

Minutes of the Meeting No. 12/09
Board of Directors of the IDB Retirees Association
Wednesday, October 14, 2009
Room: NW-469 - Time: 10:30 a.m.

Present: Saúl Hanono (10), President
Nohra Rey de Marulanda, (10) Vice-President
Marília Mirza (10) Secretary
Marie-Joelle Haas (10), Deputy Secretary
Paula G. Verdun (10), Treasurer
Fausto Medina-López (11), Deputy Treasurer
Asunción Aguilá (11), Director
Ciro de Falco (11), Director
Isabel C. Larson (10), Director
James R. Taylor (10), Director
Alfred Thieme (10), Director

Absent: Ira Kaylin (10), Director
Gabriela Sotela (10), Director

Quorum: The quorum was verified, and the meeting began at 10:45 a.m.

Approval of Minutes: There was approval of Minutes of Meeting 11/09 of 29 September.

Approval of the Agenda: The agenda was unanimously approved without changes.

New Members: The new retirees enrolled between September 30 and October 13, 2009 were: Arnoldo Beltrán and Nelly Arce.

2010 Elections: The list of members who will constitute the Nominating Committee for the 2010 elections was approved. The Board decided to include a representative selected by the Chapters.

Pension Committee: Saúl Hanono commented on the main decisions taken by the Bank during the meeting of the Pension Committee held on 13 October, including:

- The Bank's proposed contribution to the Retirement Fund for international employees is of 24.5% for 2010 (in 2009 it was 17%). For the Local Plan, the Bank's proposed contribution is of 21.5% (was 19%).

"The Actuary for the Retirement Plans predicted that the discount rate to be used for the preparation of the financial statements for the IDB at the end of 2009 could range between 6 and 6.25% (5.75% in 2008). There was a question of whether the discount rate to be used for actuarial valuations could be different from that used for the financial statements, especially because of the significant effect of any change in said rate on the

projected value of the obligations of the Plan. At the petition of our representatives, the Pension Committee requested the preparation of a sensitivity analysis to quantify the effect of changes in the discount rate on projected liabilities. The actuary shall prepare such analysis.

- The budget for the Secretariat of the Staff Retirement Plan was approved.
- The Bank aims to explore the effects of changing the pension plan for the future. To this end, requested the Human Resources Manager an analysis of alternatives from our comparators' plans. This analysis would be presented to President Moreno within 60 days. The inviolability of the vested rights of retirees and current employees was confirmed.

Focus Groups: Nohra Rey de Marulanda presented the progress made with the international retirees residing outside the United States in the process of organizing a consultation through focus groups about the possibility of receiving part of the pension in local currency. Letters have been sent to presidents of all chapters and to about 200 retirees living in countries with no chapter. Nohra reported that there have been some doubts and reactions from retirees due to: the discontent because they believed that such option would be mandatory; the willingness of many retirees to see the study by Buck Consultants; and what was the rationale for the proposed methodology to choose randomly the participants in the focus groups in order to seek a statistical representation. Given these concerns, it was observed that there was a need to make further clarifications to the process that is being carried out. In this regard the Board discussed and approved a draft letter to be sent to all retirees who might be eligible to participate in the focus groups. The Board recommended, however, sending the letter after a scheduled meeting to be held with Mr. Roberto Vellutini, President of the Administration Committee of the Plan, about the study of Buck Consultants and the options to be presented to potential beneficiaries, so that the letter would reflect the result from that meeting.

Treasurer's Report. The financial reports for September were distributed and approved without comments or objection. The revised budget for 2009 was discussed, being approved without change. It was also approved to transfer some unused funds budgeted through December to cover the expenses of the Webpage/Membership Database. The issue of a 2009 external financial audit was discussed, with the result that for this year we will have an internal audit (there was an external audit in 2008).

Membership Database and Website: Asunción Aguilá and Marie Joëlle Haas reported on the consultations being undertaken to improve the website of the Association. They noted that in order to improve the site, they have developed a survey to obtain the views of the members on its use as well as to know characteristics that could be improved. The draft survey, to be sent to all retirees who have their e-mail registered with the Association, was reviewed at the meeting. It was agreed that the Board will be informed of the progress. Additionally, it was reported that all 2009 newsletters and the minutes of Board Meetings have been published on the website in both languages, thus giving the members the opportunity to know the matters discussed at Board meetings.

Solidarity Program: Fausto Medina and James Taylor, as representatives of the Board in this program, worked with those responsible for the Solidarity Program for the Latin American and Caribbean communities in the Washington, D.C. area, evaluating proposals to decide where financial support should be concentrated. In their opinion, the evaluations were very professional, and those selected will benefit the most needy. They emphasized the possibility that Bank retirees can give their voluntary contribution to expand the scope of the solidarity program. In this regard, the Board will request the Coordinator of the Program Coordinator (Marta Estarellas) to write a note about the program for inclusion in the Newsletter and on the website of the Association.

Workshop to the International Associations of Retirees-World Bank, September 24. Paula Verdun and James Taylor reported on this event which had the participation of several international institutions. The main topics discussed were the governance of the retiree association's pensions (including cost of living adjustments), health insurance, and communication with the membership. A synthesis of these issues will be distributed to the Board and eventually published in our Newsletter.

Tax Refund Procedures: After analyzing the procedures of other institutions and differences between procedures applied to IDB active and retired personnel, it was confirmed that there is a need to identify more transparent and equitable procedures for retirees. This topic will continue to be reviewed.

Ortiz Mena Award: Asunción Aguilá participated in the selection of employees to receive the Antonio Ortiz Mena Award. She reported that three prizes would be awarded. The details will be made public once the minutes of the meeting are approved.

Absence of the Treasurer and Deputy Treasurer: Paula Verdun mentioned that both she and Fausto Medina would be absent for several weeks and, therefore, the Treasury would not be able to submit the financial statements at the Board meeting scheduled for November.