staff news
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WORKING ON BOTH SIDES OF THE HOUSE
An Interview With W.A. Beveridge

W.A. Beveridge has been associated with the Fund since 1959, when he signed on as an economist in the European Department, where he spent ten years, completing his tenure there as Assistant Director. Working mostly on the United Kingdom, he had, he says, the extraordinary good luck to work with some of the outstanding Fund people, like J.J. Polak, Richard Goode, David Finch, and Alan Whittome. In 1970, he moved to the Fiscal Affairs Department, where he served as Senior Advisor and Deputy Director. He moved to the Exchange and Trade Relations Department as Deputy Director in 1982, taking early retirement in 1987.

Late in 1988, he returned on a two-year fixed appointment as Special Advisor to the Deputy Managing Director. He tells us here about his new duties and offers some reflections about the Fund based on his many years of experience.

Your post is a newly created one. Could you please tell us a little about how it came to be developed?

You might remember that I took early retirement in the summer of 1987 for personal reasons. Before I left, Mr. Erb had talked to me about doing some work, for example, on technical assistance. So I signed on for—I think it was eight months on a contractual basis. I didn't know how that was going to work out and neither, of course, did he.

Then, sometime around about last summer, he said something like, "Well, there are other subjects that you might want to work on, but you can only do them as a staff member." I thought about that for a while, and then I very readily agreed. So that's the background.

I've been in this job three months, and, therefore, it's a little early to be very precise about what I do. Just for your information— I'm not drawing my pension. I'm drawing a salary but not my pension. Sometimes when I walk the dog around the block in the evening, I think of this as a form of reverse golden handshake, which gives me some pleasure.

Was it intended that the post would address specific problems, or will it be a more general "trouble-shooting" position? In what specific areas have you been working, and in what capacity?

Let me be very clear. I have no personal agenda. I didn't come out of retirement with a set of views that I'd built up over the previous 28 years and which this job would give me the opportunity to carry out. I do not take decisions. I am an advisor. I give Mr. Erb some advice. Sometimes he asks me to do things; sometimes I suggest things back to him. There is nothing sinister about this job, and I hope this discussion will help to "desinisterize" the position.

It is remarkable, in a way, that the Deputy Managing Director, with all he has to do, hasn't felt the need for an advisor before—not even an assistant of some sort.

Well, bear in mind that, if we go back some years, although previous Deputy Managing Directors were always very busy, they didn't have 40 or more programs to be involved in; they didn't have a large electronic data processing budget or data issues on the scale that now exists, nor the administrative issues that now confront us.

As to the specific areas in which I have been working: I'm doing some things in the the area of electronic data processing. There's a fairly large budget—$28–29 million. Without going into technical details about the budget, I can say that Mr. Erb takes decisions at particular checkpoints, on particular projects, during the fiscal year. I work with BCS [Bureau of Computing Services] and the Administration Department in trying to put recommendations to him. They're working from their points of view; I'm working from a management point of view. And I think it has worked well.

Also in the electronic data processing area: BCS has produced a strategic plan covering the next several years. Mr. Erb has appointed a committee, an EDP Advisory Committee, made up of eight or nine very admirable, very strong people. This is an not an executive committee; it is an advisory committee. We have been meeting rather intensively in the last month since the BCS plan was produced, in order for us, first of all, to educate ourselves; then, second, to see in what directions we can advise Mr. Erb to go. We've not reached the point yet where we feel that we can give him advice about which way to proceed. But this is an important and interesting matter, since it does affect the way the Fund does, and will, operate.

Another important area is data management. There has been in existence for some time what used to be called the FRANKS Group, which has evolved into a more formal committee, the Data Management Policy Committee, headed by Douglas Scott. This Committee is trying to tackle the problem—which has been around for at least 30 years—of different data banks within the institution. I believe, and I think Mr. Erb believes, if there are 151 members, there are 151 data banks within the Fund: one for each member. And there's the very big data bank in the Bureau of Statistics; there's a WEO [World Economic Outlookd] data bank; and other functional departments have their own data. There are a lot of resources in this institution. The question is how to rationalize them and integrate them if possible.

I also do a number of ad hoc things, such as looking into the possibility of obtaining grants from other agencies to supplement the Fund's resources in the technical assistance area. I believe the Fund provides very high-quality technical assistance, and if we can get some more resources outside our own administrative budget, I think the Fund would spend them well and wisely. One shouldn't make too much of this, however, because it hasn't happened yet, and I never like to talk about chickens before they are hatched. Anyway, there are a number of ad hoc things like that which turn up in this job—it's a full and interesting life.

Do you, in effect, create the job as you go along, or are there certain clear guidelines? Is this intended to be a permanent position?

I think the important part of this question is: is this job intended to be a permanent position? One needs to hark back to the origins of the appointment. It is a two-year appointment. I came out of retirement to do it, and these circumstances were fairly unique. It could happen that in two years' time, there could be somebody whom the Deputy Managing Director might wish to have in the job, but, as I said, mine were unique circumstances. I think it depends on how we do in the next year and nine months.

I do not myself believe that it is prudent to establish another layer in the career structure. It may be helpful to have someone who has a short fixed term—and who has no axes to grind—to do this sort of work. But if it became part of the career structure, I could imagine problems.

Do you see the creation of this position as indicative of a new role or direction for the Fund? Are you involved in finding solutions to problems?

The way I look at this is that management has moved into areas which perhaps traditionally management has not either wanted to, or had time to, or felt the need to move into. I think that this Deputy Managing Director, for example, is involved and interested in electronic data processing, not just as electronic data processing, but how it affects the Fund. He is also concerned about how technical assistance affects the Fund's work. In the past, some people have taken the view that technical assistance, while important, was somehow separate from other Fund operations. I think the Deputy Managing Director sees it as part of the integral approach of the Fund to its work with member countries.

I think he wants to see proper management input into all those areas. The interest is not just in their budgetary aspects, but also in how they affect the way the Fund works. Unfortunately, the Deputy Managing Director does not have all the time that is necessary to become involved at the nitty-gritty level, and that's why this particular job of mine has some value.

Are we shifting from a more personal, less bureaucratic Fund to a more impersonal organization run on prescribed organizational lines?

That's an interesting question. Speaking for myself—and I think I would be one of many who think this way—it is very important to keep the Fund—its size, its manpower—within bounds. If we were to expand much further, we would run serious risks of becoming less personal and more bureaucrataic. We may be teetering somewhere around the margin now.

Another thing I think is important is that over the years, all of us have developed a very strict sense of turf, which contributes to the problem of bureaucracy. We are very used to a system of hierarchy. I think we must now think more in terms of the institution as a whole, not in terms of our own department, or our own division, or our own unit. I think if we can keep the Fund no bigger than it is, then we can think more constructively about how our actions affect the institution and how the institution's actions affect us, rather than carving out a piece of garden turf and defending it against all comers.

To return to the Fund's electronic data processing program. How do you see this evolving in the coming years? What new skills should we all develop?

The Fund has spent a good deal of money—$30 million a year for four or five years, roughly speaking—on developing its large projects in data processing and other areas. I think the time is coming when we must expect an increasing payoff from this. I think BCS is proposing a way for all of us who can justify having a PC [personal computer] to have one eventually. After all, it doesn't seem so many years ago that you had to fight very hard to get a hand-held calculator, which cost a lot in the old days. Now they cost so little. I don't think the cost of PCs is going to come down, but they will be able to do more and more wonderful things, and that means that we have to take advantage of every last bit of training that's available in order to keep up—more than keep up.

For several years, there were two groups of people—the "techies," the technicians, on the one hand, and the people who said "Oh, my goodness!" on the other. What I've noticed through my work is that our own homebred staff—people who have a career in the working of the Fund—now know a great deal about the technical side. I think that there will be an even closer coming together of the two groups over the years. Mercifully, I will have gone. I'm not sure I'm ready for that particular revolution.

You are also undertaking an advisory role in the area of the budget. How does one develop a budget for an organization as complex as the Fund? What changes can we expect in budget priorities? What areas of "fat" do you see in the budget? A related issue is the feeling of the staff that it is being increasingly overburdened by the demands placed upon it. Is this feeling correct? What can be done to alleviate it?

I would agree with the observation that in any nonprofit institution it is very hard to set priorities. We all know the reason why: our product is a service, a service to our member countries. One didn't need very sharp priorities when the constraint on the administrative budget was loose. However, in dollar terms the budget hasn't moved very much in the last two or three years, nor has the manpower. And this necessitates a lot of very hard thinking about our priorities as an initial step, and how to order them. It's evident that a major management priority is to maintain and strengthen the quality of our work with our members. But that broad priority has to be disaggregated. Should we be doing more work on our structural activities—the structural and enhanced structural adjustment facilities, for example? If we do more work in that area, in what area must we do less?

Management has been redeploying resources in the last year or two, at least at the margin. But no function has been eliminated. I think the scope for further redeployment of resources exists, but it is still pretty marginal; and what this means is that the staff is overburdened. There's no question about that.

I would add two footnotes to that statement. First, looking back over a long period, I can see that the staff, or at least some segments of it, have always been overburdened. What we are now experiencing is a much broader range of staff being stretched.

Second, I would add that "overburdened" is an emotive word. Those staff members that believe they are doing important work may feel themselves to be very stretched, but I think they still enjoy what they are doing. When I come in over a holiday, I continue to be astonished at how many people are here. You could have a regular meeting on most subjects, although that suggestion might not be warmly greeted by people who want to get on with their own thing. So, I think the motivation of the staff is still very high.

Certainly there is the question of rewards. And that is a serious question. I know that the whole question of motivation, of being overburdened, would be helped along a great deal if something happened on the reward side.

The staff has also got one other quality. Once we invent a way of doing something well, we keep on doing it that way. Some time ago, I looked back at the history of the development of the Article IV consultation process, which was invented by the staff—not by me, by people before me. I think the Fund staff does consultations very well, indeed; the consultation process is one of the greatest strengths of the Fund, and I would not want to do anything to try to erode something we do very well.

But our work has changed in the last four or five years. We used to be in the business of going into a country with a lending operation and getting out quickly—within a year or two or three. Then, the country's balance of payments would improve and we could concentrate on doing something else. But we now have some members with whom we've had a financial relationship for some years and with whom we are quite likely to have such a relationship for some years ahead. The general movement seems to be in the direction of structural adjustment, with the various structural facilities, which means that our operations are no longer of an in-out nature.

But I think we're still working on the principle that each time a mission goes, let's develop a briefing paper, even if the mission goes to that country four times a year. We may have four briefing papers, we may have four back-to-office reports, we may well have four Board discussions. Perhaps, without eroding something we do well, we should begin to think about how we do carry out certain activities.

As one who has served in large departments for many years, how do you find the transition to being a lone warrior?

That is an interesting concept—you might have said "lone wolf," but I am glad you didn't. I don't feel particularly lonely. I think one of the great pleasures of this job is that I don't do anything by myself. And I don't think Mr. Erb would want me to do anything by myself!

I do have the remarkable cooperation of a lot of people whom I've come to know and respect over the years. And I would add one other point. For most of my life at the Fund, I have been concerned with what you might loosely call the "macro" side—that is, the policy side. This job has brought me into contact with people on the "micro" side of the Fund—the people concerned with how this institution operates. And I must tell you—and I would like this very clearly recorded—I'm very impressed by what they do. For example, I've spent some time trying to understand how BCS manages the production side. I've spent a little time looking at the Fund's procurement system, and I've talked with the people who run it. These are serious-minded people.

In an instititution, one of the problems is that sometimes if we are working on one side of the house, we don't know how the people working on the other side live, and it has been a particularly good experience for me to discover that there are just as many dedicated staff members working on the micro side in this institution as there are on the other side.

How effectively do you see the Fund fulfilling its mission? Do you have any concluding observations for the staff?

For someone who's been in this institution nearly 30 years, there's only one way of answering that question. The Fund has had its ups and downs in the past. Some of the down times included when we weren't very busy; or when we thought that the Fund's whole role in monitoring exchange rates was going to disappear; or when the pay scale needed adjusting.

There is almost nothing new about the present situation. We got through the earlier times, and I'm confident we'll get through this one as well. There's no doubt that the Fund is doing a uniquely good job with a relatively small budget. Our output compared with our budget is very high. I do believe, though, that part of this problem of being stretched is that we have to be careful about the quality of our work. I believe that we need to have a continuous review of our quality controls. I believe we need constantly to be thinking about how to evaluate the effectiveness of our work at all levels.

The Fund does have some wonderful opportunities to serve its members, and I believe that it is equipped with the people to do that. It's true, we lose people; we've always lost people; we sometimes lose our best people. There's a law of institutions that says some of the best people always tend to move. But I think we've still got a large number of very gifted people. So I have not the slightest feelings of pessimism.

I would just say one last thing. I have a great affection for the people who make up this institution. We have a very important role that no other institution can play, and I think we have the staff to do it— on both sides of the house.

REVIEW OF STAFF RETIREMENT PLAN: UPDATE

One of the most important career decisions we have to make is how, when, and on what terms we will retire. An institution's provisions for its employees' retirement are an essential element in the long-term plans of employee and employer alike, and any changes in these arrangements will, therefore, have a profound effect on the decisions we must make.

For the past two years, the Staff Retirement Plans of the Fund and the World Bank, whose basic provisions have changed little since 1974, have been under review by a working group of Fund and World Bank technical staff, under the supervision of senior staff from the administrative departments of both institutions. This review, which follows on and expands earlier reviews conducted between 1982 and 1984, is now nearly completed. The Administration Department is in the process of examining recommendations and proposals that are expected to result in major changes to the Plan.

The review concentrates on three chief elements of the Plan: the remuneration base used to calculate benefits and contributions; the rate at which pension benefits accrue and the adjustments to be made for staff taking early retirement; and transitional arrangements for current staff.

The Remuneration Base. Fund pensions are computed from "notional gross pay," which is derived from actual net salary. This computation is known as the "grossing-up formula." The Plan uses gross pay as the pensionable base, because pensions, unlike the salaries of most Fund employees, are generally subject to taxation. The present grossing-up formula, which has not been changed since it was first adopted in 1974, followed procedures established by the United Nations. The formula reflected the then-prevailing average of tax rates in the seven countries where United Nations offices were located. In the intervening 14 years, tax rates in many member countries have changed, and it is now clear that the Plan's original grossing-up formula no longer accurately reflects current tax rates.

The current review must therefore identify tax rates that more accurately reflect the relationship between net salaries and the pensionable base, but which nevertheless yield an adequate pension level for staff retiring to countries with widely varying tax systems. The issues involved in the recalculation of the grossing-up formula include: 1) which countries will be included in the calculation; 2) how each country will be weighted; and 3) whether tax rates for a single year or an average of several years will be used.

The Rate at Which Pensions Accrue and the Benefit Structure. Under the current Plan, pension benefits accrue at a rate of 2 percent of highest gross salary (averaged over three years) for each year of service, up to a maximum of 70 percent of gross salary. These benefits can be received at the mandatory retirement age of 65, or earlier if years of service and age add up to 90 (the rule of 90). Early retirement can also be taken between age 55 and 65, but the full pension is reduced if the rule of 90 is not applicable.

Pension entitlements rise to a maximum for those completing 35 years of service or attaining the rule of 90. However, according to studies of retirement patterns over the past 10 years, a considerable proportion of staff have elected to retire before reaching the maximum pension entitlement. Also, in recent years, the age at which staff members have been appointed has been rising, implying shorter service time for these staff members than for those appointed in earlier years.

The retirement and hiring trends observed in the past 10 years have been carefully analyzed in the review of the Plan's current accrual rates and early retirement provisions. Contemplated changes might place greater emphasis on pensions of staff who retire with less than 35 years of service and before reaching age 65. Changes in deferred pension and withdrawal benefits for staff leaving before age 55 are also under consideration.

It remains to be seen what will be the overall outcome of a change in the grossing-up formula and combined benefit changes. Although the effect of a change in the grossing-up formula would be a reduction in pensions (and contributions), these reductions could be mitigated to some degree by changes in benefits. The Administration Department has indicated that its ultimate objective is to ensure that the Staff Retirement Plan continues to support the recruitment and retention of career staff and to provide pensions that are comparable with those of other employers.

Transitional Arrangements for Current Staff. It is expected that the revised Plan will apply in full only to staff appointed after the effective date of the new provisions, and transitional arrangements will be applied for current staff, particularly those nearing retirement whose term of service will have been largely based on existing Plan provisions. Arrangements are being considered that would phase in the revised provisions gradually, so that current employees would receive a weighted average of the pension they would have received under the old Plan and the one they would receive under the new Plan. Safeguards are also envisaged that would not allow benefits to fall below the amounts listed in each staff member's Annual Benefit Statement.

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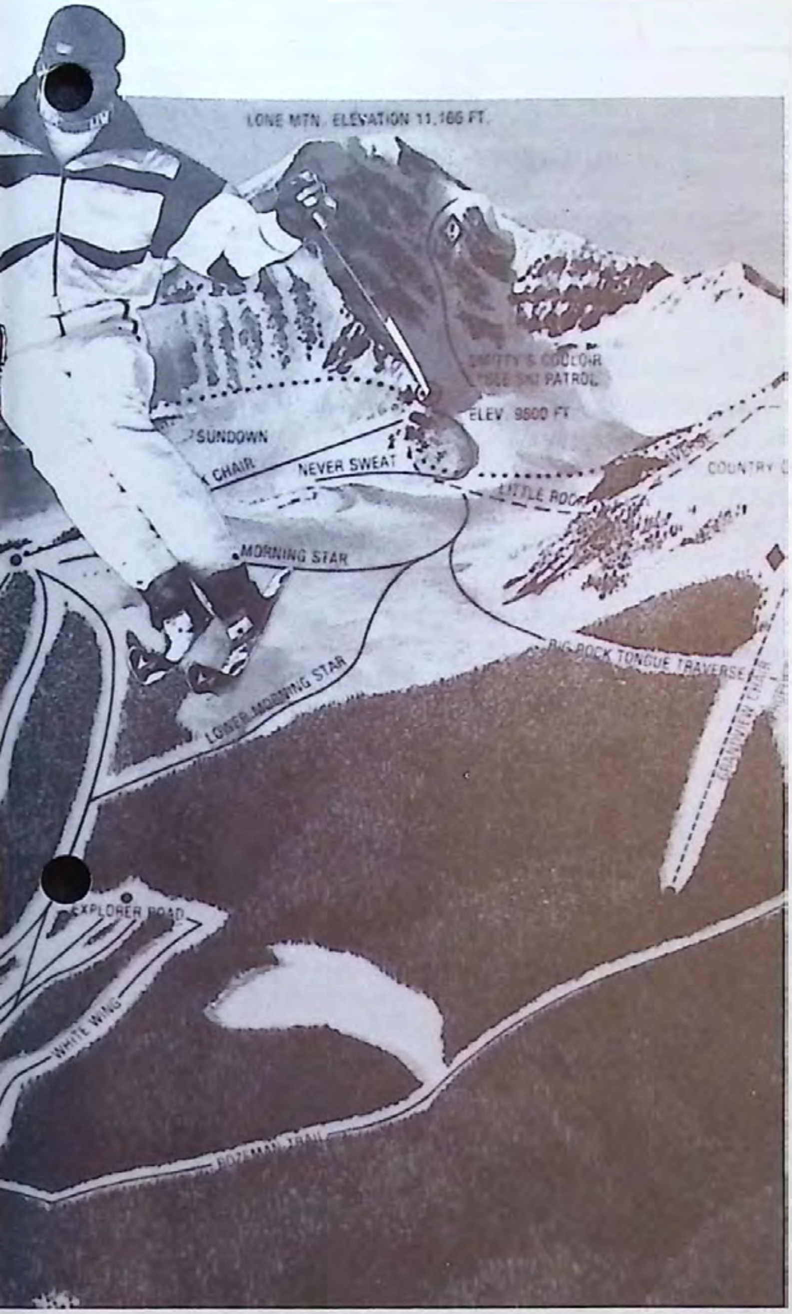
Reliving the Dream. *The recent exploits of the IMF-Bank Ski Club on the slopes take on larger-than-life proportions for trick photography. Pictured here are: back row, from left to right, Philippe Szymczak and Jurgen Reitmaier; front row was on mission when this photo was taken.)*

THE BIG CHILL! SPENDING THE NEW YEAR IN BIG SKY, OR, THE STUFF DREAMS ARE MADE OF—FOR SOME

Six Fund staff members spent the first night of the New Year dreaming of waking up on the morning of January 2 and learning that snow had caused all roads and airports to be closed indefinitely. Calls would have to be made to the office explaining why they could not report to work. Then, they would have nothing else to do but . . . jump into their ski suits, grab their skis, and head out for one more glorious day of skiing in Big Sky, Montana.



rdy group from the Fund, with the help of selective memory and ita Roushdy, Carol Vick, and Lucy James. (David Ordoobadi

Lucy James, David Ordoobadi, Jurgen Reitmaier, Juanita Roushdy, Philippe Szymczak, and Carol Vick were the guilty dreamers who joined 34 other members of the IMF-Bank Ski Club in treating themselves to a little relaxation after the helter-skelter rush of Christmas. Big Sky was the perfect place. Located about an hour's bus ride from the cozy Bozeman Airport (complete with log-burning fire and a flock of sculpted metal Canada geese in flight, each with a little Santa Claus hat), Big Sky is a small, intimate resort that requires little exertion to get from place to place—just what was needed.

The group left Dulles Airport at 6:15 p.m. on December 26, and after a long but uneventful eight-hour journey, which included a change of planes in Salt Lake City and the above-mentioned bus ride, arrived in a somewhat somnambulistic state, having lost two hours of sleep time (Bozeman is two hours behind Washington time). Luggage and bodies were removed from the bus, and a bewildered group, slapped into stunned consciousness by the –10-degree (fahrenheit) temperature, stood in the lobby of the Huntley Lodge, awaiting room keys either for the lodge or for condominiums, which a few of us were assigned to. I'm sure that all of us were wishing we had a personal valet to carry our luggage, run a steaming hot bath, turn down the bed, and lay out silk pyjamas—someone à la Sir John Gielgud in "Arthur" would have been welcome.

The next morning found the spirit willing, but the body—oh, so protesting. Little sleep, little exercise, and the thought of Arctic-cold air do nothing to encourage early rising. Nevertheless, a few delirious souls managed to greet the lift attendant with a big smile and to be among the first up the slopes. Their reward, in most cases, was an invigorating cruise down slopes that they had all to themselves.

Others of us—well, we had to get organized. Jurgen Reitmaier and his wife Anne Marie, spent the morning enrolling their two children (ages 3½ and 5) in the children's ski program, which then allowed them a worry-free time on the slopes. The program provided lessons, lunch skiing, and babysitting for the whole week, or by the day. This was the first time that the Reitmaiers had, with some trepidation, brought the children on a serious ski trip; but by week's end, they were already thinking of where the whole family would go on their next ski trip. Jurgen said the children's program showed "America at its best—imaginative in meeting consumer wishes."

Philippe Szymczak and his wife, Beatrice, were destined for special treatment; after all, this was also their first ski trip out west. It seems that rather than hit the slopes, they had to solve the problem of frozen pipes in their condominium. A similar unit was not available, so they were moved to the . . . honeymoon suite! Yes, only the French could have such luck.

David Ordoobadi was able to hit the slopes first thing. But after that first day's skiing, he knew what his body yearned for—a delicious soak in the jacuzzi. The jacuzzi was outside and one could reach it by crossing a frozen tundra—in one's swimsuit. David dashed across the snow and leaped, shivering, into the jacuzzi—only to find that it was half-full and the water, scalding, which is probably why no one else was in it. It had just been cleaned and was being filled.

Lucy James went to the rental shop, and then, excited and nervous, headed for the ski school. Butterflies were stirring in her stomach as she walked to the ski school meeting area. The slopes looked awfully steep. She was a beginner, and this was her first ski trip out west. After a week of half-day lessons with an attractive instructor, fear had given way to confidence and skill.

A sore ankle did not deter Carol Vick from joining her husband, Randall, on the slopes first thing. She and Randall are Club old-timers, having taken the new year's trip several times, and they wasted no time getting in all the skiing they could.

I admit to sleeping in a little late the first morning and then drawing out a visit to the rental shop to help a friend's niece visiting from Japan, Chiho Ikezaki, to rent a pair of skis. We got to the slopes about midmorning, and throughout the day—and the week—I tried to match her enthusiasm over the absence of lift lines and the almost empty slopes. (Compared with the crowded slopes of Japan, Big Sky was for Chiho a skier's paradise.) What deterred one was the long, long, long, *cold* ride on the chair lift.

Yellowstone National Park, 55 miles from Big Sky, lured some of the group, including Philippe Szymczak and his wife. Winter is the best time to see wildlife in Yellowstone, and they were fortunate to spot herds of bison and elk and other wildlife while snowmobiling. They also managed to see the famous geyser, Old Faithful. Others spent their time off the slopes in the jacuzzi (with better luck than David Ordoobadi) or exploring the few shops. Those of us housed in condominiums had the added pleasure of spending relaxed evenings in front of our own wood-burning fireplace.

Many of the group had big plans for New Year's Eve, but as it drew near, we realized that the skiing and the cold were taking their toll. After an early New Year's pizza party—so the children could enjoy the festivities—the older members of the group had to struggle to keep their eyelids open until 10 p.m., when the ski instructors were to ski down the slope in front of the lodge in a torchlight parade. At midnight, fireworks were to compete with the stars. A few of us braved the cold to get a front-row seat for the parade; others went in search of warmer locations to watch the fireworks. David and Lucy found a cozy table in one of the few night spots in the village—Scissor Bill's—to watch the fireworks display, which they said was spectacular. Perhaps, next year, more of us will be able to stay up until the bewitching hour.

All in all, fresh snow each night, friendly folks, bubbling jacuzzis, dazzling night skies, and good company made the trip a memorable experience.

Juanita Roushdy

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LETTERS TO THE EDITOR

Staff Morale

It was 4:30 in the afternoon and I was passing through the cafeteria. The light was dim, but I could see a lone figure in the corner of the room. I sat down with him and discovered it was his twentieth anniversary in the Fund that day. He wondered aloud about whether it was worthwhile to work hard, or work at all, for an institution that seemed not to care about twenty years of service. No one had stopped by his office. No one had picked up the phone to call and say "well done" or "it must feel funny to think that 20 years have gone by since you walked in here." Nothing. No letters, no reception, not even a card. Receptions, it seems, materialize only if you become the boss, or retire! So much for staff morale. After all, one shouldn't be outrageously sentimental.

Ahmed M. Abushadi
External Relations Department

Albert Goltz, Chief, Staff Development Division, responds:

Mr. Abushadi's letter is a welcome opportunity to address the issue of long-service awards. At the discretion of the individual, the names of staff members reaching their twentieth, twenty-fifth, thirtieth, and thirty-fifth anniversary with the Fund are currently published in *Staff News*, and a small number of department heads (as well as lower level supervisors) make a point of acknowledging in different ways various anniversary landmarks of long-service staff in their departments. However, there is no other systematic or Fund-wide mechanism for acknowledging long-service staff, and I fully share the sentiment expressed in Mr. Abushadi's letter that this situation should be remedied.

In 1987, an informal working group was established by the Administration Department to solicit ideas on possible nonfinancial awards covering a number of areas, including long service, meritorious performance, noteworthy achievements, productivity, and innovativeness. In the case of long-service awards, a number of options were considered, including letters from management, receptions, gifts, and luncheons. The views of the working group members were diverse. Some felt the Fund should definitely introduce a long-service award program, with varying views as to the specific form of recognition that should be introduced, while others were more dubious about the usefulness or degree of appreciation that would be associated with recognition for long service. The diversity of views is also reflected in the fact that only about one half of the staff who reach specified long-service anniversaries agree to the publication of their names in *Staff News*. In part, because of the diversity of views on this issue, no specific program has yet been introduced. However, long-service awards are again being considered, and I am hopeful that a specific program can be implemented in the not too distant future.

SAC MEETING ON RETIREMENT PLAN

On Tuesday, January 10, the Staff Association Committee held a general meeting, chaired by Reinhold van Til, to discuss possible revisions to the Staff Retirement Plan. The Administration Department was represented by Jack Kennedy and David Cutler. The SAC Pension Committee was represented by Burke Dillon; the elected member of the Pension Committee, Richard Stillson, also participated in the meeting. Following Jack Kennedy's formal presentation, staff members were invited to ask questions.

Some of the principal concerns that were raised during the informal discussion that followed included: (1) What is the most appropriate basis for the revised grossing-up formula? (2) How will the distribution of benefits among different groups of staff be affected by the proposed changes in the Plan and who will be hardest hit by the proposed changes? (3) What is the timetable for implementing the changes?

Because possible revisions to the Plan are still under consideration, the timetable is uncertain.

***Proposed changes** in the Staff Retirement Plan are discussed at the January 10 SAC general meeting.*

Update *(Continued from page 5)*
At the SAC meeting on January 10, the Administration Department described the nature of the changes to the Plan that are under consideration. Consultations on the proposals are continuing with senior staff and the SAC, and a number of options are being examined. Pending completion of this step, the timetable for the implementation of any Plan changes remains uncertain.

A Glossary of Pension Terms

Notional gross pay	Salaries of Fund staff are paid on a net-of-tax basis. Notional gross pay means the gross salary (that is, before taxes) that corresponds to a given net salary.
Grossing-up formula	The process involved in determining the notional gross pay from a given net salary. The current grossing-up formula appears on page 49 of the Staff Retirement Plan (orange booklet).
Replacement rate	The ratio of one's pension at retirement to rate of salary immediately before retirement (that is, how much of one's salary is replaced by the initial amount of pension).
Highest average gross remuneration (HAGR)	Pensions in the Staff Retirement Plan (SRP) are based on HAGR, which is the average of the gross salaries in the three consecutive years that give the highest average. For virtually all Plan participants, the three highest consecutive years are the three years before termination or retirement.
Vesting	In the SRP, participants become vested after three years of participation; that is, participants have a right to a deferred pension at age 55 if they do not withdraw their money in the SRP when they leave. Participants become vested on reaching age 55, regardless of length of service.
Age 55	Earliest age at which one can voluntarily retire.
Age 65	Normal retirement age. Retirement is mandatory (by personnel practice) at age 65, with very few exceptions.
Age 62	Primarily of interest to U.S. staff: earliest age for workers' benefits under Social Security.
Rule of 90	A participant age 55 or older whose age and service add up to 90 can retire with no actuarial reduction. (Examples: Age 55 with 35 years of service; age $57^{2}/_{12}$ with $32^{10}/_{12}$ years of service; age 64 with 26 years of service.) In effect, the rule of 90 date, if it falls before age 65, is the normal retirement date (but one does not have to retire on reaching the rule of 90). The early retirement factor would be 97 percent for retirement one year before meeting the rule of 90, 94 percent for two years, etc. The rule of 90 does *not* mean that one has reached the maximum pension because: (1) another year of service will increase the pension, at least up to the point where the pension equals 70 percent of HAGR; or (2) HAGR will continue to increase, at least until one has been at the same nominal salary for three years.

STAFF NOTES

November 1 –December 31, 1988

TWENTY-FIVE YEAR STAFF

Horst J. O. Struckmeyer

TWENTY YEAR STAFF

Evangeline L. Pasaylon
Maria M. Pirret

RESIGNATIONS

Mary J. Allen
Carlos Noriega
Salvatore Rebecchini
Madeleine A.-C. Rydberg
Emily Landis Walker

RETIREES

Alice C. McPhillips
Welmoet V. White

DEATH OF STAFF

Alfredo Antezana

DEATH OF RETIREE

Herbert K. Zassenhaus

BIRTHS

To **Emerita Snow** (TRE) and her husband Robert, a son, Mathew Jonathan, on October 15, 1988.

To **Amor Tahari** (MED) and his wife Jill, a daughter, Anissa, on November 13, 1988.

TRANSFERS

Brian W. Ames to External Assignment (Cameroon) from the African Department

Michael J. Brimble to Technical Assistance Assignment (Fiji) from the Bureau of Statistics

Ada J. de Korver to the Office of Executive Directors from the African Department

M. Anne Evans to IMF Institute from the European Department

Sanjeev Gupta to the Fiscal Affairs Department from the European Department

Verona Madonna Hebron to the Treasurer's Department from the African Department

Robin D. Kibuka to the Western Hemisphere Department from the Administration Department

Martha Maldonado to the External Relations Department from the IMF Institute

Elizabeth A. Moya to the Support Group, Secretarial Staff, from the Administration Department

Aline Pastor to the European Department from the Support Group, Secretarial Staff

Flor Isabel Rolando to the Administration Department from the Western Hemisphere Department

NEW STAFF

November 1–December 31, 1988

Roman Bezu
Ethiopian, is a Bilingual Secretary with BUR. Previously a secretary for the OAU, Ethiopia, and for the UNDP, New York, her interests include reading, sports, music, and travel.

Charles R. Blose
a U. S. national, is Senior Computer Systems Officer, BLS. Educated at Miami University (Ohio) and formerly Vice President, American Security Bank, he enjoys reading and running.

Janet Eve Ceglowski
a U.S. national, is in the Economist Program, EUR. Previously an Economist with the Federal Reserve Bank, New York, she was educated at Stanford and the University of California at Berkeley.

Bent A. Christiansen
Danish, is an Assistant with OED. Educated at the University of Copenhagen, he previously served as an Economist with Denmark's central bank, Danmarks Nationalbank.

NEW STAFF

Carol Wasserman Diener
a U. S. national, is a Budget Officer with ADM. She holds a masters in administrative science from Johns Hopkins University and her interests include hiking, nature, and psychology.

Tran Trong Do
Vietnamese, is an Assistant, OED. Educated at the University of Economics and Finance, Hanoi, he previously served as Assistant to the Director, Foreign Department, State Bank of Vietnam.

Maria Soledad Halkyard
a U. K. national, is a Secretary, INS. She previously worked in an embassy in London and as a travel agent in India. Her interests include travel, trekking, and reading.

Asiah Hashim
Malaysian, is an Assistant, OED. Educated at Boston University, she formerly worked in the Economics Department, central bank of Malaysia. She enjoys reading and badminton.

Clorine V. Holder
from Guyana, is a Secretary with TRE. She holds an associate degree in business technology. Among her interests are reading and aerobics.

Frank M. Lakwijk
Dutch, is in the Economist Program, ETR. He holds a Ph.D. from Pittsburgh and was previously an Economist with the U. S. Social Security Administration and Assistant Professor, Bolling Green.

Ivani Loverius
Brazilian, is a Transcriber/ Proofreading Clerk, BLS. She previously worked for the Inter-American Development Bank and includes among her interests theater, concerts, and museums.

Lakshmi Narasimhan
Indian, is a Computer Systems Officer, BCS. Educated at Madras and State University, New York, he previously worked for Bankers Trust and Bell Telephone. He enjoys tennis, drama, and music.

Nazma Nunhuck
from Mauritius, is a Secretary, Paris Office. Educated at Queen Elizabeth College, Mauritius, she previously worked with WHO, Egypt. She enjoys reading, sewing, swimming, and traveling.

Michael J. Shaffrey
from New Zealand, is an Assistant with OED. Prior to coming to the Fund he worked with the Reserve Bank of New Zealand.

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