



**EXECUTIVE SECRETARIAT OF THE  
IDB RETIREMENT PLANS  
STAFF RETIREMENT PLAN DOCUMENT**

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**STAFF RETIREMENT PLAN**

**2015**

**INTER-AMERICAN DEVELOPMENT BANK**

The Staff Retirement Plan of the Inter-American Development Bank was approved in its official English text by the Board of Executive Directors by Resolution DE-15/61 of March 31, 1961, and amended by Resolutions DE-66/65 of June 3, 1965; DE-176/69 of December 3, 1969; DE-129/70 of December 2, 1970; DE-7/73 of January 29, 1973; DE-65/74 of June 13, 1974; DE-2/76 of January 8, 1976; DE-18/77 of January 26, 1977; DE-155/79 of October 23, 1979; DE-261/79 of December 20, 1979; DE-99/80 of July 1, 1980; DE-202/80 of December 11, 1980; DE-203/80 of December 11, 1980; DE-59/81 of May 12, 1981; DE-93/81 of July 8, 1981; DE-162/81 of October 27, 1981; DE-225/81 of December 15, 1981; DE-28/82 of March 5, 1982; DE-123/83 of September 20, 1983, and DE-106/85 of July 31, 1985; DE-87/86 of September 23, 1986; DE-129/87 of November 25, 1987; DE-46/88 of May 4, 1988; DE-121/88 of November 23, 1988; DE-160/88 of December 21, 1988; DE-2/90 of January 10, 1990; DE-121/91 of August 7, 1991; DE-28/93 of February 10, 1993; DE-125/93 of August 11, 1993; DE-10/94 of February 16, 1994; DE-12/94 of February 16, 1994; DE-54/95 of May 31, 1995 and DE-55/95 of May 31, 1995; DE-82/96 of June 26, 1996; DE-161/96 of November 26, 1996; DE-95/98 of August 5, 1998; DE-2/99 of January 6, 1999; DE-110/99 of November 3, 1999; DE-111/99 of November 3, 1999; DE-113/99 of November 3, 1999; DE-17/00 of February 23, 2000; DE-19/00 of February 23, 2000; DE-71/00 of September 6, 2000; DE-141/01 of December 19, 2001; DE-47/02 of May 29, 2002; DE-90/03 of November 12, 2003; DE-91/03 of November 12, 2003; DE-20/04 of March 17, 2004; DE-173/06 of December 18, 2006; DE-165/07 of December 19, 2007; DE-105/11 of September 28, 2011; DE-106/11 of September 28, 2011; and DE-180/14 of November 26, 2014.

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Note: The present edition replaces all the other prior editions and constitutes the official text as of January 1, 2015.

STAFF RETIREMENT PLAN OF THE  
INTER-AMERICAN DEVELOPMENT BANK

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## Article 1. Definitions

### Section 1.1

The words and phrases set forth in this Section have the following meanings for the purposes of this Plan unless a different meaning is plainly required by the context:

- (a) "Bank" means the Inter-American Development Bank.
- (a') "Corporation" means the Inter-American Investment Corporation.
- (a") "Employer" means the Bank or the Corporation, as may be applicable for each participant or retired participant.
- (b) "Plan" means the Staff Retirement Plan of the Bank as described herein.
- (c) "Pension Committee" means the Committee, provided for in Section 7.1, appointed to supervise and control the overall administration of the Plan.
- (d) "Managing Committee" means the Committee, provided for in Section 7.2, established to administer the Plan.
- (e) "Executive Secretary" means the Executive Secretary of the Plan, as may be appointed by the Bank and as further provided in Section 7.3.
- (f) "Employee" means any person appointed by the Employer in accordance with its employment practices to render services for a term of not less than one year and who receives regular remuneration from the Employer therefor (it does not include Consultants); and the President, the Vice Presidents, the General Manager of the Corporation, the Executive Directors of the Bank, the Alternate Executive Directors of the Bank, the Director of the Evaluation Office, the staff of the Offices of the Executive Directors as appointed in accordance with the practices of the Employer, and any employee on a part-time basis who has elected to become a participant in accordance with Section 2.1(b). In cases of doubt, the Managing Committee shall determine whether any member is an employee as herein defined.
- (g) "Active Participant" or "Participant" means any employee contributing to the Plan as provided in Article 2.
- (h) "Retired Participant" means a former active participant who has been retired under the Plan on a pension, whether immediate or deferred.
- (i) "Normal Retirement Date" of a participant means the first day of the calendar month next following the 65<sup>th</sup> anniversary of his birth, or the date of such anniversary if it shall fall on the first day of a calendar month, *except as otherwise provided in Section 2.5.*

***Participants hired on or before September 30, 2011,  
see Appendix VI for applicable Section 1.1(i).***

- (j) "Service" of an employee means the period to be computed as an employee and corresponding to which benefits may be earned in accordance with the regulations of this Plan. Except where otherwise expressly provided, service rendered to the Employer shall mean service as an active participant in this Plan.
- (k) "Remuneration" of an employee means the regular net compensation paid by the Employer to such employee for services rendered to the Employer and shall not include such payments as reimbursement for taxes, allowances, bonuses, overtime, special pay or separation payments, temporary salary increase or lump-sum payments in lieu of annual leave. The annual rate of remuneration of a participant during any period when he is not receiving remuneration from the Employer shall for the purposes hereof be deemed to be his annual rate of remuneration at the time he last received remuneration from the Employer. Remuneration of an Executive Director, Alternate Executive Director, Director of the Evaluation Office, Assistant to the Executive Director or employee on part-time appointment who has completed five years of eligible service shall be deemed to be not less than such participant's highest average remuneration as of the last preceding December 31; and the annual rate of remuneration of any Executive Director, Alternate Executive Director, Director of the Evaluation Office, Assistant to the Executive Director and employee on part-time appointment shall be deemed to be the remuneration on which he has made contributions during the year immediately preceding the determination or, if his eligible service is for a period of less than one year, the remuneration for such period converted to the annual rate. In the case of any participant whose participation in the Plan commences after December 31, 1995, "remuneration" for purposes of the Plan shall not exceed the dollar limitation of Section 401(a)(17) of the U.S. Internal Revenue Code of 1986, which Section is incorporated herein by reference, as adjusted from time to time.

***Participants hired on or before December 31, 2014,  
see Appendix VII for applicable Section 1.1(k).***

- (l) "Highest Average Remuneration" of a participant is calculated in the following manner: (1) identify the 5-year period (i.e., consecutive years, but not necessarily calendar years) of participating service during which the average of the nominal (unadjusted) annual remuneration of the participant is the highest; or, if the total years of such service is less than five years, the total of such service; (2) adjust each of the first four annual salaries to reflect all of the actual Cost-of-Living Increases applied to pensions during the five-year period in accordance with Article 15; and (3) take the average of such adjusted annual salaries as the highest average remuneration. In no case shall such adjusted highest average remuneration exceed the actual salary received during the 12 consecutive months affording the highest annual salary, during the same five-year period.

***Participants hired on or before December 31, 2014,  
see Appendix VII for applicable Section 1.1(l).***

- (m) "Pension" means annual payments for life payable under the Plan, except as may be otherwise expressly provided herein.
- (n) "Retirement Fund" or "Fund" means all assets, securities and property of every kind and nature held for the purposes of the Plan including without limitation the contributions of participants and the Employer and the income therefrom.
- (o) "Regular Interest" means interest at the rate from time to time determined by the Pension Committee.
- (p) "Accumulated Contributions" means the sum of a participant's contributions to the Plan plus regular interest thereon.

- (q) "Actuarial Equivalent" means a benefit of equivalent value when computed on the basis of the most recent (and approved by the Pension Committee) United Nations mortality tables weighted 70% male and 30% female for participants and 30% male and 70% female for beneficiaries. The interest rates used in such computation shall be 6% per year for purposes of Section 4.9 and 5% per year for purposes of Section 4.11. For determining actuarial equivalent values for all other purposes in the Plan, the interest rate used shall be 7.5% per year, and, where future cost-of-living increases in pensions and benefits are to be taken into account, pursuant to Article 15, such cost-of-living increases shall be assumed to be 4% per year.
- (r) "Year" means any twelve consecutive months. When any fraction of a year shall be involved in computing eligible service for retirement or death benefit, each month, or fraction thereof in excess of fifteen days, shall be considered one-twelfth of a year and any portion thereof amounting to fifteen days or less shall be disregarded.
- (s) The masculine pronoun, whenever used herein, includes the feminine, unless the context clearly otherwise requires.
- (t) "Effective Date of the Plan" means February 1, 1961.
- (u) "Spouse" means that person registered with the Bank as the spouse or domestic partner of the active or retired participant for the purpose of family-related benefits.
- (v) "Normal Retirement Age" of a Participant shall mean the age of the Participant on his "Normal Retirement Date".

## Article 2. Participation

### Section 2.1 Basic Provisions on Participation

- (a) Every employee, except as provided in subsection 2.1(b) below, shall as a condition of service become a participant as of the first day of his service, provided that as of such date he shall not have reached his normal retirement date.
- (b) The President, the Vice Presidents, the General Manager of the Corporation, the Executive Directors of the Bank and the Alternate Executive Directors of the Bank, the Director of the Evaluation Office, the staff of the Offices of the Executive Directors as appointed in accordance with the practices of the Employer, and any employee on a part-time appointment shall become a participant as of the first day of his service provided that as of such date:
  - (1) he shall not have reached his normal retirement date;
  - (2) he devotes to his work not less than one-fourth of the Employer's normal business hours; and
  - (3) he is receiving regular remuneration from the Employer therefor.

Such participant may, however, within three months after his appointment, elect not to be a participant by filing written notice with the Executive Secretary; and in such event any contributions then made by the participant from such first day of service shall be returned, without interest, earnings or other adjustment, and any rights of participation under the Plan shall then cease.

### Section 2.2 Termination of Active Participation

A participant shall cease to be an active participant under the Plan as of the date on which he dies or retires under the Plan; or the date on which his service with the Employer is otherwise terminated.

### Section 2.3 Accrual of Participating Service during Absence

- (a) Participating service shall be deemed to continue while a participant is on leave of absence with pay or during the period of any other leave of absence approved by the Employer for which he and the Employer shall have arranged to make their respective contributions. Contributions shall be paid by the Employer for such leaves of absence pursuant to rules which are uniformly applicable.
- (b) Participating service shall be deemed not to continue during the period of any absence of the participant, except as provided in (a) above, or during any period of service for which contributions are not made as provided in Section 6.1.

### Section 2.4 Resumption of Participation

A person who ceases to be a participant and who again becomes a participant shall receive benefits on account of his eligible service and qualifying service before he last ceased to be a participant only as provided in Section 5.1.

### Section 2.5 Participation after Normal Retirement Date

No person shall be an active participant after his normal retirement date, except as provided in Section 4.1(c).

## Article 3. Calculation of Service

### Section 3.1 Participating Service

Participating service under the Plan, except as otherwise provided in the Plan, shall be all service rendered to the Employer by an employee as a participant, for which contributions have been made as provided in Section 6.1, including service rendered before the effective date of the Plan, and including the period of any leave of absence to the extent provided in Section 2.3(a).

### Section 3.2 Eligible Service

The eligible service of a participant under the Plan shall be the sum of his participating service, service restored under Section 5.1 and the term of service credited to this Plan under other plans with respect to which agreements for transfer have been made in accordance with Section 14.1 and for which the appropriate transfer of credits and funds has been effected.

In addition, the survivors of any participant who dies on or after January 1, 2007, while performing qualified military service, are entitled to any additional benefits (other than contributions relating to the period of qualified military service, but including vesting service credit for such period and any ancillary life insurance or other survivor benefits) that would have been provided under the Plan had the participant resumed employment on the day preceding the participant's death and then terminated employment on account of death.

### Section 3.3 Qualifying Service

Except as provided in Section 3.2, the qualifying service of a participant under the Plan shall be the sum of: (a) his participating service under this Plan; (b) his continuous service in the Bank's Local Retirement Plan; and (c) his prior and continuous contributory service in the Bank's Savings and Benefits Plan for Local Employees. For the purposes of this Section 3.3, the term "continuous" shall mean that there is no interruption greater than 90 calendar days during or between the periods noted above. Any service discontinuous to his participating service under this Plan shall not be included in qualifying service. In



cases of doubt, the Managing Committee shall determine whether service to the Employer shall be recognized as "qualifying service" under this Plan.

#### Article 4. Retirement and Benefits

##### Section 4.1 Normal Retirement

- (a) Upon reaching his Normal Retirement Date, a participant with five or more years of qualifying service shall be retired under the Plan on a normal pension equal to the sum of:
- (1) An amount equal to two and one-half percent (2.5%) of his highest average remuneration multiplied by the number of years of eligible service up to a maximum of twenty years; and
  - (2) An amount equal to two percent (2%) of his highest average remuneration multiplied by the number of years between the twenty-first and thirty-fifth years of eligible service, inclusive.

***Participants hired on or before September 30, 2011,  
see Appendix VI for applicable Sections 4.1(a)(1) and (a)(2).***

However, the normal pension so computed shall in no case exceed eighty percent (80%) of the participant's highest average remuneration.

- (b) A participant's normal pension shall not be less than \$50 multiplied by the number of years of his eligible service, but such amount shall not exceed the participant's highest average remuneration.
- (c) Participants who are permitted to continue to work beyond the normal retirement age shall receive no pension, and shall continue in participating service until they have ceased to be employees. The pension of such person shall be effective on the first day of the month following the month in which he ceased to be an employee.

##### Section 4.2 Early Retirement

An active participant who has completed ten or more years of qualifying service and has reached the age of 55, upon ceasing to be an active participant before his normal retirement date for any reason other than disability or death, may elect to be retired under the Plan and receive an early retirement pension by filing a written request with the Executive Secretary. The amount of such early retirement pension shall be the larger of:

- (a) A pension computed in the same manner as a normal retirement pension in accordance with Section 4.1, reduced for each month between the date when his pension becomes effective and his normal retirement date, in accordance with the following table (percentages for years and fractions of years not indicated shall be prorated):

Age (in years)	Percentage of the Pension	Age (in years)	Percentage of the Pension
65	100%	59	79%
64	97%	58	75%
63	94%	57	70%
62	91%	56	65%
61	87%	55	60%
60	83%		

or,

- (b) A pension computed in the same manner as a normal retirement pension in accordance with Section 4.1, or to a percentage of such pension, in accordance with the following conditions:
- (1) When, on the date he ceases to be an employee, the combined sum of his age and his qualifying service in full months equals one thousand eighty (1,080) months, the pension amount shall not be reduced because of early retirement; or
  - (2) When, on the date he ceases to be an employee, the combined sum of his age and his qualifying service in full months is between eight hundred forty (840) and one thousand eighty (1,080) months, the pension amount shall be adjusted in accordance with the following table (percentages for months not indicated shall be prorated):

Months of Combined Age/Qualifying Service	Percentage of the Pension
1,080	100%
1,056	97%
1,032	94%
1,008	91%
984	87%
960	83%
936	79%
912	75%
888	70%
864	65%
840	60%

***Participants hired on or before September 30, 2011,  
see Appendix VI for applicable Section 4.2.  
Participants hired on or before December 31, 2014, but after  
September 30, 2011, see Appendix VII for applicable Section 4.2.***

#### Section 4.3 Disability Retirement

- (a) A participant shall be retired on a disability pension before his normal retirement date on the first day of a month not less than 30 nor more than 120 days next following receipt by the Executive Secretary of written application therefor by the participant or the Employer; provided that a physician or physicians designated by the Executive Secretary shall certify, and the Managing Committee shall find, on recommendation of the Executive Secretary, that such participant while in participating service, became totally incapacitated mentally or physically for the performance of any duty with the Employer which he might reasonably be called upon to perform; that such incapacity is likely to be permanent; and that such participant should be retired.
- (b) A disability pension shall become effective upon retirement and shall be equal to the normal pension which would be payable to the participant if his normal retirement date had fallen on the date of his disability retirement, but using for such computation his highest average remuneration and eligible service at the time of disability retirement. In no event, however, shall such pension be less than the smaller of:
  - (1) 50% of such highest average remuneration, or
  - (2) the normal pension which the participant would have received if he had remained a participant until his normal retirement date without change in such highest average remuneration.
- (c) The Executive Secretary may require a retired participant who is receiving a disability pension and who has not reached his normal retirement date to be medically examined from time to time, not more often than once a year, by a physician or physicians designated by the Executive

Secretary. Such examination shall be made at the residence of such retired participant unless some other place shall be agreed upon by him and the Executive Secretary. If such a retired participant shall fail to permit such an examination to be made, his disability pension may be discontinued by the Executive Secretary until he shall permit such examination to be made and, in the discretion of the Executive Secretary, if he shall fail to permit such examination to be made within a period of one year from the mailing or sending to him at his address as it appears on the records of the Executive Secretary, of a request therefor by the Executive Secretary, his incapacity may be deemed to have wholly ceased, and he may be deemed to have withdrawn from the Plan as of the date when his disability pension was discontinued, with the eligible service accrued to the date of his disability retirement.

- (d) If the Managing Committee shall find as a result of medical examination or on the basis of other satisfactory evidence that the incapacity of a retired participant who has not reached his normal retirement date, on account of which he is receiving a disability pension, has wholly ceased or that he has regained the earning capacity which he had before such incapacity, his disability pension shall be discontinued and if the Committee shall find that such incapacity has partially ceased for the performance of any work which he might reasonably be required to do, and that his earning capacity in any such work has been partially regained, his disability pension shall be reduced by the Committee in a reasonable amount. If a disability pension is so discontinued or reduced and the retired participant shall again become incapacitated exclusively through and because of the same incapacity, his disability pension shall be restored upon the same conditions which applied to the original pension and the granting thereof, subject, however, to the provisions of subsection (e) of this Section.
- (e) If a disability pension is discontinued pursuant to subsections (c) or (d) of this Section and shall not be restored pursuant to Subsection (d) of this Section within a period of five years from such discontinuance, and if such retired participant shall not within such period again become a participant, he shall be deemed to have withdrawn from the Plan as of the date his disability pension was discontinued, with the eligible service and qualifying service accrued to the date of his disability retirement, and he shall be entitled to the benefits provided in Section 4.2 or Section 4.4(a) or (b) or Section 4.10, whichever is applicable, reduced by all amounts received by him as disability pension, or by the actuarial equivalent of such amounts, as may be appropriate.

#### Section 4.4 Retirement under Deferred Pension

- (a) Any active participant meeting the service requirements below and who ceases to be a participant before his Normal Retirement Date for reasons other than disability, early retirement or death may be retired under the Plan and elect to receive later on:
- (1) If having five or more years of qualifying service, a deferred pension to become effective on his Normal Retirement Date, and computed in the same manner as a normal pension on the basis of his highest average remuneration and eligible service at the time he ceased to be a participant, or
  - (2) If having ten or more years of qualifying service, by filing a written request with the Executive Secretary, a deferred early pension calculated in accordance with the provisions of Section 4.2(b) to become effective on the first day of any calendar month following his entitlement to early retirement, but not later than his Normal Retirement Date. Such deferred early pension shall be the larger of:  
***Participants hired on or before September 30, 2011,  
see Appendix VI for applicable Sections 4.4(a)(1) and (a)(2).***
    - (i) the pension obtained under Section 4.2(a) for his attained age; or
    - (ii) that which resulted from the combined age and qualifying service standing to his credit under Section 4.2(b) when he ceased to be an active participant under the Plan (provided that he shall not be required to have reached the age of 55 when such active participation ceases and that his deferred pension, in this case, becomes effective only on or after he reaches the age of 55).
- (b) Any participant retired on a deferred pension may, upon written request submitted to the Executive Secretary, at any time before his pension becomes effective, surrender all of his rights in and to such pension and any other benefits which might become payable to him or on his account under the Plan, and cease to be a retired participant, and shall be entitled to receive the withdrawal benefits provided for under Section 4.10. Such surrender shall be effective upon receipt of the above-referenced written request.

#### Section 4.5 Survivor's Pension and other Death Benefits

Upon receipt of adequate proof, satisfactory to the Executive Secretary, of the death of an active participant or a retired participant, the appropriate benefits shall be paid as set forth below:

(a) Survivor's Pension upon Death of an Active Participant

Upon the death of an active participant who is survived by a spouse, there shall be paid to such spouse a survivor's pension equal to one half the disability pension which would have been payable to the participant under Section 4.3(b) if he had retired on a disability pension on the date of his death. In no event, however, shall such survivor's pension be less than the smaller of:

- (1) 25% of the participant's highest average remuneration, or
- (2) the total amount of the disability pension which the participant would have received if he had retired with that pension on the date of his death.

(b) Survivor's Pension and other Benefits upon Death of a Retired Participant

(1) Upon the death of a retired participant who on the date of his death was retired on an early retirement pension, or on normal pension, or on disability pension, and who is survived by a spouse who was the spouse of the retired participant on the last day of his service, there shall be paid to such spouse a pension equal to one-half of the pension the retired participant was entitled to receive on the date of his death, without election of any optional benefits under Section 4.6 or 4.9 and not including any supplementary pension payable under Section 4.1(c).

(2) Upon the death of a retired participant under a deferred pension who is survived by a spouse who was the spouse of such participant on the last day of his service, there shall be paid to such spouse an amount equal to the sum payable to such participant under Section 4.10 if he had ceased to be a participant under the Plan on the date of his death and had surrendered his rights, if any, to a pension.

However, if the participant shall die when he was entitled to be retired under early retirement in accordance with Section 4.2, there shall be paid to such surviving spouse a survivor's pension equal to one-half of the early retirement pension the retired participant would have been entitled to receive if on the date of his death he had been retired on early retirement pension.

(c) Restrictions on Survivors' Benefits

The pension for the spouse as set forth in subsections (a) and (b) of this Section, shall be restricted by the following conditions:

- (1) If the spouse is younger by more than twenty years than the deceased participant or retired participant on whose account the pension is payable, the amount of the pension payable to such spouse shall be reduced so that the value of the reduced pension shall be the actuarial equivalent of the pension which would have been payable if the spouse were exactly twenty years younger.
- (2) Not more than one person shall be entitled to a spouse's pension in respect of any active or retired participant.
- (3) For the purposes of this Section 4.5, a spouse shall be deemed not to survive a participant or retired participant if the spouse shall not be living on the tenth day after the death of the participant or retired participant.

(d) Children's Benefits

A benefit shall be payable for each unmarried child of a deceased participant or deceased retired participant. Such benefit shall be payable monthly until the child reaches the age of 21. Entitlement to a child's benefit is limited to children existing on the last day of the participant's or retired participant's participating service and not more than one child's benefit shall be payable for any one child. Payment of a child's benefit shall commence on the last day of the month in which entitlement begins and shall cease on the last day of the month in which entitlement ends. A child's benefit shall be payable to such person or persons as the Managing Committee shall in its absolute discretion consider as most appropriate for the welfare of the child. Subject to paragraph (3) of this Section 4.5(d), the amount of annual benefit payable for each eligible child shall be computed as follows:

- (1) If there is a living parent, the annual benefit payable for each eligible child shall be US\$ 1,800 as adjusted pursuant to Section 15.3(h) (hereinafter referred to as "Basic Children's Benefit").
- (2) If there is no living parent, the Basic Children's Benefit payable for each eligible child shall be increased as follows:
  - (i) Where there is only one eligible child, the benefit shall be increased by whichever is greater of 50% of the Basic Children's Benefit or 25% of the participant's or retired participant's benefit (i.e. the disability or retirement pension to which the participant or retired participant was entitled or would have been entitled on the date of his death, calculated without reduction for any optional benefit under Sections 4.6 and 4.9 and not including any supplementary pension payable under Section 4.1(c) or any cost of living increases pursuant to Article 15 except as provided therein);
  - (ii) Where there are two or more eligible children their benefits shall be increased by dividing between or among them whichever is the greater of the Basic Children's Benefit or 50% of the participant's or retired participant's benefit.

As when a child ceases to be eligible or his benefits are changed under the Plan, the total benefit payable to any remaining children shall be recomputed in accordance with this Section 4.5(d).

- (3) The total benefit payable under this Section 4.5(d) and Section 4.5(e) for the children of any participant shall not exceed an amount per annum which when added to any retirement pension (calculated without reduction for any optional benefit under Sections 4.6 and 4.9) or spouse's pension then regularly payable and calculated without regard to any optional benefit payable under Section 4.6 and 4.9 shall equal the highest average remuneration of the participant.
- (4) The total amount of children's benefit payable under this Section 4.5 to the children within any family shall not exceed three times the Basic Children's Benefit.
- (5) For the purposes of Children's Benefits, the "child of a deceased participant or deceased retired participant" shall include the child of a domestic partner registered with the Bank for the purpose of family-related benefits.

(e) Benefits for Children of Disabled Participants

In respect of each unmarried child of participant retired on a disability pension, there shall be paid a child's benefit of an amount computed in the same manner as, and subject to the same conditions and limitations, as the child's benefit set forth in this Section 4.5(d), which benefit shall be treated in all respects as if it were payable pursuant thereto. The payment of any such child's benefits shall not be terminated by reason of the death of the retired participant.

(f) Other Benefits after Death without a Surviving Spouse

Upon the death of an active participant or of a retired participant who is not survived by a spouse, there shall be paid to the person or persons designated by him an amount determined as provided in paragraphs (i) or (ii) as follows:

- (1) Upon the death of such an active participant or of a retired participant under a deferred pension there shall be paid a lump sum equal to the amount that would have been payable to such participant under Section 4.10 if he had ceased to be a participant in the Plan on the date of his death and had surrendered his rights, if any, to a pension.
- (2) Upon the death of a retired participant under early retirement, normal retirement or disability retirement, there shall be paid the amount of his accumulated contributions at his death, less the amount of pension payments received. If he elected an optional benefit under Section 4.6, which was in effect at the time of his death, the pension payments he would have received if he had not elected such optional benefit shall be deducted. In addition to the amount specified in this paragraph there shall be paid, in accordance with the following table, a lump sum equal to the appropriate percentage of the annual pension effective upon retirement which he was entitled to receive, or to elect to receive, without election of any optional benefit under Section 4.6 and 4.9, except that such lump sum shall not be paid in the case of any retired participant on whose account children's benefits become payable under the provisions of subsection (d) of this Section.

Age at Birthday nearest to Death (in years)	Percentage
65 or under	200
66	180
67	160
68	140
69	120
70	100
71	80
72	60
73 or over	50

(g) Accumulated Contributions

In no event shall the total amounts payable pursuant to this Section exclusive of children's benefits, on account of any participant or retired participant, together with any other benefits payable to him or on his account under the Plan, be less than his accumulated contributions at the time of his death or retirement, whichever shall be earlier. Such payment shall be made to the beneficiary or beneficiaries designated by the participant or retired participant by written notice duly witnessed or acknowledged and filed with the Executive Secretary before his death, provided, however, that a participant or retired participant may in any such designation provide that a surviving spouse to whom a pension becomes payable under this Section may, not later than the date on which such spouse's pension ceases, revoke any such designation and designate himself, his estate or any other person or persons to receive such payment. Any designation made pursuant to this subsection may be amended or revoked in the same manner and subject to the same conditions as the designation being amended or revoked. All amounts not otherwise provided for shall be payable to the beneficiary designated by the participant for such purpose.

(h) General

Notwithstanding any other provision of the Plan the Managing Committee may, on the basis of uniform rules, uniformly applicable:

- (1) In the case of a participant who so requests within 90 days after he becomes a participant, determine that it would be contrary to the purposes and intent of this Section to treat such participant as married and that he should be treated as single for the purposes of the Plan, in which event the provisions of Subsection (f) of the Section shall apply instead of the other provisions of this Section.
- (2) Permit a participant or a retired participant, in exceptional circumstances and for good cause shown, to elect not to have a spouse's pension or children's benefit payable in his case or on his account, in which event his spouse or children, if any, shall not be entitled to a pension or children's benefit under Subsections (a), (b), (c) or (d) of this Section, but the other provisions of this Section shall remain applicable.
- (3) In exceptional circumstances when it determines that to do otherwise would be contrary to the purposes and intent of Subsections (a) and (b) of this Section, permit a married participant in participating service in whose case the provisions of such subsections are not applicable or are not fully applicable, to elect that such provisions shall be fully applicable in his case, in which event any previous election shall be disregarded.
- (4) Upon the request of an active participant or a retired participant, or of a beneficiary at the time entitled to receive immediate payment in a lump sum of any death benefit provided for in this Section and to whom no part of such benefit has been paid, the Managing Committee may, in its discretion, make payment of all or any part of such benefit in the form of an annuity of actuarial equivalent value, payable either as an annuity certain for a fixed period of years or as refund life annuity with the return of such lump sum guaranteed, as shall be specified in such request.
- (5) The designation of beneficiary must be made by filing written notice, duly legalized, from the participant to the Executive Secretary. Any designation can be subject to change or revocation by the participant, at any time, following the same procedure. If any such beneficiary or beneficiaries shall not survive the participant, or if the latter shall not have made, or shall have revoked such a designation, such payment shall be made to his estate or personal representative.



#### Section 4.6 Reduced Pension with Pension to Survivor

- (a) Any participant or retired participant may, by written notice received by the Executive Secretary before his pension becomes effective, elect to convert the pension otherwise payable to him, after reduction for any part of such pension commuted into a lump sum pursuant to Section 4.9, into two pensions having actuarial equivalent value to such pension, one of which shall be payable, when effective, to him during his life, and the other of which shall be payable after his death at such rate as he shall specify, and during the life of, and to, the person nominated by him in such written notice but only if such person survives him. Any such election shall be effective upon receipt of the above-referenced written request. The rights conferred by this subsection shall be subject to the provisions of subsection (d) of this Section.
- (b) An election of an option may be revoked or changed by a participant or a retired participant only by written notice received by the Executive Secretary before the date his pension becomes effective, and any such change shall be treated as a revocation of the prior election and the election of a new option. If the person designated by him dies before the date when such election becomes effective, any election of such option shall be of no effect and any benefits payable to the participant or retired participant, or on his account, shall be determined and paid in all respects as if no option had been elected by him.
- (c) Notwithstanding the provisions of subsection (b) of this Section, a participant who retires on a deferred retirement pension under the provisions of Section 4.4(a)(2) may, at any time before his pension becomes effective, by a written and witnessed statement filed with the Executive Secretary:
  - (1) specify the date when his pension shall become effective; and
  - (2) elect an option in accordance with subsection (a) of this Section.

Upon such filing of such a statement, the pensions provided for in the option specified therein shall, subject to subparagraph (1) below, be deemed to have been irrevocably elected and shall be payable only on the terms and conditions specified in said statement and said subsection (a) with respect thereto and, subject to the provisions of Sections 4.5 and 13.1, no other amounts shall be payable under the Plan to such retired participant or on his account, provided, however, that:

- (1) by a written and witnessed amendment filed with the Executive Secretary, effective upon such filing, such retired participant may, at any time before his pension becomes effective, change the date specified by him in such statement to a date which is earlier, but not later, than the date so specified, in which case such earlier date shall thenceforth be deemed to be the date specified in such statement and an appropriate reduction based upon actuarial equivalent values shall be made in the pensions elected therein; and
- (2) if such retired participant shall die before his pension becomes effective, the pension of the survivor designated by him shall, if such survivor is then living, become effective, after appropriate reduction based upon actuarial equivalent values, upon his death regardless of the date specified by him in such statement.

- (d) Notwithstanding the foregoing provisions of this Section, no option may be elected thereunder which would result in either:
- (1) the amount of the reduced pension payable to the retired participant being one-half or less than the pension which would have been payable to him if no option had been elected by him; or
  - (2) the payment to the designated survivor of a pension which, together with any pension or benefit payable to the designated survivor or to any survivor pursuant to Section 4.5, would exceed the amount of the reduced pension payable to the retired participant.
- (e) Notwithstanding the provisions of subsection (a) of this Section, any retired participant who marries, remarries or enters into a domestic partnership after retirement shall have the option to provide a survivor annuity for his spouse, subject to his exercising such option within twelve months of his marriage, remarriage or domestic partnership by filing a written notice with the Executive Secretary.

In such case, the retired participant's continued pension and the spouse's future pension shall have equivalent actuarial value to the pension paid to the retired participant when the written notice is filed with the Executive Secretary, taking into consideration the ages of the retired participant and his spouse at that time.

The reduced pension payable to the retired participant and the election of such spouse's pension shall become effective twenty-four months after the date of receipt of the written notice by the Executive Secretary or, on an earlier date of presentation to the Executive Secretary of such medical examination as shall be prescribed by the Executive Secretary and which evidences the good health of the applicant in relation to his age.

The reduced pension to the retired participant resulting from this election shall be subject to the limitations of subsection 4.6(d). If the election for the spouse's pension would be denied by the limitation of subsection 4.6(d)(1), however, the retired participant shall have the option to pay to the Plan an additional amount so that such election would not be denied by the limitation of subsection 4.6(d)(1). Such amount shall represent the actuarial value equivalent to the difference between the retired participant's pension which would have resulted from the election without payment of such amount and the limitation expressed in subsection 4.6(d)(1). Such amount shall be paid in a lump sum to the Plan before 60 days prior to the effective date of the election.

If the retired participant or the spouse who is designated under this subsection 4.6(e) dies before the effective date of the election, the election shall be of no effect for any purpose and any amount paid to the Plan as provided for by this subsection 4.6(e) shall be paid to the deceased retired participant's estate, or returned to the retired participant, as shall be appropriate.

#### Section 4.7 Manner of Payment

- (a) All pensions shall be payable in equal monthly installments, except that, upon direction of the Managing Committee, any pension amounting to less than \$120 per annum may be paid in semiannual installments commencing at the end of the third month after it becomes effective. All pension payments shall commence at the end of the calendar month in which the pension becomes effective and shall cease with the payment of the month in which death occurs. Pensions to survivors shall be deemed effective upon the death of the participant. Notwithstanding any other provision of this Plan, the distribution under any form of benefit under this Plan for any year shall be at least equal to the amount required to be distributed under paragraph (b), below.

(b) Special Distribution Rules Effective January 1, 1989

- (1) Distribution of the entire benefit payable on account of a participant or retired participant shall commence no later than April 1 of the calendar year following the calendar year in which the employee attains age 70½. Distribution may continue over a period no longer than the longest of (i) the life of the retired participant, (ii) the lives of the retired participant and a designated beneficiary, (iii) the life expectancy of the participant or retired participant or (iv) the joint and last survivor life expectancy of the participant or retired participant and a designated beneficiary.
- (2) If a retired participant dies after distributions to him have begun, all death benefits shall be distributed to the beneficiary at least as rapidly as under the method of distribution being used before his death.
- (3) If a participant or retired participant dies before distributions to him have begun, the death benefits shall be distributed (i) over a period no longer than the longer of the life or life expectancy of a designated beneficiary (and distribution shall begin no later than December 31 of the calendar year after the year of the participant's or retired participant's death or a later date prescribed in applicable governmental regulations), or (ii) in their entirety by December 31 of the calendar year in which the fifth anniversary of the participant's or retired participant's death falls, if longer.
- (4) Any election under the Plan affecting the distribution of a benefit shall conform to incidental death benefit requirements of applicable governmental regulations.
- (5) Effective January 1, 2003, all distributions shall additionally be in compliance with the model amendment for defined benefit plans set forth in Rev. Proc. 2002-29, which is incorporated herein by reference and made a part hereof, but without reference to any of the optional amendments set forth in the "Adoption Agreement" section of that revenue procedure.
- (6) The minimum distribution requirements of (1) through (5) shall be applied in accordance with applicable governmental regulations and shall govern, notwithstanding any election affecting distribution or other inconsistent provision in the Plan.

(c) Rollover Distributions

- (1) Effective January 1, 1993, a Participant or the surviving spouse of a Participant (or a Participant's former spouse who is the alternate payee under a domestic relations order, as defined in section 414(p) of the U.S. Internal Revenue Code ("IRC") who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Managing Committee, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the Participant or the Participant's former spouse, as applicable, in a direct rollover.

Effective January 1, 2007, a participant's designated beneficiary who is entitled to an eligible rollover distribution may elect, at the time and in the manner prescribed by the Managing Committee, to have all or any portion of the distribution paid directly to an eligible retirement plan specified by the designated beneficiary in a direct rollover. In the case of a beneficiary who is not treated as a spouse under federal income tax law, the direct rollover may be made only to an individual retirement account or annuity described in § 408(a) or § 408(b) (Individual Retirement Account ("IRA")) of the IRC that is established on behalf of the designated beneficiary and that will be treated as an inherited IRA pursuant to the provisions of § 402(c)(11) of the IRC. Also, in this case, the determination of any required minimum distribution under § 401(a)(9) of the IRC that is ineligible for rollover shall be made in accordance with Notice 2007-7, Q&A 17 and 18, 2007-5 I.R.B. 395 (Guidelines for the Pension Protection Act of 2006 in question and answer ("Q&A") 2007-5 U.S. Internal Revenue Bulletin 395).

- (2) For purposes of this Section, an eligible rollover distribution means any distribution from this Plan, except that an eligible rollover distribution does not include a distribution (a) for the life (or life expectancy) of the participant or the joint lives (or joint life expectancies) of the participant and the participant's designated beneficiary, (b) for any other distribution, the portion, if any, of the distribution that is a required minimum distribution under section 401(a)(9), or (c) that portion of the distribution that would not be includible in gross income even if not transferred. In addition, an eligible retirement plan means an individual retirement account described in section 408(a) of the Code, an individual retirement annuity described in section 408(b) of the Code, an annuity plan described in section 403(a), or a qualified trust described in section 401(a) of the Code that accepts the eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse before January 1, 2002, an eligible retirement plan includes only an individual retirement account or an individual retirement annuity.
- (3) Effective for distributions after December 31, 2001, an eligible retirement plan shall also include an annuity plan described in section 403(b) of the Code or an eligible plan described in section 457(b) of the Code which is maintained by a state, a political subdivision of a state, or any agency or instrumentality of a state or a political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan. This definition of an eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a domestic relations order, as defined in section 414(p) of the Code.
- (d) Effective January 1, 2006, in the event of a mandatory distribution greater than \$1,000 in accordance with the provisions of this Plan, if the participant does not elect to have such distribution paid directly to an eligible retirement plan specified by the participant in a direct rollover or to receive the distribution directly in accordance with the provisions of this Plan, then the plan administrator will pay the distribution in a direct rollover to an individual retirement plan designated by the plan administrator.

#### Section 4.8 Transfer of Rights

The Managing Committee may make such other rules and arrangements with the appropriate authorities of other plans with which transfer rights have been effected as it deems appropriate in the circumstances for giving effect to provisions of Article 14, including arrangements for sharing of pension payments and transfer of credits or funds between the plans.

#### Section 4.9 Commutation of Pension

- (a) Any participant or retired participant entitled to receive a pension other than a disability pension may, before such pension becomes effective, elect to commute a portion of his pension not exceeding one-half thereof into a lump-sum payment of actuarial equivalent value to such portion as of the effective date of his pension, on the basis of tables adopted by the Pension Committee for this purpose, in accordance with Section 1.1(q) of the Plan.
- (b) The election to commute shall be made by the participant or retired participant by written notice filed with the Executive Secretary before the effective date of the pension. Any such election shall be effective upon receipt of the above-referenced written request. An election to commute may be revoked or changed by the participant or retired participant only by written notice filed with the Executive Secretary before the effective date of the pension.
- (c) The lump-sum payment elected pursuant to this Section shall be paid to the retired participant within 30 days after the date of commencement of payment of his pension and shall be computed on the basis of the amount of the pension increased by any cost-of-living increases for which such pension shall have been eligible prior to its effective date in accordance with Article 5, but without reduction for any optional benefit elected under Section 4.6.
- (d) The commutation of a portion of a pension under this Section 4.9 shall not affect any other benefit provided under the Plan and based on the amount of the pension so commuted, except as otherwise provided in the Plan.

#### Section 4.10 Benefits upon Withdrawal from the Plan

- (a) Any active participant with less than five years of eligible service who is not otherwise retired under the Plan and who ceases to be a participant for reasons other than death or disability before his normal retirement date, shall be paid at the time he ceases to be a participant in the Plan a lump-sum amount equal to 10% of his highest average remuneration multiplied by the number of years of eligible service **plus** 1.0% of his highest average remuneration for each year of eligible service. If he shall again become a participant, his eligible service, qualifying service, remuneration and all other conditions of participation governing the Plan before he last ceased to be a participant shall be disregarded.
- (b) (DELETED).
- (c) Any active participant with five or more years of eligible service may, in terminating as an employee, cease contributing and surrender all his rights in and to such pension and any other benefits which might become payable to him or on his account under the Plan, in order to receive, in lieu of such pension and all other benefits, a lump sum, which shall be an amount equal to:
  - (1) For those participants with at least five years of eligible service and up to ten years, the lump sum shall consist of 10% of his highest average remuneration multiplied by the number of years of eligible service, **plus** 70% of his highest average remuneration, **plus**, for each year of eligible service in excess of five years, 24% of his highest average remuneration;
  - (2) For those participants with more than ten years of eligible service the lump sum would be 10% of his highest average remuneration multiplied by the number of years of eligible service, **plus** 1.0% of his highest average remuneration for each year of eligible service, **plus** 180% of his highest average remuneration at the end of the first ten years of eligible service.

***Participants hired on or before September 30, 2011,  
see Appendix VI for applicable Section 4.10.  
Participants hired on or before December 31, 2014, but after  
September 30, 2011, see Appendix VII for applicable Section 4.10.***

#### Section 4.11 Maximum Retirement Pensions

- (a) Effective January 1, 1995, the Employer-derived annual retirement pension payable under Sections 4.1 and 4.2, as adjusted pursuant to Article 15, shall not exceed the maximum limitations of section 415(b) of the Code and the regulations thereunder, including cost of living adjustments. Effective January 1, 1995, the annual addition within the meaning of section 415(c)(2) of the Code that may be contributed or allocated to a participant's account under the Plan for any limitation year shall not exceed the lesser of: (i) \$40,000, as adjusted for increases in the cost-of-living under section 415(d) of the Code, or (ii) 100% of the participant's compensation for the limitation year. For this purpose, "compensation" shall include differential wage payments within the meaning of section 3401(h)(2) of the Code. The Plan hereby incorporates the provisions of section 415 by reference and the limitations override any other Plan provision. For purposes of this Section 4.11, the limitation year shall be the calendar year.
- (b) The Employer-derived annual retirement pension is the excess, if any, of the total annual retirement pension over the participant-derived annual retirement pension.
- (c) Effective with respect to plan years beginning January 1, 1995 to December 31, 2007, the participant-derived annual retirement pension shall be the actuarial equivalent of the participant's contribution under Section 6.1. The rate of interest to be used in calculating actuarial equivalence shall be the annual rate of interest on 30-year United States Treasury securities for the month before the date of distribution. The mortality rate to be used shall be based on the prevailing commissioners' standard table used to determine reserves for group annuity contracts issued on the date as of which present value is being determined.

Effective with respect to plan years beginning January 1, 2008, the participant-derived annual retirement pension shall be the actuarial equivalent of the participant's contribution under Section 6.1. The rate of interest to be used in calculating actuarial equivalence shall be the annual interest rates used for determining minimum present values under the IRC Section 417(e)(3) for the month before the date of distribution. The mortality rate to be used shall be based on the prevailing commissioners' standard table used to determine reserves for group annuity contracts issued on the date as of which present value is being determined.
- (d) Notwithstanding the preceding paragraphs of this Section, (i) in no event shall a participant's annual pension payable under this Plan be less than the benefit which the participant had accrued under the Plan as of December 31, 1982; provided, however, that in determining such benefit no changes in the Plan on or after July 1, 1982 shall be taken into account; and (ii) the age-adjusted dollar limit applicable to a participant shall not decrease on account of an increase in age or the performance of additional services.

## Article 5. Restoration

### Section 5.1

- (a) If a participant retired on a deferred pension shall again become an active participant, the amount of his final benefits payable upon subsequent retirement shall be the sum of the following calculations:
- (1) an amount calculated pursuant to the terms of participation set forth in the Plan regulations that applied to him on the date of termination of his first period of service (including highest average remuneration, eligible service, qualifying service, accruals rates, normal retirement date and early retirement discounts); and
  - (2) an amount calculated pursuant to the terms of participation set forth in the Plan regulations that applied to him on the date of termination of his second period of service (including highest average remuneration, eligible service, qualifying service, accruals rates, normal retirement date and early retirement discounts); except that, only for purposes of determining eligibility for pensions or benefits that require a minimum number of years of qualifying service, the sum of the qualifying service for both periods of service shall apply.
- If there are more than two periods of service, the same principles set forth above shall apply to the calculation of his final benefits payable.
- (b) If a former participant who withdrew his accumulated contributions pursuant to provisions of Section 4.10(b) or (c) of the Plan when he last ceased to be a participant shall again become a participant, he shall be credited with the eligible service, qualifying service and accumulated contributions corresponding to his first period of service only if he shall, within twelve months after the date on which he again becomes a participant, pay in a single payment an amount equal to the amount received by him upon withdrawal, plus regular interest thereon accrued to the date of such payment.
- (c) If a former participant who has received any pension payments under the Plan since the date he last ceased to be a participant shall again become a participant:
- (1) his pension then in effect and any option elected under Section 4.6 shall be suspended; and
  - (2) the amount of his final benefits payable upon subsequent retirement shall be the sum of the following calculations:
    - (i) an amount corresponding to the reinstated pension payable to him for his first period of service; and
    - (ii) an amount calculated pursuant to the terms of participation set forth in the Plan regulations that applied to him on the date of termination of his second period of service (including highest average remuneration, eligible service, qualifying service, accruals rates, normal retirement date and early retirement discounts); except that, only for purposes of determining eligibility for pensions or benefits that require a minimum number of years of qualifying service, the sum of the qualifying service for both periods of service shall apply.

The amount of the final benefits payable under subsection (c)(2) of this Section 5.1 shall not exceed the amount of the pension accrued to him on the basis of his participating service and highest average remuneration for his second period of service, plus the amount of the reinstated pension payable to him for his first period of service, all computed without regard to any option he may elect or may have elected under Section 4.6. If there are more than two periods of service, the same principles set forth above shall apply to the calculation of his final benefits payable.

## Article 6. Contributions

### Section 6.1 Contributions by Participants

- (a) Each participant shall contribute to the Plan seven percent of his remuneration for pay periods through December 31, 1970 and seven and two-thirds percent for pay periods thereafter up to January 1, 1981, and ten percent for pay periods thereafter. The Employer shall deduct such contributions from the remuneration of each participant for each pay period at the time such remuneration is paid. Sums so deducted shall be held by the Bank as part of the Retirement Fund.
- (b) In determining the remuneration of a participant in any pay period, the Employer may, to facilitate the making of deductions, consider the rate of remuneration payable to the participant on the first day of the pay period as continuing through the pay period, and it may omit deductions from the remuneration of a participant for any period less than a full pay period if such participant was not paid or to be paid for the whole of such pay period or was not a participant on the first day of such pay period, and may make such other modifications as shall not substantially change the contributions of participants. Every participant as a condition of service shall be deemed to consent and agree to the deductions provided for herein, and the payment of remuneration less said deductions shall in any event be a complete discharge of all claims whatsoever for remuneration with respect to services rendered during the period covered by such payment, except as to the benefits payable to the participant or on his account under the Plan.
- (c) For purposes of Section 4.11(c) of the Plan, "participant's contributions" shall mean, as of any date of determination, the sum of participant's required contributions to the Plan, with interest credited thereon to the date of determination. Such interest shall be credited at the rate of 5 percent compounded annually for the period commencing on and after January 1, 1976, except that, effective January 1, 1988, the interest rate shall not be less than the rate specified in Section 411 (c)(2)(C)(iii) of the U.S. Internal Revenue Code. For the period prior to January 1, 1976, interest shall be credited at the rate or rates determined from time to time pursuant to the Plan as in effect prior to said date.

### Section 6.2 Contributions by the Bank

- (a) The Bank will, notwithstanding any other provision hereof, contribute that part of the cost and expenses of the Plan not provided by the contributions of participants. The contributions of the Bank shall be payable each year at such intervals as the Pension Committee shall determine, and shall consist of:
  - (1) A percentage of the remuneration of all participants computed to cover the current cost of the Plan, known as the "normal contribution," and
  - (2) any additional amounts required at any time to pay the benefits of the Plan not otherwise covered, known as the "accrued liability contribution."
- (b) The initial normal contribution rate shall be fourteen percent but the rate shall be reconsidered by the Pension Committee at the time of each actuarial valuation and shall be established at not less than the percentage required to cover the present value of all benefits to be provided by Bank contributions on account of participants and retired participants then covered under the Plan, in excess of the sum of that part of the Retirement Fund held therefor and the present value of any unpaid accrued liability contributions.
- (c) The contributions by the Bank required under Articles 15 and 16 shall be in addition to the foregoing.
- (d) The Bank shall pay all administrative expenses of the Plan.



- (e) Any and all contributions made to the Plan by the Bank shall be irrevocable, and shall be held by the Bank in the Retirement Fund, to be used in accordance with the provisions of the Plan in providing the benefits and paying the expenses of the Plan, and neither such contributions nor any income therefrom shall be used for, or diverted to, purposes other than the exclusive benefit of participants and retired participants or their beneficiaries or estates under the Plan, prior to the satisfaction of all liabilities with respect thereto.
- (f) Notwithstanding the foregoing, the Bank and the Corporation shall make appropriate arrangements for payment to the Bank by the Corporation of any amounts paid by the Bank under the Plan on behalf of the Corporation pursuant to Article 6 or any other provision of the Plan.

## Article 7. Administration of Plan

### Section 7.1 Pension Committee

- (a) The over-all responsibility for carrying out the provisions of the Plan shall be in a Pension Committee composed of fourteen members. The members of the Committee shall be the President of the Bank, ex officio, the Executive Vice President of the Bank, ex officio, the Vice President for Finance and Administration, ex officio, the General Manager of the Corporation, ex officio, four Executive Directors, and three staff members and their alternates appointed by the President, two staff members of the Bank and their alternates elected biennially by the Staff Retirement Plan and Local Retirement Plan participants in accordance with rules established by the Pension Committee, and one individual and an alternate appointed by the Board of Directors of the "Association of Retirees of the Inter-American Development Bank" from among its Board members. The members and alternates appointed by the President of the Bank shall serve at the pleasure of the President of the Bank. The President of the Bank shall be Chairman, and the Executive Vice President of the Bank shall be Vice-Chairman of the Pension Committee. The membership of this Pension Committee shall be the same as that of the Pension Committee of the Local Retirement Plan.
- (b) The Pension Committee shall appoint such committees as it may deem necessary or appropriate, and shall define their powers and duties, not inconsistent herewith.
- (c) The Pension Committee shall approve an investment policy defining the eligibility requirements for the investment of the Retirement Fund. The policy shall take into consideration the risk profile determined by the Bank from time to time.
- (d) The Pension Committee shall have authority to make and establish such rules, policies and procedures for the overall administration and functioning of the Plan, and the collection, investment, management, safekeeping and disbursement of the Retirement Fund as shall not be contrary to the provisions hereof. All such rules, policies, and procedures shall be binding upon the Bank and the Corporation, participants, retired participants and all other persons having any interest in the Plan or the Retirement Fund.
- (e) The Pension Committee shall secure the services of an actuary, whose compensation shall be paid by the Bank and the Corporation, and may rely upon his recommendations in all matters decided by it which are of an actuarial nature.
- (f) The Pension Committee shall adopt from time to time, based upon the definition set forth in Section 1.1(q) of the Plan and the recommendation of the Actuary, tables for use in actuarial calculations required in connection with the Plan. It shall establish from time to time the rate of regular interest under Section 1.1(o) which compounded periodically as set forth by the Pension Committee, shall be used in calculations required in connection with the Plan. It shall also establish from time to time the rate of interest for purposes of Section 5.1(a). The Pension Committee shall have power to make such rules as it shall deem necessary or desirable with respect to the method or methods of computing interest hereunder, including, without limitation, the power to determine with respect to any type or types of contributions or payments that interest shall be credited or charged in any year or part of a year only on amounts paid or payable,

credited or charged, as of any previous day or days in such year or as of December 31 of the preceding year.

- (g) The Pension Committee shall make periodic valuations of the fixed and contingent assets and liabilities of the Plan no less often than once every three years, and shall from time to time review the costs and benefits of the Plan and recommend to the Bank any changes in the contributions and benefits provided for therein which they shall deem desirable.

#### Section 7.2 Managing Committee

- (a) The Managing Committee shall be composed of ten members. The members of the Committee shall be the Vice President for Finance and Administration, ex officio, the General Manager of the Human Resources Department, ex officio, the Chief Financial Officer and General Manager of the Finance Department, ex officio, the General Manager of the Budget and Administrative Services Department, ex officio, the Chief Risk Officer of the Office of Risk Management, ex officio, the Chief Financial Officer of the Corporation, ex officio, a member appointed by the Office of the Presidency of the Bank, and a member appointed by the Office of the Executive Vice President of the Bank. One member and one alternate member shall be the persons elected by the Staff Retirement Plan and Local Retirement Plan participants in accordance with rules established by the Pension Committee. Another member and an alternate shall be the persons appointed to represent the "Association of Retirees of the Inter-American Development Bank" on the Pension Committee. The Vice President for Finance and Administration shall be Chairman, and the General Manager of the Human Resources Department shall be Vice Chairman. The alternate of the Chairman shall act as Chairman only in the absence of the Vice Chairman. For the avoidance of doubt, an ex officio member shall have as his alternate any person acting in his position, if applicable. The alternate of a member of the Managing Committee may act or vote in his stead. The President of the Bank shall have the authority to amend the membership of the Managing Committee as may be needed to enable the Committee to fulfill its functions as prescribed by the Board of Executive Directors of the Bank.
- (b) The Managing Committee, subject to the supervision and control of the Pension Committee, shall decide all matters of a general policy nature arising under the Plan, and shall be responsible for the administration of the Plan and its application to participants, former participants and persons claiming through them. Except as otherwise expressly provided in Section 7.2(e) or in any other provision of the Plan, the Managing Committee shall have the right to interpret the Plan, to determine whether any person is or was a staff member, participant or retired participant, to direct the Bank to make disbursements from the Retirement Fund in payments of benefits under the Plan, to determine whether any person has a right to any benefit under the Plan and, if so, the amount thereof, and to determine any question arising hereunder in connection with the administration of the Plan or its application to any person claiming any rights or benefits thereunder, and its decision or action in respect thereof shall be conclusive and binding upon all persons interested.
- (c) The Managing Committee, subject to the general authority of the Pension Committee, shall have the authority to make, establish and prescribe such rules, policies, procedures and forms for the administration of the Plan, its interpretation, the exercise by individuals of rights or privileges hereunder, the disbursement of the Retirement Fund and the application of the Plan to individuals, the Bank, and the Corporation as shall not be contrary to the provisions hereof.
- (d) The Managing Committee shall maintain accounts showing the fiscal transactions of the Plan, and shall keep in convenient form such data as may be necessary for actuarial valuations of the Plan, provided that if a trustee or agent is appointed under Section 9.4(h), the investment account shall be maintained by it. The Managing Committee shall prepare annually a report showing in reasonable detail the assets and liabilities of the Plan and giving a brief account of the operation of the Plan for the past year. Such report shall be submitted to the Pension Committee, and a copy shall be on file at the headquarters of the Bank and of the Corporation where it shall be open to inspection by any participant or retired participant. The Managing Committee shall also cause such other reports to be created regarding the administration of the Plan and the investment of the Retirement Fund as may be necessary to ensure the proper oversight and supervision of the Plan. The Managing Committee shall transmit such reports to the Pension Committee on a periodic basis, as the Managing Committee or Pension Committee deems appropriate.

- (e) Final decisions of an individual nature adopted by the Managing Committee may be appealed to the Bank's Administrative Tribunal, provided that applications are made to the Tribunal by the concerned participant, retired participant, former participant or person claiming through such parties in accordance with the Statute of the Administrative Tribunal and other applicable Bank policies. The concerned individual shall be notified of the final decision of the Managing Committee regarding a claim alleging non-observance of the provisions of the Plan.
- (f) Subject to the general control and supervision of the Pension Committee, the Managing Committee shall determine and direct the management and investment of the Retirement Fund.
- (g) The Managing Committee shall develop and approve investment guidelines for specific managers of the Retirement Fund, in each instance subject to the investment policy approved by the Pension Committee.
- (h) The Managing Committee may create any Subcommittee or Working Group as it deems appropriate, and may establish an Administration Subcommittee and an Investment Subcommittee whose members shall have the appropriate expertise to carry out the purposes for which such Subcommittees shall be empowered. The members of the Administration Subcommittee, Investment Subcommittee or of any other Subcommittee that may be appointed, may change from time to time depending on the issues to be addressed by such Subcommittees, and may include members who are not members of the Pension Committee or Managing Committee, including advisors who are not employees of the Bank or the Corporation. Persons appointed to represent the "Association of Retirees of the Inter-American Development Bank" and persons elected to represent participants on the Managing Committee shall be members of an Administration Subcommittee and Investment Subcommittee, if and when established.
- (i) The Managing Committee, in carrying out its functions hereunder, may retain, as needed and upon such terms as it deems appropriate, the services of one or more advisors, including advisors who are not employees of the Bank or the Corporation.
- (j) The Managing Committee, in carrying out its functions hereunder, may, upon such terms and conditions as it may deem appropriate, delegate to the Executive Secretary, to any subcommittee, to an official or officials of the Bank and/or of the Corporation, or to any counsel chosen by the Managing Committee, such powers or authority as the Committee may deem appropriate, including delegating to investment advisors the power to select, within the investment policy approved by the Pension Committee and the manager-specific investment guidelines approved by the Managing Committee, the particular investments, securities and property in which the Retirement Fund shall be invested by the Bank pursuant to Section 9.3 hereof; provided, however, that the Managing Committee shall not delegate to any other authority those powers set forth in subsections (g) or (h) of this Section 7.2. The Managing Committee, any such subcommittee, and such official or officials may in the exercise of any power hereunder rely upon the advice of any investment advisor which it has chosen. Membership of any subcommittee to which the Managing Committee has delegated powers hereunder need not be limited to the members of the Managing Committee.
- (k) References to the Managing Committee in these regulations may be understood to mean a subcommittee or such other authority, as applicable, to which the Managing Committee has delegated powers pursuant to subsection (j) of this Section 7.2.
- (l) All uniform rules approved by the Administration Committee as of December 31, 2014 shall remain in force and effect unless amended or superseded by the Managing Committee or such other appropriate authority. Any references to the Administration Committee or the Investment Committee in such uniform rules, or in any other Bank document, shall be deemed as of January 1, 2015 to refer to the Managing Committee, or such Subcommittee as may be designated by the Managing Committee, to the extent applicable.

### Section 7.3 Executive Secretary of the Plan

The Bank shall appoint an Executive Secretary of the Plan responsible for overseeing the payment or distribution of benefits under the Plans, managing the investment of assets and carrying-out the day-to-day administration of the Plan, including managing the Plan's service providers. The Executive Secretary shall supervise the Executive Secretariat of the Plan, act as the Secretary of all the Committees and Subcommittees of the Plan, and perform such further functions as described in these regulations and as may be prescribed by the Managing Committee.

### Section 7.4 General Provisions Relating to Committees

- (a) An appointed member of a Committee shall signify his acceptance of his appointment by filing written acceptance thereof with the Executive Secretary, and may resign by delivering his written resignation to the Executive Secretary.
- (b) A majority of the members of any Committee for the time being in office shall constitute a quorum for the transaction of business. All action taken by any Committee at any meeting shall be by the vote or other decision of a majority of those present at such meeting. Any Committee may from time to time establish rules not inconsistent herewith for the transaction of its business.
- (c) The certification of the Executive Secretary shall be final and conclusive evidence of any action or decision of such Committee.
- (d) Each Committee is authorized to obtain such clerical, medical, actuarial, accounting and other services as it may deem necessary or advisable in the performance of its functions. However, all services required under the Plan shall be performed by the regular staff of the Bank and the Corporation wherever possible. Committee members and staff members of the Bank and the Corporation shall not receive any additional special compensation for their services in connection with the Plan. The general provisions set forth in this Section 7.4 shall apply to any Subcommittee created by the Managing Committee.
- (e) A member of a Committee who is a participant or a retired participant shall not vote or otherwise act as a Committee member on any question relating exclusively to himself.
- (f) The Alternate of any Executive Director who is a member of any Committee shall be ex officio the alternate of such Executive Director on such Committee and may act and vote in his stead.
- (g) The Bank and the Corporation shall on the request of any Committee furnish to it such information as it shall require to perform its functions under the Plan.
- (h) Any direction, certification, notification or instruction by any Committee hereunder shall be in writing and signed by the Executive Secretary.
- (i) Every rule, policy, procedure or form made, issued or prescribed by any Committee hereunder shall be uniformly applicable to all persons similarly situated.

## Article 8. Accounts

### Section 8.1 General

The Managing Committee shall cause to be maintained a separate account for the Retirement Fund, as provided in Article 9 herein, into which shall be credited all contributions of participants and of the Bank pursuant to Article 6 herein, earnings on such contributions, and any other assets of the Retirement Fund. Further, all benefits, payments and satisfaction of other liabilities of the Plan as provided herein shall be made from the Retirement Fund in accordance with Section 13.2 and such other applicable provisions of the Plan. An accounting of such contributions, earnings and payments shall be maintained in conformity with Section 9.7, such other applicable provisions of the Plan and generally accepted accounting principles.

## Section 8.2 Determinations by Managing Committee

In any case where it shall be necessary to determine the part of any benefit under the Plan which is provided by the contributions of a participant, or of the Bank or the Corporation, the Managing Committee, subject to any rules or orders of the Pension Committee with respect thereto, shall make such determination in such manner as it shall deem equitable.

## Article 9. Management of the Retirement Fund

### Section 9.1 General Status of Assets

All the contributions made by the Employer and by participants pursuant to Article 6 hereof, and all other assets, funds and income of the Plan, shall be transferred to and become the property of the Bank, and shall be held and administered separately from the other property and assets of the Bank, as the Retirement Fund, solely for use in providing the benefits and paying the expenses of the Plan, and no part of the corpus or income of the Retirement Fund shall be used for, or diverted to, purposes other than for the exclusive benefit of participants and retired participants or their beneficiaries under the Plan, prior to the satisfaction of all liabilities with respect to such participants, retired participants and beneficiaries. No person shall have any interest in or right to any part of the Retirement Fund or of the earnings thereof or any rights in, or to, or under the Plan, or any part of the assets thereof, except as and to the extent expressly provided in the Plan.

### Section 9.2 Separate Investment

The Bank shall hold, invest and reinvest the Retirement Fund separate and apart from all its other property and assets and shall make such payments therefrom as the Managing Committee shall from time to time direct to be paid and certify to be in payment of benefits under the Plan.

### Section 9.3 Form of Investment

The Bank shall invest and reinvest the Retirement Fund including without limitation the income from any investments and reinvestments thereof in such stocks of any classification, bonds, notes, debentures, mortgages, equipment or investment trust certificates, or in such other investments, securities or property of any class or character, including obligations issued or guaranteed by the Bank, as the Managing Committee, subject to such policies as may be prescribed by the Pension Committee, may from time to time direct. Such investment or reinvestment shall not be restricted to such investments, securities or property as may be authorized for fiduciaries of any kind under any present or future law. The Bank shall retain in cash and keep unproductive of income such part of the Retirement Fund as the Managing Committee or trustee or agent may from time to time direct.

### Section 9.4 Power of Bank

The Bank, subject to any directions which may be given to it hereunder by the Managing Committee or by the Pension Committee may exercise all such powers, do all such acts and execute all such documents as it may deem necessary or appropriate for, or in connection with, the acquisition, management, recovery, safekeeping, protection and disposal by it hereunder of the Retirement Fund, or any part thereof, including, but not by way of limitation, the exercise of the power:

- (a) to sell, exchange, convey, transfer or otherwise dispose of any property held by it as part of the Retirement Fund by a private contract or at public auction, for cash or on credit;
- (b) to vote upon any stocks, bonds or other securities held by it in the Retirement Fund; to give general or special proxies or powers of attorney with or without power of substitution; to exercise any conversion privileges, subscription rights or other options and to make any payments incidental thereto; to consent to or otherwise participate in corporate reorganizations or other changes affecting corporate securities and to delegate discretionary powers and to pay any assessments or charges in connection therewith; and generally to exercise any of the powers of

an owner with respect to stocks, bonds, notes, debentures, mortgages, equipment or investment trust certificates or other securities or property in the Retirement Fund;

- (c) to make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (d) to register any investment in the Retirement Fund in its own name or in the name of a nominee and to hold any investment in bearer form, but the books and records of the Bank shall at all times show that all such investments are part of the Retirement Fund;
- (e) to deposit or hold cash, securities or other property of the Retirement Fund in such form, in such banks or other depositories, with such other persons or in such other places as it shall deem necessary or desirable;
- (f) to enter into any such contract or contracts as the Managing Committee may direct with any insurance company or companies to provide for the payment of any pension, annuity, or other benefit provided for in the Plan, and to disburse any of the Retirement Fund in payment of premiums or any other obligations under such contract;
- (g) to purchase from an insurance company or companies and to pay the premiums or other costs thereof from the Retirement Fund, contracts of such kinds, in such amounts, so payable, and against such risks in connection with the Plan as the Managing Committee may direct;
- (h) to appoint a corporate trustee or an agent for the Retirement Fund with the power to invest such assets of the Fund as may be committed to it and, if so determined by the Pension Committee, to make disbursements on the order of the Bank, but without authority to make determinations of benefits under the Plan; and
- (i) to cause any part or all of the assets of the Retirement Fund to be invested or reinvested in any tax exempt, qualified collective investment fund or funds, including common and group trust funds, which consist exclusively of assets of tax exempt, qualified pension and profit sharing trusts and individual retirement accounts. The combining of investments and reinvestments of the Retirement Fund with investments of other qualified plans in such fund or funds is hereby specifically authorized. The investments and reinvestments so made shall be subject to all the provisions of the instruments establishing such group or common trust funds, whenever established, as they may be amended from time to time, provided that these group or common trust funds remain tax exempt, qualified funds and that the Staff Retirement Plan remain a tax exempt, qualified Plan.

#### Section 9.5 Responsibility for Propriety of Payment

Neither the Bank nor the Corporation shall be responsible for the propriety of any payments made by the Bank from the Retirement Fund at the direction of the Managing Committee as aforesaid, or for the propriety of any action taken or omitted by it in connection with the Retirement Fund at the direction of the Managing Committee or the Pension Committee.

#### Section 9.6 Duty of Inquiry

No person dealing with the Bank and/or the Corporation in connection with the Retirement Fund shall be required to make any inquiry whether the Bank and/or the Corporation has been directed or instructed by any Committee or is otherwise authorized to take or omit to take any action; or to inquire into the validity, expediency or propriety of any action taken or omitted by the Bank and/or the Corporation; or to follow the application by the Bank of any money or property which may be paid to the Bank and/or the Corporation or on their order.

#### Section 9.7 Records and Reports

The Bank shall keep or shall cause to be kept by the trustee or agent accurate and detailed accounts of all investments, receipts, disbursements and other transactions relating to the Retirement Fund, and all such accounts and records shall be open to audit and inspection at all reasonable times by any person authorized by the Pension Committee. Within ninety days after December 31 of each year in which it has acted hereunder and within ninety days after the date on which it shall last act hereunder, the Bank shall file or shall cause to be filed with the Managing Committee a written account setting forth the investments, receipts, disbursements and other transactions of the Retirement Fund effected by it during the year ended on the next preceding December 31, or during the period since the end of the period for which it last filed such a written account, as the case may be. Such written account when so filed shall be open for inspection during business hours by participants, retired participants and beneficiaries receiving benefits under the Plan for a period of thirty days immediately following the filing of such account as aforesaid and, upon the expiration of such thirty-day period, the Bank and the Corporation shall be forever released and discharged from any and all liability and accountability to anyone with respect to the propriety of its acts and transactions shown in such account, except with respect to any such acts and transactions as to which any such participant, retired participant or beneficiary shall have filed, during such thirty-day period, objections, with reasons therefor, with the Bank.

#### Section 9.8 Compensation - Consultation with Counsel

Neither the Bank nor the Corporation shall receive compensation for its services hereunder, but any expenses, other than administrative expenses, properly incurred by the Bank and the Corporation in the performance of their duties hereunder shall be charged to the Retirement Fund except to the extent that the Bank and the Corporation shall decide to pay such expenses. The Bank and the Corporation in the performance of their functions hereunder may from time to time consult with counsel, who may be of counsel to the Bank and/or the Corporation, and shall be fully protected in acting, or failing to act, upon the advice thereof.

#### Section 9.9 Manner of Disbursement

The Bank shall, subject to the provisions hereof, determine the manner in which the funds of the Plan shall be disbursed, including the form of voucher or warrant to be used in making disbursements and the due qualification of persons authorized to approve and sign the same.

#### Section 9.10 Place and Recipient of Payment

The Bank may make payment of any pension, annuity, benefit, or other amount hereunder at such place and in such manner as it shall determine. The Bank shall not be required to make any investigation to determine the identity or mailing address of any person entitled to any such payment hereunder. It may, however, defer making any such payment until it is satisfied with respect to the identity and the mailing address of the person or persons entitled to any such payment. If there shall be any dispute, or if the Bank or Executive Secretary shall have any doubt concerning the identity or rights of any person or persons entitled to payments hereunder, the Bank may withhold payment thereof until such dispute shall have been settled or such doubt shall have been resolved.

### Article 10. Certain Rights and Limitations

#### Section 10.1 Reduction of Contributions

It is the intention of the Bank and the Corporation to continue their participation in the Plan on a permanent basis and to make their contributions regularly each year, but the Bank and/or the Corporation may at any time and for any reason suspend in whole or in part their contributions toward the cost of benefits based on future service, in which event all benefits under the Plan on account of service to be rendered thereafter to the Employer shall be reduced to such amounts as actuarial valuation shall indicate will be provided by future contributions, if any, plus any surplus remaining in the Retirement Fund after payment or provision for payment of all effective, payable or accrued pensions and benefits of any kind with respect to, based on, or resulting from previous service. A proportionate reduction may also be made by the Pension Committee in the contributions to be made by participants.

#### Section 10.2 Termination of Plan

- (a) The Plan may be terminated at any time by the Bank, in which event all participants shall become fully vested in their benefits to the extent then funded. The Retirement Fund shall be used for the benefit of participants and retired participants or their beneficiaries under the Plan, and for no other purpose, except that any excess funds which may exist because of erroneous actuarial computation after the satisfaction of all fixed and contingent obligations of the Plan shall be returned to the Bank and the Corporation in appropriate amounts as determined by actuarial valuation. In the event of such termination the Retirement Fund shall be used:
- (1) to pay or provide for the payment of pensions, annuities and other benefits then payable or effective, or to become payable on the account of retired participants;
  - (2) to provide the early retirement benefits of the Plan for or on account of participants who at the time of termination were entitled to retire under the provisions of Section 4.2;
  - (3) to pay or provide for benefits or deferred pensions to participants, which have become effective or payable or are to become effective or payable, or which have accrued on the basis of their eligible service and qualifying service to the date of such termination; and



- (4) the balance, if any, shall be returned to the Bank and the Corporation in amounts corresponding to the amounts of their respective contributions less the pension or benefit payments that have been made on account of their respective participants and less the liabilities for pensions or benefits that have yet to be paid, with each amount adjusted to reflect their respective share of investment earnings. Such amounts returned to the Bank and Corporation shall be paid only after the satisfaction of all liabilities of the Plan to their respective participants, retired participants and their beneficiaries. The Pension Committee may require all such participants, retired participants and designated beneficiaries to withdraw such amounts in cash or in the form of immediate or deferred annuities, as it may determine.
- (b) If for any reason other than termination of the Plan the Corporation shall terminate its participation in the Plan, that part of the assets of the Retirement Fund corresponding to the contributions made by the Corporation and its respective participants less pension or benefit payments made on behalf of its participants and less any liabilities for pensions or benefits that have yet to be paid for such participants to the extent such liabilities are retained in the Plan, plus an equitable share of investment earnings, as determined by actuarial valuation, shall be paid from the Retirement Fund by the Bank to the Corporation which shall either: (i) retain such assets in its own separate fund for the benefit of its participants, retired participants and their beneficiaries, as described hereunder, or (ii) pay such assets to the Corporation's participants, retired participants or their beneficiaries in accordance with the provisions of subsections 10.2(a)(i), (ii), and (iii), thereafter returning the balance, if any, to the Corporation, but only after satisfaction of all liabilities of the Plan to the Corporation's participants, retired participants, and their beneficiaries. The Pension Committee may require all such participants, retired participants and designated beneficiaries to withdraw such amounts in cash or in the form of immediate or deferred annuities, as it may determine.
- (c) Upon the complete or partial termination of the Plan, or upon the complete discontinuance of contributions under the Plan, the rights of each participant to benefits accrued to the date of such termination or discontinuance, to the extent then funded, shall be nonforfeitable.

### Section 10.3 Employment Rights

The establishment of the Plan shall not be construed as conferring any legal rights upon any employee or other person for a continuation of employment, nor shall it interfere with any rights the Employer might otherwise have to terminate the services of any employee and to treat him without regard to the effect which such treatment might have upon him as a participant in the Plan, but no rights or benefits under the Plan shall be denied as a penalty for misconduct.

### Section 10.4 Payments under Government Schemes

The Managing Committee may cause to be deducted from the part of any benefit under the Plan provided by Employer contributions all or part of any amount paid or payable to or on account of any participant or retired participant under the provisions of any present or future law, pension or benefit scheme of any sovereign government or any political subdivision thereof, on account of which contributions have been made or premiums or taxes paid by the Employer with respect thereto. Should any amount otherwise payable to or on account of any participant or retired participant under such present or future governmental pension or benefit scheme fail to be paid or be payable for any reason outside the control of the Employer, such amount or any part thereof may nevertheless be deducted.

### Section 10.5 Purchased Annuities

Whenever pursuant to the provisions of the Plan, any retirement annuity, whether individual or group, shall be purchased for the account of any participant, retired participant, beneficiary or other person, neither such participant, retired participant, beneficiary or other person, nor the heirs, distributees, legal representatives or assigns of any of them shall have any claim under the Plan, except for the enforcement against the issuer of any such annuity contract of the rights provided therein.

### Section 10.6 Payments in case of Lack of Designated Beneficiary or Disability of Participant

In the event of the death of a participant or retired participant not survived by a person designated to receive any payments then due, or in the event that the Managing Committee shall find that a retired participant or other person entitled to a pension is unable to care for his affairs because of illness or accident, any benefit payments due may, unless claim shall have been made therefor by a duly appointed guardian, conservator, committee, or other legal representative, be paid to the spouse, a child, a parent or other blood relative or to any person or trust deemed by the Managing Committee to have incurred expense for, or otherwise be generally responsible for managing the affairs of, the deceased or retired participant or other person entitled to a pension, as applicable, and any such payments so made shall be a complete discharge of the liabilities of the Plan to the extent thereof. Upon the Executive Secretary's request, any person or trustee or other authorized representative of a trust receiving payments pursuant to this Section 10.6 shall provide adequate proof, satisfactory to the Executive Secretary, of such person or trust having actually incurred expenses for, or be generally responsible for managing the affairs of, the deceased or retired participant or other person entitled to a pension, as applicable.

### Section 10.7 Employment of a Retired Participant as a Local Staff Member

Notwithstanding any other provision of this Plan, the payment of a retirement pension shall be immediately suspended if a retired participant shall become a local employee of the Bank within the meaning of the term "employee" as it is defined in the Local Staff Retirement Plan. The pension shall again be payable the first day of the month on which such employment status ceases. The amount of the pension payable at such time shall be the amount of the retirement pension formerly payable, having been adjusted as provided for in Article 15 of this Plan, plus the amount of a supplemental pension representing the actuarial equivalent of the normal or early retirement pension he would have received during the period over which the payment of the pension was suspended and adjusted consistently with the methodology of Article 15 of this Plan. This supplemental pension shall not be considered in the calculation of the pensions and benefits provided for in Sections 4.5 and 4.6.

## Article 11. Non-Alienation of Benefits

### Section 11.1 General Rule

No benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, seizure or charge, and any attempt so to anticipate, alienate, sell, transfer, assign, pledge, encumber, seize or charge the same shall be void, nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the person entitled to such benefit except as may be specifically provided in the Plan; and in the event that the Managing Committee shall find that any participant, retired participant or any other beneficiary under the Plan has become bankrupt or that any benefit under the Plan has been anticipated, alienated, sold, transferred, assigned, pledged, encumbered, seized or charged or that any attempt has been made so to do, except as may be specifically provided in the Plan, then the Managing Committee may declare such benefit to be temporarily or permanently suspended, and in that event shall hold or apply the same to or for the benefit of such participant or retired participant or other beneficiary, his spouse, children, or other dependents, or any of them as it shall in its sole discretion determine.

## Section 11.2 Requests to Partition Benefits

Notwithstanding the provisions set forth in Section 11.1, the Managing Committee may, upon receipt of a request from a participant or retired participant, pursuant to a legal obligation arising from a marital relationship, or from a child support obligation, evidenced by a final order of a court or by a settlement agreement incorporated into a divorce or other final court order, direct that all or a portion of a benefit payable to such participant during his life under the Plan be paid to one or more former spouses or a current spouse from whom the participant or retired participant is living apart, or to such person designated to receive child support. A direction or payment incident thereto shall not convey to any person an interest in the Retirement Fund of the Plan or (except as provided herein) give any elective rights under the Plan to such person or increase the total benefit otherwise payable under the Plan. A request must be consistent with the provisions of the Plan, which in the event of conflict will be deemed to override the request. Any direction shall be irrevocable by the requestor; provided, however, that a participant or retired participant may request, upon evidence satisfactory to the Managing Committee based on a court order or a provision of a settlement agreement incorporated into a decree, a new direction that would alter or discontinue the payment or payments; and provided, further, that any direction shall cease to have effect following the death of the participant or retired participant. If a designee under a direction predeceases the participant or retired participant, the payments shall not commence or if they have commenced shall thereupon cease. In the event that the payment or payments under a direction have been diminished, discontinued or have failed to commence or have ceased, the amount of benefit payable to the participant or the retired participant shall be restored less the value of any amounts paid as withdrawal or commuted sums. The provisions of the Plan related to currency of payment shall apply to payments to be made under this Section 11.2 pursuant to rules approved by the Managing Committee. Further, payments by the Bank in accordance with Section 13.8 concerning national taxes on pensions shall also apply to payments to be made under this Section 11.2. In the event that a participant or retired participant fails to submit a timely written request in compliance with the court order or decree to the Executive Secretary, under such rules and conditions of acceptance as are prescribed by the Managing Committee, a spouse or a former spouse who is entitled to payment under the court order or decree, or such other person designated to receive child support, may request that the Managing Committee give effect to such court order or decree and treat the request in the same manner as if it were a request from a participant or a retired participant.

## Article 12. Amendments

### Section 12.1 Authority to Amend the Plan

The Bank and/or the Corporation shall have the right to amend this Plan in any and all respects, including, without limitation, retroactive amendments necessary to qualify or to continue the qualification of the Plan under governmental tax laws or regulations, at any time and from time to time, provided, however, that (a) no amendment shall deprive any participant or beneficiary of any of the benefits to which he is entitled under this Plan with respect to contributions previously made; and (b) no amendment shall provide for the use of funds or assets held under this Plan other than for the benefit of participants and beneficiaries, and no funds contributed to this Plan or funds or assets of this Plan shall ever revert to or be used or enjoyed by the Bank and/or the Corporation prior to the satisfaction of all liabilities hereunder to its participants and their beneficiaries, except as provided in Section 10.2.

### Section 12.2 Amendments not Applicable Retroactively

Unless otherwise expressly provided in the respective amendment, no amendment of the provisions of the Plan shall be retroactive nor shall any amendment which increases amounts payable hereunder to any beneficiary apply to amounts paid or payable hereunder prior to the date of such amendment, unless otherwise provided therein.

## Article 13. Miscellaneous

### Section 13.1 Minimum Amount of Payments

Under no circumstances shall the amounts payable hereunder to or on account of any participant, including without limitation any death benefit or survivor's pension payable under Section 4.5 or Section 4.6, and any children's benefits payable under Section 4.5(d) or Section 4.5(e), be less than the amount of such participant's accumulated contributions. Except as may be otherwise expressly provided in this Plan, any designation of a beneficiary to receive any amounts payable under this Plan may be revoked or changed by the person making such designation.

### Section 13.2 Source of Payments

All benefits and payments under the Plan shall be paid only from the Retirement Fund.

### Section 13.3 Employees Outside the United States

Any special problems arising under the Plan in connection with persons employed outside the United States, or remunerated in other than United States currency, or to whom benefits may be payable or paid in other than United States currency shall be decided by the Pension Committee or the Managing Committee or pursuant to rules or regulations issued by either such Committee, as may be appropriate.

### Section 13.4 Standard of Care and Limitation of Liability

The members of the Committees herein provided for and the employees of the Employer shall use ordinary care and diligence in the performance of their duties and functions hereunder and in respect hereof, but no such member of a Committee or employee shall be personally liable by virtue of any contract, agreement, bond or other instrument made or executed by him or on his behalf as a member of any Committee or otherwise in connection with the Plan, nor for any mistake of judgment made by himself or any other member of any such Committee or employee, nor for any loss, not resulting from his own gross negligence or willful misconduct, and no such person shall be liable for the neglect, omissions or wrongdoing of any other person. This provision shall not in any manner be deemed to be or construed as a waiver of any immunity or privilege contained in or provided by the Agreement Establishing the Bank, or otherwise.

### Section 13.5 Payments to Constitute Full Satisfaction

Any payment to any participant, retired participant, beneficiary or annuitant, or to any other person, in accordance with the provisions hereof, shall to the extent thereof, be in full satisfaction of all claims hereunder or otherwise against the Employer, the Retirement Fund or any other person, and the Bank or the Executive Secretary may but need not require such participant, retired participant, beneficiary, annuitant or other person, as a condition of such payment, to execute a receipt and release thereof in such form as the Bank or the Committee may prescribe which shall exonerate the Bank, the Corporation, the Retirement Fund, and any other party from liability for any obligation with respect thereto.

### Section 13.6 Effective Headings

The headings and sub-headings herein are inserted for convenience only and are not to be considered in construing the provisions hereof.

### Section 13.7 Languages

This instrument may be executed in the several languages of the Agreement Establishing the Bank and in the several counterparts, each of which shall be an original and all collectively but one instrument.

### Section 13.8 National Taxes on Pensions

The Bank shall, consistent with Resolution AG-3/60 of the Bank and Resolution CII/AG-9/86 of the Corporation, as applicable, and the applicable policies and procedures of the Bank and the Corporation, pay to each person receiving a pension as a retiree or surviving spouse, or a children's benefit, under the Plan, an amount to cover national taxes, if any, payable with respect to such pension or benefit and additional amounts as may be paid pursuant to the last sentence of Section 4.11(a). Payments made pursuant to the last sentence of Section 4.11(a) and to this Section 13.8 shall not be considered benefits or payments under the Plan for the purposes of Section 13.2.

### Section 13.9 Payments to an Account Held by a Trust

Any benefit payable pursuant to these regulations to a person entitled to receive a payment may be paid, subject to the prior authorization of the Executive Secretary, to an account held by a trust instead, which trust shall be in the name and for the sole benefit of such person and shall meet all other requirements of applicable law.

## Article 14. Transfer of Credits

### Section 14.1

- (a) The Bank, upon the approval of the Pension Committee, is authorized to enter into agreements, on its own behalf and on behalf of the Corporation, consistent in principle with the provisions of the Plan, with other international organizations and with member governments providing for the transfer and continuity of pension rights and the transfer of funds of participants transferring between other international organizations or member governments and the Employer or vice versa, and such agreements shall have effect as if they were expressly set forth in the Plan.
- (b) The Pension Committee of this Plan is authorized to make appropriate arrangements with the Pension Committee of the Bank Local Staff Retirement Plan to provide for the transfer of pension rights and the transfer of funds of active participants transferring from the international staff to the local staff of the Bank, or vice versa, and the terms of such arrangements shall have effect as though they were expressly set forth in this Plan.
- (c) The Pension Committee of this Plan is authorized to approve regulations providing for the credit of rights under this Plan and the transfer of funds to the Retirement Fund related to participation in, and contributions to, the Bank's Savings and Benefits Plan for Local Employees; and the terms of such regulations shall have effect as though they were expressly set forth in this Plan. The initial pension entitlement shall be computed to have the actuarial equivalent value of the funds transferred.

## Article 15. Cost-of-Living Increases in Pensions

### Section 15.1 Definitions

For the purpose of this Article 15, the following terms have the meanings set forth below:

- (a) "Cost-of-Living Increases" means increases in pensions pursuant to this Article 15.
- (b) The "Consumer Price Index" means the Consumer Price Index for All Urban Consumers, U.S. City Average, all items, with 1982-84 equaling 100, as published by the United States Department of Labor, Bureau of Labor Statistics, or any other index adopted in its stead pursuant to Section 15.8(a).

- (c) "Cost-of-Living Index" means a figure which shall be 161.5 for January 1, 1998 (being the Consumer Price Index of November 1997) and for each January 1st thereafter shall be the lower of:
- (1) the Consumer Price Index for November of the preceding year, or
  - (2) the figure of 203.3 increased at the rate of 5% per annum, compounded on December 31st of each year commencing on December 31st, 1998. This figure will be increased in accordance with any increases granted after December 31, 1997, under Section 15.9.
- (d) "Basic Index" of a pension means, in the case of a pension becoming eligible for Cost-of-Living Increases as of January 1st of any year, the Cost-of-Living Index for that date, and, in the case of a pension becoming eligible for Cost-of-Living Increases on any other date during any year, means the Cost-of-Living Index for January 1st of that year plus or minus the difference, if any, prorated on an equal monthly basis, between that figure and the Cost-of-Living Index for January 1st of the year next following.
- (e) "Basic Pension" means the amount of a pension computed without regard to Cost-of-Living Increases in that pension and, except as otherwise expressly provided, after reduction for any optional benefit elected under Section 4.6.

#### Section 15.2 Pensions Eligible for Cost-of-Living Increases

- (a) The following types of pensions and benefits shall be eligible for Cost-of-Living Increases: normal retirement, early retirement, disability pensions and deferred pensions (Sections 4.1, 4.2, 4.3 and 4.4 respectively); pensions and benefits payable under Sections 4.5 and 4.6; the portion of lump-sum payments to deferred pensioners under Section 4.10(b) which is identified as 10% of the highest average remuneration multiplied by the number of years of eligible service (does not apply to Appendix V - Transitional Provisions under Section 4.10); and benefits corresponding to prior periods of service as applicable pursuant to Sections 5.1(a)(1) and 5.1(c)(2)(i).
- (b) Annuities under Section 4.5(h)(4) shall not be entitled to Cost-of-Living Increases.

#### Section 15.3 Dates of Eligibility for Cost-of-Living Increases

- (a) Any pension which was effective on January 1, 1970, or which would have become effective on or before that date if a retired participant or a participant not in participating service had so elected, shall become eligible for Cost-of-Living Increases as of that date.
- (b) If, after January 1, 1970, a retired participant or a participant not in participating service shall become, or if he had so elected would become, entitled to an effective pension, his pension shall, if not already eligible for Cost-of-Living Increases, become eligible therefor on the date when such pension becomes, or would become, effective.
- (c) Any deferred pension under Section 4.4 shall become eligible for adjustment for Cost-of-Living Increases as of the time the participant leaves employment.
- (d) The pension of a retired participant, or a participant not in participating service who is eligible for early retirement pursuant to Section 4.2, shall become eligible for Cost-of-Living Increases, on the first day of the month next following the date of his eligibility for such pension or January 1, 1970 whichever comes earlier.
- (e) A spouse's pension under Section 4.5 (a), (b) and (c) or a Children's Benefit under Section 4.5(d)(2) shall become eligible for Cost-of-Living Increases as follows:
- (1) If the pension or benefit is based upon the death of a participant in participating service, it shall become eligible for Cost-of-Living Increases as of the first day of the month in which such death occurred; and

- (2) If the pension or benefit is based upon the death of a retired participant or of a participant not in participating service, it shall become eligible for Cost-of-Living Increases as of the date when the participant's or retired participant's pension became eligible therefor.
- (f) A pension to a designated survivor under Section 4.6 shall become eligible for Cost-of-Living Increases as of the date when the pension of the retired participant becomes eligible therefor.
- (g) No pension shall be eligible for Cost-of-Living Increases as of any date before January 1, 1970.
- (h) The amount of the Basic Children's Benefit mentioned under Section 4.5(d) shall be adjusted every January 1, starting in 1981, in accordance with the procedures established in Section 15.1, and in a manner consistent with Section 15.9.

#### Section 15.4 Computation of Cost-of-Living Increases

Commencing in 1971, there shall be computed as of January 1st of each year, in respect of each pension which:

- (a) had become eligible for Cost-of-Living Increases as of a date before such January 1st; and
- (b) was effective before such January 1st or becomes effective during such year (or would have become so effective if the retired participant or participant not in participating service had so elected), the ratio of the Cost-of-Living Index as of such January 1st to the basic index of that pension. If that ratio is greater than 1, and is also greater than any similar ratio so computed in respect of that pension as of any preceding January 1st, the pension shall be increased to the amount obtained by multiplying the basic pension by that ratio.

#### Section 15.5 Payment of Cost-of-Living Increases

- (a) Payment of a cost-of-living increase in a pension shall commence with the payment for the later of:
  - (1) the month as of which the increase was computed pursuant to Section 15.4; and
  - (2) the month in which payment of the pension commences.
- (b) No payment of a cost-of-living increase shall be made for any period before the month provided for commencement of payment thereof in subparagraph (a) of this Section 15.5 or for any period before January 1, 1971.

#### Section 15.6 Percentage - Lump-Sum Benefits under Section 4.5(f)(ii)

For the purposes of Section 4.5(f)(ii) the pension to which the percentage provided for therein shall be applied shall include all increases in that pension which the retired participant would have been entitled to receive under this Article 15 if he had not reduced his pension pursuant to Section 4.6.

#### Section 15.7 Accumulated Contributions

If a participant has elected an optional benefit under Section 4.6 which is in effect at the date of his death, there shall be included in charges against his accumulated contributions for the purpose of determining the amount thereof as of any date, payments which would have been made to him as Cost-of-Living Increases in his pension if there had been no reduction in that pension pursuant to Section 4.6.

## Section 15.8 Miscellaneous

### (a) Changes in Composition of Consumer Price Index

If any change shall be made in the composition of the Consumer Price Index which, in the opinion of the Bank, would change substantially the basis upon which this Article 15 was established, or if that Index shall be abolished, the Bank may adopt, in its stead, such other actual or adjusted index as shall, in the judgment of the Bank, record as nearly accurately as possible the increase or decrease, from year to year, of the cost-of-living in the United States.

### (b) Return to Service

If a retired participant or a participant not in participating service again becomes a participant in participating service all Cost-of-Living Increases, if any, in his pension shall be cancelled and have no effect, provided, however, that if the amount of his pension upon his subsequent retirement is subject to the maximum provided for in Section 5.1 because of his receipt of pension payments and subsequent retirement within five years from the date he again became a participant, the eligibility date of his earlier pension shall be restored in respect of that part of his pension which is attributable to his earlier service and, where applicable, any benefits based on his pension shall be appropriately apportioned between the two components of his pension.

## Section 15.9 Pension Supplement

Whenever, at the beginning of a calendar year after December 31, 1975, the most recent available Consumer Price Index shows an increase of over 5% for the previous year, the Pension Committee, after consultation with the Bank, may increase the Cost-of-Living Index applicable to pensions hereunder by a supplement up to such increase in that Index. This supplement shall be applied to all pensions, plus previously accumulated Cost-of-Living Increases, and shall be contributed by the Bank to the Fund. The Pension Committee may, in accordance with uniform rules considering asset availability, approve partial or full payment of this supplement from the Fund.

## Article 16. Increases in Certain Pensions Effective Before January 1, 1970

### Section 16.1 Increase in Pensions

There shall be determined, as of January 1, 1970, in respect of each pension, eligible for Cost-of-Living Increases, which became effective before that date, the amount to which that pension would have been increased if Article 15 had become operative as of the January 1st next preceding or the date such pension became effective. For the purposes of such determination, the Cost-of-Living Index shall be the Consumer Price Index and the date of eligibility of the pension for Cost-of-Living Increases shall be the first day of the month in which the pension became effective. The amount so determined shall be deemed to be the basic pension for the purposes of Article 15 effective January 1, 1970. No payment of such increase in pension hereunder shall be made in respect of any period before January 1, 1971.



## APPENDIX I

According to Resolution DE-203/80, pursuant to which several amendments were made in the Plan:

"the entry into effect of the above amendments shall be governed by the following special provisions:

- (a) For the active participants as of January 1, 1981 and those who are incorporated subsequently into the Plan, the amendments shall enter into force on that date, and shall be applicable to service performed by the former prior to that date.
- (b) For participants who appear on the payroll as "Retirees under deferred Pension," the amendments shall enter into force from the date in which they request to be included as retired participants or exercise their right to withdrawal.
- (c) Persons who on January 1, 1981 receive pensions under the Plan, the current amount of their pensions shall be redetermined as of that date on the basis of the indexing of the highest average remuneration and the application of the new accrual rate.
- (d) For active participants as of January 1, 1981 who on such date have the right of option to incorporate past service under the Plan in accordance with the third sentence of Section 5.1, may do so during the period established under that Section.
- (e) For the Director of the External Review and Evaluation Office, the Assistants of the Executive Directors, and persons under contracts with terms not less than one year who are in active service as of the date of this Resolution, the period for exercising the option to become participants in the Plan shall expire on March 31, 1981. At their election, prior service would be accredited."

## APPENDIX II

Under Resolution DE-106/85, pursuant to which several amendments were made in the Plan, the following provision was adopted:

"That the effectiveness dates of the above amendments be as follows:

- (a) As of January 1, 1981, the Index (Sections 15.6 and 15.9) and Sections 1.1(f); 1.1(k); 2.2; 4.1(a); 4.1(c); 4.3(e); 4.4(b); 4.5 (Introduction); 4.6(c); 8.4; 8.5; 15.2(b); 15.3(e); 15.3(h); and 15.6.
- (b) As of January 1, 1984, Section 1.1(q); 4.5(h)(4); 4.6(a); 4.6(c)(2); 4.6(c)(3); 4.9(a); 4.11(a); 6.3 and 7.1(f).
- (c) As of the date of this Resolution, Sections 2.4; 4.2(a); 4.4(a); 4.5(b)(ii); 4.5(g); 4.5(h)(5); 4.6(b); 4.6(c)(1); 4.9(b); 4.10(a); 4.10(b) and 4.10(c)."

### **APPENDIX III**

In accordance with Resolution DE-46/88, the following Transitory Provision shall govern the eligibility for the survivor benefit provided by this amendment to the Plan for any retired participant whose pension was effective prior to May 4, 1988:

The provisions of Section 4.6(e) shall be applicable to any retired participant whose pension was effective prior to May 4, 1988, except that any retired participant who has married or remarried after the effective date of his pension and before May 4, 1988, shall have six months from the date of notification from the Secretary of the Administration Committee regarding this amendment to file a written application with said Secretary. The reduced pension payable to a retired participant to whom this transitory provision applies and the election of the respective survivor pension shall become effective on the later of: twenty-four months after the relevant date of marriage; or six months after the date of receipt of the written notice by said Secretary, or an earlier date of presentation to the Secretary of such medical examination as shall be prescribed by the Administration Committee and which evidences the good health of the applicant in relation to his age.

### **APPENDIX IV**

(Deleted)

## APPENDIX V

Under Resolution DE-161/96, pursuant to which several amendments were made in the Plan, the following provisions were adopted:

Transitional Provisions under Section 4.10 for Participants whose date of participation under the Plan begins before January 1, 1997

- (a) Any participant whose date of participation begins between January 1, 1981 and December 31, 1996, inclusive, shall be entitled to receive, upon withdrawing from the Plan, the higher of the lump sum determined pursuant to Section 4.10(b) of the Plan or subsections (i) through (iii) below,
  - (1) For those participants with at least 36 months of eligible service and up to 72 months, the lump sum shall consist of his accumulated contributions, incremented by 5% for each completed month of eligible service in excess of 36 months, up to a maximum of 180% of the accumulated contributions;
  - (2) For those participants with 73 or more months of eligible service and up to 96 months, the lump sum shall be equal to the amount of the accumulated contributions up to the last day of service, plus 180% of those accumulated contributions;
  - (3) For those participants with more than 96 months of eligible service the lump sum would be the participant's accumulated contributions up to his last day of service, plus 180% of the amount of his accumulated contributions at the end of the first 96 months of eligible service.
- (b) Any participant whose date of participation begins before January 1, 1981, shall be entitled to receive, upon withdrawing from the Plan, the highest of the following three options: the lump-sum withdrawal benefit pursuant to Section 4.10(b) of the Plan, or subparagraph (a) above, or the lump-sum withdrawal benefit which was effective before January 1, 1981, i.e., his accumulated contributions, plus an additional amount equal to one percent of such accumulated contributions multiplied by the number of months of his eligible service, up to a maximum of 180 months.
- (c) The "date of participation" for the purposes of this Appendix V and Section 4.10 of the Plan shall refer to the date of initiation of the current continuous period of participation from which eligibility for the benefit under Section 4.10 arises. The participation dates corresponding to credits toward eligible service under this Plan which are obtained through the restoration of service under Article 5; or participation dates corresponding to any period of service otherwise credited as qualifying service, shall not be considered as dates of participation for the purposes of calculation of benefits defined under this Appendix V and Section 4.10 of the Plan."

Appendix VI applies to participants hired on or before September 30, 2011.

Section 1.1

- (i) "Normal Retirement Date" of a participant means the first day of the calendar month next following the 62nd anniversary of his birth, or the date of such anniversary if it shall fall on the first day of a calendar month, except as otherwise provided in Section 2.5.

Section 4.1 Normal Retirement

- (a) Upon reaching his normal retirement date, a participant shall be retired under the Plan on a normal pension equal to the sum of:
- (1) an amount equal to two and one-half percent (2.5%) of his highest average remuneration multiplied by the number of years of eligible service; and
  - (2) an additional amount equal to one-quarter of one percent (0.25%) of his highest average remuneration multiplied by the number of years of eligible service, up to a maximum of twenty years.

Section 4.2 Early Retirement

- (a) An active participant who has completed 15 or more years of qualifying service and has reached the age of 50, or an active participant who has completed three or more years of qualifying service and has reached the age of 55, upon ceasing to be an active participant before his normal retirement date for any reason other than disability may request to be retired under the Plan on an early retirement pension, or at his option, on a deferred pension as provided in Section 4.4. The amount of any such early retirement pension shall be equal to a percentage of the pension which would otherwise become effective on his normal retirement date, in accordance with the following table:

Age (in years)	Percentage of the Pension	Age (in years)	Percentage of the Pension
62	100%	55	75%
61	97%	54	70%
60	94%	53	65%
59	91%	52	60%
58	87%	51	55%
57	83%	50	50%
56	79%		

- (b) Notwithstanding the provisions of paragraph (a) above, any active participant, upon ceasing to be a participant before his normal retirement date for any reason other than disability, who has reached at least the age of 55, and who meets the age and qualifying service conditions set forth below, may request to be retired under this provision of the Plan. The amount of the early retirement pension shall be equal to the amount of the pension which would otherwise become effective on his normal retirement date or to a percentage of such pension, in accordance with the following conditions:

- (1) when, on the date he ceases to be an employee, the combined sum of his age and his qualifying service in full months equals one thousand and twenty (1,020) months, the pension amount shall not be reduced because of early retirement; or
- (2) when, on the date he ceases to be an employee, the combined sum of his age and his qualifying service in full months is between eight hundred and fifty-two (852) and one thousand and twenty (1,020) months, the pension amount shall be adjusted in accordance with the following table:

Months of Combined Age/Qualifying Service	Percentage of the Pension
1,020	100%
996	97%
972	94%
948	91%
924	87%
900	83%
876	79%
852	75%

- (c) The early retirement pension payable under this Section 4.2 shall be a pension becoming effective on the first day of the month next following the date he ceases to be an employee, or on such date if it shall be the first day of the month. The relevant percentage set forth in paragraphs (a) or (b) above shall be prorated if the date on which a pension becomes effective occurs between the ages set forth in paragraph (a) or the months of combined age/qualifying service set forth in paragraph (b).

Section 4.4 Retirement under Deferred Pension

- (a) Any active participant with three or more years of qualifying service who ceases to be a participant before his normal retirement date for reasons other than disability, early retirement or death may be retired under the Plan and receive later on:
  - (1) a deferred pension to become effective on his normal retirement date, and computed in the same manner as a normal pension on the basis of his highest average remuneration and eligible service at the time he ceased to be a participant, or
  - (2) at his election, by filing a written request with the Executive Secretary, a deferred early pension calculated in accordance with the provisions of Section 4.2(b) to become effective on the first day of any calendar month following his entitlement to early retirement, but not later than his normal retirement date. Such deferred early pension shall be the larger of:

Section 4.10 Benefits upon Withdrawal from the Plan

- (a) Any active participant with less than three years of eligible service who is not otherwise retired under the Plan and who ceases to be a participant for reasons other than death or disability before his normal retirement date, shall be paid at the time he ceases to be a participant in the Plan a lump-sum amount equal to 10% of his highest average remuneration multiplied by the number of years of eligible service **plus** 4.0% of his highest average remuneration for each year of eligible service. If he shall again become a participant, his eligible service, qualifying service, remuneration and all other conditions of participation governing the Plan before he last ceased to be a participant shall be disregarded.

- (b) Any active participant with three or more years of eligible service may, in terminating as an employee, cease contributing and surrender all his rights in and to such pension and any other benefits which might become payable to him or on his account under the Plan, in order to receive, in lieu of such pension and all other benefits, a lump sum, which shall be the greater of that provided in Appendix V hereto (if applicable), or the following:
- (1) For those participants with at least three years of eligible service and up to eight years, the lump sum shall consist of 10% of his highest average remuneration multiplied by the number of years of eligible service, **plus** 12% of his highest average remuneration, **plus**, for each year of eligible service in excess of three years, 30% of his highest average remuneration;
  - (2) For those participants with more than eight years of eligible service the lump sum would be 10% of his highest average remuneration multiplied by the number of years of eligible service, **plus** 162% of his highest average remuneration at the end of the first eight years of eligible service.

Section 1.1 (k) and Section 1.1(l) of this Appendix VII apply to participants hired on or before December 31, 2014.

Sections 4.2(a) and (b) and Section 4.10 of this Appendix VII apply to participants hired on or before December 31, 2014, but after September 30, 2011 (for participants hired on or before September 30, 2011, refer to Appendix VI for the applicable Sections 4.2(a) and (b) and Section 4.10).

For the purposes of salary adjustment only, a participant's Highest Average Remuneration shall be calculated applying the indexing referenced in (i) Section 1.1(l) of this Appendix VII (i.e., adjustments to the general salary structure), or (ii) Section 1.1(l) of the main body of these regulations (i.e., Cost-of-Living Increases), whichever approach yields the highest resulting average.

#### Section 1.1

- (k) "Remuneration" of an employee means the regular net compensation paid by the Employer to such employee for services rendered to the Employer and shall not include such payments as reimbursement for taxes, allowances, bonuses, overtime, special pay or separation payments, temporary salary increase or lump-sum payments in lieu of annual leave. The annual rate of remuneration of a participant during any period when he is not receiving remuneration from the Employer shall for the purposes hereof be deemed to be his annual rate of remuneration at the time he last received remuneration from the Employer. Remuneration of an Executive Director, Alternate Executive Director, Director of the Evaluation Office, Assistant to the Executive Director or employee on part-time appointment who has completed three years of eligible service shall be deemed to be not less than such participant's highest average remuneration as of the last preceding December 31; and the annual rate of remuneration of any Executive Director, Alternate Executive Director, Director of the Evaluation Office, Assistant to the Executive Director and employee on part-time appointment shall be deemed to be the remuneration on which he has made contributions during the year immediately preceding the determination or, if his eligible service is for a period of less than one year, the remuneration for such period converted to the annual rate. In the case of any participant whose participation in the Plan commences after December 31, 1995, "remuneration" for purposes of the Plan shall not exceed the dollar limitation of Section 401(a)(17) of the U.S. Internal Revenue Code of 1986, which Section is incorporated herein by reference, as adjusted from time to time.
- (l) "Highest Average Remuneration" of a participant means his average annual remuneration during the three consecutive years of his service then credited to him affording the highest such average, or during his total years of such service if they are less than three. In the determination of such average, the remuneration of the first two years shall be adjusted at the end of the third year to reflect actual adjustment made during the three-year period to the general salary structure of the Employer. In no case shall such adjusted highest average remuneration exceed the actual salary received during the 12 consecutive months affording the highest annual salary, during the same three-year period.

#### Section 4.2 Early Retirement

- (a) An active participant who has completed 15 or more years of qualifying service and has reached the age of 50, or an active participant who has completed ten or more years of qualifying service and has reached the age of 55, upon ceasing to be an active participant before his normal retirement date for any reason other than disability may request to be retired under the Plan on an early retirement pension, or at his option, on a deferred pension as provided in Section 4.4. The amount of any such early retirement pension shall be equal to a percentage of the pension which would otherwise become effective on his normal retirement date, in accordance with the following table:

Age (in years)	Percentage of the Pension	Age (in years)	Percentage of the Pension
65	100%	57	70%
64	97%	56	65%
63	94%	55	60%
62	91%	54	55%
61	87%	53	50%
60	83%	52	45%
59	79%	51	40%
58	75%	50	35%

(b) Notwithstanding the provisions of paragraph (a) above, any active participant, upon ceasing to be a participant before his normal retirement date for any reason other than disability, who has reached at least the age of 55, and who meets the age and qualifying service conditions set forth below, may request to be retired under this provision of the Plan. The amount of the early retirement pension shall be equal to the amount of the pension which would otherwise become effective on his normal retirement date or to a percentage of such pension, in accordance with the following conditions:

- (1) When, on the date he ceases to be an employee, the combined sum of his age and his qualifying service in full months equals one thousand eighty (1,080) months, the pension amount shall not be reduced because of early retirement; or
- (2) When, on the date he ceases to be an employee, the combined sum of his age and his qualifying service in full months is between eight hundred forty (840) and one thousand eighty (1,080) months, the pension amount shall be adjusted in accordance with the following table:

Months of Combined Age/Qualifying Service	Percentage of the Pension
1,080	100%
1,056	97%
1,032	94%
1,008	91%
984	87%
960	83%
936	79%
912	75%
888	70%
864	65%
840	60%

(c) The early retirement pension payable under this Section 4.2 shall be a pension becoming effective on the first day of the month next following the date he ceases to be an employee, or on such date if it shall be the first day of the month. The relevant percentage set forth in paragraphs (a) or (b) above shall be prorated if the date on which a pension becomes effective occurs between the ages set forth in paragraph (a) or the months of combined age/qualifying service set forth in paragraph (b).



Section 4.10 Benefits upon Withdrawal from the Plan

- (a) Any active participant with less than three years of eligible service who is not otherwise retired under the Plan and who ceases to be a participant for reasons other than death or disability before his normal retirement date, shall be paid at the time he ceases to be a participant in the Plan a lump-sum amount equal to 10% of his highest average remuneration multiplied by the number of years of eligible service **plus** 4.0% of his highest average remuneration for each year of eligible service. If he shall again become a participant, his eligible service, qualifying service, remuneration and all other conditions of participation governing the Plan before he last ceased to be a participant shall be disregarded.
- (b) Any active participant with between three and five years of eligible service (but less than five years) who is not otherwise retired under the Plan and who ceases to be a participant for reasons other than death or disability before his normal retirement date, shall be paid at the time he ceases to be a participant in the Plan a lump-sum amount which shall be the greater of that provided in Appendix V hereto (if applicable), or the amount provided in Section 4.10 (c)(i) and (ii), below.
- (c) Any active participant with five or more years of eligible service may, in terminating as an employee, cease contributing and surrender all his rights in and to such pension and any other benefits which might become payable to him or on his account under the Plan, in order to receive, in lieu of such pension and all other benefits, a lump sum, which shall be the greater of that provided in Appendix V hereto (if applicable), or the following:
  - (i) For those participants with at least three years of eligible service and up to eight years, the lump sum shall consist of 10% of his highest average remuneration multiplied by the number of years of eligible service, **plus** 12% of his highest average remuneration, **plus**, for each year of eligible service in excess of three years, 30% of his highest average remuneration;
  - (ii) For those participants with more than eight years of eligible service the lump sum would be 10% of his highest average remuneration multiplied by the number of years of eligible service, **plus** 162% of his highest average remuneration at the end of the first eight years of eligible service.

**ANNEX 1. UNIFORM RULES**  
**Annex 1-1**

**DELEGATION OF AUTHORITY**

Pursuant to the authority vested in the Administration Committee under Section 7.2(c) of the Plans, the Administration Committee hereby delegates to the Executive Secretary, Staff Retirement Plan, the authority under the respective provisions of the Staff Retirement Plan and the Local Retirement Plan to:

- approve payment of normal retirement pensions under Section 4.1
- approve payment of early retirement pensions under Section 4.2
- approve payment of deferred retirement pensions under Section 4.4
- approve payment of survivor's pensions and other death benefits under Section 4.5
- approve payment of reduced pensions and survivor's pensions under Section 4.6
- approve payment of commutations of pensions under Section 4.9
- approve payment of benefits upon withdrawal under Section 4.10
- make the determinations contemplated under Section 10.6 concerning the payment of survivor's benefits, except determinations in instances in which the decedent's estate may accrue to the state.

The Executive Secretary shall report all actions taken under this authority to the Administration Committee at its regular meetings, and at such other times as the Committee may determine. Such reporting shall not, however, be required to give effect to the authority exercised by the Executive Secretary pursuant to this delegation

(Approved May 5, 1998)

**RULES FOR THE ELECTIONS OF COMMITTEE MEMBERS IN THE PENSION COMMITTEE,  
ADMINISTRATION COMMITTEE AND INVESTMENT COMMITTEE OF THE STAFF RETIREMENT  
PLAN AND THE LOCAL RETIREMENT PLAN**

**I. Purpose**

- 1.01 These rules shall govern the election of committee members and their alternates in the Pension Committee, Administration Committee and Investment Committee of the Staff Retirement Plan and the Local Retirement Plan by the active participants in the respective Plans.

**II. Qualifications of the Staff Members**

- 2.01 For nomination and election to posts of membership to the Pension Committee, Administration Committee and Investment Committee, and to perform service thereon, the following requirements will apply:

- (a) The candidate for election must be a staff member of either the Inter-American Development Bank or the Inter-American Investment Corporation, under a permanent or fixed-term appointment for a period of not less than 2 years;
- (b) the employee shall have been an active participant in one of the Bank's Retirement Plans for at least six months prior to his election;
- (c) the employee shall not hold an executive position or a position incompatible with that of the post to which he aspires, or be assigned to the Executive Secretariat of the Plan; and,
- (d) the employee shall provide a written declaration signifying his/her agreement to accept the candidacy and the corresponding responsibilities.

- 2.02 Any designated member or alternate member of any of the committees of the Bank's Retirement Plans who wishes to be nominated and to take part in the election for the elective position shall submit his resignation from the post he is holding at least 15 calendar days prior to the date of the election.

**III. Nomination and Election**

- 3.01 The election shall be by secret ballot. Employees who are active participants in either the Local Retirement Plan or the Staff Retirement Plan shall be entitled to submit to the Nomination Board their respective candidates and vote.
- 3.02 Nominations of candidates and elections shall take place under the supervision and direction of the Executive Secretariat of the Plans in the month of March on the dates and times specified by the Executive Secretariat. A special election to fill vacancies shall be held in accordance with Article 4.01 herein.

**Rules for the Election of Committees  
(Continued)**

- 3.03 The terms of office of each elected staff member and each elected alternate staff member by the participants of both the Local Retirement Plan and the Staff Retirement Plan shall be two years except in the case of persons who are elected to fill vacancies and who shall serve out the unexpired term of office of the original incumbent. The term of office shall expire 15 calendar days after the date of the next election
- 3.04 Participants in the Local Retirement Plan and in the Staff Retirement Plan shall elect from their joint nomination slate of candidates, a committee member and alternate who will serve on both the Pension and Administration Committees. Participants in the Staff Retirement Plan and in the Local Retirement Plan shall elect, from their joint nomination slate of candidates, a second committee member and alternate who will serve on both the Pension and Investment Committees. The candidate with most votes in each list shall be the elected member, the candidate with the second highest number of votes shall be the alternate.
- 3.05 The Executive Secretariat of the Plans shall give written notice of the date and time set for nomination of candidates and election to the local and international staff of the Bank at least 15 calendar days prior to the date set for the filing of nomination petitions.
- 3.06 Nominations of candidates for each position shall be accomplished by a Nomination Board under the supervision and direction of the Executive Secretary of the Plans. The Nomination Board appointed by the President of the Bank will consist of not less than 3 or more than 5 active participants of the Staff Retirement Plan, whose duty station shall be the Bank's Headquarters. The Nomination Board shall present a slate of no fewer than two candidates for each position to the Executive Secretary of the Plans no less than 15 working days prior to the date of the election, provided that the written consent of each such candidate has been obtained previously.
- 3.07 Additionally, participants in the Local Retirement Plan and the Staff Retirement Plan may submit their candidates to the Nomination Board by the presentation of a personal résumé accompanied by a photograph and a nominating petition signed by no fewer than 25 active service participants in the Plan they represent and filed with the Nomination Board no less than 20 working days prior to the date of the election. Each nominating petition shall be accompanied by a written declaration of the nominee signifying his agreement to serve if elected. The Nomination Board shall have jurisdiction over both the Staff Retirement Plan and the Local Retirement Plan, and shall be empowered to judge in first instance the validity of any nominating petitions. The decisions of the Nomination Board may be appealed by the aggrieved party before the Administration Committee and the judgment set aside.
- 3.08 The submittal of candidate lists by the Nomination Board shall signify the closing date for nominations. The Executive Secretariat of the Plans shall give written notice to the local and international staff of the Bank of the names of the candidates so nominated as soon as possible after the close of nominations.
- 3.09 Not more than 10 working days after the close of nominations, the Executive Secretariat of the Plans shall distribute amongst the active participants of the Local and Staff Retirement Plans the personal resume of the candidates or nominees for the positions, as appropriate.
- 3.10 The Electoral Committee appointed by the Executive Secretary of the Retirement Plans shall determine the eligibility of each voter. Participants who are entitled to vote shall cast their votes by electronic means.

**Rules for the Election of Committees  
(Continued)**

- 3.11 The voting at Headquarters and in the Country Offices shall take place on the date(s) set for the election by the Executive Secretariat of the Plans. When the voting period has expired, the Electoral Committee shall take the final vote tally, and certify the total result of the voting by the signature of its members. The nominee for each position who has received the largest number of votes shall be declared elected as the member to that Committee and the nominee who has received the next largest number of votes shall be declared elected as alternate member to the same Committee. Tied votes shall be decided by lot.

**IV. Vacancies**

- 4.01 If the elected member of the Pension Committee, Administration Committee or Investment Committee ceases to be a participant in active service or is transferred outside the Bank's Headquarters or resigns his elected position, his alternate shall be considered the elected member. If the position of elected alternate member becomes vacant for any reason, the vacancy shall be filled promptly by special nomination and election conducted under the direction of the Executive Secretariat of the Plans in the same manner as regular nominations and elections. A vacancy in the position of alternate occurring within the six-month period before the end of his term of office shall be filled through the appointment of a qualified participant by the elected member, of which notice shall be given in writing to the Executive Secretary of the Plans.
- 4.02 In the event neither the elected member nor his alternate are able to attend the meeting of the respective Committee, the elected member may appoint a qualified temporary alternate of which notice shall be given in writing to the Executive Secretary of the Plans.

(Approved November 30, 1999)

**UNIFORM RULES ADOPTED BY THE ADMINISTRATION COMMITTEE  
REGARDING STATUTES OF LIMITATIONS FOR THE REVIEW OF PETITIONS**

The Administration Committee of the Staff Retirement Plan and the Local Retirement Plan (hereinafter, collectively "Plan") hereby resolves that, with regard to its jurisdiction to review the petitions of participants claiming rights and benefits under the Plan:

1. When a petition is submitted, through the Executive Secretariat of the Plan, for the consideration and final decision of the Committee by an active, retired or former participant regarding rights or benefits under the Plan as established by an official communication, decision or benefit payment, such petition shall be admissible only when it is presented within 180 calendar days from the receipt by the participant of such official communication, decision or benefit payment. When the petition relates to an ongoing benefit payment and alleged violation, the 180-day period shall toll from the date of receipt of the first official communication, decision or payment related to the alleged violation.
2. When a petition is submitted by the trustee, guardian or other legally-appointed representative of an active or retired participant who is not capable of managing his own affairs, the time period established in Section 1, above, shall be extended to one year from the date of the receipt of the official communication, decision or benefit payment concerned by the person designated in the records of the Executive Secretariat of the Plan. When a petition is submitted by a person who is entitled to bring a claim based upon the right of a deceased active, retired or former participant, the time period established in Section 1, above, shall be extended to one year from the date of death.
3. The Committee shall not consider the substance of a petition challenging an official communication, decision or payment related to rights or benefits under the Plan after the expiration of the respective time periods noted in Sections 1 or 2, above.
4. The Committee shall not accept for substantive review a petition to reconsider a final decision unless it is demonstrated that, subsequent to such final decision, a material fact is presented to the Committee when such fact was not considered by the Committee with the initial petition, and was unknown to the participant when the initial petition was and could not have then been discovered by the petitioner through reasonable efforts. Also, such a petition for reconsideration must be submitted to the Committee within 180 calendar days from the receipt by the participant of the final decision; and such a petition shall not be considered to change the final nature of the decision being challenged, or otherwise to suspend the tolling of any statute of limitation for the processing of claims or appeal of such final decision before the competent authorities of the Bank.
5. Any petition to record or change the official records of a participant's or spouse's date of birth, a participant's marriage, or, with regard to the payment of a Child's Benefit, a child's date of birth, must be submitted before the effective date of the corresponding benefit or pension. The Administration Committee shall not accept a petition to change the official records following the respective effective dates.
6. The Committee shall not consider the substance of a petition for an extension of or exception to an explicit time period under the Plan's governing regulations and uniform rules when such a petition is submitted after the expiration of the applicable time period.
7. In exceptional circumstances and for good cause shown, the Committee may determine that it is necessary or appropriate to extend the time periods or otherwise to modify a specific provision provided for in these Uniform Rules.

(Approved June 7, 1994)

**UNIFORM RULES ADOPTED BY THE ADMINISTRATION COMMITTEE  
REGARDING PLAN SECTION 4.5(h)**

The following Uniform Rules for the approval of elections under Sections 4.5(h)(1), (2) and (3) of the Staff Retirement Plan for international employees, and under Sections 4.5(h)(1) and (2) of the Local Retirement Plan were adopted by the Administration Committees of the respective Plans on June 11, 1991.

1. An election not to provide a spouse's pension in the name of an active or retired participant (hereinafter "applicant") will be granted when such individual provides evidence that payment of such pension would be contrary to the purposes of the Plan, i.e.,
  - (a) a final order from ecclesiastical, civil, or judicial authorities establishing the legal separation of the applicant from his/her spouse; or
  - (b) a written agreement establishing the permanent separation of the applicant from his/her spouse, the dissolution of marital obligations and financial interdependence characteristic of married couples; or
  - (c) such other evidence which would prove the permanent separation of the applicant from his/her spouse, the dissolution of marital obligations and financial interdependence characteristic of married couples; or
  - (d) a written prenuptial or other agreement establishing the permanent financial independence of the applicant from the spouse and a waiver of the spouse's interest in any future pension benefits of the applicant.
  
2. Similarly, an election not to provide a children's benefit in the name of an active or retired participant will be granted when such individual provides evidence that payment of such pension would be contrary to the purposes of the Plan, i.e.,
  - (a) a final order from civil or judicial authorities establishing sole and permanent custody of the child with a party other than the applicant, the dissolution of parental obligations, and the dissolution of financial dependency characteristic of a parent/child relationship; or
  - (b) such other evidence which is legally enforceable, such as a written agreement, and which would prove the sole and permanent custody of the child by a party other than the applicant, the dissolution of parental obligations, and the dissolution of financial dependency characteristic of a parent/child relationship.
  
3. An election to rescind a prior election not to provide a spouse's pension or child's benefit in the name of an active or retired participant will be granted when such individual provides evidence that the failure to pay such a pension or benefit would be contrary to the purposes of the Plan.

(Approved June 11, 1991)

**UNIFORM RULES REGARDING SECTION 11.2 OF THE PLAN**

The Administration Committee of the Staff Retirement Plan and the Local Retirement Plan (hereinafter, collectively "Plan"), with regard to requests to partition benefits under Plan Section 11.2, hereby resolves as follows.

1. Any request made by a participant or retired participant (hereinafter, collectively "participant") under Section 11.2 shall be addressed to the Executive Secretary, IDB Retirement Plans.
2.
  - a. A participant should submit any such request to the Executive Secretary within 15 calendar days from the date of the corresponding court order.
  - b. In the event that a participant fails to submit a timely written request to the Executive Secretary, a request may be made by a spouse, former spouse, or person designated to receive child support. Such a request shall be subject to the same conditions expressed herein as applicable to a request from a participant. Further, the following additional rules shall apply.
    - i. Upon receipt of such a request, the Executive Secretary shall forward the request to the participant concerned. Such communication may be made by the Executive Secretary by any means s/he determines to be reasonable and the Administration Committee shall presume that such notice, if confirmed by the Executive Secretary, was given. The participant shall have a period of 30 calendar days from his/her receipt of the communication from the Executive Secretary to acknowledge his/her written consent, or to provide written comments objecting, to the request. Such consent or comments shall be forwarded to the Administration Committee for its consideration and final determination. The Administration Committee shall infer a participant's consent from the Executive Secretary's failure to have received a response from the participant within the time limit provided.
    - ii. Having considered the request and a participant's response (if any), the Administration Committee may: (a) deny the request; (b) determine to treat the request in the same manner as if it were a request from a participant; or (c) choose to take any action contemplated under section 12 or other provision of these uniform rules, or such other action as it may deem appropriate.
3. Any such request must be accompanied by the relevant court order, and be in the form, and accompanied by such other supporting documentation or certifications, as prescribed by the Executive Secretary.
4. The court order accompanying the request must create an obligation on the part of the participant, and not the Bank or the Plan, to have the payments made as contemplated under Section 11.2.
5. Any such request shall indicate that a copy of the request has been sent to the spouse or former spouse, and in the absence of such, the Executive Secretary may require that a participant send such copy, or in the alternative, may him/herself send such a copy to the spouse or former spouse.



**Uniform Rules Section 11.2 of the Plan  
(Continued)**

6. The Executive Secretary shall have the authority, in consultation with the Legal Department, to prescribe such forms and procedures as may be necessary to give effect to the terms of Section 11.2. The Executive Secretary will provide information on Plan policies and procedures to participants, retired participants and their spouses or former spouses as may be needed to give effect to the provisions of the Plan.
7. The Executive Secretary shall recommend to the Administration Committee actions to be taken under Section 11.2 either in the regularly scheduled meetings of the Committee or by Short Procedure.
8. A direction shall be effective with regard to payments to be made from the Plan in accordance with its express terms, however, not sooner than the earlier of the following two dates: (a) 60 calendar days from the first of the month following receipt of the request by the Executive Secretary; or (b) approval of the direction by the Administration Committee.
9. Payments to a spouse or former spouse under Section 11.2 shall not commence prior to the effective date that payment of the participant's benefits under the Plan commences. There shall be no retroactive adjustments.
10. The Executive Secretary may return to a participant, and may not accept, any request which is accompanied by incomplete information, which is supported by a court order that raises questions concerning its application, interpretation, effectiveness, finality or validity, or which otherwise appears to be in unclear or inappropriate form. A court order must be consistent with the provisions of the Plan and these Rules, in order to give effect to a request as contemplated herein.
11. The Administration Committee may presume, and shall not be required to undertake an independent investigation to determine, that any court order is issued with proper jurisdiction of a court, is final and binding on the parties, is not inconsistent with any prior court order, or is otherwise valid if appearing to be so in accordance with its express terms. Further, the Administration Committee may make such other presumptions as may be reasonable on the basis of the understanding that the documentation provided to support a request is provided in good faith.
12. The Administration Committee shall not (a) interpret agreements between spouses or former spouses, requests to pay or orders or decrees of courts in cases of ambiguity, or (b) resolve questions where there is a genuine dispute about the efficacy, finality or meaning of an order or decree. In such cases, the Administration Committee may reject the corresponding request or suspend payments under Section 11.2.
13. A direction may apply to normal, early or disability retirement pensions, or lump-sum amounts to be commuted or withdrawn.

**Uniform Rules Section 11.2 of the Plan  
(Continued)**

14. Payments to a spouse or former spouse shall relate to the same type of benefits that the participant elects to receive: any request for a lump-sum payment to a spouse or former spouse when a monthly annuity is payable from the Plan, or vice versa, shall not be effective for the purposes of Section 11.2. A request which expressly contemplates payments only from a specific type of pension, such as a normal or early retirement pension, shall be effective only when such specific pension is payable. A request that contemplates a payment as a percentage of distributions to the participant shall be effective for amounts to be commuted or withdrawn in a lump sum, or normal, early or disability retirement pensions. A request may also require a payment which is constant in amount, or alternatively, may require that any cost-of-living increase shall be divided pro rata between the parties. For a request to be effective, the Executive Secretary must have all sufficient information to permit the necessary calculations, including contemplated payments with reference to a formula relating to a specified period or with reference to the accrued pension rights as of a certain date.
15. A request must expressly contemplate payments under a disability pension in order to be effective should such pension become payable.
16. A direction or payment incident thereto shall not convey to any person an interest in the Retirement Fund, give any elective rights under the Plan to such person (except as expressly provided), increase the total benefit otherwise payable under the Plan, or alter the timing or form of payment of benefits under the Plan.
17. The amount of payments to a spouse or former spouse shall initially be calculated on the basis of the U.S. dollar pension payable without regard for any election of the participant, or the spouse or former spouse, to receive payments in any other currency pursuant to Section 4.13.
18. (DELETED).
19. Once made, a direction shall be irrevocable, except on the basis of appropriate supporting documentation having full legal effect.
20. Payments pursuant to a direction under Section 11.2 shall cease upon the death of the participant.
21. If a participant transfers accrued pension benefits under Article 14, then the Bank shall make the corresponding disbursements to the transferee pension fund in accordance with the provisions of the applicable transfer agreement and, to the extent not expressly contemplated therein, a direction would be ineffective. In such event, the Executive Secretary shall inform the transferee pension fund of the existence of the direction and shall provide the transferee pension fund with the corresponding documentation, with a copy to the participant.

**Uniform Rules Section 11.2 of the Plan  
(Continued)**

22. The Executive Secretary and the appropriate offices of the Bank may consult directly with the spouse or former spouse to facilitate the making of payments under Plan Section 13.8 regarding national taxes on pensions on amounts directly payable to such spouse or former spouse. For such purposes, amounts paid in accordance with a direction shall be included in the gross income of the recipient, and the Bank's regular policies regarding reimbursement of taxes on pensions shall apply.
23. An order may require the participant to provide the spouse or former spouse access to information concerning the Plan options, and the amount and payment status of a participant's benefit. The Executive Secretary will provide such information directly to the spouse or former spouse when the participant consents or when, in the discretion of the Secretary, the participant has failed to provide such information.
24. The Administration Committee may direct, upon the recommendation of the Executive Secretary, that any abuse of the privileges provided to participants under this Section 11.2 shall be reported to the Bank's Ethics Committee or to such other Bank office that may have jurisdiction over such matters. A basis for such referral may include, without limitation, the failure on the part of the participant to submit on a timely basis complete documentation needed to process a request, or such other actions which might create impediments to the appropriate implementation of a direction. Further, the Executive Secretary may provide any information in the files of the Executive Secretariat and required of such offices, with copies to the participant concerned.
25. The conditions of Section 11.2 shall only apply to legal obligations evidenced by a court order, which has an effective date on or after the introduction of Section 11.2 to the Plan's governing regulations, August 5, 1998.
26. In exceptional circumstances and for good cause shown, the Administration Committee may determine that it is appropriate or necessary to approve actions as exceptions to the express provisions of these Uniform rules.

(Approved August 5, 1998, Amended November 19, 1999)