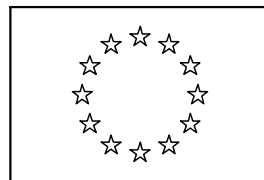




Pensions

Pensions Unit
PMO.4
European Commission



Last update : 01/03/2010



Main issues

- ✓ Pension rules : before/after the reform. What has changed and for whom
- ✓ Weighting factor
- ✓ Other changes
- ✓ Survivor's pension
- ✓ Biennial declaration
- ✓ Pension statement





The pension statement

Pension statement

11/2009

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European Commission		
Institution	COM	
Population	CEPEN	
Pension percentage	70,00000 %	
Grade before 01.05.2004	C108	
Present grading	AST 0605	
N° of dependent children	1	
Multiplication factor	0,9427662	
Contact person	MD XXX Tel: + 32 (0)2-29XXXXXX	
Current Weighting	106,10 %	FR0
N° de compte	FR	FR

MR. XXX
XXX

FR-0XXXX





The pension statement

		200911					
Ret. Pension	PAN	3539,94					
Sickness ins.	CAM	-60,18					
Tax due	8IM	-206,86					
Educ. All. F	ISF	487,10					
Household all.	AFO	235,07					
Dep. Child all.	AEN	358,96					
Eff. Weight. Exc. Tax	7TD	278,37					
Net remun. 1	NTM	4354,03					
Net remun.rc	NDP	4632,40					
Bas.tax.amt inc.ew	8BI	2554,81					
Upd/mth./acc.rate	CRE	1,0000					
Remun.rate	CME	1,0000					
Net remuneration	NET	4632,40					
		EUR	EUR	EUR			
Total salary			4 632,40	EUR			





The pension statement

	Composition of net remuneration- payments/deductions	Eff. Of weighting	Type of payment	reference->payment		To be paid
				Current weightin	Exchange rate	
200911	PEV 4 632,40 EUR	0,00	NEV Versem.À Banque	100,00		4 632,40 EUR





Weighting factor

Major changes

- ✓ Creation of a specific weighting for pensioners, calculated on the basis of a comparison of purchasing power between Belgium and the country (instead of between Brussels and the capital)
- ✓ No more negative weightings





Weighting factor

Consequences

- ✓ For officials who retired before the reform : gradual application of the new country weighting factor
- ✓ For officials who retired after the reform : application of the weighting factor only on the part of the pension rights acquired before May 2004. New condition to benefit it from the weighting factor : the country of residence must be the country of origin.
- ✓ For new officials : there is no weighting factor on pensions





Other changes : payments

The exchange rate used is :

- ✓ For pensioners residing in a EU Member State : same exchange rate for 1 year = exchange rate of July. This is applied retroactively at the end of the year
- ✓ For pensioners residing outside the EU : monthly exchange rate





Link exchange rate/weighting factor

Example :
net pension € 4.000 in Belgium

	Weighting	Xchange rate	net in SEK
2008	113,7	9,2415	42030,34
2009	111,5	9,5263	42041,30
2010	98*	10,8658	43463,20

* As there are no more negative weightings, the factor 100 is applied.
This explains the increase in SEK.





4 populations of officials/other agents

1. Former officials who retired before the 1st of May 2004
2. Officials in service before May 2004 and aged 50 years or more, or with at least 20 years of service
3. Officials in service before May 2004, younger than 50 and with less than 20 years of service
4. Officials who entered into service after April 30, 2004





The pension system

- ✓ **Accrual rate / pension contributions**
- ✓ **normal retirement age**
- ✓ **Earliest retirement age (with reduction)**
- ✓ **Latest retirement age (with bonus)**
- ✓ **Maximum/minimum pension paid**



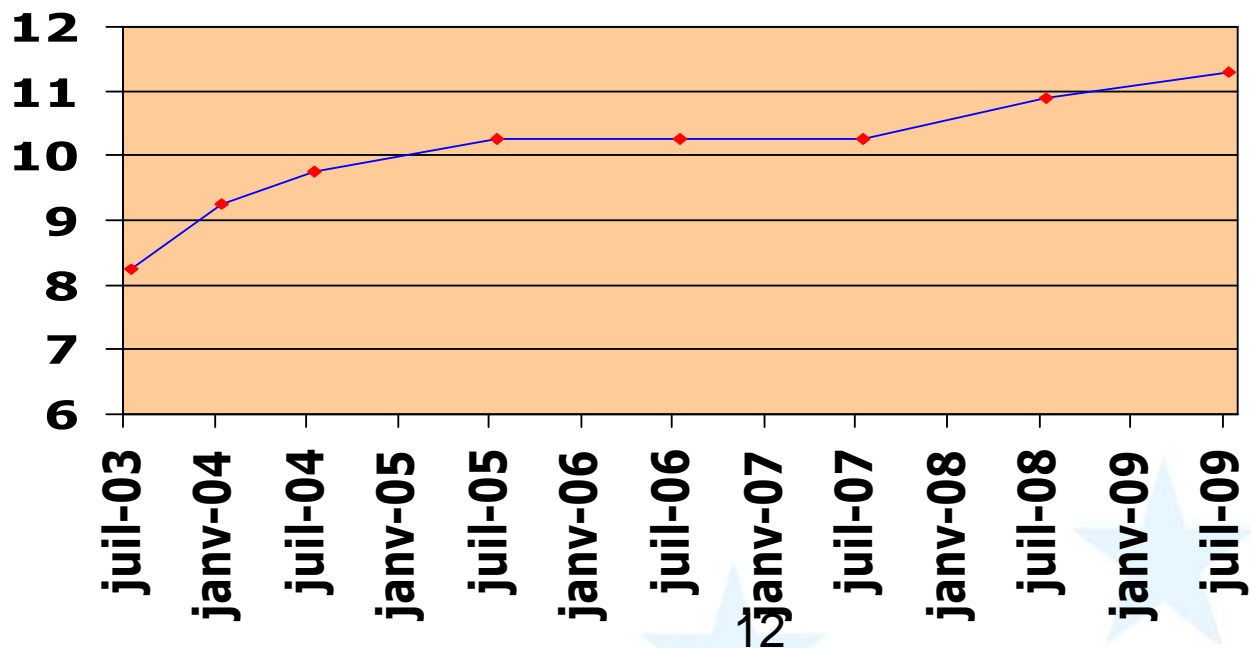


Accrual rate / pension contributions

Accrual rate remains 2 % per year for everyone who entered into service before May 1st 2004.

For new staff (or new contracts) : 1.9 % per year

Steady increase of the pension contributions (annex XII)





Normal retirement age :

- ✓ before reform : 60
- ✓ For « older officials » : no changes
- ✓ For other remaining staff : transitional system.
Normal retirement age between 60y 2m and 63 years, according to the age on May 1st 2004
- ✓ For new officials : 63





Earliest retirement age :

- ✓ before reform : 50
- ✓ For « older officials » : no changes
- ✓ For other remaining staff : transitional system.
Earliest retirement age between 50 and 55
years, according to the age on May 1st 2004
- ✓ For new officials : 55





Earliest retirement age : reduction

Much more advantageous since the reform

✓ Lesser reduction

✓ Reduction applied on acquired rights

✓ Entitlement to family allowances

Retirement age	Coefficient before reform	Coefficient after reform
50	0,50678	0,63566
51	0,58834	0,66722
52	0,57266	0,70184
53	0,61009	0,73927
54	0,65099	0,78017
55	0,69582	0,82500
56	0,74508	0,86000
57	0,79936	0,89500
58	0,85937	0,93000
59	0,92593	0,96500

New possibility of early retirement without reduction:

Limited number of departures (2010:49)





Latest retirement age :

Still at 65 years for everyone but, since the reform, on an exceptional basis, an official may at his own request and if the Appointing Authority considers it justified in the interest of the service, carry on working until the age of 67.





Latest retirement age :

Bonus

- ✓ before reform : per year worked after normal retirement age : bonus of 5% of the pension rights acquired at 60.
- ✓ for « older officials » : no changes
- ✓ for remaining staff : decreasing bonus according to the age on May 1st 2004
- ✓ for new staff : net bonus of 2 % per year worked after the age of 63





Maximum/Minimum pension

No changes

Maximum pension remains at 70 % of the last basic salary

Minimum : per year of service . 4 % of AST 1/1
(2604.21 " since 01/07/2009)





Other changes : **invalidity**

- ✓ Invalidity allowance
- ✓ 70 % of the last basic salary
- ✓ Contribution to the pension scheme calculated on the basis of that allowance
- ✓ Minimum allowance: Basic salary AST 1/1
- ✓ No new gainful employment without the prior authorisation of the Appointing Authority.
- ✓ Anti-cumul measures





Other changes : invalidity

- ✓ Invalidity allowance replaced by a retirement pension at 65 maximum
- ✓ Regular medical controls until 63 → possibility of reintegration
- ✓ In case of occupational disease, work accident or public-spirited act:
 - pension contribution paid by the institution
 - minimum allowance = 120% of AST 1/1*





Other changes : half time in preparation for retirement

Half-time work after 55 years for a maximum of 5 years:

- 60 % of basic salary
- Pension rights at that moment (without transfers) + 10%

*Contributions to the pension scheme calculated by reference to the basic salary received or at 100%





Other changes : new careers

- ✓ 5 steps instead of 8
- ✓ Officials will gradually be incorporated in the new salary scale
- ✓ Pensioners must be placed in the new salary scale. Therefore steps 6-7-8 will be replaced by step 5 with a new multiplying factor. This has also been done for all officials who were on pension before the reform





Other changes : new careers

Exemple

Official AD 1208 (ex A408) leaves on pension.

Basic salary : 12.243,87

This becomes : AD 1205 with a multiplying factor of 1,0682788

AD1205 = 11.461,32

$11.461,32 \times 1.0682788 = 12.243,87$





Other changes : payments

- ✓ Annex VIII-Art. 45 + Annex XIII -Art 20, §1,3:
- ✓ The pension of beneficiaries who reside in a Member State shall be paid in the currency of the country of residence into a bank of the country of residence (for new officials : payment in euros)
- ✓ For pensioners residing outside the EU, pensions shall be paid, in euro into a bank in the country of residence. Or, by way of exception:
 - ✓ in euro into a bank in the country where the institution has its headquarters;
 - ✓ in foreign currency in the country of residence of the pensioner





Survivor's pension

- ✓ The surviving spouse has right to a pension equal to:
 - 60% of acquired pension rights at the time of the death
 - 35% of last basic salary
 - *The best option is applied*
- ✓ Divorced spouse : if not remarried and entitled to alimony





Survivor's pension

- ✓ Orphan's pension, for dependent children at the time of the death
- ✓ If there is no surviving spouse's pension:
 - 1st orphan => 80% of survivor's pension or 100% AST 1/1
 - for each supplementary orphan: double dependent child's allowance
 - Equal-part per orphan = total divided by number of orphans
- ✓ If there is a surviving spouse's pension:
 - 1st orphan => 40% of survivor's pension or 50% AST 1/1
 - for each supplementary orphan: single dependent child's allowance
 - Equal-part per orphan = total divided by number of orphans





Survivor's pension

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Biennial declaration (Commission)

- ✓ form to fill in every second year until the age of 80 . then becomes annual
- ✓ sent to you in the month of your birthday . If your pension number is even, sent on even years. If you have an odd number, it is sent on odd years
- ✓ to be sent back to the Pensions unit
- ✓ to be accompanied by the requested documents.
 - %life certificate+for yourself and your spouse
 - copy of recent bills (if positive weighting factor)
 - certificate of residence or equivalent





Biennial declaration

- ✓ in case of non-response -> risk of suspension of the pension (after reminder)
- ✓ to be accompanied by official proof of professional income of the spouse

Other Institutions also check their pensioners

Parliament : every year

Court of Auditors : every second year

