

2021 Pre-retirement Seminar

United Nations Joint Pension Fund

Pension Two Track System

14 April 2021





UNJSPF

United Nations Joint
Staff Pension Fund

UNOG THE PENSION ADJUSTMENT SYSTEM – THE TWO-TRACK

14 April 2021

**Client Services and Outreach Section, UNJSPF
Bangkok-Geneva-Nairobi-New York**



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.

Should this presentation be provided by staff other than the staff of the UNJSPF, any ambiguity or inconsistency should likewise be clarified either with the appropriate provisions, or through communications with the staff of the Fund.



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AGENDA

US DOLLAR TRACK

AJUSTEMENTS

PAYMENTS UNDER US DOLLAR TRACK AND FLUCTUATIONS

THE TWO TRACK or LOCAL TRACK

AJUSTEMENTS 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 of age 55

The Pension Adjustment System (cont.)

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.



The first adjustment will be reduced by 0.5 percent.

BENEFIT TYPES

DEPEND ON LENGTH OF CONTRIBUTORY SERVICE and AGE AT SEPARATION DATE

LESS THAN 5 YEARS OF CONTRIBUTORY SERVICE	5 YEARS OR MORE OF CONTRIBUTORY SERVICE
WITHDRAWAL SETTLEMENT	Withdrawal settlement (before retirement age)
	“Normal” retirement
	Early retirement
	Deferred retirement
Disability or Survivor’s benefits with any length of contributory service	



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BENEFIT AMOUNT

**FINAL AVERAGE
REMUNERATION**



**RATE OF
ACCUMULATION**



ANNUAL PENSION AMOUNT

(REDUCED FOR EARLY RETIREMENT)

CALCULATED IN USD

THE US DOLLAR TRACK

All benefits are initially calculated in USD (USD Track)

- **If you keep the USD Track, your pension will be calculated the same way as someone who resides in the United States.**
- **It will be adjusted based on cost of living in the United States.**

**You can reside wherever
you wish without...**

- **impacting the level of
your pension, and**
- **having to give us proof
of residence.**

**The USD amount will
only vary subject to
cost of living
adjustment based on
the Consumer Price
Index (CPI) of the USA**

COST- OF- LIVING IN THE USA

CPI ADJUSTMENT

USA

Showing 50 Records

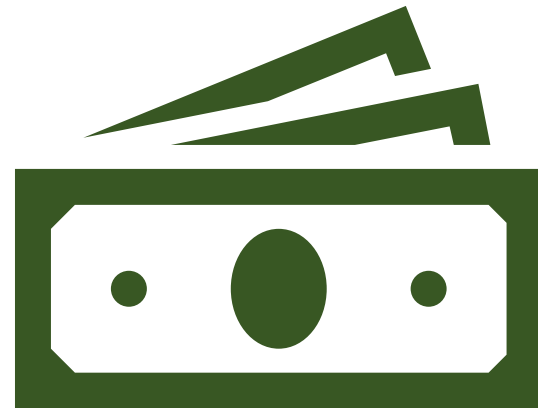
Effective Date	Adjustment
April 2020	4.2
April 2018	2.2
April 2017	3.6
April 2014	3.2
April 2012	4.5
April 2010	2.8
April 2008	4.1
April 2007	2.5
April 2006	3.4

Currency of Payment under the USD Track

Currency of Payment

You can have your **USD Track** Pension paid in any one of the 17 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)



Payment Fluctuation under the USD Track

**If you choose for your
USD Track pension to be
paid in US Dollar, the
payment will not
fluctuate...**

USD 1,000 = USD 1,000

If you choose for your **USD Track** pension to be paid in **another currency**, the USD Track amount will be converted to the currency of payment using the **UN Quarterly Rate**. **The payment will fluctuate every quarter with no maximum or minimum.**

USD 1,000 could = EUR 1,500 **or**
= EUR 500

USD TRACK - Summary

- Your pension is **calculated** in USD
- It's adjusted based on Cost of Living adjustments in the **USA (2.2% adjustment for 2018; 4.2% adjustment for 2020)**
*USD 1,000 in 2006 would be today
USD 1,295.07*
- **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 website*)

THE TWO-TRACK OR LOCAL TRACK

THE PENSION ADJUSTMENT SYSTEM

- LOCAL TRACK

INTENDED

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



IN YOUR COUNTRY OF RESIDENCE.

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**
- => the “**Local Track**” or “**Two-Track**” (these terms are interchangeable)

Two-Track:

How it works...

Two-Track information material on the Fund's website:

VIDEO - Watch the online Educational Video #19 for explanation of the Two-Track available on the UNJSPF Website under "Information":

- <https://www.unjspf.org/whiteboard-videos/> (English) or,
- <https://www.unjspf.org/fr/videos-animees/> (French)

BOOKLET - Read the Informational Booklet for explanation of the Two-Track available on the UNJSPF Website under "Information" 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)
- or,
- https://www.unjspf.org/wp-content/uploads/2017/10/brochure-two_track2010_spa.pdf (Spanish)

TUTORIAL - Watch the online Two-Track Tutorial for additional explanation of how the Two-Track works; it is available on the UNJSPF Website under "Information":

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

How does the “Two-Track” work?

I - We calculate the Local Track Amount at your date of separation:

(Normally by multiplying your USD amount at separation date with the 36-Month average UN exchange rate effective at Separation Date and increased by **COL Differential** factor if & when applicable.)

How does the “Two-Track” work?

II - We adjust both amounts:

USD Amount is adjusted to Cost of living Adjustments in the **USA (4.2% in 2020)**, and **Local Track amount** is adjusted to Cost of living adjustment in the **country of residence (3.1% in FRANCE in April 2020)**.

How does the “Two-Track” work?

III - EACH QUARTER, we compare:

- **USD Track Amount** equivalent in **Local currency** using the UN Quarterly Exchange rate:

[Adjusted US amount (USD+ USD CPI)] x Quarterly Rate

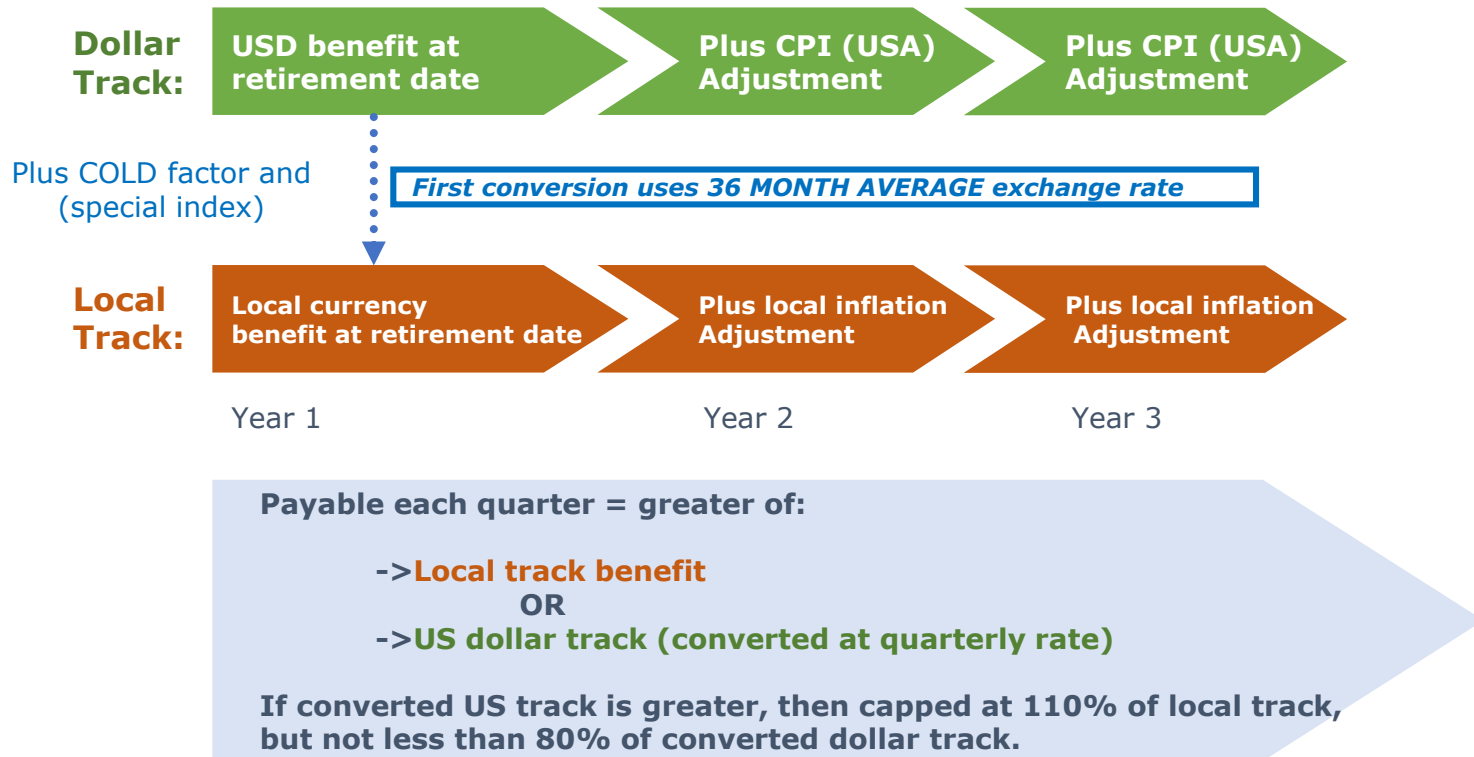
COMPARE TO

- **The Adjusted Local Track Amount (Local + Local CPI)**

We always pay the Local Track Amount if higher.

If the USD Equivalent is higher, the USD amount is payable, subject to maximum (CAP) amounts (currently 110% of local track amount) and minimum of 80% of US Track amount.

The “Two-Track” or “Local Track” Flow



LOCAL TRACK - SUMMARY

- **It is an option** and not an obligation
- **You must 'apply'** by submitting to the Fund **UNJSPF form Pens.E/10** and a **Proof of Residence document (PoR)**. This process implies that you are 'declaring' your country of residence (COR) and applying to have your benefit paid under the two track system.
- Your benefit is **adjusted based on** Cost of Living adjustments in the country you '**declared**' as your **country of residence**
- **Your pension is converted into the currency of your country of residence** (Euro, GBP, CHF, HUF, ETB, etc.) at the United Nations 36-month average exchange rate.
- **Opting for the two-track is a decision for life! You cannot** normally **switch back to the US 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

LOCAL TRACK - SUMMARY

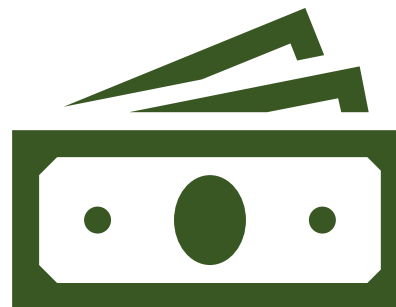
- **You can change your country of residence (COR)** as many times as you wish, but **you will need to inform the Fund and provide form Pens.E/11 and proof of residence** in the new country every time you move to a new country. *(Note that due to change in COR, once informed, the Fund will have to recalculate your local track entitlement; this can take some time on the Fund's side.)*
- **You can travel** for as extended periods, but **you need to stay in your declared country of residence** for more than half of the calendar year.
- **You can** have this local track pension **paid in any currency among the 17 available and in your country of choice** (which can be a country other than the one you declared to the Fund for two-track purposes).

Currency of Payment under the Local Track

Currency of Payment

You can have your **Local Track** Pension paid in any one of the 17 following currencies **in the country of your choice** (need not be your declared country of residence!):

1. **US Dollar (USD)**
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 Sol (PEN)



However, **we strongly recommend you keep the currency of the local track the same as the currency of payment (if possible) to avoid fluctuations**

**Let's see
in numbers**

USD TRACK

with USA COST OF LIVING

PERIOD	AMOUNT	COL ADJ %	ADJUSTED AMOUNT
31/03/2005	1,000.00		
APRIL 2006	1,000.00	3.4% - 0.5% = 2.9%	1,029.00
APRIL 2007	1,029.00	2.5	1,054.73
APRIL 2008	1,054.73	4.1	1,097.97
APRIL 2010	1,097.97	2.8	1,128.71
APRIL 2012	1,128.71	4.5	1,179.50
APRIL 2014	1,179.50	3.2	1,217.25
APRIL 2017	1,217.25	3.6	1,261.07
APRIL 2018	1,261.07	2.2	1,288.81
APRIL 2020	1,288.81	4.2	1,342.94

PAYMENTS UNDER 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

TRACK (calculation)

USD Track
(USD
1,000 per
month)

Conversion at the
UN Quarterly Rate

Payment in 17 Payroll Currencies (Your Choice)

CURR	MAR 2021	APR-MAY-JUN 21
USD	1000.00	1000.00
EUR	0.817	817.00
CHF	0.904	904.00
GBP	0.706	706.00
CAD	1.248	1,248.00
AUD	1.253	1,253.00
NZD	1.342	1,342.00
SGP	1.319	1,319.00
JPY	106.09	106,090.00
DKK	6.075	6,075.00
NOK	8.358	8,358.00
SEK	8.227	8,227.00
INR	72.42	72,420.00
PKR	158.02	158,020.00
XOF - XAF	535.913	535,913.00
CLP	708	708,000.00
PEN	3.643	3,643.00

FLUCTUATIONS IN 2020

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 in numbers...

SAMPLE CASE

SEPARATION DATE:

31 MARCH 2019

US TRACK AMOUNT:

USD1,000

COUNTRY OF RESIDENCE:

SWITZERLAND

CALCULATION

UN 36-month Average Exchange Rate:

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

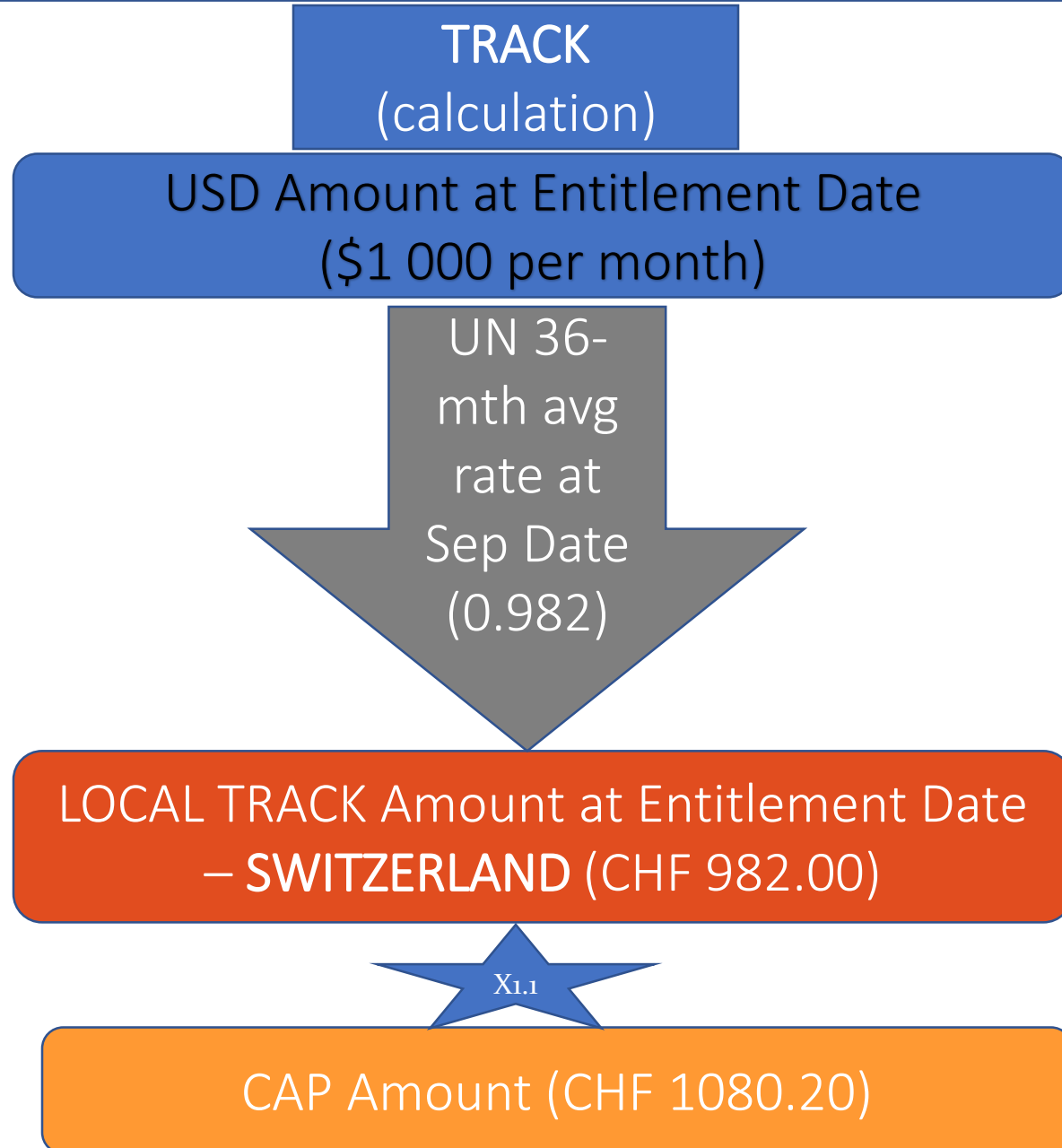
UN Quarterly Exchange Rate:

The Beginning of the Month Rate for the month preceding the new quarter.

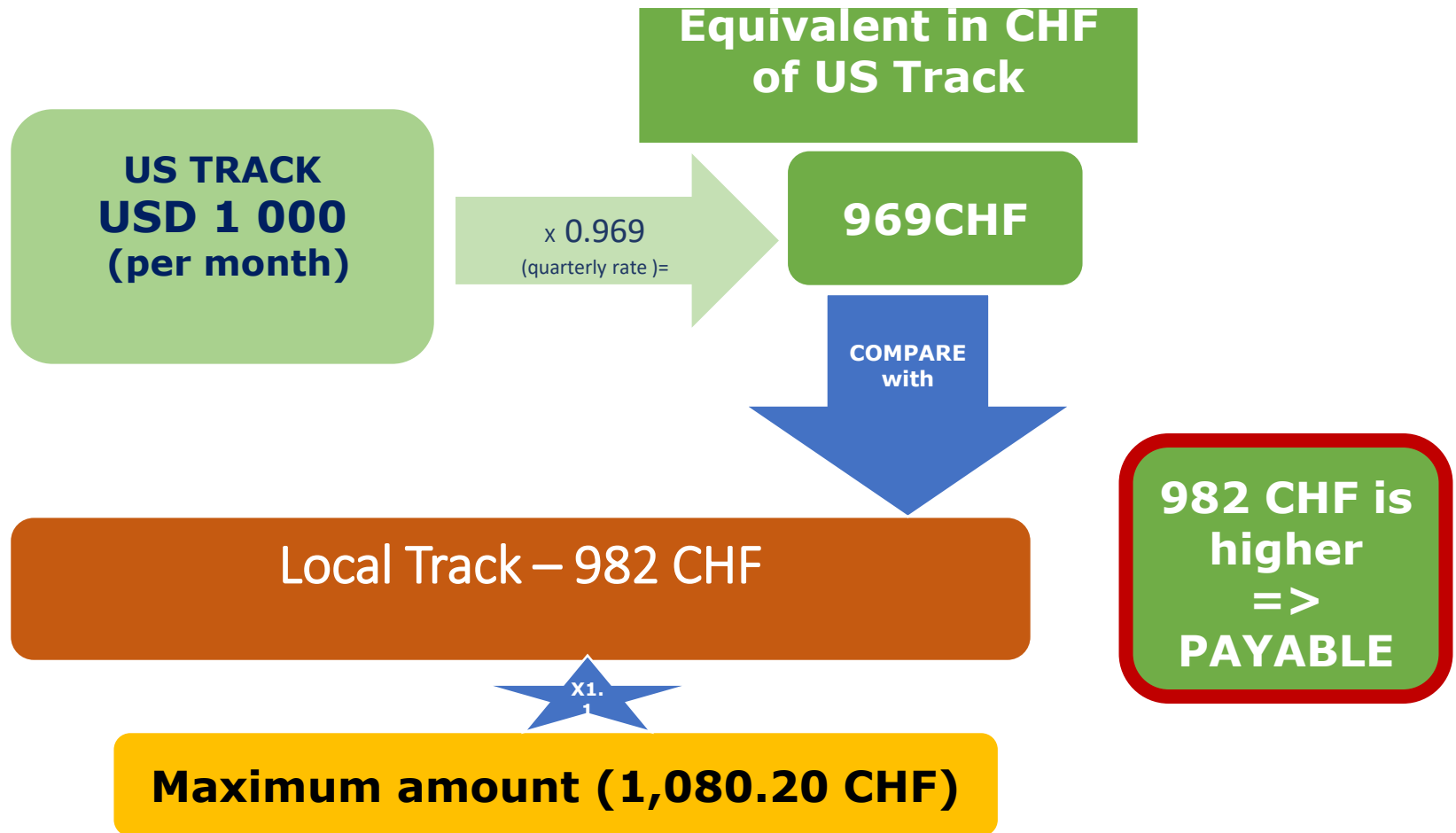
Example:

Rate at 01 March is the Quarterly Rate for Apr-May-Jun Quarter

I - CALCULATION OF THE LOCAL TRACK AMOUNT AT ENTITLEMENT DATE – Separation 31/03/2019



II - DÉTERMINATION OF AMOUNT PAYABLE – APRIL TO JUNE 2019



In July 2019, the rate was 1.009 CHF = 1 USD

TRACK
(calculation)

CHF Equivalent of USD Track
Amount

USD Track
(\$1 000 per month)

Convert at UN
quarterly rate
(1.009)

1,009 CHF

COMPARE
TO

LOCAL TRACK - CH (CHF 982.00)

US TRACK
IS HIGHER;

CAP Amount CHF 1,080.20
(982*110%)

COMPARE WITH CAP

CHF 1,009 IS PAYABLE

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

TRACK
(calculation)

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

Adjustment of
4.2% in the USA
in April 2020

Adjusted USD Track
Amount
(\$1 037 per month)

LOCAL TRACK Amount
at Entitlement Date –
CH (CHF 982.00)

NO Adjustment
in Switzerland
in April 2019

Adjusted LOCAL TRACK
Amount for CH (CHF
982.00)

X1.1

CAP Amount
(CHF 1,080.20)

In April 2020, the rate was 0.969 CHF = 1 USD

TRACK
(calculation)

CHF Equivalent of USD Track
Amount

Adjusted USD Track
(\$1 037 per month)

Convert at UN
quarterly rate
(0.968)

1,004.85
CHF



COMPARE
TO

Adjusted LOCAL TRACK - CH (CHF 982.00)

US TRACK IS HIGHER,
THEN COMPARE WITH
CAP

CAP Amount CHF 1,080.20
(982*110%)

LOWER THAN CAP

CHF 1,004.85
PAYABLE

If the QTRLY rate becomes 1.2 CHF = 1 USD

TRACK
(calculation)

CHF Equivalent of USD Track
Amount

Adjusted USD Track
(\$1 000 per month)

Convert at UN
quarterly rate (1.20)

1 200.00 CHF

COMPARE
TO

Adjusted LOCAL TRACK - CH (CHF 982.00)

US TRACK IS
HIGHER, THEN
COMPARE WITH
CAP

CAP Amount
(CHF 1 080.20)

HIGHER THAN CAP

CHF 1,080.20
PAYABLE

X1.1

	US TRACK			LOCAL TRACK	110% CAP
				36 MTH RATE 0.982	
31 MARCH 2019	1,000			982	1,080
		QRTLTY RATE	EQUIV IN CHF		
APR - JUN 2019	1,000	0.968	968	982	1,080
JUL-SEP 2019	1,000	1.009	1009	982	1,080
APR-JUN 2020	1,037	0.969	1004.85	982	1,080
Hypothetical	1,037	1.2	1,244.40	982	1,080
Hypothetical	1,200	1.2	1,440.00	982	1,080
MIN = 80% * 1200	960		1,152.00		

***PAYABLE**

PAYMENTS

Calculation for payment is done using the UN Quarterly Exchange Rate, which is the Monthly Exchange Rate of the month prior to the new quarter.

For example:

The monthly rate of December 2019 is the Quarterly Rate for Jan-Mar 2020 Quarter.

Amount payable
(Jan 2020)

USD Track
(\$1000 per month)
equiv. CHF999.00

CHF
999.00
payable

LOCAL TRACK – CH
(CHF 982.00)
CAP = CHF1080

Payment in 18 Payroll
Currencies (Jan 2020)

CHF 999.00

USD 1,000.00

No conversion

Conversion at the UN Quarterly Rate
Jan 2020 (0.999 CHF = 1 USD)

CURR	1 DEC	JAN-FEB-MAR
USD	1000	1000
EUR	0.909	909.00
CHF	0.999	999.00
GBP	0.777	777.00
CAD	1.327	1,327.00
AUD	1.475	1,475.00
NZD	1.557	1,557.00
SGP	1.366	1,366.00
JPY	109.27	109,270.00
DKK	6.791	6,791.00
NOK	9.175	9,175.00
SEK	9.591	9,591.00
INR	71.35	71,350.00
PKR	155.286	155,286.00
XOF	596.27	596,270.00
XAF	596.27	596,270.00
CLP	811.00	811,000.00
PEN	3.394	3,394.00

Local Track

Keep in mind...





The 36-Month average UN exchange rate effective in March 2021 is:

- **USD 1 = CHF 0.966 (SWITZERLAND)**
- **This rate will be used to compute the initial local track amount for staff separating in March 2021 whenever they opt for the SWITZERLAND local track.**



The 36-Month average UN exchange rate effective in March 2021 is:

- **USD 1 = EUR 0.8730 (FRANCE)**
- **This rate will be used to compute the initial local track amount for staff separating in March 2021 whenever they opt for the FRANCE (and EURO zone) local track.**

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

<https://www.unjspf.org/un-rates-of-exchange/>

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

Pension Exchange Rate Tables

To retrieve exchange data, please select a country.

SWITZERLAND

To complete, select currency.

SWISS FRANC

Showing

50

Records

Exchange Rates

Showing 50 Records

Effective Date	Rate (Beginning of the month)	Rate (Mid-month)	36 Mo Avg	Quarterly Rate
March 2021	0.90400	0.92600	0.9660	0.90600
February 2021	0.88800	0.89000	0.9670	0.90600
January 2021	0.88300	0.88800	0.9680	0.90600
December 2020	0.90600	0.90600	0.9710	0.90600
November 2020	0.91400	0.91900	0.9730	0.90600
October 2020	0.92000	0.92000	0.9750	0.90600

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

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

Pension Exchange Rate Tables

To retrieve exchange data, please select a country.

To complete, select currency.

Showing

50

Records

FRANCE

EURO

Exchange Rates

Showing 50 Records

Effective Date	Rate (Beginning of the month)	Rate (Mid-month)	36 Mo Avg	Quarterly Rate
March 2021	0.81700	0.83700	0.8730	0.83700
February 2021	0.82400	0.82400	0.8720	0.83700
January 2021	0.81500	0.82200	0.8720	0.83700
December 2020	0.83700	0.83700	0.8720	0.84200
November 2020	0.85500	0.85100	0.8720	0.84200
October 2020	0.85200	0.85200	0.8730	0.84200

SWISS Local Track: Trends

- **SWITZERLAND** is the second country with the highest number of retirees on the Local Track, behind France.
- However, **NO Cost of Living Adjustment (COLA)** has been applied to the Swiss Local Track since April 2008.
- CHF 1,000 in 2006 would be today CHF 1,026
- **No Cost-of-living Differential (COLD) factor** for Switzerland **since August 2019**

FRANCE Local Track: Trends

- **FRANCE** is the first country with the highest number of retirees on the Local Track.
- The France local track is regularly adjusted, with the **last adjustment being 2.1% in April 2018.**
- € 1,000 in 2006 would be today € 1,202.56

The Pension Adjustment System (Reminder):

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(CPI) moved by 10% or more** since the April adjustment.

October 2020: only two countries had CPI movements of 10% or more: Ethiopia (13.9%) and Suriname (32.3%).



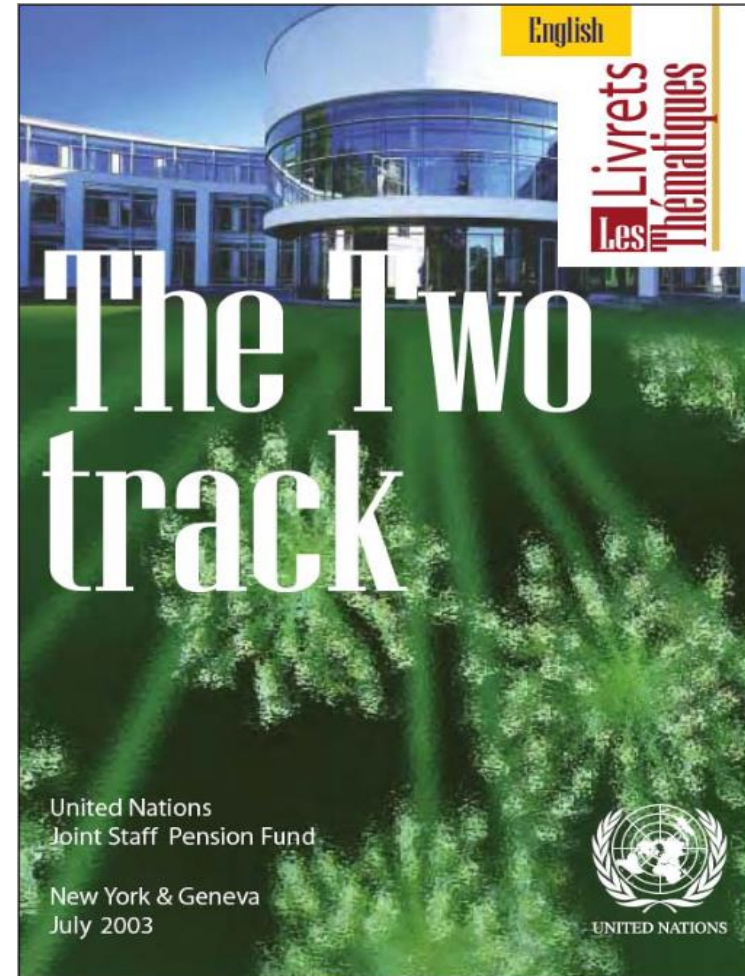
The first adjustment upon benefit implementation will be reduced by 0.5 percent!

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”: Keep in mind

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.



REMEMBER...

There is helpful Two-Track information material on the Fund's website

VIDEO - Watch the online Educational Video #19 for explanation of the Two-Track available on the UNJSPF Website under "Information":

- <https://www.unjspf.org/whiteboard-videos/> (English) or,
- <https://www.unjspf.org/fr/videos-animees/> (French)

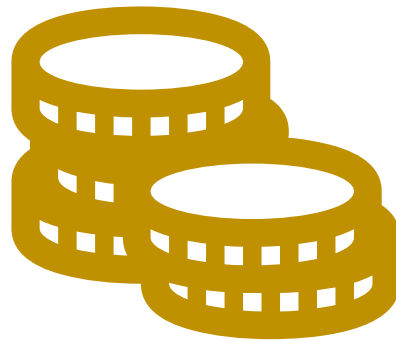
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 - https://www.unjspf.org/wp-content/uploads/2017/01/brochure-two_track2010b_fra.pdf (French)
- or,
- https://www.unjspf.org/wp-content/uploads/2017/10/brochure-two_track2010_spa.pdf (Spanish)

TUTORIAL - Watch the online Two-Track Tutorial for additional explanation of how the Two-Track works; it is available on the UNJSPF Website under "Information":

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

PAYMENTS



PAYMENTS

Calculation to Payment of monthly benefit is done using the UN Quarterly Exchange Rate, which is the Monthly Exchange Rate of the month prior to the new quarter.

For example:

The monthly rate of December 2019 is the Quarterly Rate for Jan-Mar 2020 Quarter.

PAYMENT BASICS

- **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

These payments are issue as “High Value” transfer and can be traced from initiation to reception

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:**
March 2021 benefits are payable at the end of March 2021.
- **Value Dates** for **MONTHLY PAYMENTS** (date when the Fund authorizes the banks to release the payments)
 - **All Cheque payments** are dated the first of the following month (e.g. March 2021 payments by cheques are dated 01 April 2021)
 - **All monthly pensions in USD payments to USA** are paid **on the last business day of the month** (e.g. March 2021 pensions were paid on 31 March 2021)
 - **All other monthly pensions** are paid **the day before the last business day of the month** (e.g. March 2021 pensions were paid on 30 March 2021)

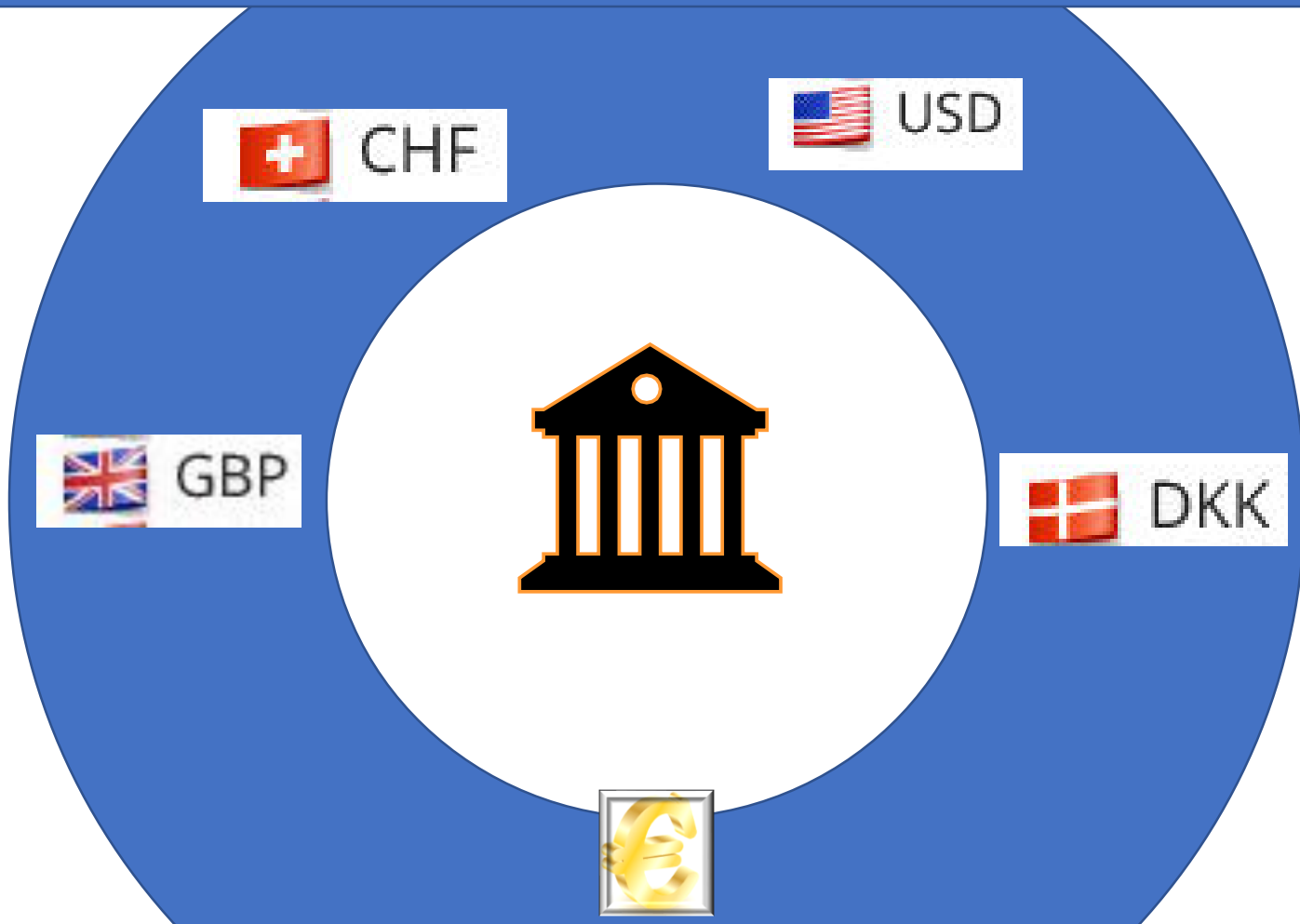
PAYMENT BASICS

- Each Pension payment must be made by bank transfer to **only one bank account** owned or co-owned by the beneficiary.
- However, you can request your **regular monthly pension payment** to be made into one account and your **lump sum payment** (Art. 28/29), if elected, into a different bank/account/currency.
- The Pension benefit **cannot be split** voluntarily by the beneficiary. It can be split to comply to 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

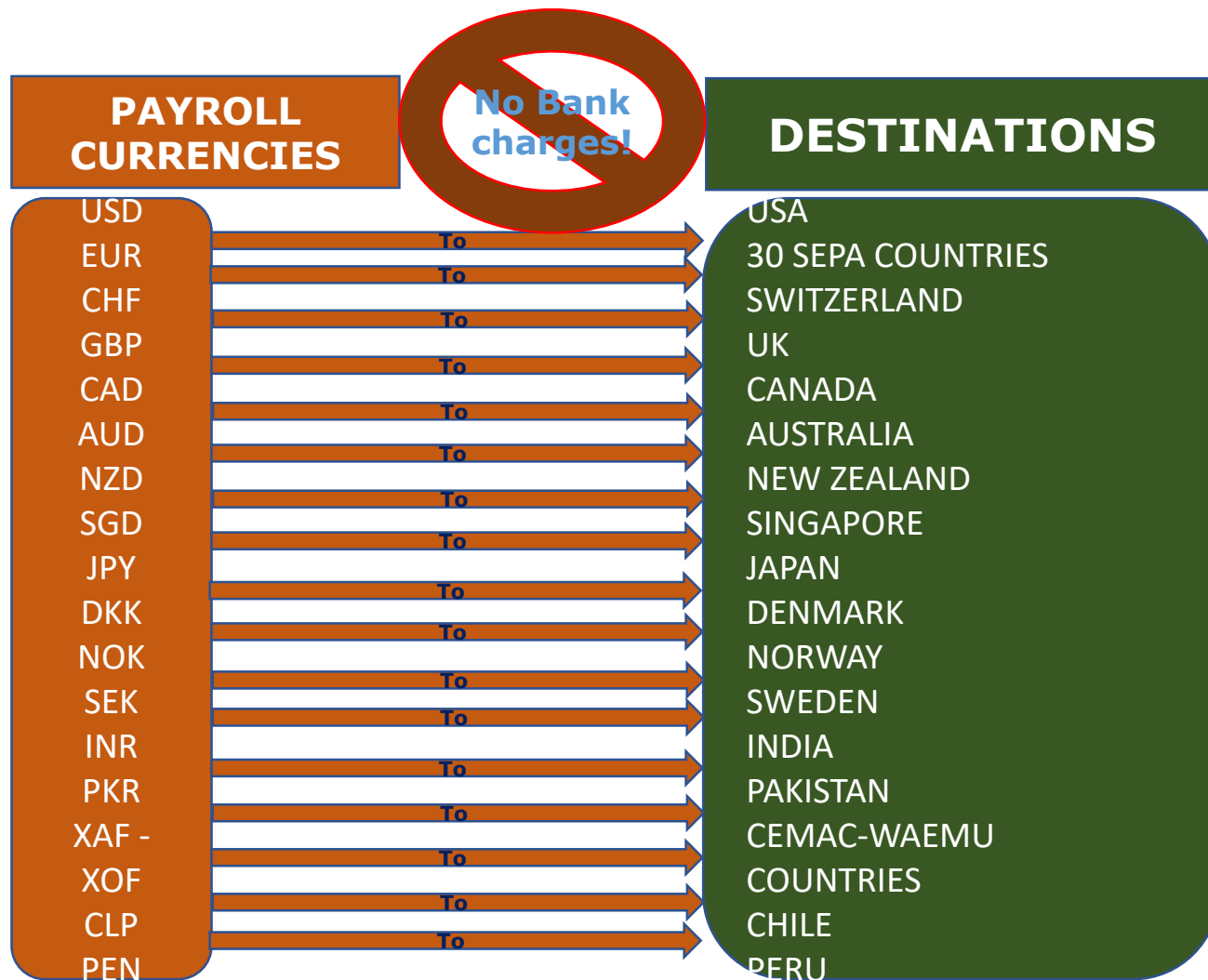
- **Child/ren benefit/s** can be paid separately to a bank account owned by the staff, the child or jointly held.
- **Normally, all monthly pensions are paid each month...**
- ...However, **SMALL PENSIONS** (USD400 or less per month) **can be paid in arrears quarterly, semi-annually or annually** at 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
DESTINATIONS
TO AVOID BANK
CHARGES FOR
MONTHLY PENSIONS



QUESTIONS **AND** ANSWERS