quarterly Exchange Rate:
The Monthly Rate (1st of the month) of the month preceding the quarter.
Example:
Rate at 1 March is the Quarterly Rate for Apr-May-Jun Quarter

I - CALCULATION OF THE LOCAL TRACK AMOUNT AT ENTITLEMENT DATE – Separation date 31/03/2022

TRACK (calculation)

**USD Amount at Entitlement Date
(USD 1,000 per month)
USD TRACK**

**UN 36-mth
avg exch.
rate at
Separation
Date
(0.872)**

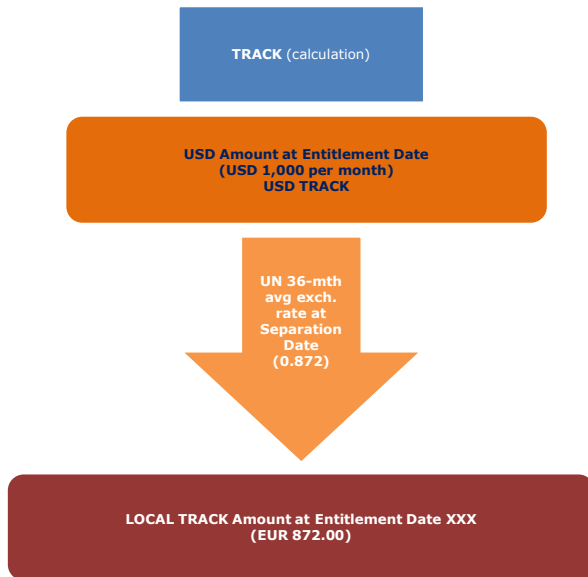
**LOCAL TRACK Amount at Entitlement Date XXX
(EUR 872.00)**

× **110%** **=**

CAP Amount (EUR 959.2)

I - CALCULATION OF THE LOCAL TRACK AMOUNT

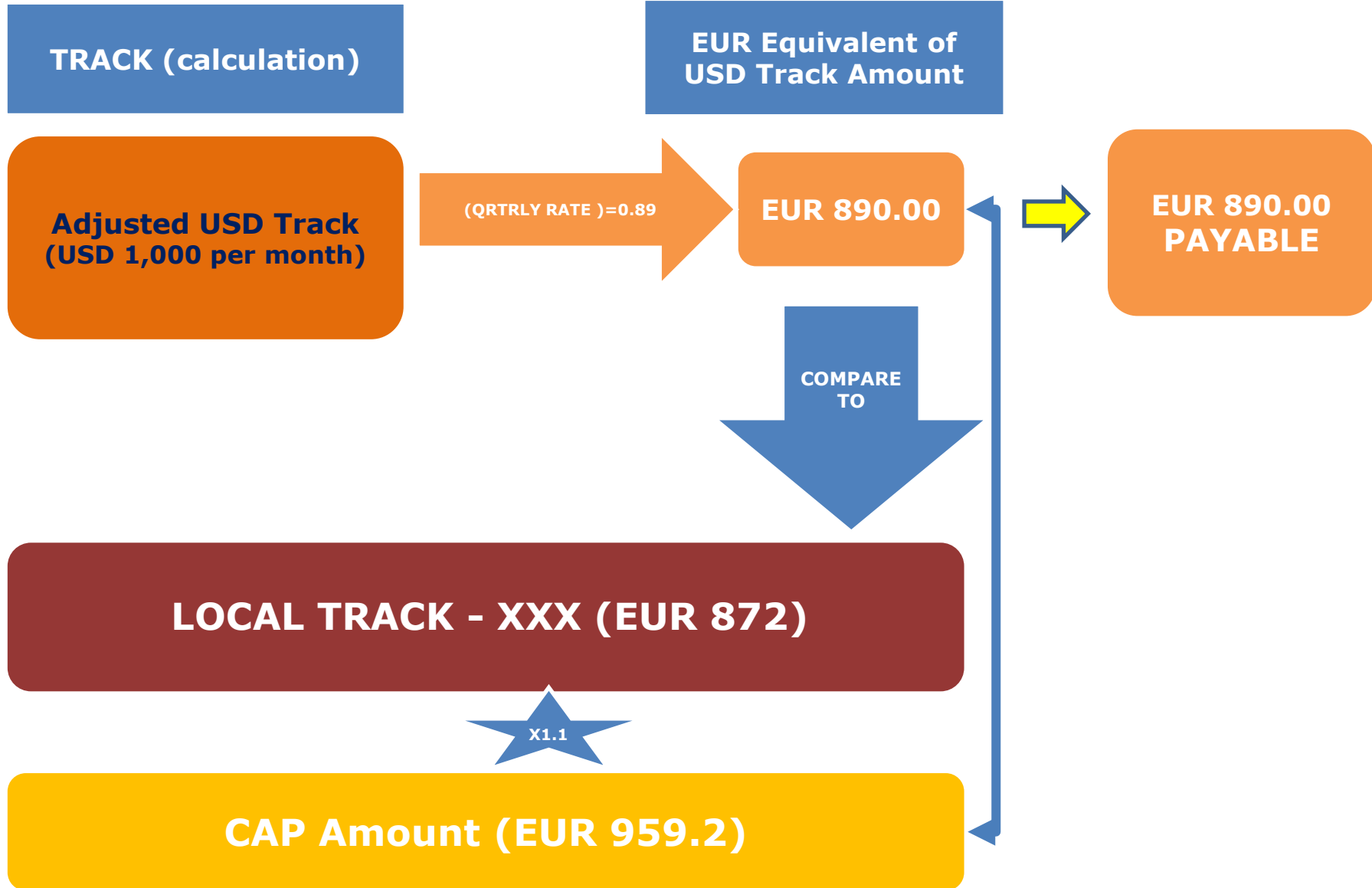
CONCEPT OF MAXIMUM AND MINIMUM AMOUNT



CAP Amount : 110 % of Local track amount = (EUR 959.2)

Minimum Amount : The higher between the base amount and 80 % of the adjusted USD value

I (cont'd) - DETERMINING THE PAYABLE AMOUNT – APRIL TO JUNE 2022



II - COST OF LIVING ADJUSTMENTS (COLA) FOR BOTH USD AND LOCAL TRACK (April 2023)

USD Track Amount at
Entitlement Date
(\$1,000 per month)

Adjustment 6.4%
(- 0.5%) in the
USA in April 2023

Adjusted USD Track
Amount
(\$1,059 per month)

LOCAL TRACK Amount at
Entitlement Date
EUR 872

Adjustment
11.6% (-0.5%) in
XXX in April 2023

Adjusted LOCAL TRACK
Amount EUR 968.79

X1.1

CAP Amount
EUR 1,065.67

In April 2023, the quarterly rate becomes 0.905 EUR = 1 USD

TRACK (calculation)

**EUR Equivalent of
USD Track Amount**

**Adjusted USD Track
(USD 1,059 per month)**

Convert at
UN Quarterly Rate (0.905)

EUR 958.40

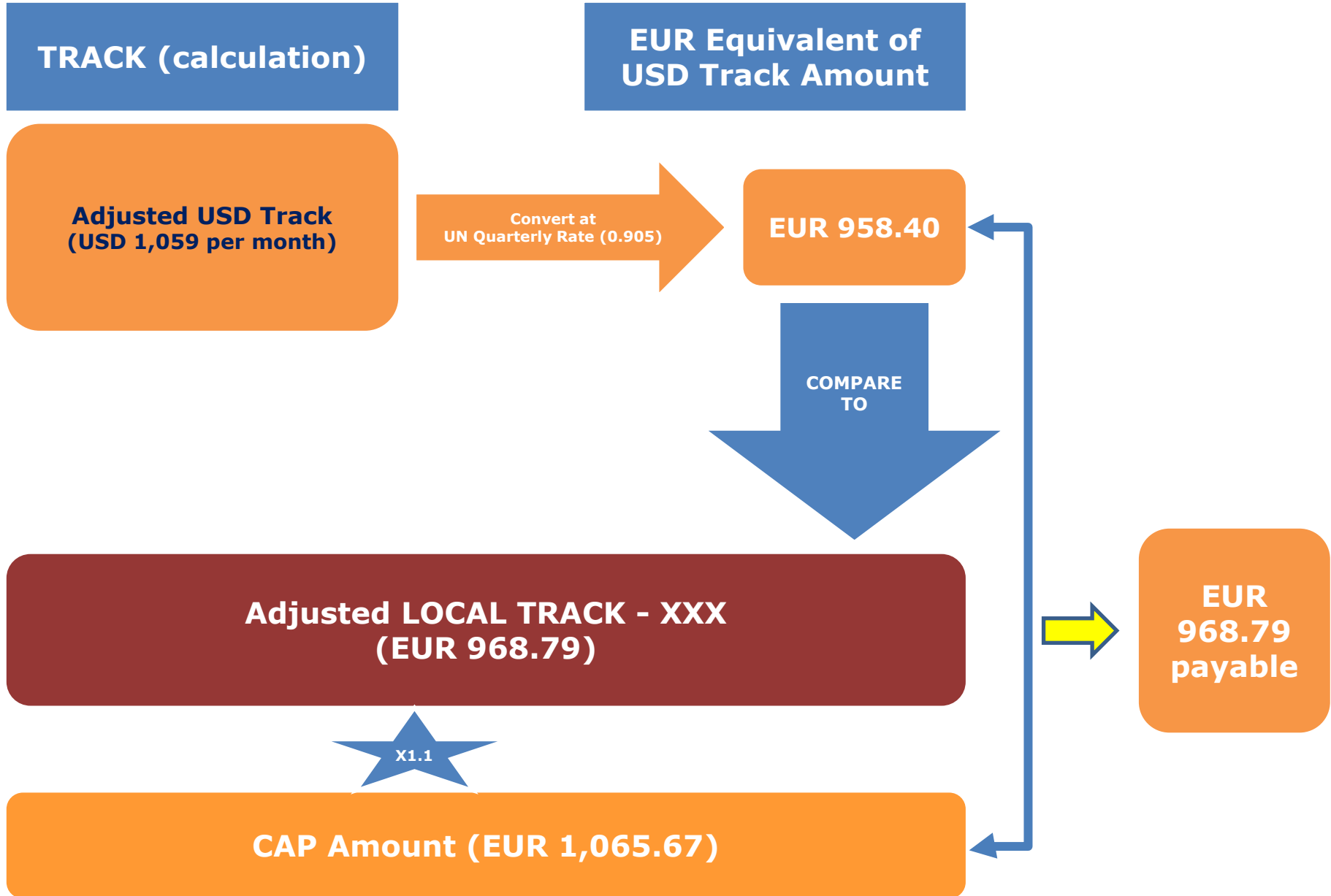
COMPARE
TO

**Adjusted LOCAL TRACK - XXX
(EUR 968.79)**

X1.1

CAP Amount (EUR 1,065.67)

**EUR
968.79
payable**



If the quarterly rate becomes 1.04 EUR = 1 USD

TRACK (calculation)

Adjusted USD Track
(USD 1,059 per month)

Convert at
UN Quarterly Rate (1.04)

EUR Equivalent of USD Track Amount

EUR 1,101.36

COMPARE
TO

Adjusted LOCAL TRACK - XXX
(EUR 968.79)

X1.1

CAP Amount (EUR 1,065.67)

EUR
1,065.67
payable

If the quarterly rate became 1.2 EUR = 1 USD

TRACK (calculation)

Adjusted USD Track
(USD 1,059 per month)

Convert at
UN Quarterly Rate (1.2)

EUR Equivalent of USD Track Amount

EUR 1,270.8

COMPARE
TO

Adjusted LOCAL TRACK - XXX
(EUR 968.79)

X1.1

CAP Amount (EUR 1,065.67)

Minimum* 1000 x 1.2 = 1,200.

CAP Lower than
Minimum, EUR
1,200.00
payable

* The minimum is the higher between the USD base amount and 80% of the adjusted USD value.

SUMMARY TABLE

	US TRACK			LOCAL TRACK		110% CAP
				36 Month Rate 0.872		
31 MARCH 2022	1,000.00			872.00		959.20

		QTRLY RATE	EQUIV IN EUR			
APR - JUN 2022	1,000.00	0.890	890.00	872.00		959.20
JUL - SEP 2022	1,000.00	0.930	930.00	872.00		959.20
OCT - DEC 2022	1,000.00	0.998	998.00	872.00		959.20
JAN - MAR 2023	1,000.00	0.967	967.00	872.00		959.20
APR - JUN 2023	1,059.00	0.905	958.40	968.79		1,065.67
Hypothetical	1,059.00	1.04	1,101.36	968.79		1,065.67
Hypothetical	1,059.00	1.200	1,270.8	968.79		1,065.67
Minimum=1000	1,000		1,200.00			

PAYABLE

Local Track

Keep in mind...



THE LOCAL TRACK – KEEP IN MIND



- The 36-Month average UN exchange rate exists for EACH country for EACH month.
- The rate of the **month of separation** will be used to compute the initial local track amount, whenever a staff opt for the **local track**.

EXCHANGE RATES

Pension Exchange Rate Tables

<https://www.unjspf.org/resources/exchange-rate-tables/>

To retrieve exchange data, please select a country or territory

To complete, select currency.

Showing

territory

UGANDA

UGANDAN SHILLING

13

Records

- SINGAPORE
- SLOVAKIA
- SLOVENIA
- SOUTH AFRICA
- SPAIN
- SRI LANKA
- ST. VINCENT AND THE GRENADINES
- SURINAME
- SWEDEN
- SWITZERLAND
- TAJIKISTAN
- TANZANIA, UNITED REP. OF
- THAILAND
- TOKELAU ISLAND
- TONGA
- TRINIDAD AND TOBAGO
- TUNISIA
- TURKEY
- TURKS AND CAICOS ISLANDS
- UGANDA

Records are displayed for each table. Click 'View All Records' for complete history.

	Beginning of the month)	Rate (Mid-month)	36 Mo Avg	Quarterly Rate
	14.74000	3866.35000	3673.0000	3814.00000
	74.83000	3797.00000	3668.0000	3814.00000
	14.00000	3789.00000	3663.0000	3717.00000
	72.73000	3774.00000	3661.0000	3717.00000
October 2023	3756.00000	3751.78000	3660.0000	3717.00000
September 2023	3717.00000	3722.75000	3658.0000	3763.00000
August 2023	3612.00000	3726.00000	3657.0000	3763.00000
July 2023	3671.00000	3665.78000	3656.0000	3763.00000

EXCHANGE RATES

Pension Exchange Rate Tables

To retrieve exchange data, please select a country or territory

To complete, select currency.

Showing

Records

<https://www.tnjsfpf.org/resources/exchange-rate-tables/>

13 rows are displayed for each table. Click 'View All Records' for complete history.

Exchange Rates

Showing 13 Records

Effective Date	Rate (Beginning of the month)	Rate (Mid-month)	36 Mo Avg	Quarterly Rate
February 2024	0.78900	0.79300	0.7840	0.78900
January 2024	0.78300	0.78600	0.7820	0.78900
December 2023	0.78900	0.79900	0.7800	0.78500
November 2023	0.82400	0.81700	0.7790	0.78500

HISTORICAL CONSUMER PRICE INDEX (CPI)

USA

CPI Adjustment

Showing 25 Records

Effective Date	Adjustment
April 2023	6.4
April 2022	8.6
April 2020	4.2
April 2018	2.2
April 2017	3.6
April 2014	3.2
April 2012	4.5
April 2010	2.8

DENMARK

CPI Adjustment

Showing 13 Records

Effective Date	Adjustment
April 2023	8.8
April 2022	3.1
April 2021	2.1
April 2018	2.3
April 2014	2.7
April 2012	2.5
April 2011	4.3
April 2009	2.4
April 2008	4.2

US DOLLAR TRACK VS LOCAL TRACK

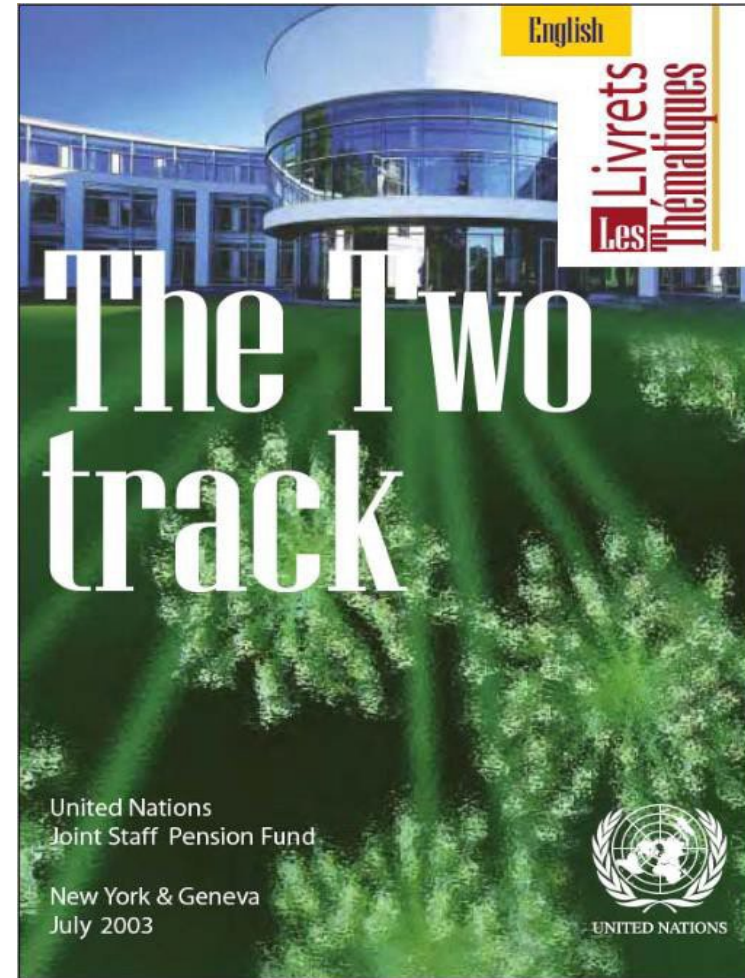
USD TRACK	LOCAL TRACK (= TWO TRACK)
▪ COST OF LIVING OF USA	▪ COST OF LIVING IN COUNTRY OF RESIDENCE
▪ ENTITLEMENT IN USD	▪ ENTITLEMENT IN LOCAL CURRENCY
▪ PAYMENT IN CURRENCY OF YOUR CHOICE and INTO ACCOUNT/BANK OF YOUR CHOICE	▪ PAYMENT IN CURRENCY OF YOUR CHOICE and INTO ACCOUNT/BANK OF YOUR CHOICE
▪ NO NEED TO SUBMIT PROOF OF RESIDENCE TO UNJSPF	▪ PROOF OF RESIDENCE REQUIRED (including each time you move country of residence)
▪ OPTION TO CHANGE TO THE LOCAL TRACK (= TWO TRACK) AT ANY TIME	▪ NO REVERSION TO USD TRACK POSSIBLE
▪ CONVENIENT TO CHANGE COUNTRY OF RESIDENCE (no changes to benefit amount)	▪ CHANGE OF COUNTRY OF RESIDENCE ENTAILS RECALCULATION OF BENEFIT AMOUNT

THE TWO TRACK : ESSENTIAL

What should I do if I might want to go on the Two-Track?

- Familiarize yourself with the **"Two-Track" booklet** on the web **BEFORE** you make a decision.
- **After you retire**, contact the UNJSPF for detailed information and a discussion with a pension expert
- **Run an estimate** of your local track benefit inside your Member Self Service (MSS), once your benefit is in payment.
- **DO NOT MAKE A HASTY DECISION**, on the basis of one quarter of fluctuation. Look at trends!

Think about your future **BEFORE** you make a decision.



THE TWO TRACK : MATERIAL & LOCATION

ACCESS the specific "Two-Track" topic on the UNJSPF Website:

[Two-Track Pension Adjustment System - UNJSPF](#)(English) or,

[La double filière - UNJSPF](#) (French)

BOOKLET – From the UNJSPF Website under "Resources" in three languages:

https://www.unjspf.org/wp-content/uploads/2017/02/brochure-two_track2010.pdf

(English) or

https://www.unjspf.org/wp-content/uploads/2017/01/brochure-two_track2010b_fra.pdf

(French)

https://www.unjspf.org/wp-content/uploads/2017/10/brochure-two_track2010_spa.pdf

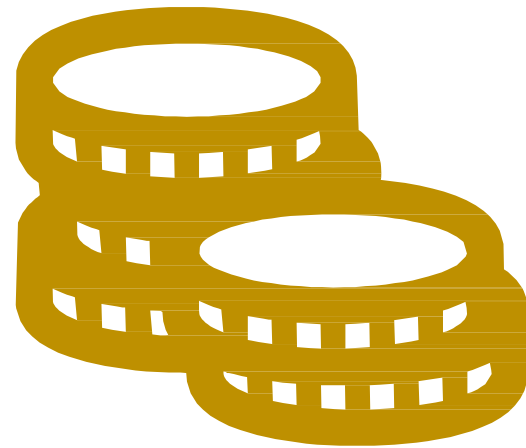
(Spanish)

TUTORIAL – Videos on Two-Track available on the UNJSPF Website under "Resources":

<https://www.unjspf.org/help-tutorials/two-track/> (English) or,

<https://www.unjspf.org/fr/help-tutorials/two-track/> (French)

PAYMENTS



PAYMENTS - GENERALITIES

- **Weekly Payments:** All payments made outside the Monthly Payroll run.
- They consist of:
 - Lump Sum
 - Withdrawal Settlements
 - Residual Settlements
 - Retroactive Benefits
 - Re-issuance of Returned/Cancelled payments
 - Payment of suspended and withheld payments


Value Date for WEEKLY PAYMENTS (= date when the Fund authorizes the banks to release the payments):
Every Thursday

LUMP SUM PAYMENT

CURRENCY CHOICE BY BENE

 USD

 EURO

 CHF

PF CALC & PAYMT



 USD

 USD

 USD

CONVERSION BY **PF BANKS**
@Bank Rate

 USD

 USD →  EURO

 USD →  CHF

CURRENCY RECEIVED BY BENE BANK

 USD

 EURO

 CHF

PAYMENT BASICS – Monthly payments

- All **payments are made in arrears**: February 2024 benefits are payable at the end of February 2024.
- **Value Dates** for MONTHLY PAYMENTS (date when the Fund authorizes the banks to release the payments)
- **All Monthly pensions in USD payments to USA** are paid on the last business day of the month (February 2024 pensions was paid on 29 February 2024)
- **All other monthly pensions** are paid the day before the last business day of the month (February 2024 pensions were paid on 28 February 2024)
- **All Cheque payments** are dated the first of the following month (February 2024 payments by cheques are dated 01 March 2024)

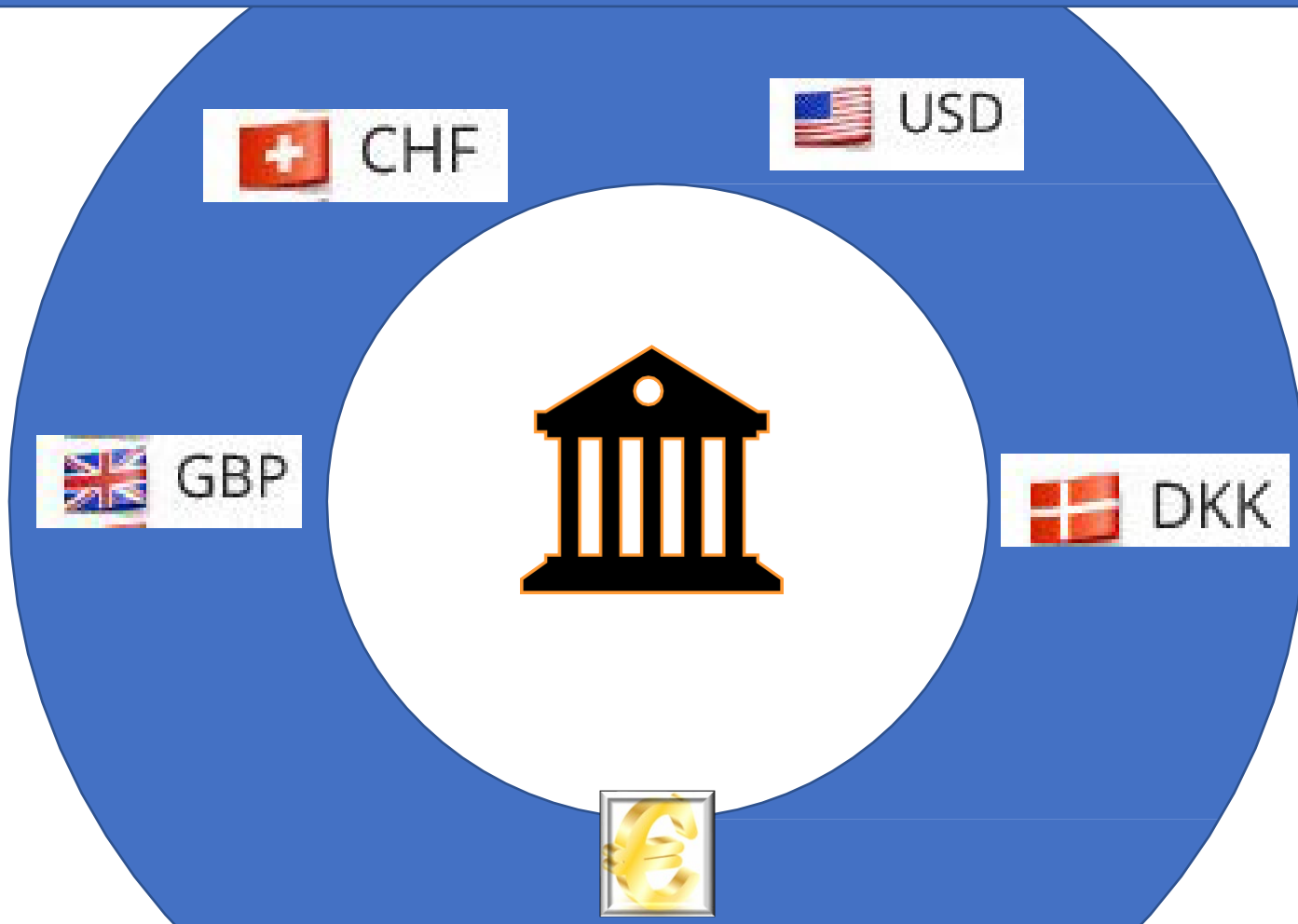
PAYMENT BASICS...

- Each Pension payment must be made by bank transfer to **only one bank account** owned or co-owned by the beneficiary.
- The Pension benefit **cannot be split** voluntarily by the beneficiary. It can be split to comply with a legal obligation to pay maintenance to a former spouse in case of divorce (Article 45)
- **Two separate benefits belonging to the same beneficiary** (e.g. pension + survivor's benefit) **can be paid together as a single payment** (aggregate feature) or **separately to two different bank accounts.**

PAYMENT BASICS

- **Child/ren benefit/s can be paid separately** to a bank account owned by the staff, the child or jointly held.
- Normally, all monthly pensions are paid each month...
- ...However, **SMALL PENSIONS** (USD400 or less per month) can be paid in arrears quarterly, semi-annually or annually at the request of the beneficiary. The payments will be withheld and released automatically at the end of each cycle.
Note: This option is not compatible with ASHI deductions!

BANK ACCOUNT CURRENCY



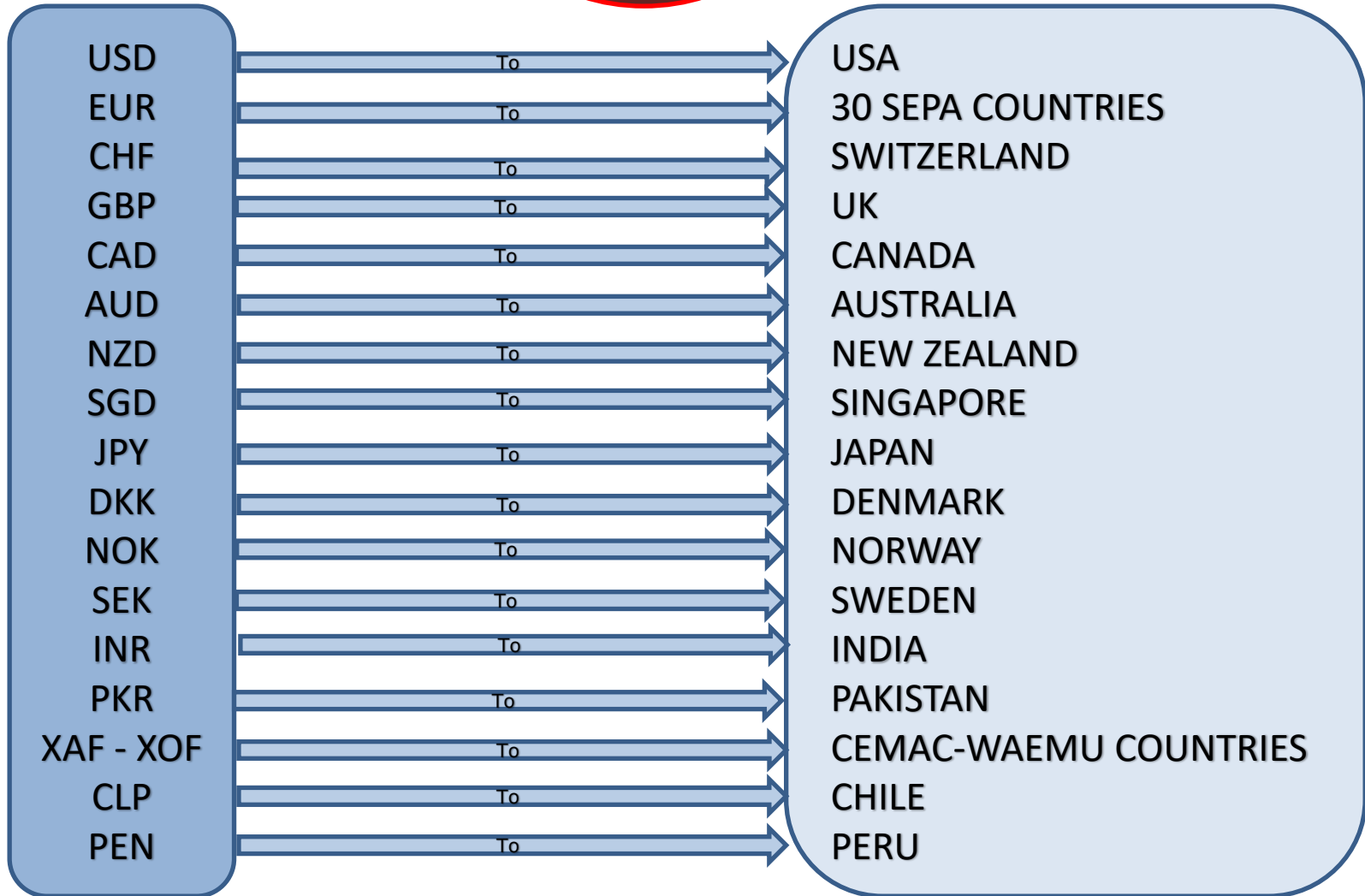
Currency denomination of your account determines how you receive your funds. **Your bank** will convert all funds received to the currency of your account.

**CURRENCIES AND
DESTINATION TO
AVOID BANK
CHARGES FOR
MONTHLY PENSIONS**

PAYROLL CURRENCIES

No Bank charges!

DESTINATIONS



**QUESTIONS
AND
ANSWERS**