Staff Retirement Plan Change for Eligible Staff (effective May 1, 2022)

Question	Answer
What change to the Retirement Program takes effect on May 1, 2022?	Beginning May 1, 2022, all staff participating in the Staff Retirement Plan (SRP) and the Fund will continue to contribute seven percent and 14 percent of pensionable gross remuneration, respectively, but the grossing-up formulas will be modified (see Grossing-up Formulas Quick Reference Guide). The net impact of the modification to the formulas will depend on the individual's situation as shown in the illustrative scenarios in the Quick Reference Guide. The new formulas will increase take-home pay, since pensionable gross remuneration is lower; however, they will also decrease future benefit accruals for all participants when they become effective on May 1, 2022. There is no decrease in the benefit accrued as of April 30, 2022, as a result of the new formulas. The current and revised formulas for pension benefits will be applied on a prorated basis for service earned before and after May 1, 2022, respectively.
What is Pensionable Gross Remuneration (PGR) and why are grossing-up formulas used to calculate pension benefits?	SRP participants' net salaries are converted to PGR using the grossing-up formulas. Pension benefits are calculated using PGR in an effort to have the retirement benefit fairly account for the retirees' tax liabilities across the membership.
The SRP reforms were originally going to take effect on May 1, 2021; why the delay?	It was originally envisaged that the SRP reforms would be implemented beginning May 1, 2021; this was dependent in large part on the progress of the Human Capital Management System (1HR) implementation. The IT transformation is more complex and taking more time than expected. The new grossing-up formulas will be effective May 1, 2022, and the rest of the SRP reforms will be effective May 1, 2023.
Who is eligible to participate in the SRP?	Fund employees who are eligible to participate in the SRP include: • Staff on open-ended appointment; • Full-time or part-time staff on a term appointment of two or more years; • Managing Director and Deputy Managing Directors; • Assistant to a Managing Director; • Executive Director; • Alternate Executive Director; • Any Assistant or Advisor to an Executive Director; and • Independent Evaluation Office Director and its staff on a term appointment of two or more years
How much will the Fund contribute to my SRP?	The Fund will continue to contribute 14 percent of participants' pensionable gross remuneration to the plan assets.
When will the pension calculator be updated to reflect the May 1, 2022 reform?	The pension calculator is expected to be updated May 1, 2022 to reflect the plan amendment.
Where can I find the new formulas?	Staff can find the new formulas in the Staff Report approved by the Executive Board (EBAP/21/17) or the Grossing-up Formulas Quick Reference Guide.

Question	Answer
How does the PGR change impact other pay-related benefits (for instance the withdrawal benefit, disability benefit, etc.)?	The withdrawal benefit is based on the current PGR formulas in effect as of the date of separation with no proration for service. For the disability benefit, the highest PGR is based on the current and revised formulas and determined on a prorated basis for service earned before and after May 1, 2022, respectively.
What resources are available for more information?	For additional information, please refer to the Staff Handbook, SRP information, VSP information, Staff Report approved by the Executive Board (EBAP/21/17), the Grossing-up Formulas Quick Reference Guide and the Summary of Retirement Program Changes via HR Communications.

Retirement Program Changes (SRP and VSP) for Eligible Staff (effective May 1, 2023)

Question	Answer
What Retirement Program changes are effective on May 1, 2023?	Beginning May 1, 2023, there will be changes to the following retirement provisions: • Expanded eligibility for optional lump sum withdrawal benefits • Expanded commutation of SRP benefits • Adjustment of survivor benefits after commutation • Continuation of monthly pension payments for rehired retirees; elimination of restoration option • Enhanced Voluntary Savings Plan (VSP) option • Service credit purchase while on leave without pay (LWOP) • Modification of disability retirement eligibility requirement • Coordination of SRP benefit and Workers' Compensation Policy (WCP)
Lump Sum Withdrawal Benefit	
What are the key changes to the optional lump sum withdrawal benefit?	Currently, the optional lump sum withdrawal benefit (**in lieu of a pension**) is available only to participants: (1) separating before age 50 with at least 3 years of eligible service, (2) separating after age 50 with 3 to 5 years of eligible service, or (3) separating after age 55 with less than 5 years of service. Starting May 1, 2023, the optional lump sum withdrawal benefit will be made available to separating SRP participants, regardless of age and service. Participants who have already separated before May 1, 2023 but have not started receiving their pension benefits as of May 1, 2023 are also eligible to elect this optional lump sum withdrawal benefit.
What is required if I elect the optional lump sum withdrawal benefit?	A notarized consent form is required from the participant's eligible surviving spouse/domestic partner acknowledging that no further benefits are due to the survivors. If there is no access to a notary public, the form must be witnessed by a government or medical official.
Is there a change to the mandatory withdrawal benefit?	There is no change to the mandatory withdrawal benefit. Participants who separate from the Fund before age 55 with less than 3 years of eligible service will only be eligible to receive the lump sum withdrawal benefit.

Question	Answer
Commutation Benefit	
What are the key changes to the expanded commutation of SRP benefits?	The maximum allowable commutation percentage increases from 33-1/3 percent of the present value of the pension to any percentage up to 75 percent or, alternatively, 100 percent election of the present value of the pension. Note that the commutation option is only available to participants who are eligible to retire, i.e., age 50 with at least 3 years of eligible service or at least age 55. If the 100 percent commutation is elected, no further SRP benefits are due to the retiree and any survivors. Participants who have already separated before May 1, 2023 but have not taken a withdrawal benefit or started receiving their pension benefits as of May 1, 2023 are also eligible to elect the higher maximum allowable commutation percentage, as long as they are eligible to retire.
Is it better to elect the withdrawal benefit or 100 percent commutation?	The pension calculator to be updated May 1, 2023 will show the value of the withdrawal benefit and if you are eligible to retire, it will also show the 100 percent commutation lump sum. The 100 percent commutation amount may not be less than the withdrawal benefit.
What are the key changes to the survivor benefits after benefit commutation?	The reduction of survivor and children's benefits as a result of a participant's commutation of SRP benefits will depend on the staff member's SRP participation date and commutation percent election: • If the staff member joined the SRP on or after May 1, 2023, the benefit will be reduced, or eliminated (if 100 percent commutation is received), to reflect the percentage of commutation received. • If the staff member joined the SRP before May 1, 2023 and elected no more than one-third commutation, the benefit will reflect the current policy and will not be reduced. • If the staff member joined the SRP before May 1, 2023 and elected more than one-third commutation, the benefit will be reduced to reflect the percentage of commutation received.
What is required if I elect up to 75 percent or exactly 100 percent commutation?	If a commutation decreases an eligible surviving spouse/domestic partner's survivor benefit, a notarized consent form is required from the participant's eligible surviving spouse/domestic partner acknowledging that the survivor benefit is either based on the post-commutation benefit or that no further benefits are due to the survivors.
Pension Benefits for Rehired Participants	
What are the key changes to the continuation of monthly pension payments for rehired retirees and the elimination of the restoration option?	Currently, rehires who have already started receiving a monthly pension and elect to rejoin the SRP cease receiving a monthly pension. Also, currently, rehires may "restore" SRP benefits by repaying benefits received, with interest. When a retiree who is receiving monthly pension payments is rehired on or after May 1, 2023 and elects to rejoin the SRP, the participant will continue to receive their monthly pension payments, and their monthly salary as rehired staff.

This FAQ highlights key provisions of the SRP and VSP and reflects changes that will take effect in 2022 and 2023. While every attempt has been made to ensure this information is accurate, should a discrepancy arise between the information in this FAQ and the official SRP and VSP plan documents and Staff Handbook that govern the plans, the official documents will prevail.

Question	Answer
	Restoration will no longer be available as an option. The SRP benefit for the rehired period would be based on the eligible service and highest three-year average pensionable gross remuneration (HAGR) earned during the rehire period only and would be administered separately from any pension benefit the participant is currently receiving or is eligible to receive.
Enhanced Voluntary Savings Plan	
What are the key changes to the enhanced Voluntary Savings Plan (VSP) option?	The VSP will be enhanced ("VSP [SRP alternative]") for those electing the VSP instead of the SRP. Participants contributing at least seven percent of their pensionable gross remuneration to the VSP [SRP alternative] would receive a 14 percent Fund matching contribution to their VSP [SRP alternative] account, subject to IRS limits. Staff accepting a term appointment of at least two years will have the option to participate in the SRP, the VSP [SRP alternative], or not participate in either plan. Staff accepting open-ended employment who are not currently participating in the SRP will have the option to choose either participation in the SRP or the VSP [SRP alternative], with no option to waive participation in either plan and will default to the SRP on the 91st day if no option is affirmatively elected within 90 days.
Can I elect the enhanced VSP if I am already participating in the SRP?	You may not participate in the enhanced VSP if you are already participating in the SRP. Participation in the SRP remains irrevocable for term and open-ended staff once you are a participant. VSP [SRP alternative] participants may start and stop their seven percent contribution at any time, but the Fund will not make matching contributions unless the participant is contributing at least seven percent. (See below regarding Fund contributions to the SRP and VSP.)
If I am participating in the SRP, can I still contribute to the VSP?	Yes, an SRP participant may continue to contribute to the VSP up to 50 percent of their salary through payroll deductions, subject to IRS limits. There is no Fund matching contribution for VSP participants who are also SRP participants.
If I am participating in the enhanced VSP, can I contribute more than seven percent?	Yes, a VSP [SRP alternative] participant may contribute to the VSP up to 50 percent of their salary through payroll deductions, subject to IRS limits. There is no additional Fund matching contribution other than the 14 percent.
If I elect the enhanced VSP, can I switch back to the SRP at a later date?	No, once a Staff member selects the VSP [SRP alternative], he or she can no longer elect to join the SRP except under the following situations: (i) when staff accepts an eligible term appointment extension or (ii) when accepting an open-ended appointment. Note this rule applies to term and open-ended staff. Other rules apply to certain other categories of employees.
Purchase of Service Credit After Return from Leave Without Pay	
What are the key changes to the service credit purchase?	Currently, only staff on "Leave Without Pay in the interest of the Fund" (LWOP/IOF) are eligible to purchase SRP service credit if they have five years of SRP participation before starting their LWOP/IOF. SRP participants starting LWOP for any reason on or after May 1, 2023 will be placed in noncontributory status until their return to duty at the Fund.

Question	Answer
	Eligible (i.e., five years of SRP participation before going on LWOP) SRP participants who return from LWOP for any reason will have the option to purchase service credit for the period of leave (up to a maximum of five years over their Fund career).
Can I purchase SRP service for years I took LWOP for personal reasons?	Periods of LWOP on or after May 1, 2023 may be purchased for SRP service credit. As a transition measure, LWOP periods initiated before May 1, 2023 and extending beyond May 1, 2023 may also be purchased.
Is there a deadline to make an election to purchase a service credit?	Eligible participants must elect to purchase service credit within 90 days of returning from LWOP.
When will the service purchase be credited to my SRP benefit?	Purchase of service credit may only be made after the participant has continued in active duty for a period equal to the duration of the LWOP, and the payment must be made within 30 days after the end of this period. The service will be credited at the time the buyback amount is paid. The buyback amount is calculated based on SRP contributions the participant would have paid had they not been on LWOP and reflects salary increases earned during that period, paid as a lump sum including interest.
Are there other requirements to be eligible to purchase service credit?	The eligible participant must attest that they have no entitlement to a retirement benefit (immediate or deferred pension annuity) earned from an employer while on LWOP.
Can I purchase partial service credit for my LWOP?	Eligible participants may purchase partial LWOP service credit but are still required to return to active duty for a period equal to the duration of the full LWOP period.
Disability Retirement and Workers Compensation Benefits	
What are the key changes to the modification of the disability retirement eligibility requirement?	Eligibility for disability retirement is being modified from “incapacity likely to be permanent” to “incapacity likely to be 12 months or longer of continuous duration.”
What does this do to my disability retirement benefit if I am eligible?	The amount of the disability retirement benefit is not impacted due to the modification of disability retirement eligibility.
What are the key changes to the coordination of the SRP benefit and Workers’ Compensation Policy (WCP)?	To incorporate a prior Board decision, the SRP will be amended to clarify that the amount of any workers’ compensation annuity will offset a retiree’s pension payments.
Pension Calculator	
When will the pension calculator be updated to reflect the May 1, 2023 reforms?	The pension calculator is intended to be updated May 1, 2023 to reflect the plan amendments.