



---

---

**Conference of Staff Associations of International Organisations**

---

---

***SESSION B – PENSION SCHEMES***

---

***Appendix:***

***ECB Retirement Plan. Presentation by Ms Silke Engelhard, ECB***


# ECB Retirement Plan (The Plan)



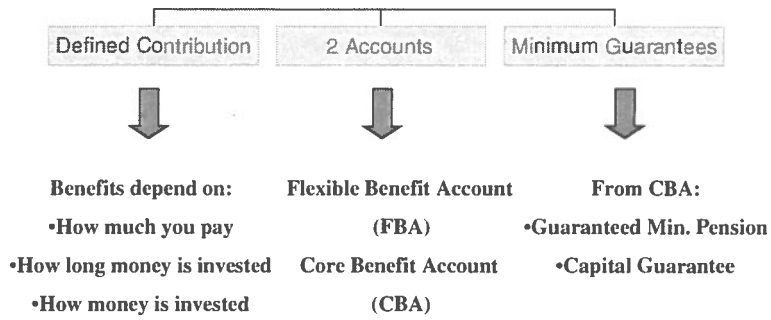
**Silke Engelhard**

## Information Pack

- Summary information on Plan
- Benefits Modeller disk and instructions
- Annual Report and Accounts
- Introduction of 100% Bond Fund

- 3 Forms 
  - Membership and Contribution Form
    - Joiners on 1st of month by COB on 2nd working day
    - Joiners on 15th of month by COB on 21st of the month
  - Investment Option Form
    - To be returned by COB on 6th working day of the month
  - Dependants' Details Form
    - To be returned with Investment Option Form

# Design of the Plan



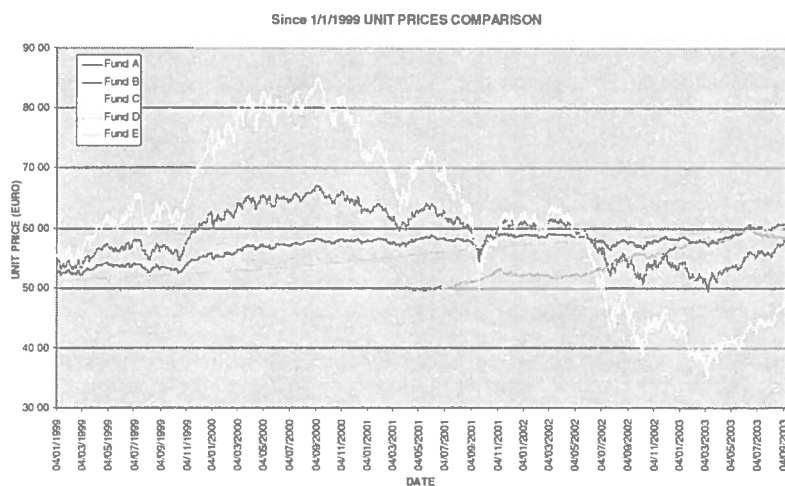
## Benefits of Accounts

Core Benefit Account	Flexible Benefit Account
<ul style="list-style-type: none"> <li>• ECB (employer) Contributions</li> <li>• 16.5% of your basic salary every month</li> </ul> <p>Investment decision:</p> <ul style="list-style-type: none"> <li>➢ Executive Board</li> <li>➢ Currently 50% Equity &amp; 50% Bond</li> </ul> <ul style="list-style-type: none"> <li>• Capital Guarantee – CBA is protected against negative return</li> </ul>	<ul style="list-style-type: none"> <li>• <u>Your Contributions!</u></li> <li>• <u>Your Choice:</u> <ul style="list-style-type: none"> <li>➢ Limited Members 0% - 16.5%</li> <li>➢ Full Members 4.5% - 16.5%</li> </ul> </li> </ul> <p>Investment – Your choice!</p> <ul style="list-style-type: none"> <li>• 5 Funds to choose from</li> <li>• No Capital Protection</li> </ul>

## Flexible Benefit Account (FBA)

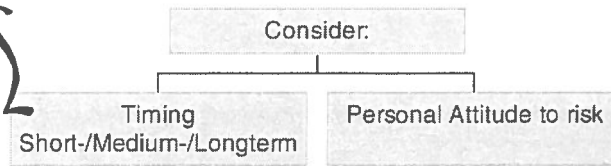
	% Equities	% Cash	% Bonds
Fund A	20	30	50
Fund B	50		50
Fund C	100		
Fund D		100	
Fund E			100

## Unit movement since 1/1/1999





# Investment Decision



Asset Class	Potential Return	Risk	
		Investment Risk	Inflation Risk
Equities	High	High	Low
Bonds	Medium/Low	Medium/High	Medium
Cash	Low	Low	High

## Default Options for FBA

- ★ Fund B (50% Equity/50% Bond) ★
- ★ Contribution rate @ 8.25% of basic salary ★

## Change of Mind?

- ➔ Contribution rate: Can be changed twice in any plan year
  - ➔ Investment rate: Can be changed at any time
- } At no personal cost to member

## Your Benefits

### **Retirement Zone between 60-65 yrs**

With ECB consent:

- Early Retirement (55-60 yrs)
- Late Retirement (65-70 yrs)

-Value of CBA & FBA converted to pension-  
-Lump sum also available subject to certain limits-



## On Retirement From CBA

### Guaranteed Minimum Pension

=

2% x Revalued Earnings x Pensionable Service (Max. 30 years)

### Maximum Pension

=

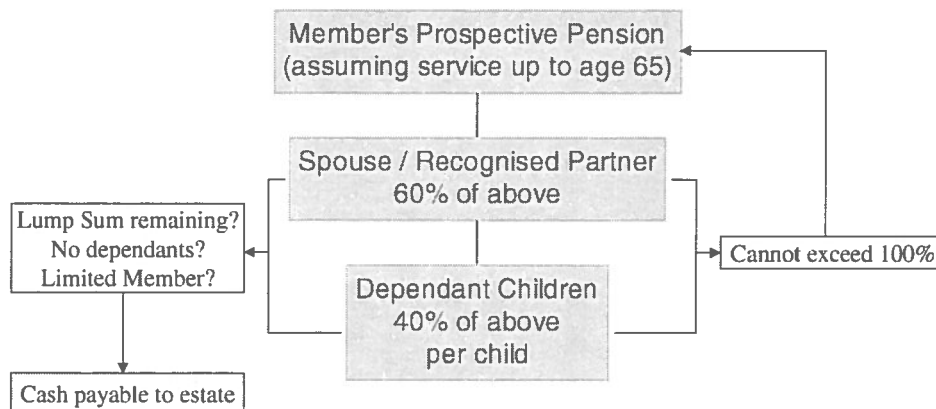
2% x Final Salary x Pensionable Service (Max. 35 years)

## Maximum Benefits

Total Pension from CBA & FBA cannot exceed

**70% of Final Salary**

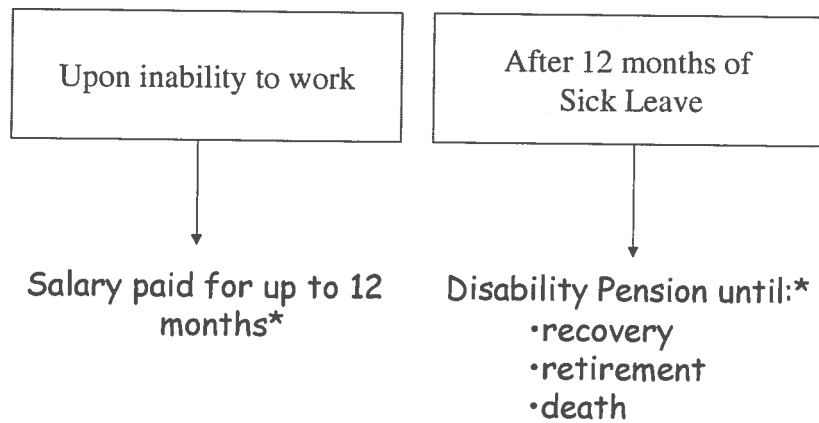
## Death Benefits



## Leaving Benefits

	TV to another Pension arrangement (No tax deduction)	Cash Refund of value of CBA & FBA (Tax deduction)	Cash / TV combination	Deferred Pension Or Cash/TV/Deferred Pension Combination
Less than 10 years Pensionable Service	✓	✓	✓	
More than 10 years Pensionable Service	✓		✓	
Over 50 with 10 years+ Pensionable Service	✓		✓	✓
Under 50 with 10 years+ Actual Service	✓		✓	✓

## Disability Benefits



\*Subject to satisfactory medical evidence



# Transfers-in

Possibility of transferring pension rights into the Plan (ask for details)

Transfer agreements exist already with the following countries:

- Luxembourg      Application and relevant documents have to be submitted within one year of leaving the organisation in Luxembourg
  
- Greece            Application and relevant documents have to be submitted within 6 months of confirmation of contract with the ECB, i.e. after successful completion of the probationary period