



UNJSPF

United Nations Joint
Staff Pension Fund

UNJSPF

THE PENSION ADJUSTMENT SYSTEM

14 November 2024

CLIENT SERVICES and OUTREACH

Bangkok, Geneva, Nairobi, New York

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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...

WHAT is the purpose?

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

The Pension Adjustment System...

WHICH benefits are adjusted?

- ✓ Normal retirement
- ✓ Early retirement
- ✓ Disability or surviving spouse benefit
- ✓ Child Benefit
- ✓ Secondary benefit
- ✓ Deferred retirement (From 55 y.o)



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 2024 : Egypt (16.5 %), Turkey (24.7 %))



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

THE US DOLLAR TRACK

THE US DOLLAR TRACK

Reminder: All benefits are initially calculated in USD

On USD Track:

- Default 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.

THE US DOLLAR TRACK - CPI

COST- OF-
LIVING IN
THE USA

CPI Adjustment

USA

Showing 13 Records

Effective Date	Adjustment
April 2024	3.4
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

THE US DOLLAR TRACK - CPI

US TRACK with USA COST OF LIVING

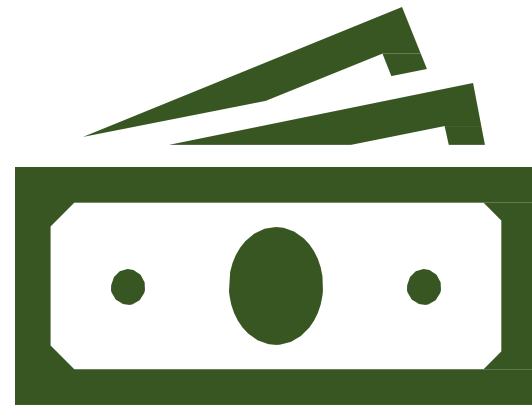
PERIOD	AMOUNT	COL ADJ %	ADJUSTED AMOUNT
31/03/2005	1,000.00		
Apr-06	1,000.00	3.4% - 0.5% = 2.9%	1,029.00
Apr-07	1,029.00	2.5	1,054.73
Apr-08	1,054.73	4.1	1,097.97
Apr-10	1,097.97	2.8	1,128.71
Apr-12	1,128.71	4.5	1,179.50
Apr-14	1,179.50	3.2	1,217.25
Apr-17	1,217.25	3.6	1,261.07
Apr-18	1,261.07	2.2	1,288.81
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
Apr-24	1,551.77	3.4	1,604.53

Currency of Payment under the USD Track

CURRENCY OF PAYMENT on 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



Payments on the US Dollar 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

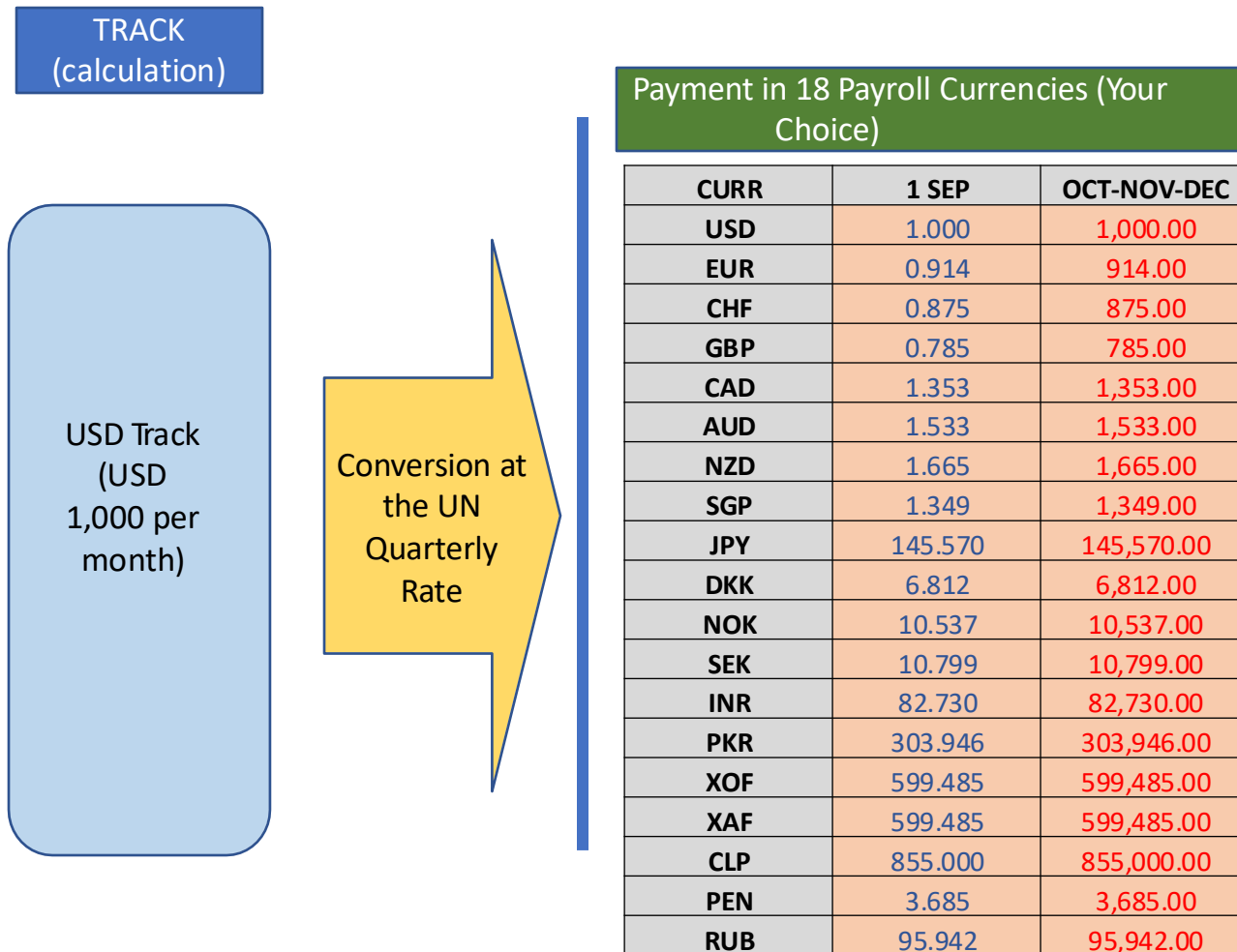
PAYMENT FLUCTUATION on US DOLLAR TRACK

SUMMARY TABLE:

CHOSEN CURRENCY OF PAYMENT	PAYMENT FLUCTUATION	EXAMPLES
USD	NO	1000 \$ -> 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 the Quarter

EXAMPLES OF DETERMINATION OF QUARTERLY RATE



EXAMPLES OF FLUCTUATION DUE TO QUARTERLY 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

US DOLLAR TRACK - SUMMARY

- Your pension is **calculated** in USD
- It's adjusted based on Cost-of-Living adjustments in the USA **(3.4% in 2024)**.
\$1,000 in 2005 would be today \$1,604.53
- **You do not need** to prove residency
- **You can** change to the Two-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 website*)

**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**
 - COL Differential factor, if & when applicable.)

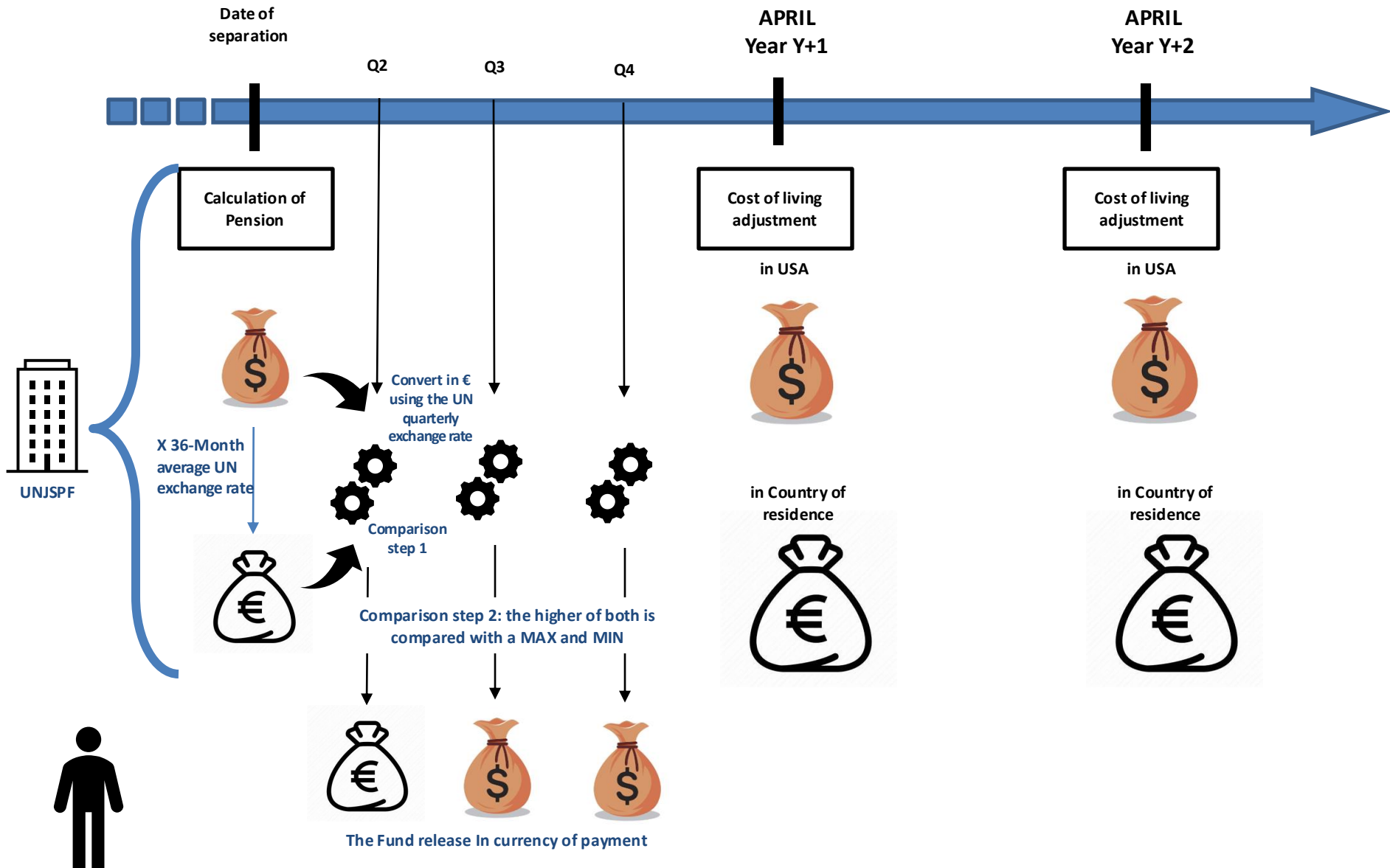
Two-Track:

How it works...

HOW DOES THE TWO-TRACK WORK?



HOW DOES THE TWO-TRACK WORK?



**Let's take
an example**

SAMPLE CASE

SEPARATION DATE:

31 MARCH 2023

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 31/03/2023

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)

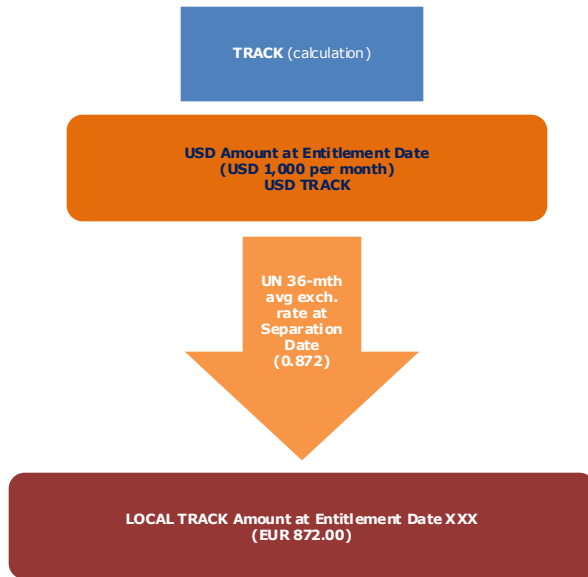
**LOCAL TRACK Amount at Entitlement Date in XXX
(EUR 872.00)**

× **110%** **=**

CAP Amount (EUR 959.2)

I - CALCULATION OF THE LOCAL TRACK AMOUNT

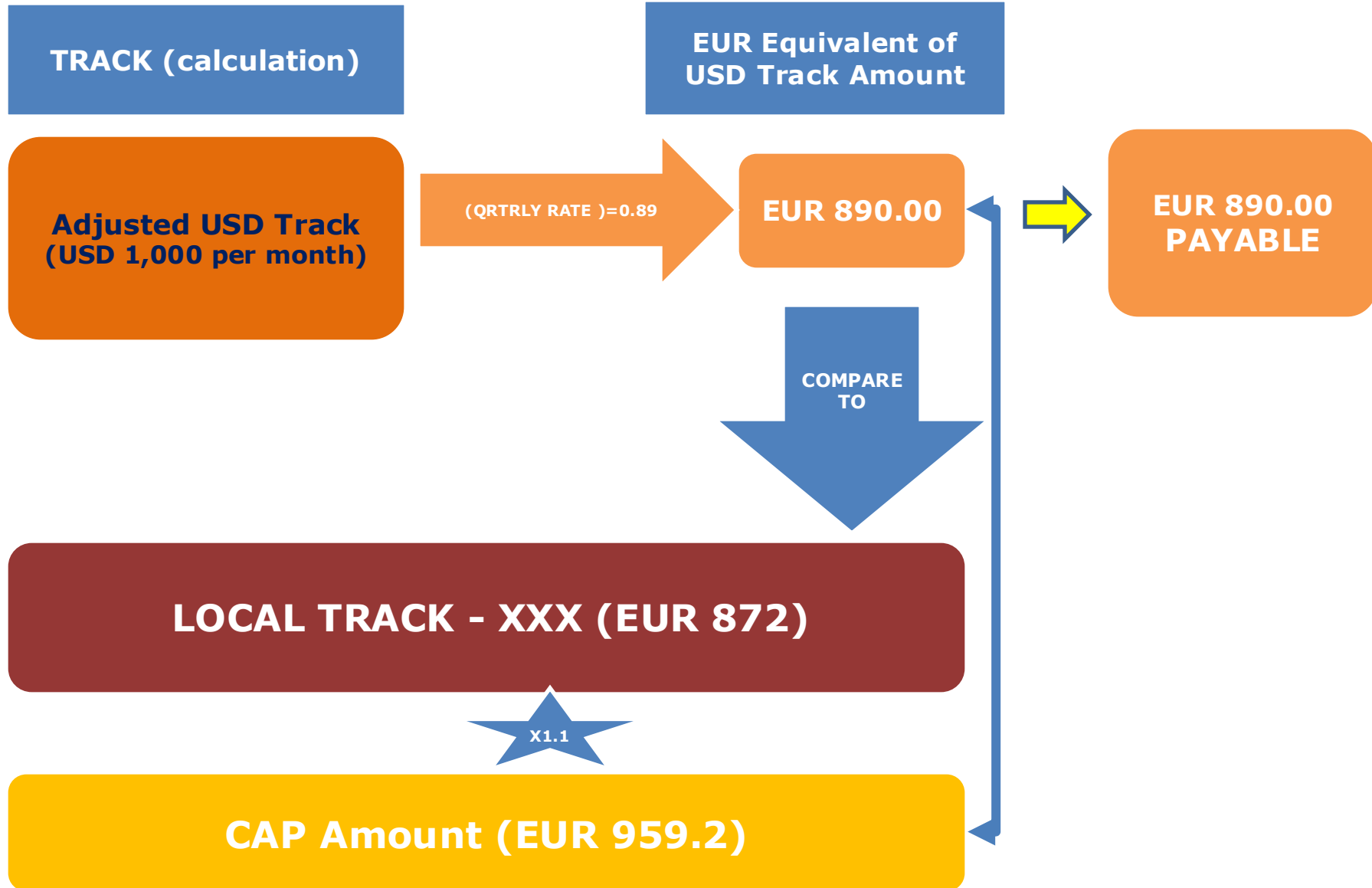
CONCEPT OF MAXIMUM AND MINIMUM AMOUNT



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 2023



II - COST OF LIVING ADJUSTMENTS (COLA) FOR BOTH USD AND LOCAL TRACK (April 2024)

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

Adjustment 3.4%
(- 0.5%) in the
USA in April 2024

Adjusted USD Track
Amount
(\$1,029 per month)

LOCAL TRACK Amount at
Entitlement Date
EUR 872

Adjustment
11.6% (-0.5%) in
XXX in April 2024

Adjusted LOCAL TRACK
Amount **EUR 968.79**

X1.1

CAP Amount
EUR 1,065.67

In April 2024, the quarterly rate becomes 0.905 EUR = 1 USD

TRACK (calculation)

**EUR Equivalent of
USD Track Amount**

**Adjusted USD Track
(USD 1,029 per month)**

Convert at
UN Quarterly Rate (0.905)

EUR 931.25

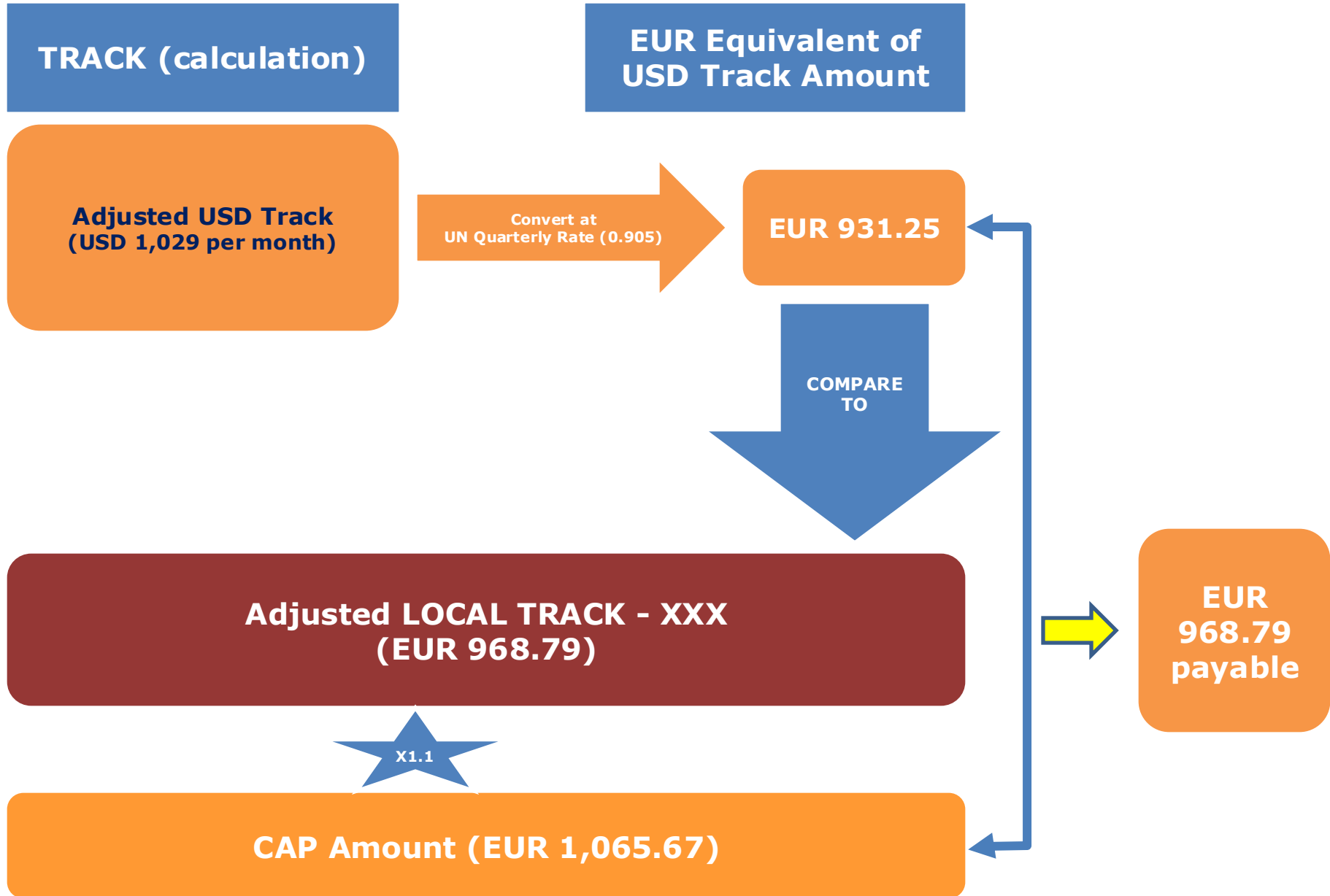
COMPARE
TO

**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)

EUR Equivalent of USD Track Amount

**Adjusted USD Track
(USD 1,029 per month)**

Convert at
UN Quarterly Rate (1.04)

EUR 1,070.16

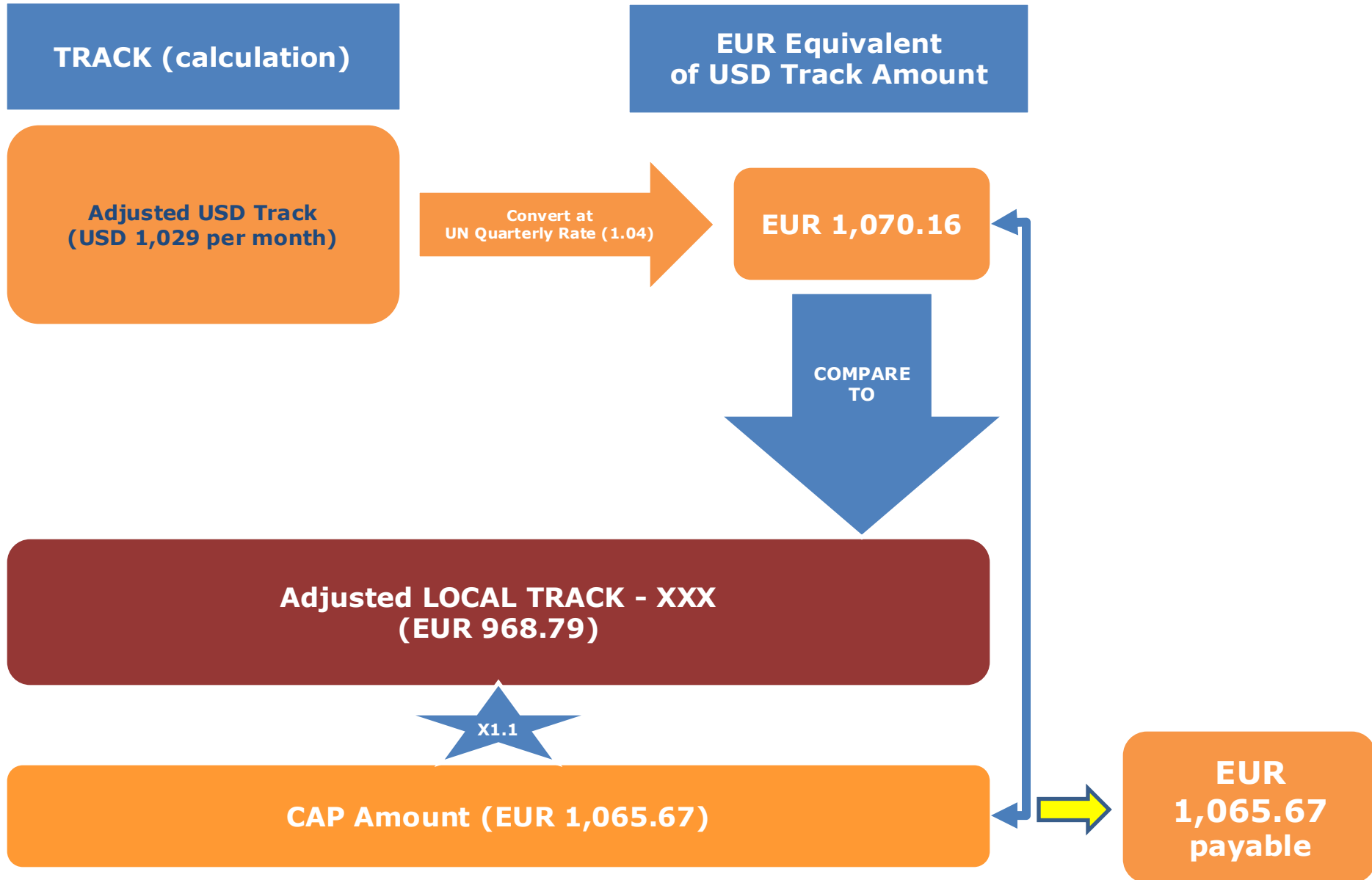
COMPARE
TO

**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)

EUR Equivalent of USD Track Amount

Adjusted USD Track
(USD 1,029 per month)

Convert at
UN Quarterly Rate (1.2)

EUR 1,234.8

COMPARE
TO

Adjusted LOCAL TRACK - XXX
(EUR 968.79)

X1.1

CAP Amount (EUR 1,065.67)

CAP Lower than
Minimum, EUR
1,200.00
payable

Minimum* 1000 x 1.2 = 1,200.

* 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 2023	1,000.00			872.00		959.20

		QTRLY RATE	EQUIV IN EUR			
APR - JUN 2023	1,000.00	0.890	890.00	872.00		959.20
JUL - SEP 2023	1,000.00	0.930	930.00	872.00		959.20
OCT - DEC 2023	1,000.00	0.998	998.00	872.00		959.20
JAN - MAR 2024	1,000.00	0.967	967.00	872.00		959.20
APR - JUN 2024	1,029.00	0.905	931.25	968.79		1,065.67
Hypothetical	1,029.00	1.04	1,070.16	968.79		1,065.67
Hypothetical	1,029.00	1.200	1,234.8	968.79		1,065.67
Minimum=1000	1,000		1,200.00			

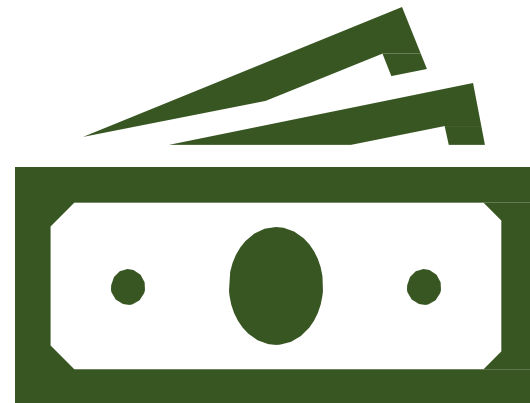
PAYABLE

Currency of Payment under the Local Track

CURRENCY OF PAYMENT on LOCAL TRACK

You can have your **LOCAL 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



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 (EURO, CHF, 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** (See Pens. E/10 & E/11 forms and [Examples-of-acceptable-POR-and-supporting-POR.pdf \(unjspf.org\)](https://unjspf.org/Examples-of-acceptable-POR-and-supporting-POR.pdf))
 - 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-by-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**

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 one opts for the **local track**.

EXCHANGE RATES

Welcome to the Pension Exchange Rates! Please select your country or territory to begin.

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

Pension Exchange Rate Tables

To retrieve exchange data, please select a country or territory

ITALY

ICELAND

INDIA

INDONESIA

IRELAND

ISRAEL

ITALY

JAMAICA

JAPAN

JORDAN

KUWAIT

LAO PEOPLE'S DEM. REP.

LESOTHO

LIECHTENSTEIN

LITHUANIA

LUXEMBOURG

To complete, select currency.

EURO

Showing

13

Records

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
0.89400	0.91400	0.9290	0.90200
0.90200	0.90800	0.9280	0.92300
0.92500	0.91300	0.9260	0.92300
0.93300	0.91800	0.9240	0.92300
0.92300	0.92300	0.9220	0.92300
0.93500	0.92600	0.9190	0.92300

EXCHANGE RATES

Exchange Rates, CPI Adjustments, and Cost of Living Differential Factors

Welcome to the Pension Exchange Rates! Please select your country or territory to begin.

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

Pension Exchange Rate Tables

To retrieve exchange data, please select a country or territory

ITALY

To complete, select currency.

EURO

Showing

13

Records

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
October 2024	0.89400	0.91400	0.9290	0.90200
September 2024	0.90200	0.90800	0.9280	0.92300
August 2024	0.92500	0.91300	0.9260	0.92300
July 2024	0.93300	0.91800	0.9240	0.92300

HISTORICAL CONSUMER PRICE INDEX (CPI)

USA

CPI Adjustment

Showing 13 Records

Effective Date	Adjustment
April 2024	3.4
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

ITALY

CPI Adjustment

Showing 13 Records

Effective Date	Adjustment
April 2023	11.6
April 2022	5.3
April 2018	2.2
April 2013	2.3
April 2012	3.3
April 2011	2.8
April 2009	2.1
April 2008	4.5
April 2006	3.8
April 2004	2.4
April 2003	2.8
April 2002	2.4
April 2001	2.8

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**

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/2024/03/Two-Track-EN.pdf> (English) or

<https://www.unjspf.org/wp-content/uploads/2024/03/Two-Track-FR.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.youtube.com/watch?v=zE0iSMh-ddg> (English) or,

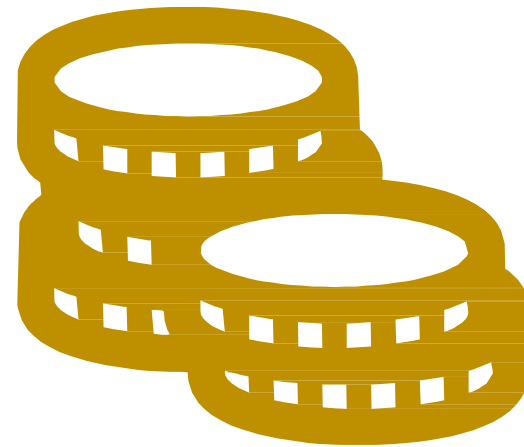
<https://www.youtube.com/watch?v=y8PYHOID9kI&list=PLbv57VCEBsZrlrBUmq-6i7sk2AHyFKwJl&index=19>

(French)

US DOLLAR TRACK vs LOCAL TRACK

USD TRACK	LOCAL TRACK (= TWO TRACK)
<ul style="list-style-type: none">▪ COST OF LIVING OF USA	<ul style="list-style-type: none">▪ COST OF LIVING IN COUNTRY OF RESIDENCE
<ul style="list-style-type: none">▪ ENTITLEMENT IN USD	<ul style="list-style-type: none">▪ ENTITLEMENT IN LOCAL CURRENCY
<ul style="list-style-type: none">▪ PAYMENT IN CURRENCY OF YOUR CHOICE and INTO ACCOUNT/BANK OF YOUR CHOICE	<ul style="list-style-type: none">▪ PAYMENT IN CURRENCY OF YOUR CHOICE and INTO ACCOUNT/BANK OF YOUR CHOICE
<ul style="list-style-type: none">▪ NO NEED TO SUBMIT PROOF OF RESIDENCE TO UNJSPF	<ul style="list-style-type: none">▪ PROOF OF RESIDENCE REQUIRED (including each time you move country of residence)
<ul style="list-style-type: none">▪ OPTION TO CHANGE TO THE LOCAL TRACK (= TWO TRACK) AT ANY TIME	<ul style="list-style-type: none">▪ NO REVERSION TO USD TRACK POSSIBLE
<ul style="list-style-type: none">▪ CONVENIENT TO CHANGE COUNTRY OF RESIDENCE (no changes to benefit amount)	<ul style="list-style-type: none">▪ CHANGE OF COUNTRY OF RESIDENCE ENTAILS RECALCULATION OF BENEFIT AMOUNT

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



PF CALC &
PAYMT



CONVERSION
BY **PF BANKS**
@**Bank Rate**



CURRENCY
RECEIVED BY
BENE BANK



PAYMENT BASICS – Monthly payments

- All **payments are made in arrears**: April 2024 benefits are payable at the end of April 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** (April 2024 pensions were paid on 30 April 2024)
- **All other monthly pensions** are paid **the day before the last business day of the month** (April 2024 pensions were paid on 29 April 2024)
- **All Cheque payments** are dated the first of the following month (April 2024 payments by cheques are dated 01 May 2024)

PAYMENT BASICS...

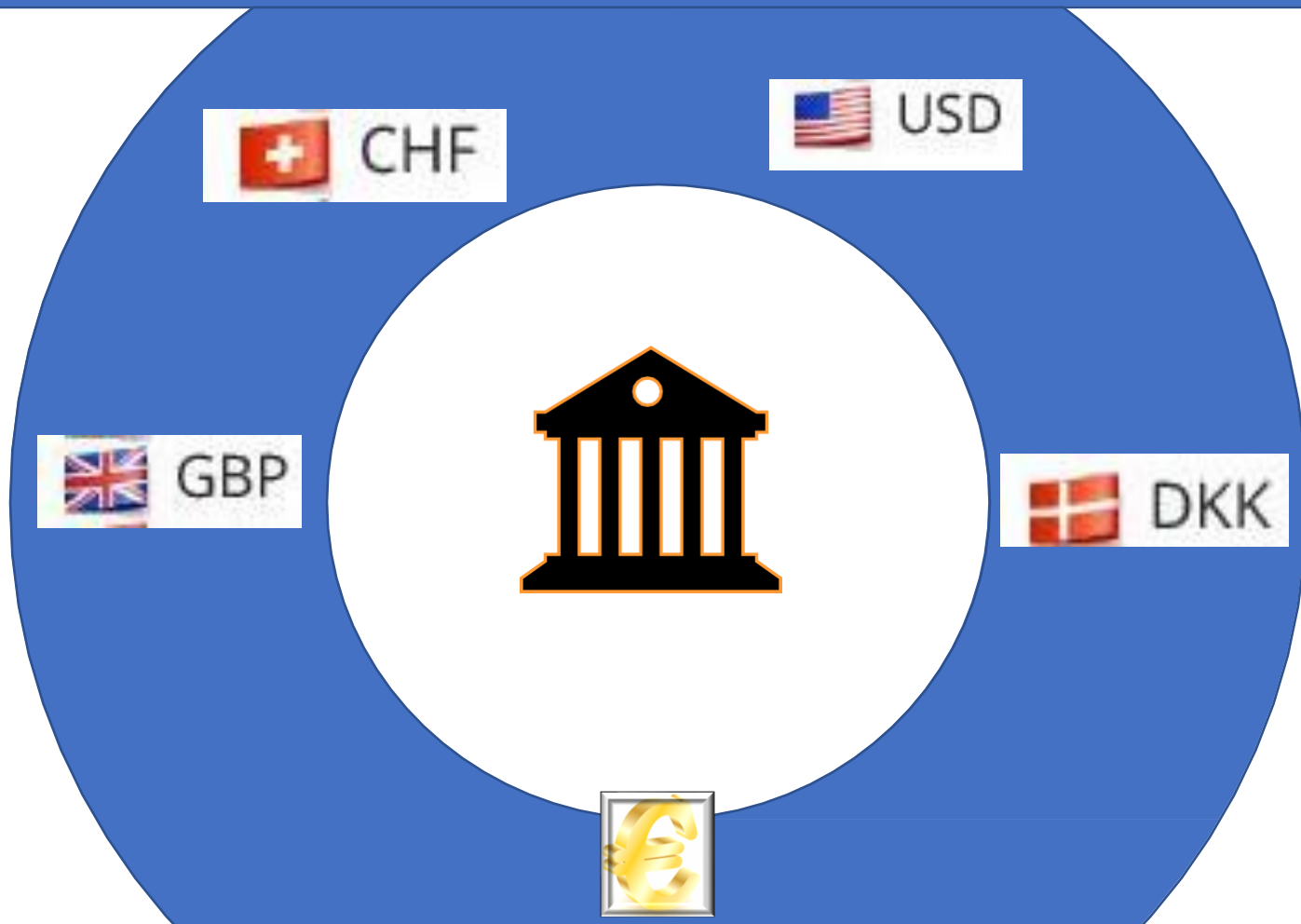
- Each Pension payment must be made by bank transfer to **only one bank account** owned or co-owned by the beneficiary.
- The Pension benefit **cannot be split** voluntarily by the beneficiary. It can be split to comply with a legal obligation to pay maintenance to a former spouse in case of divorce (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



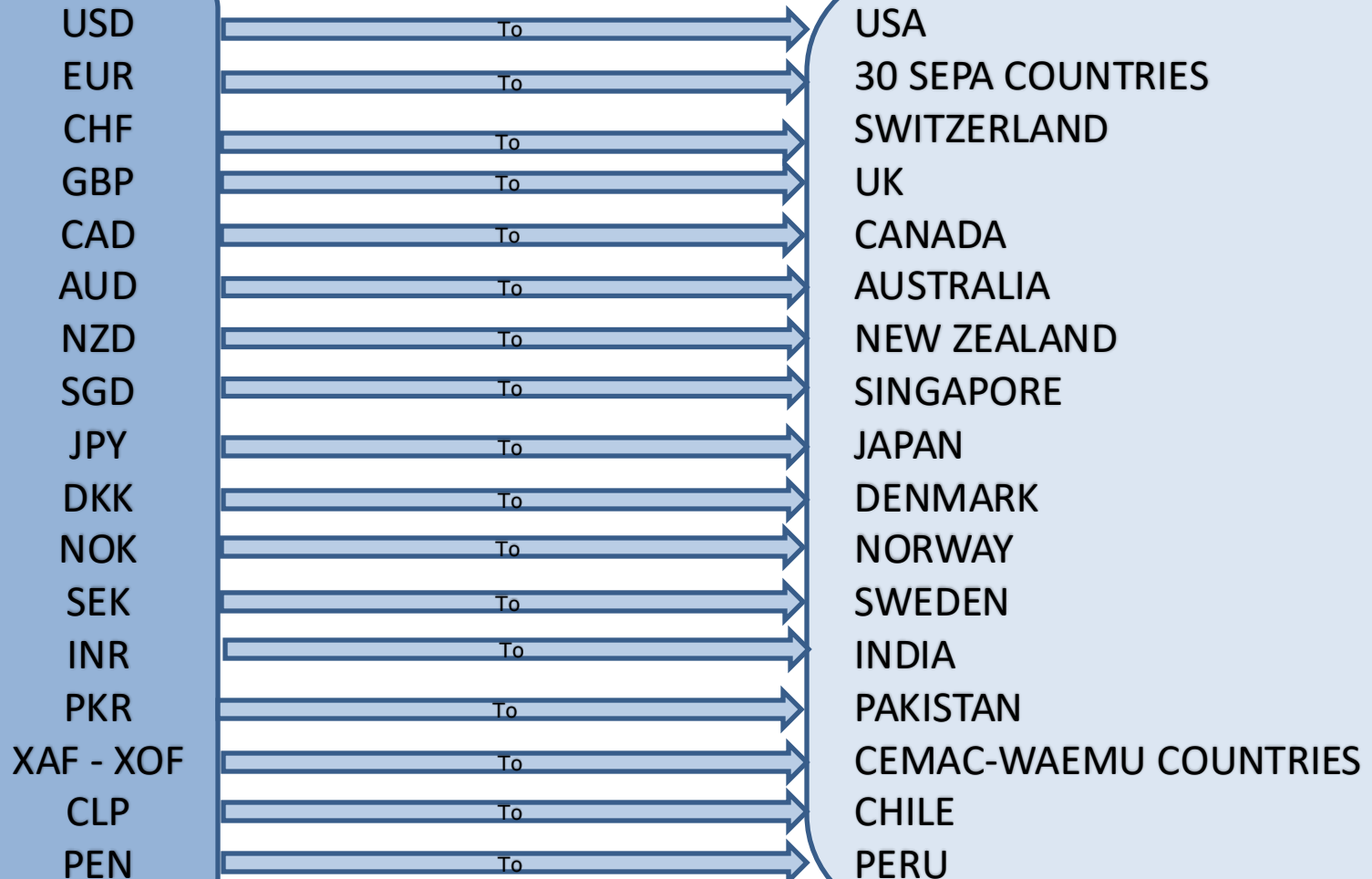
Currency denomination of your account determines how you receive your funds. **Your bank** will convert all funds received to the currency of your account.

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

PAYROLL CURRENCIES

No Bank charges!

DESTINATIONS



QUESTIONS **AND** ANSWERS