

# EIF PENSION SCHEME REGULATIONS

APPLICABLE TO MEMBERS OF STAFF ENTERING INTO SERVICE  
AS FROM 1.1.2009

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## I. GENERAL

### A. Relation to the Staff Regulations

- 1-1. In accordance with Article 36 of the Staff Regulations I and with Article 36 of Staff Regulations II, the European Investment Fund (hereinafter referred to as "EIF") hereby establishes the Pension Scheme defined in the present Staff Pension Scheme Regulations (hereinafter referred to as "THE REGULATIONS").

### B. Purpose

- 2-1. The purpose of the Pension Scheme shall be to provide the insured with retirement or invalidity pensions and the insured's rightful claimants with survivor's pensions and child's or orphan's pensions.

## II. THE MEMBERS, THE INSURED AND PRIOR MEDICAL EXAMINATION

### A. The Members

#### 1. Basic principle

- 3-1. All persons subject to the Staff Regulations, apart from those on leave or secondment pursuant to Articles 29, 31 or 32 of the Staff Regulations, shall be compulsorily affiliated to the Pension Scheme.
- 3-2. All persons on leave or secondment pursuant to one of the articles of the Staff Regulations mentioned in Article 3.1. may voluntarily remain members of the Pension Scheme provided they pay contributions in accordance with the said articles.

#### 2. Exception

- 4-1. By way of derogation from Article 3-1., the Chief Executive of the EIF may prescribe the conditions on which, exceptionally, a person subject to the Staff Regulations may, upon engagement, be authorised to retain his membership of the pension scheme to which he belonged before entering the EIF so as to preserve his entitlements under that scheme.
- 4-2. In this event, the EIF shall pay into the pension scheme of which the official remains a member a monthly contribution on behalf of the official equal to three times the amount stipulated in Article 27-1. of these Regulations.

### B. The Insured

- 5-1. For the purpose of these Regulations, the term "insured" shall apply to all persons who are, or have been, members of the Pension Scheme, save where they have forfeited this status pursuant to Article 70.

### C. Prior medical examination

- 6-1. Except in the case of accident, risks of death and invalidity shall not be covered until such time as a satisfactory report has been concluded with respect to the medical examination conducted prior to entry into service by a medical practitioner approved by the EIF.
- 6-2. The questions asked by the medical practitioner during the medical examination must be answered frankly and truthfully. Failing this, disqualification, as referred to in Article 42-1., may ensue.

### III. ORGANISATION

#### A. The EIF Pensions Board

##### 1. Composition

- 7-1. The EIF Pensions Board (hereinafter referred to as "THE BOARD") shall comprise:
- a Chairman and an alternate appointed by the Chief Executive of the EIF,
  - a Vice-Chairman nominated by the Staff Representatives
  - 3 members and 2 alternates nominated by the Staff Representatives,
  - 3 members and 2 alternates appointed by the Chief Executive of the EIF.

- 7-2. Without prejudice to the second paragraph of Article 7-1., members of the Board and their alternates nominated by the Staff Representatives shall be nominated each time the Staff Representatives are replaced)

The Chairman, the Vice-Chairman, the members of the Board and their alternates appointed by the Chief Executive of the EIF shall be appointed for two years.

Members of the Board and their alternates nominated by the Staff Representatives shall also be nominated for two years.

Should a member of the Board or an alternate cease to exercise his duties on the Board during his appointment, he shall be replaced for the remainder of his term of office by appointment or nomination in accordance with Article 7.1.

An alternate may attend the meetings as an observer, but shall not actively participate in the discussions unless he is replacing a full member. In the case of absence of a full member, the alternate replacing him shall be clearly announced before the meeting is opened.

- 7-3. The appointments of the Chairman, the Vice-Chairman, the members of the Board and their alternates shall be renewable.

##### 2. Powers

- 8-1. The Board shall be responsible for implementing these Regulations.

##### 3. Procedure

- 9-1. The Board shall be convened by its Chairman.

- 9-2. It shall meet as often as is necessary to ensure the proper operation of the Pension Scheme or at the request of two of its members.
- 9-3. The Board shall adopt its Rules of Procedure in accordance with the procedure provided for in Article 10.1.

#### **4. Decisions**

- 10-1. The members of the Board shall endeavour to seek a consensus and have recourse to voting only as a last resort. In that case, decisions shall be taken by majority vote of the members present.
- The Chairman shall not have a vote, but in the case of parity of votes, he shall decide the matter.
- 10-2. The Chairman or the Vice-Chairman and at least four members or alternates, including at least two members or alternates nominated by the Staff Representatives, must be present for the Board's decisions to be valid.
- 10-3. The Board's decisions shall be recorded in Minute form and conveyed to the Chief Executive of the EIF.

#### **5. Administrative Work**

- 11-1. The EIF shall undertake the administrative work necessary to ensure the smooth operation of the Pension Scheme.

#### **6. Secrecy**

- 12-1. The Chairman, the Vice-Chairman, the members of the Board and their alternates and those staff members entrusted with administering the operation of the Pension Scheme shall be required to respect the secrecy of any information brought to their knowledge in the course of, or in connection with, the performance of this work.
- 12-2. They shall remain bound by this obligation when no longer in office.

### **B. Invalidity Committee**

#### **1. Composition**

- 13-1. The Invalidity Committee (hereinafter referred to as "THE COMMITTEE") shall consist of three medical practitioners chosen as follows:
- the first by the Chief Executive of the EIF,
  - the second by the insured concerned,
  - the third, who shall preside over the Committee, by mutual agreement of the other two medical practitioners or, failing this, by the President of the Medical Council at the EIF's seat.

#### **2. Powers**

- 14-1. The Committee shall decide all cases of invalidity submitted to it.

### 3. Procedure

15-1. The Chief Executive of the EIF shall convene the Committee:

- on his own initiative,
- at the request of the Board,
- at the request of the insured concerned.

15-2. The Committee shall regulate its own procedure.

15-3. It shall examine, from the strictly medical angle and with due regard to the provisions of Article 46.1. of these Regulations, the points of view of the EIF and the insured concerned, and deliver a reasoned opinion as rapidly as possible.

15-4. The Committee's opinion shall be notified to:

- the Chief Executive of the EIF,
- the Chairman of the Board,
- the insured concerned

15-5. The proceedings of the Committee shall be confidential.

### 4. Costs

16-1. The expenses of the Committee shall be borne by the EIF.

16-2. If the medical practitioner selected by the insured resides outside the EIF's seat, the insured shall bear the additional fees entailed by this choice, except for travel expenses which shall be reimbursed by the EIF on the basis of the first-class rail fare, provided that the medical practitioner resides in one of the Member States of the European Union.

### 5. Medical Reports

17-1. The insured may submit any medical document to the Committee issued by his own doctor or any other medical practitioners whom he has thought advisable to consult at his own expense.

## IV. DEFINITIONS

### A. Spouse

18-1. For the purpose of these Regulations and the Annexes thereto:

- the concept of "spouse" shall cover any married person and any person involved in a registered life partnership, lawfully entered into and recognised by a competent national authority;
- the concept of "divorced spouse" shall cover any person whose marriage has been dissolved by a competent national authority, at their request or at the request of their spouse, any person whose marriage has been annulled by a competent national authority, any person whose marriage is subject to a legal separation pronounced or recognised by a competent

national authority and any person who has separated from their partner in a registered life partnership, the cessation of the life partnership having been recognised by a competent national authority.

18-2. For the purpose of these Regulations and the Annexes thereto, and in accordance with Article 18-1.:

- the concepts of “marriage” and “remarriage” shall also cover registered life partnerships, lawfully entered into and recognised by a competent national authority;
- the concept of “divorce” shall also cover the annulment of a marriage, a marriage subject to a legal separation and the cessation of a registered life partnership.

## **B. Insurance Years**

### **1. Normal Insurance Years**

19-1. The years during which an insured was a member of the Pension Scheme shall count as insurance years, each month counting as 1/12 of a year and

- a fraction of more than 1/2 month counting as a whole month,
- a fraction of 1/2 month counting as such,
- a fraction of less than 1/2 month being disregarded.

### **2. Notional Insurance Years**

20-1. The years during which an insured is recognised by the EIF as incapacitated shall be considered insurance years.

20-2. The years which fall between the date of death of an insured, who dies while a member of the Pension Scheme or while entitled to invalidity pension, and the normal retirement date within the meaning of Article 25-1 shall also be considered insurance years.

### **3. Purchase of Additional Insurance Years**

21-1. The purchase of additional insurance years shall be sanctioned under a coordination or specific transfer agreement concluded with a previous pension scheme in accordance with Article 79-1.

The purchase of insurance years shall be effected by payment of a capital sum corresponding to all entitlements accrued under the regulations of the previous pension scheme.

Pension entitlements, irrespective of their nature and whether they are compulsory, by agreement or voluntary, may be transferred into the Pension Scheme, provided that they have been acquired:

- prior to entry into service or during periods of interruption of service; and
- in connection with professional activities, excluding personal savings.

21-2. 1. Any request for the purchase of additional insurance years must be submitted no earlier than six months after entry into service and not before the end of the



probationary period and no later than six months before the date on which the retirement pension first falls due and not after the date of termination of employment.

2. Exceptions to Article 21-2.(1) may be provided for under a coordination or specific transfer agreement concluded with a previous scheme in accordance with Article 79-1.

3. Payment in respect of such purchase must be effected as soon as the funds are available. The payment shall be made by transfer from the previous scheme or, if supporting documents are presented to show that the capital sum has been paid directly to the purchaser, via payment by the purchaser.

- 21-3. The cost of purchasing an additional insurance year shall be obtained by multiplying the purchaser's salary subject to superannuation contributions at the time of purchase by the annual retirement pension rate (2%) and by the actuarial tariff applicable for the purchaser's age at the time of purchase.

The scale of actuarial tariffs according to age shall be determined by the Chief Executive, acting on a proposal from the actuarial advisers referred to in Article 76-2, after consulting the Board.

- 21-4. Insurance years acquired by purchase shall not be deemed such until five years' membership have been completed, other than where the insured's employment ceases through death, invalidity or departure either at the normal retirement date or subsequently.

However, insurance years acquired by purchase shall be deemed such if the member has a total of five insurance years, i.e. if all the following conditions are met:

- the person concerned has been a member of the EIF's Pension Scheme for at least three years;
- the aggregate number of additional insurance years acquired by purchase following one or more transfer(s) of pension entitlements acquired under another scheme and of normal insurance years validated at the EIF is at least equal to five insurance years.

In the event of departure from the EIF before insurance years acquired by purchase have actually been deemed as such, the provisions of Articles 71-1. to 71-2. shall apply. Once the request to purchase insurance years has been made, the member must undertake in writing to comply with the provisions of Article 71-2.

#### **4. Optional Supplementary Provident Scheme**

- 21-5. The member may, at any time, against payment of:

- a single capital sum,
- or regular contributions

participate in the optional supplementary provident scheme of which the regulations constitute Annex II to these Regulations.

### C. Salary subject to Superannuation Contributions

- 22-1. The salary subject to superannuation contributions shall be prescribed by the Chief Executive of the EIF. It shall be at least equal to basic salary.
- 22-2. In the event of a general salary increase for the EIF staff members governed by the Staff Regulations I, there shall automatically be a corresponding increase in the salary subject to superannuation contributions. A general salary increase for EIF staff members governed by the Staff Regulations I means a salary increase which benefits all or part of EIF staff members governed by the Staff Regulations I whether or not the increase applies equally to all those entitled to it.

### D. Pensionable Salary

- 23-1. Pensionable salary shall be the average salary subject to superannuation contributions in the functions and steps laid down in the Staff Regulations I of the insured during the last ten years prior to termination of his employment.

### E. Minimum Subsistence Rate

- 24-1. For the purpose of these Regulations, the minimum subsistence rate of pension shall be equal to 100% of the lowest salary subject to superannuation contributions provided for at the EIF.

### F. Retirement Date

- 25-1. Normal retirement date for the purpose of these Regulations shall be the first day of the month following that during which an insured reaches age 65.
- 25-2. In the event of his employment being exceptionally extended on the basis of Article 19 of the Staff Regulations, a staff member shall be compulsorily retired on the date determined by the Chief Executive pursuant to the said provision of the Staff Regulations.
- 25-3. The normal retirement date and the length of the reference period for the calculation of pensionable salary may be amended pursuant to Article 77-2. only as from 1 January 2024.

### G. Pension Scheme Fund

- 25a "Pension Scheme Fund" shall mean all Pension Scheme resources irreversibly earmarked exclusively for the payment of retirement pensions to the insured after ring fencing or a comparable measure in accordance with Article 75-1.

## **V. PENSION SCHEME FUND**

### A. General Principles

- 26-1. The Pension Scheme shall be funded by:
- contributions of the members
  - contributions of the EIF

- any other receipts
- income derived from its own funds

## B. Contributions of the Members

- 27-1. The member's initial contribution shall amount to 8.9% of his salary subject to superannuation contributions (rate fixed as at 1 January 2015, review foreseen in 2019).

The member's contribution rate shall be reviewed every five years, so that it corresponds to one third of the contribution required to ensure the actuarial equilibrium of the Pension Scheme, account being taken of expected changes in the population of members and salaries and of the technical discount rate.

The investment risk shall be borne exclusively by the EIF.

The review shall be carried out in accordance with the procedure provided for in Article 76 and the arrangements provided for in Annex 3.

- 28-1. The member's contribution shall be withheld monthly from his salary and credited to the Pension Scheme Fund.

## C. Contributions of the EIF

- 29-1. The EIF shall pay variable contributions which shall depend on the balance needed to fund the Staff Pension Scheme benefits, as emerges from the actuarial assessment referred to in Article 76.

As a precaution, the EIF shall, up until 1 January 2024, pay each month an advance contribution equal to twice members' monthly contributions, without prejudice to an annual regularising contribution, should the actuarial assessment, referred to in Article 76, show a deficit.

As from 1 January 2024, provided that the Pension Scheme Fund referred to in Article 25a has been established in the meantime, the technical arrangements for determining and paying the EIF's variable contributions shall be defined in the Financial Regulations governing the Pension Scheme Fund.

## D. Leave and Secondment

- 30-1. Insured on leave or secondment pursuant to Articles 29, 31 or 32 of the Staff Regulations shall not be subject to the provisions of Articles 27-1. and 28-1. of these Regulations. Where they do not pay contributions and where their employment contract ends, their entitlements shall be assessed in accordance with Articles 72-1. to 73-2.

## E. Subrogation

- 31-1. In the event of invalidity or death for which a third party is responsible, in circumstances other than those dealt with in Article 40-1. of these Regulations, an insured and/or his rightful claimants must subrogate the EIF, vis-à-vis the third party responsible, to their rights which, when exercised, would enable the EIF to obtain compensation for the pecuniary loss borne directly by the EIF. This

subrogation may not prejudice the interests of the insured or his rightful claimants.

## VI. INSURED BENEFITS

### GENERAL PRINCIPLES

#### A. Breakdown of Benefits

- 32-1. Save in the event of forfeiture of insured status in the cases referred to in Article 70 or in the event of reservations for reason of illness or disability, disentitlement or disqualification, the Pension Scheme shall insure the following categories of benefit:
- retirement pension
  - invalidity pension
  - survivor's pension
  - child's or orphan's pension
  - capital sum payable on death
- 32-2. Only persons affiliated to the Pension Scheme shall be insured for invalidity pension.
- 32-3. The provisions of Article 32-2. shall not, however, apply during the first three months of leave taken on personal grounds.
- 32-4. In the event of termination of employment before normal retirement date, insurance shall be limited to the benefits mentioned in Article 73.
- 32-5. Subject to the exception mentioned in Article 32-3., and save where an insured voluntarily retains his membership in accordance with Article 3-2., the provisions of Article 32-4. shall apply similarly during all periods of leave or secondment referred to in Articles 29, 31 and 32 of the Staff Regulations.

#### B. Payment of Benefits

- 33-1. The Pension Scheme benefits shall be payable at the EIF's seat as follows:
- (a) capital sums: within 60 days after they fall due;
  - (b) pensions: on the 15th of each month for the current month.
- 33-2. Benefits shall be paid in euro.

#### C. Restriction

- 34-1. Force majeure excepted, entitlement to back payment under the Pension Scheme shall lapse unless invoked within three years by the insured or his rightful claimants.
- 34-2. This three-year period shall commence from the date specified in Article 33-1.

#### D. Proof of Claims

- 35-1. The EIF may require production of a birth, life or death certificate or any other document necessary to determine the rights of beneficiaries.

#### E. Disappearance of Insured

- 36-1. Where an insured is missing and, in all probability, no longer alive, he shall be presumed dead when more than one year has elapsed since the day of his disappearance, failing a Court decision specifying a previous date.
- 36-2. Where an insured is missing presumed dead, death benefits shall be paid retroactively from the day of his disappearance. Interest shall not be payable on arrears.
- 36-3. The missing person shall be presumed dead until such time as the contrary is proved, in which case benefits paid must be repaid or compensated for as specified below.

#### F. Compensation

- 37-1. Amounts owed by an insured or his rightful claimants under these Regulations may be offset by the benefits payable to the insured or to his rightful claimants under these Regulations.
- 37-2. Compensation may be spread over several months; it shall not exceed one fifth of monthly pensions.

#### G. Drawing pensions concurrently with other salaries

- 38-1. Except in the cases provided for in Articles 38-2. and 38-3., no pension shall be payable to an insured who is also being paid a salary by the EIB Group.
- 38-2. When the insured reaches the age of 55, he shall be entitled to seek a gradual reduction in the hours he works.

If the EIF grants the insured a reduction in the hours he works, he shall be entitled to request settlement of the early retirement pension entitlements, reduced in accordance with Article 74, the amount of which shall be proportional to the working time reduced in accordance with Article 66.

The EIF Staff Rules shall determine the arrangements for implementing this partial early retirement.

- 38-3. A retirement pension and an invalidity pension may not be paid simultaneously to the same insured.

It shall, however, be possible to draw a partial early retirement pension within the meaning of Article 38-2. concurrently with a partial disability allowance, as provided for in Article 33c of the Staff Regulations, if the official who is already receiving a partial disability allowance nevertheless continues to work for a percentage of the working time that may be further reduced under the rules on part-time working.

## H. Pension Reduction

### **1. Maximum Amount of Pensions**

- 39-1. Total pensions paid in respect of an insured under these Regulations – apart from pensions provided by the Optional Supplementary Provident Scheme – shall never exceed his pensionable salary, plus, where appropriate, dependent child allowances, including cases where these pensions are calculated with reference to the minimum subsistence rate.

Any reduction in each pension shall be proportional to the amount thereof, notwithstanding any other provisions of these Regulations.

If one or more of the pensions so reduced ceases to be payable in whole or in part, the other pensions may be proportionally restored within the limits of the entitlements of each recipient.

- 39-2. Where the amount of a pension is calculated with reference to the minimum subsistence rate, the pension may not be greater than 100% of the minimum subsistence rate, without prejudice to Article 50-1. of these Regulations.

### **2. Non-additionality of Benefits**

- 40-1. Pension payments shall be reduced by the amount of such benefits as are payable by law to the insured or his rightful claimants on account of an accident sustained or sickness contracted by reason of military service.
- 40-2. Nevertheless, such reduction shall apply only if pension benefits pursuant to these Regulations are being paid for the same reason as the benefits mentioned in Article 40-1.

## I. Disentitlement and Substitution

- 41-1. While respecting the relevant legal provisions, the Board may deliver a decision on a request for total or partial disentitlement or on the conferment of provisional or permanent benefits.

At all events, it shall be competent to apply legal decisions which have become final.

- 41-2. If the insured is dead, missing or unable to act de jure or de facto, the Board may act in his stead in the best interests of his family.

## J. Disqualification

### **1. General Principles**

- 42-1. Where an insured or a rightful claimant to a pension has sought to obtain or has obtained a benefit provided for under these Regulations by fraudulent means, by incomplete or inaccurate statements or following an act deliberately causing invalidity or death – apart from the suicide of the insured – the Pensions Board may disqualify him from full or partial entitlement to benefits,

without prejudice to Article 38 of the Staff Regulations or to the EIF's right to secure recovery of undue payments.

## 2. Withholding Information

- 43-1. An insured shall be particularly liable to disqualification if he has contravened Article 6-2. of these Regulations.

## RETIREMENT PENSION

### A. Entitlement to Retirement Pension

- 44-1. Persons who have been members of the Pension Scheme for at least five years, or who have a total of five insurance years following the purchase of insurance years pursuant to Article 21-4, or who have reached normal retirement date as well as recipients of invalidity pension in accordance with Articles 46-1 to 51-2 shall be insured for retirement pension.
- 44-2. Retirement pension shall become payable at normal retirement date, without prejudice to an earlier date pursuant to Article 73-1. In the event of termination of employment after normal retirement date in accordance with Article 19 of the Staff Regulations, the pension shall become payable on the first day of the month following that in which employment is terminated.
- 44-3. Entitlement to retirement pension shall expire at the end of the month in which the insured dies.

### B. Amount of Retirement Pension

- 45-1. Without prejudice to the provisions applicable to early retirement pension, retirement pension shall be equal, per insurance year, to the higher of the following two amounts:
- 2% of pensionable salary
  - 4% of the minimum subsistence rate.

Where calculated with reference to pensionable salary, however, total retirement pension may not exceed 70% of such salary.

## INVALIDITY PENSION

### A. Definition of Invalidity

- 46-1. For the purpose of these Regulations, a member shall be considered incapacitated if, by reason of sickness, accident or disability, he is unable, physically or mentally, permanently to fulfil his duties or any other similar duties at an equivalent level and if invalidity has been established in accordance with Article 48.

## B. Risks not Qualifying for Benefits

- 47-1. Invalidity benefits shall not be payable where the insured wilfully causes, sustains or aggravates an illness or accident for the purpose of obtaining benefits under the Pension Scheme or extending the period of his entitlement.

## C. Expert Opinion

- 48-1. Invalidity must be recognised by a medical practitioner chosen by the EIF or, in the event of dispute, by the Committee.

- 48-2. The Board may, whenever it thinks fit, obtain a further opinion from a medical practitioner of its own choosing.

Continuance or cessation of payment of benefits to the insured shall depend upon this medical practitioner's opinion or, in the event of dispute, upon the opinion of the Committee.

- 48.3. The insured must authorise his doctors to give to the medical practitioner chosen by the EIF or the Board and to the members of the Committee detailed information concerning his state of health. If the insured refuses to give such authorisation, the Board may disqualify him from entitlement to invalidity pension.

## D. Entitlement to Invalidity Pension

- 49-1. An insured who is pronounced incapacitated shall be entitled to invalidity pension.

- 49-2. This pension shall fall due upon expiry of the rights stipulated in Articles 33, 33b, 33c or 33d of the Staff Regulations unless the insured requests immediate payment of a pension.

- 49-3. It shall cease to be payable:

- at the end of the month during which the invalid dies;
- at the end of the month during which the beneficiary ceases to be incapacitated or is disqualified from his entitlement;
- at the normal retirement date, from which time the invalid shall receive the retirement pension prescribed in Articles 44 and 45 of these Regulations.

## E. Amount of Invalidity Pension

- 50-1. Invalidity pension shall amount to 70% of pensionable salary. It may not be less than 120% of the minimum subsistence rate.

## F. Gainful employment

- 51-1. If the invalid is gainfully employed, his invalidity pension shall be reduced to the extent that the sum of invalidity pension, child's pension and income accruing from this employment exceeds the net remuneration corresponding to the step



and function of the insured in the same family circumstances as at the time he was declared incapacitated.

- 51-2. The net remuneration mentioned in Article 51-1. shall be taken to be basic salary plus all allowances and bonuses, after deducting contributions to the Pension and Health insurance schemes and tax.

## SURVIVOR'S PENSION

### A. Entitlements of Surviving Spouse

#### 1. Basic Principle

- 52-1. When a married insured dies, the surviving spouse shall be entitled to a pension payable on the first day of the month following the death of the insured.

#### 2. Exceptions

- 53-1. Pension shall not be payable unless marriage occurred at least six months prior to death, except in the case of accidental death of the insured or where there are one or more children of the union.

It shall not be payable where marriage occurred after the normal retirement date.

However, the Chief Executive of the EIF, acting on the opinion of the Board, may deliver a decision on any request, even prior to marriage, for replacement of the capital sum payable on death, provided for in Articles 62, 63 and 64, by all or part of the survivor's pension provided for in Article 54-1. Such replacement shall be admissible only in cases of extreme need.

- 53-2. The provisions of the first paragraph of Article 53-1 shall also apply in the event of marriage of a recipient of an invalidity pension, although in this case the six-month restriction shall be extended to five years.

### B. Amount of Survivor's Pension

#### 1. Calculation

- 54-1. Without prejudice to the provisions applicable to survivor's pension in the event of early retirement, survivor's pension shall be equal, per insurance year, to the higher of the following two amounts:

- $60\% \times 2\%$  = 1.2% of pensionable salary
- $60\% \times 4\%$  = 2.4% of the minimum subsistence rate.

Where calculated with reference to pensionable salary, however, total survivor's pension may not exceed 42% of such salary.

#### 2. Minimum Amount

- 54-2. Until the normal retirement date, survivor's pension paid in respect of an insured who died during EIF service or when he was recognised as incapacitated shall be at least equal to the higher of the following two amounts:

- 35% of pensionable salary
- 85% of the minimum subsistence rate.

54-3. Where survivor's pension is calculated in accordance with Article 54-2., it shall be reduced by the amount of other survivor's pensions to which the surviving spouse is entitled in respect of the deceased insured, save where these have been acquired through voluntary insurance. This provision may not, however, lead to the surviving spouse being paid a pension lower than that provided for in Article 54-1.

### 3. Reductions

55-1. Where one or more divorced spouse's pensions provided for in Article 56-1. are paid in respect of a deceased insured, these shall be deducted from the amount of the surviving spouse's pension.

55-2. Where the surviving spouse was younger than the insured and their difference in age less the number of years they were married was greater than fifteen years, the pension shall be reduced by 2% for each year's difference in excess of fifteen years, without prejudice to the deduction provided for in Article 55-1.

55-3. The insured may avoid, in whole or in part, the reduction in respect of difference in age by making an appropriate payment determined by the Chief Executive of EIF acting on the opinion of the actuarial adviser.

55-4. The reductions provided for in Articles 55-1. and 55-2. shall be applied in the order which most favours the surviving spouse.

### C. Divorced Spouse's Pension

56-1. A divorced spouse of an insured shall be entitled to survivor's pension, save where he waives this entitlement:

- the pension shall be paid to him for as long as he would have been entitled, by virtue of a court order or a settlement between the divorced spouses, to maintenance from the insured had the latter survived;
- the pension shall be equal to 1.2% of pensionable salary – calculated on the basis of the insured's situation at the date of divorce – per insurance year of the marriage prior to dissolution; the total amount thereof may not, however, exceed 42% of this salary or the amount of maintenance obligations at the time of death.

56-2. The provisions relating to survivor's pension for the surviving spouse, apart from those mentioned in Article 54, shall apply, by analogy, to divorced spouse's pension.

### D. Cessation of Entitlement to Survivor's Pension

#### 1. Cessation

57-1. Survivor's pension shall be payable until the end of the month during which the recipient remarries or dies.

## 2. Single Payments

- 58-1. Where the recipient of the pension remarries, he shall receive a payment equal to three times the annual amount of his pension. The payment to the divorced spouse may not, however, exceed the equivalent of pensions which he could still have received in accordance with the first indent of Article 56-1.
- 58-2. If, when there are no longer any recipients of survivor's pension payable in respect of an insured, the sum of survivor's pensions paid plus any payments made in the event of remarriage is less than the capital sum payable on death as defined in Article 64.2., the difference shall be paid to the insured's surviving rightful claimants referred to in Articles 63-1. and 63-2.

## CHILD'S PENSION AND ORPHAN'S PENSION

### A. Child's Pension and orphan's pension

#### 1. Entitlement and nature of child's pension

- 59-1. Starting on the same day that an insured is entitled to retirement or invalidity pension, his/her children considered as dependants by the EIF shall be entitled to child's pension.
- 59.2. The purpose of child's pension is to support an insured in raising a child and in covering the costs of education for a minor child and to sustain an adult child in education, training or apprenticeship.

Accordingly, child's pension shall no longer be payable after the end of the month during which the insured's child reaches age 18, unless he/she regularly attends an educational establishment on a full-time basis, follows a training course - as a necessary adjunct to his/her full-time studies - or an apprenticeship.

Child's pension shall no longer be payable after the end of the month during which the insured's child reaches age 26.

#### 2. Amount of child's pension

- 59-3. Child's pension shall be equal to the sum of the dependent child allowance and the flat-rate monthly education allowance provided for the category of child concerned in Annex I to the Staff Rules of the EIF.

#### 3. Entitlement and nature of orphan's pension

- 59-4. The children of a deceased insured shall be entitled to orphan's pension instead of child's pension where it is established that they would have been considered by the EIF to be dependants of the insured had he/she survived.

Entitlement to orphan's pension shall commence on the first day of the month following the death of the insured.

Children of an insured born subsequent to the event creating entitlement to orphan's pension shall be entitled to such pension from the first day of the month of their birth, provided that the birth occurs within the 42 calendar weeks following the death of the insured.

- 59-5. The purpose of orphan's pension is to provide support in raising a child and in covering the costs of education for a minor child and to sustain an adult child in education, training or apprenticeship. Accordingly, the provisions of Article 59-2. shall apply.

#### **4. Amount of orphan's pension**

- 59-6. Without prejudice to the provisions of the following paragraphs, or to those applicable in the event of early retirement, orphan's pension shall be equal to the highest of the following three amounts:

- $25\% \times 2\% = 0.5\%$  of pensionable salary per insurance year
- $25\% \times 4\% = 1\%$  of the minimum subsistence rate per insurance year
- double the amount provided for in Article 59-3.

If an insured has died while in EIF service or while recognised as incapacitated, orphan's pension shall be equal to the highest of the three above amounts and the 17.5% of pensionable salary until the normal retirement age of the insured.

However, total orphan's pension may not amount to more than:

- 17.5% of pensionable salary, where it is calculated with reference to such salary;
- 30% of the minimum subsistence rate, where it is calculated with reference to such rate.

### **B. Disabled child's pension**

#### **1. Entitlement and nature**

- 60-1. A disabled child's pension shall be paid to insured's children suffering from a serious illness or disability which prevents them from autonomously providing for themselves, impeding their social inclusion, and whose child's pension or orphan's pension ceases to be payable pursuant to Articles 59-2. and 59-5. Entitlement to disabled child's pension shall commence on the same day as the entitlement to child's pension and orphan's pension ceases.
- 60-2. The entitlement to disabled child's pension shall cease at the end of the month during which the child ceases to suffer from the above illness or disability.

#### **2. Amount**

- 60-3. If the insured parent is alive, disabled child's pension shall correspond to the child's pension amount calculated in accordance with Article 59-3.
- 60-4. If the insured parent is dead, disabled child's pension shall correspond to the orphan's pension amount calculated in accordance with Article 59-6.

## C. Common provisions

Child's pensions, orphan's pensions and disabled child's pensions shall hereinafter be referred to jointly as the **Pensions**.

### **1. Exclusion from entitlement**

61-1. Without prejudice to the provisions of Articles 59-1., 59-4. and 60-1. – and unless the Board decides otherwise in cases of extreme need – the Pensions shall not be paid to:

- children born of a marriage occurring after the normal retirement date,
- legitimised or acknowledged natural children born after this date,
- children adopted after this date.

### **2. Suspension of entitlement**

61-2. Payment of child's and orphan's pensions shall be suspended throughout any period during which the child cannot be deemed to be a dependant of the insured or would not have been a dependant had the insured survived.

61-3. Payment of disabled child's pension shall be suspended throughout any period during which the child is able to autonomously provide for him/herself.

61-4. Where the child again fulfils the conditions creating entitlement to one of the Pensions, such pension shall be payable on the first day of the month following fulfilment of the necessary conditions.

### **3. Doubling the entitlement**

61-5. The amount of the Pensions shall be doubled and raised to at least 60% of the minimum subsistence rate in certain special cases where the Board so decides, and in the case of a parentless child. If both parents were members of EIB Group staff, orphan's pension (or subsequent disabled child's pension) shall be doubled on the basis of that reference pension of the two parents which most favours the orphan, the other pension ceasing to be payable.

### **4. Death of the child**

61-6. In the event of death of the child, the Pensions shall be paid until the end of the month in which death occurs.

### **5. Non-additionality**

61-7. A child's pension, an orphan's pension and a disabled child's pension may not be paid simultaneously in respect of the same child.

61-8. A child's pension or a disabled child's pension which is not subsequent to an orphan's pension shall be reduced by:

- the net remuneration received in respect of a training course – as a necessary adjunct to studies – or an apprenticeship

- the amount of benefits of a similar nature which the insured, the child or any other person on behalf of the child may claim from another source. Failure to provide evidence that any such benefits have been duly requested in a timely manner and that such a request has been duly rejected will result in the EIF withholding from the aforementioned Pensions the theoretical amount of any such benefits.

61-9. Where orphan's pension (or subsequent disabled child's pension) is calculated on the basis of the minimum amount provided for in Article 61-5., it shall be reduced by the sum of any other orphan's pensions (or subsequent disabled child's pension) – or sums allocated in respect of the orphan in addition to survivor's pensions paid from another source – save where these pensions are paid by virtue of voluntary insurance.

## CAPITAL SUM PAYABLE ON DEATH

### A. The Insured

62-1. The provisions with respect to the capital sum payable on death shall apply to insured whose death does not create entitlement to survivor's pension.

### B. Rightful Claimants

63-1. The spouse shall have first claim to the capital sum payable on death.

63-2. Where the deceased leaves no spouse, the rightful claimants shall be the children, each being entitled to an equal share of the capital sum. Where any of the children have died before the deceased parent, they shall be represented by their descendants or, failing this, by the other children.

63-3. If the deceased leaves no spouse or children, the rightful claimants to the capital sum payable on death shall be his legal heirs, in accordance with the inheritance law applicable. Where there are no legal heirs, the Board may award all or part of the capital sum payable on death to the person or persons to whose maintenance the deceased effectively contributed.

63-4. If there are no rightful claimants or beneficiaries as above, the capital sum shall accrue to the Pension Fund.

### C. Due Date and Amount of the Capital Sum payable on Death

64-1. The capital sum payable on death shall fall due on the day the EIF is apprised of the death of the insured.

64-2. The capital sum payable on death shall be equal to the sum of the contributions paid by the deceased insured, without interest, minus any retirement, invalidity, or child's pension paid to, or in respect of, him. Orphan's pensions payable until the 18th birthday of their recipients shall also be deducted.

## VII. INSURED WORKING OR HAVING WORKED PART-TIME

### A. Basic Principle

- 65-1. The articles contained in the other sections of these Regulations shall apply to an insured working or having worked part-time, subject to the following provisions.

### B. Insurance Years

- 66-1. The number of normal insurance years referred to in Article 19-1. during which an insured has worked part-time shall be reduced with reference to the proportion of normal working time actually worked.
- 66-2. The number of notional insurance years, referred to in Article 20, coinciding with the period during which an insured would not have been entitled to work full-time without the EIF's prior agreement shall be reduced with reference to the proportion of normal working time actually worked upon termination of employment.
- 66-3. The proportional reductions provided for in Articles 66-1. and 66-2. shall not apply, however, when determining invalidity, survivor's, child's or orphan's pensions paid during the period between the date on which an insured was declared incapacitated or died and the normal retirement date.
- 66-4. Additional insurance years, referred to in Article 21, shall always be purchased on a full-time basis.

### C. Salary Subject to Superannuation Contributions

- 67-1. For the purpose of calculating contributions, the salary subject to superannuation contributions defined in Article 22-1. shall be based on the proportion of normal working time actually worked. It shall not be subject to any reduction when determining the pensionable salary referred to in Article 23-1.

### D. Contributions

- 68-1. The member's and the EIF's contributions, as defined in Articles 27-1. and 29-1., shall be applied to the salary subject to superannuation contributions as defined in Article 67-1.

### E. Maintaining Full Insured Benefits

- 69-1. Insured working part-time can maintain in full the benefits insured under the Pension Scheme, provided that they pay, in addition to the normal contribution as defined in Article 27-1., calculated on the basis of total salary subject to superannuation contributions defined in Article 22-1., a contribution equal to twice the normal contribution in respect of the portion of this salary not paid as a result of part-time working.

This option must be exercised when part-time working commences, although this does not exclude the possibility of a subsequent modification at the request of the insured.

## VIII. FORFEITURE OF INSURED STATUS

### A. Basic Principle

- 70-1. Persons who are not insured for retirement pension in accordance with Article 44-1. shall forfeit insured status when leaving the EIF. Forfeiture of insured status shall entail payment of the capital sum provided for in Article 71-1.
- 70-2. Insured status shall also be forfeited by persons who, by way of derogation from the rule laid down in Article 70.1., have been authorised to transfer to another pension scheme the capital sum provided for in Article 71-1.; such a transfer may be effected pursuant to a coordination or specific transfer agreement concluded with the other pension scheme in accordance with Article 79.1.

Any request for such authorisation must be submitted within twelve months following termination of employment, forfeiture of insured status taking effect on the day of transfer.

### B. Capital Sum Payable Upon Forfeiture of Insured Status

- 71-1. Persons forfeiting insured status when leaving the EIF shall be entitled to payment of a capital sum equal to the sum of the following two amounts:
- 1.) the current value of benefits accrued year-by-year over not more than the last thirty-five years' membership. This current value shall be determined on the basis of data compiled by the EIF's actuarial advisers; it may in no case be lower than the contributions paid personally by the insured, increased by interest;
  - 2.) the amount paid when purchasing any additional insurance years, increased by interest.

The interest provided for in the preceding paragraphs shall be calculated and capitalised up to the date of termination of employment at the rate determined each year by the Chief Executive of the EIF, on the basis of corresponding decisions taken from time to time by the Management Committee of the EIF. This rate shall be at least equal to two thirds of the average, weighted according to time, of the EIF's 10-year lending rates applicable during the previous year to the currency of the salary scale.

- 71-2. The capital sum defined in Article 71-1.(1) shall be paid in full:
- either to the member;
  - or into a pension scheme, pension fund or private retirement insurance scheme designated by the member, provided that this entity guarantees the payment of a life annuity.

The capital sum defined in Article 71-1.(2) must be paid in full into a pension scheme, pension fund or private retirement insurance scheme that guarantees the payment of a life annuity, designated by the member or in accordance with the provisions of the agreements with previous schemes.



A recipient scheme must be designated by the member within twelve months of the termination of employment. If a recipient scheme has not been designated, at the end of the twelve months the EIF reserves the right to make the payment into a scheme of its choice.

## **IX. DEFERRED PENSION AND EARLY RETIREMENT PENSION**

### **A. Maintenance of Insurance**

72-1. A staff member leaving EIF service before normal retirement date shall remain insured under the Pension Scheme if he has not been disqualified from entitlement by virtue of Articles 42-1. or 43-1. or forfeited his entitlements when leaving the EIF pursuant to Articles 70-1. or 70-2. He shall no longer pay contributions.

### **B. Insured benefits**

73-1. He shall remain insured solely for the following benefits:

- retirement or early retirement pension commencing after his 55th birthday on the first day of the month indicated in his application or at the latest at normal retirement date,
- one or more survivor's pensions payable on the first day of the month following his death: persons leaving the EIF before age 55, however, shall not be insured for a spouse married after termination of employment,
- one or more child's or orphan's pensions, the minimum orphan's pensions provided for in Articles 60-4. and 60-5. no longer applying; furthermore, persons leaving the EIF before age 55 shall be insured only for children who were already dependants when such persons were employed at the EIF,
- the capital sum payable on death and defined in Article 64-2.

73-2. The provisions of Section VI shall apply to the insured benefits listed in Article 73-1. However, provisions referring to the minimum subsistence rate or to a minimum amount of benefits irrespective of the number of insurance years shall not apply to an insured leaving the EIF's service before age 55.

### **C. Actuarial Reduction of Pensions**

74-1. Early retirement pension shall amount to 2% of pensionable salary per insurance year accrued upon termination of employment, reduced on the basis of the insured's age at the time payment of pension commences in accordance with the scale appended as Annex 1. The pension so reduced shall not amount to more than 70% of pensionable salary.

74-2. Survivor's and orphan's pensions paid following the death of an insured in receipt of early retirement pension shall be reduced in the same proportion as the latter pension, in accordance with Article 74-.1.

After reduction, they may not amount to more than:

- 42% of pensionable salary, in the case of survivor's pension
- 17.5% of pensionable salary, in the case of orphan's pension

## X. ADMINISTRATIVE ASPECTS

### A. Autonomy of the Pension Scheme

75-1. In view of the destination of the assets of the Pension Scheme Fund referred to in Article 25a, a special account shall be opened in the EIF's books for recording payments made under these Regulations. It shall be credited with all payments made into the Pension Fund pursuant to these Regulations together with interest on amounts entered in this account.

The EIF shall take all necessary measures to segregate all Pension Scheme resources from its other assets and to prevent them from being combined with those assets. The Pension Scheme Fund referred to in Article 25a shall be used solely for payments made under these Regulations. The conditions governing the establishment and operation of the Pension Scheme Fund shall be determined by decision of the EIF's Board of Directors.

The Board of Directors shall adopt the Financial Regulations governing the EIF, with a view to promoting a prudent and responsible investment policy.

Pending the entry into force of the measures referred to in the preceding paragraph, interest shall be calculated, as from 1 February 2003 at a rate at least equal to the average, weighted according to time, of the European Investment Bank's 10-year lending rates applicable during the previous year to the currency of the salary scale.

75-2. The net balance of the assets and liabilities of the special account shall be shown separately on the EIF's balance sheet.

### B. Actuarial Assessment

76-1. The Chief Executive of the EIF, after consulting the Board, shall arrange an annual actuarial assessment of the Pension Scheme for the purpose of verifying that its liabilities are covered by its assets.

76-2. The parameters underlying the Pension Scheme shall be the subject of a five-yearly review, the procedures for which are set out in Annex 3.

The five-yearly review shall take place for the first time during 2013 and take effect on 1 January 2014.

76-3. The Chief Executive of the EIF shall appoint the actuarial adviser or advisers after consultation with the Board.

76-4. The Board shall ensure consistent and systematic adherence to actuarial principles. In particular, the actuarial assets and obligations shall be calculated in accordance with the capitalisation technique.

Any departure therefrom shall require the approval of the Chief Executive of the EIF.

### C. Changes in the Pension Scheme

77-1. Pension benefits under these Regulations shall be automatically revised every year in line with the increase in the cost of living as determined by the Harmonised Index of Consumer Prices (HICP) in Luxembourg in accordance with procedures to be defined by an internal decision.

77-2. In order to maintain the equilibrium of the system if the actuarial assessment reveals a deficit, the Board of Directors of the EIF, acting on a proposal from the Chief Executive, adopted on the advice of the Board, shall determine the manner in which the deficit shall be made up.

In accordance with Article 25-3., the normal retirement age and the length of the reference period for the calculation of pensionable salary may be amended pursuant to the preceding paragraph only as from 1 January 2024.

As from the 1 January 2024 review of the contributions and at each subsequent five-yearly review, the Chief Executive of the EIF may, in order to maintain the actuarial equilibrium of the Scheme, amend the normal retirement age and the length of the reference period for the calculation of pensionable salary. Such amendments may be decided only in the event of there being a substantial change in the life expectancy of members or of factors with a comparable impact on the actuarial equilibrium. Such amendments shall be decided on the basis of a proposal from the actuarial advisers and the opinion of the Board. They shall not, however, be applicable to those members who, when the amendments enter into force, are less than ten years away from the normal retirement age previously in force.

### D. Appeal

78-1. Disputes relating to the application, interpretation, implementation or non-implementation of the provisions of these Regulations shall be subject to appeal as provided for in Article 41 of the Staff Regulations, with due regard to Article 44 thereof.

### E. Coordination with other Insurance Schemes

79-1. The EIF may conclude coordination and specific transfer agreements with other insurance schemes, particularly with the pension schemes of national or international administrations and organisations. Such agreements may, in exceptional cases, provide for derogations from these Regulations, after consultation with the Board.

## **XI. FINAL PROVISION**

80-1. These Regulations shall apply only to members who entered into service as from 1 January 2009.

## EARLY RETIREMENT PENSION (Article 74-1.)

As from 1 January 2013, early retirement pensions shall be subject to a linear reduction of 0.3% per month of retirement before the normal retirement age. The degree of early retirement shall be calculated on the basis of the age of the insured at the start of payment of the early retirement pension. Age shall be reckoned in years and months. Fractions of months shall not be taken into account.

## OPTIONAL SUPPLEMENTARY PROVIDENT SCHEME REGULATIONS

### Introduction

An Optional Supplementary Provident Scheme ("the Supplementary Scheme" hereinafter) is established as part of the EIF's welfare scheme referred to in Article 35 of the Staff Regulations.

### Purpose

- 1-1. The Supplementary Scheme, which forms an integral part of the EIF Staff Pension Scheme, exists for the provision of supplementary retirement, survivor's, disabled orphan's and minor orphan's pensions and, where applicable, a capital sum payable on death.
- 1-2. A capital sum shall, on the terms outlined below, be payable to any member of the Scheme who decides to forfeit the supplementary retirement pension.
- 1-3. Although forming an integral part of the Staff Pension Scheme, the Supplementary Scheme must, in principle, be kept in financial equilibrium from the actuarial point of view without funding by the EIF.

However, without prejudice to the preceding paragraph, the Supplementary Scheme may benefit from a scheme involving a matching contribution from the EIF, as provided for in Article 2-1.

### Entitlement - Limits

- 2.1. Subscription to the Supplementary Scheme shall be voluntary, in the form of:
  - a single contribution,
  - fixed monthly contributions, deducted from the member's salary,
  - a combination of the two and
  - a matching contribution for members' contributions to the Supplementary Scheme from their annual bonuses, to be determined by the Chief Executive of the EIF.
- 2-2. The Chief Executive of the EIF shall fix the upper limit on contributions after consulting the Pensions Board.
- 2-3. The amount of monthly contributions may, without prejudice to the limit referred to in Article 2-2. be modified by the staff member at any time.
- 2-4. Members who have opted for the payment of monthly contributions may suspend the same at any time.

- 2-5. The capital sum paid in as a single contribution may, without prejudice to the limit referred to in Article 2-2., be increased every year.
- 2-6. Any member declared incapacitated by the EIF, pursuant to Article 46-1. of the EIF's Pension Scheme Regulations may exercise his entitlement to the supplementary pension in the ways provided for in Article 7-1.
- 2-7. Any change in entitlement resulting from the options referred to in Articles 2-3., 2-4., 2-5. and 2-6. shall be determined on the basis of calculations by the Actuaries.

#### Currency

3. Payments shall be made and entitlements to benefit shall be expressed in euro.

#### Benefits

- 4-1. Benefits under the Supplementary Scheme shall be payable at the seat of EIF:
- capital sums: within 60 days of their falling due;
  - supplementary pensions: on the 15th day of each month.
- 4-2. Benefits shall be paid in the currency in which the entitlement to benefit is expressed.

#### Rate of capitalisation

- 5-1. Funds held in the Supplementary Scheme shall be capitalised at annually variable rates of interest.
- 5-2. The Chief Executive shall determine each year the rate of interest for the euro. This rate shall be at least equal to the average, weighted according to time, of the European Investment Bank's 10-year lending rates applicable during the previous year to the currency of the salary scale.

### **SUPPLEMENTARY RETIREMENT PENSION - CAPITAL SUM ACCRUED**

#### Entitlement to the supplementary retirement pension

- 6-1. The member may, without prejudice to Article 6-2., exercise his entitlement to the supplementary retirement pension as from his sixty-fifth birthday.
- The supplementary retirement pension may not be used to supplement a salary.
- 6-2. As from age 55, a member may receive a supplementary retirement pension, the amount of which shall be fixed on the basis of a reduction determined by the Actuaries.
- 6-3. Entitlement to the supplementary retirement pension shall cease at the end of the month in which the death of the member occurs.

#### Entitlement to the capital sum accrued – options available

7-1. When he ceases his employment with EIF, a staff member may:

- receive the supplementary pension for a minimum of 15% of the capital sum accrued;
- withdraw all or part of the capital sum accrued; or
- transfer all or part of the capital sum accrued to the EIF's Staff Pension Scheme in order to purchase additional insurance years.

The cost of purchasing an additional insurance year in the event of a transfer from the Supplementary Scheme to the EIF's Staff Pension Scheme shall be calculated in accordance with Article 21-3., on the basis of the pensionable salary.

7-2. A member leaving EIF and withdrawing from the Pension Scheme must withdraw the capital sum accrued at the time of ceasing his employment.

Amount of the supplementary retirement pension and capital sum accrued

8-1. The amount of each member's capital sum accrued and the supplementary retirement pension shall be fixed annually, on the basis of scales drawn up by the Actuaries.

8-2. These amounts shall be calculated in line with movements in rates of interest fixed annually by EIB, as indicated in Article 5-2.

Payment of benefits commencing after age 65

9-1. A member who has been authorised, on an exceptional basis, to carry on working beyond the age of 65, in accordance with Article 19 of the Staff Regulations, may continue to contribute to the Supplementary Scheme.

## **SUPPLEMENTARY SURVIVOR'S PENSION FOLLOWING DEATH AFTER TERMINATION OF EMPLOYMENT**

Entitlement

10-1. In the event of the death of a member receiving a supplementary pension or entitled to a deferred supplementary pension, the member's surviving spouse shall be entitled to a supplementary survivor's pension.

10-2. The supplementary survivor's pension shall become payable on the first day of the month following the death of the member and shall cease at the end of the month in which the beneficiary dies or remarries.

Exceptions

10-3. The supplementary survivor's pension shall not be payable where the member's marriage has not preceded his death by at least six months, except in the case of accidental death or where there is issue from the union.

- 10-4. The preceding provision shall be extended to a period of two years in the case of a member who had already been declared incapacitated by ELF at the time of his marriage.

Amount

- 10-5. The supplementary survivor's pension shall amount:
- where the member is in receipt of a supplementary retirement pension: to 60% of such pension.
  - where the member is entitled to a deferred supplementary pension: to 60% of the supplementary retirement pension that the member would have acquired at his/her normal retirement age.

Reduction

- 10-6. Where the surviving spouse is younger than the member and the difference in age between the two less the number of years they have been married is greater than 15, the supplementary survivor's pension shall be reduced by 2% for each year's difference in excess of 15 years.

Remarriage of recipient of supplementary survivor's pension

- 10-7. In the event of remarriage, the supplementary survivor's pension shall cease being paid, and a capital sum payable on death shall be paid on the first day of the month following the remarriage.

Where the member died while in receipt of the supplementary pension, the amount of the capital sum payable on death shall be equal to the capital sum accrued at the date on which the member retired, minus the amounts of the supplementary retirement pension and supplementary survivor's pension that have already been paid.

Where the member died before receiving the supplementary pension, the amount of the capital sum payable on death shall be equal to the projected capital sum accrued at the member's normal retirement date, minus the amounts of the supplementary survivor's pension that have already been paid.

Death of recipient of supplementary survivor's pension

- 10-8. If, at the time of his death, the recipient of supplementary survivor's pension has drawn total pension payments in this capacity amounting to less than the capital sum defined in Article 11-3., any difference shall be paid to other rightful claimants as defined in Article 11-2.

## **CAPITAL SUM PAYABLE ON DEATH FOLLOWING DEATH AFTER TERMINATION OF EMPLOYMENT**

Parties insured

- 11-1. Under the Supplementary Scheme, members receiving a supplementary pension or entitled to a deferred supplementary pension whose death after termination of employment does not give rise to a right to a supplementary survivor's pension shall be insured for a capital sum payable on death.



#### Rightful claimants

11-2.

- A surviving spouse not in receipt of supplementary survivor's pension shall have first claim to the capital sum payable on death.
- Where the deceased leaves no spouse, the rightful claimants shall be the children with capacity to inherit, each being entitled to an equal share of the capital sum. Any child predeceasing the member shall be represented by his issue or, in the absence of any issue, by the other children with capacity to inherit.
- Where there are no rightful claimants by the above definition, a member may nominate one or more third parties as beneficiaries.
- In the absence of such beneficiaries, the Pensions Board may nominate the person or persons to whose maintenance the deceased effectively contributed to receive all or part of the capital sum payable on death.
- If there are neither rightful claimants nor nominated beneficiaries, the capital sum shall accrue to the Supplementary Scheme.

#### Due date and amount of the capital sum payable on death

11-3. The capital sum payable on death shall fall due on the day the EIF is apprised of the member's death.

The amount of the capital sum payable on death shall be equal to the capital sum accrued at the date of death, or, where the member has retired, to the capital sum accrued at the date on which the member retired, minus the amounts of the supplementary retirement pension that have already been paid.

### CAPITAL SUM PAYABLE ON DEATH FOLLOWING DEATH IN EIF SERVICE

#### Parties insured

12-1. All members shall be insured under the Supplementary Scheme for a capital sum payable on death if death occurs while in EIF service.

#### Rightful claimants where there is a surviving spouse or child/children with capacity to inherit

12-2. The surviving spouse and children with capacity to inherit shall be the rightful claimants to the capital sum payable on death, each receiving a share determined by the member (or an equal share if such shares have not been determined). The predeceased shall be represented by their descendants or, failing that, by the other rightful claimants as defined above.

Where appropriate, the capital sum payable on death shall be converted into a supplementary survivor's, disabled orphan's or minor orphan's pensions, as defined hereinafter in Articles 13-1. to 15-3.

- 12-3. The member may also designate a third party as a rightful claimant, for an amount at the most equal to the share of the accrued capital sum deriving from the payments of the EIF, and within the limit of 25% of the capital sum payable on death. A predeceased person shall be represented by his/her descendants or, failing that, by the rightful claimants as defined in Article 12-2.

Rightful claimants when there is no surviving spouse or child/children with capacity to inherit

- 12-4. In the absence of rightful claimants as defined in Article 12-2., a member may designate one or more third parties as beneficiary;
- failing that, the Pensions Board may designate the person or persons to whose maintenance the deceased effectively contributed as beneficiaries of all or part of the capital sum payable on death;
  - in the absence of rightful claimants or designated beneficiaries, the capital sum shall accrue to the Supplementary Scheme.

Due date and amount of the capital sum payable on death

- 12-5. The capital sum payable on death shall fall due on the day the EIF is apprised of the member's death.

The amount of the capital sum payable on death shall be equal to the capital sum accrued at the date on which the member dies in EIF service.

Death of the recipient of a supplementary survivor's, disabled orphan's or minor orphan's pension

- 12-6. If, at the time of his/her death, the recipient of a supplementary pension has drawn total pension payments in his/her capacity as a survivor of the member amounting to less than his/her share of the capital sum payable on death defined in Articles 12-2. and 12-5., the difference shall be paid as a capital sum, without replacement by a pension, to the other rightful claimants in accordance with the procedures defined in Articles 12-2. and 12-4.

## **SUPPLEMENTARY SURVIVOR'S PENSION FOLLOWING DEATH IN EIF SERVICE**

Entitlement

- 13-1. Where the surviving spouse meets the following eligibility criteria, also provided for in Articles 10-3. and 10-4., (the marriage has preceded the member's death by at least six months, two years in the case of a member who had already been declared incapacitated by the EIF at the time of his marriage, except in the case of accidental death or where there is issue from the union) a supplementary survivor's pension shall replace the capital sum payable on death.

- 13-2. The supplementary survivor's pension shall become payable on the first day of the month following the death of the member and shall cease at the end of the month in which the beneficiary dies or when he/she remarries.

Amount

- 13-3. Taking into account the amounts of capital sum accrued and the average contribution rates applicable over the 12 months preceding the staff member's death, the amount of the supplementary survivor's pension shall be equal to the proceeds of:

- the proportion of the capital sum payable on death devolved to the surviving spouse in accordance with Article 12-2. in relation to the total capital sum payable on death;
- 60% of the supplementary retirement pension which the member would have acquired at age 65, to 60% of the supplementary pension acquired at the time of death.

However, the projection of the supplementary retirement pension at normal retirement age cannot result in an amount of supplementary survivor's pension exceeding the pensionable salary plus, if appropriate, dependent child allowances, and supplementary pensions calculated at the age of death, less the pensions paid by the main scheme according to section VI of the Pension Scheme Regulations.

- 13-4. The reduction provided for in Article 10-6. shall apply.

Remarriage of the recipient of the supplementary survivor's pension

- 13-5. In the event of remarriage, the supplementary survivor's pension shall cease to be paid, and a capital sum payable on death shall be paid on the first day of the month following the remarriage.

In that event, the amount of the capital sum payable on death shall be equal to the accrued capital sum determined in Article 13-3., minus the amounts of the supplementary survivor's pension that have already been paid.

## **SUPPLEMENTARY DISABLED ORPHAN'S PENSION FOLLOWING DEATH IN EIF SERVICE**

Entitlement

- 14-1. Where a child is recognised as disabled at the time of the member's death, his/her share of the capital sum payable on death shall be converted into a supplementary disabled orphan's pension in accordance with Article 12-2.
- 14-2. The disability must be recognised by a doctor chosen by the EIF, or, in the event of a dispute, by the Committee referred to in Article 13-1. of the Pension Scheme Regulations.

- 14-3. The supplementary disabled orphan's pension shall become payable on the first day of the month following the death of the member and shall cease at the end of the month in which the beneficiary dies.

Amount

- 14-4. The amount of the supplementary disabled orphan's pension shall be determined as a function of the share of the capital sum payable on death devolved to the child (Article 12-2.) and the age-related tariffs established by the actuarial advisers.

## **SUPPLEMENTARY MINOR ORPHAN'S PENSION FOLLOWING DEATH IN EIF SERVICE**

Entitlement

- 15-1. Where a child is a minor at the time of the member's death, his/her share of the capital sum payable on death shall be converted into a supplementary minor orphan's pension in accordance with Article 12-2.
- 15-2. The supplementary minor orphan's pension shall become payable on the first day of the month following the death of the member and shall cease at the end of the month in which the child reaches age of 26.

Amount

- 15-3. The amount of the supplementary minor orphan's pension shall be determined as a function of the share of the capital sum payable on death devolved to the child (Article 12-2.) and the age-related tariffs established by the actuarial advisers.

## **FINAL PROVISIONS**

- 16-1. Save where the EIF decides otherwise and notifies the member, participation in the Supplementary Scheme shall be conditional upon receipt of a satisfactory medical report.
- 16-2. The Supplementary Scheme accounts shall be kept separately from those of the Staff Pension Scheme as such, however the latter may be organised.
- 16-3. Any matters not specifically dealt with in these Regulations shall be resolved by the Pensions Board, adhering to the principles that form the basis for the Pension Scheme Regulations.

## **TRANSITIONAL PROVISION**

- 17-1. The matching contribution within the meaning of Article 2-1. of these Supplementary Scheme Regulations shall apply only as from 1 January 2010.

## ACTUARIAL EQUILIBRIUM OF THE PENSION SCHEME

### Preamble

The provisions of this Annex shall be independent of the establishment of a segregated Pension Fund within the meaning of Articles 25a and 75-1. of the Regulations.

The investment risk shall be borne exclusively by the EIF.

### Definitions

The technical discount rate is the interest rate used to discount future benefit flows at the valuation date. It is equal to the average over the ten preceding years of the discount rates applied to calculate retirement liabilities for drawing up of IFRS accounts. At the date of entry into force of the Regulations, these rates must be determined by reference to a market rate at the closing date based on euro-denominated bonds issued by first-class companies.

Actuarial equilibrium is achieved when the contribution of one year, capitalised at the technical discount rate, makes it possible to pay future benefits for the fraction acquired during the same year.

The contribution required to ensure the actuarial equilibrium of the Pension Scheme is the contribution necessary to finance the cost of the Pension Scheme. It is based on the valuation of the actuarial value of acquired benefit entitlements. The necessary assumptions for this valuation are determined by the Chief Executive in accordance with Article 3-7. of this Annex.

### Section 1 – General principles

#### Article 1

1. To determine the contribution required to ensure the actuarial equilibrium of the Pension Scheme referred to in Article 27-1. of the Regulations, the Chief Executive shall arrange, every five years, and for the first time in 2013, with a view to an adjustment as from 1 January 2014, an actuarial assessment of the equilibrium of the Pension Scheme. This assessment shall establish whether the members' contributions remain sufficient to finance one third of the cost of the Pension Scheme.
2. The actuarial assessment shall take account of:
  - demographic changes in the population of members;
  - changes in members' salaries;
  - the technical discount rate.

3. The actuarial assessment shall be carried out on the basis of the population of members of the Pension Scheme as at 31 December of the previous year and salaries due and pension entitlements accrued as at 1 January of the year of the assessment.

## Article 2

1. The adjustments must not result in an annual increase or decrease in members' contributions of more than one percent of the salary serving as the basis for calculating the said contributions applicable for the previous year.
2. The difference established between the adjustment of the contribution that would have resulted from the actuarial calculation and the adjustment resulting from the variation referred to in paragraph 1 must never be borne by the members. Any surplus shall revert to the EIF.

## Section 2 – Actuarial assessment of the equilibrium of the Pension Scheme

### Article 3

1. The actuarial assessments shall establish conditions of equilibrium that take into account, under the Pension Scheme's liabilities, the benefits defined in Section VI of the Regulations.  
Partial or temporary disability allowances, which are neither financed by the Pension Scheme nor defined in Section VI of the Regulations, shall not be taken into account.
2. The actuarial equilibrium contribution shall be determined in accordance with the method set out in this section.
3. The actuarial value of pension entitlements acquired during the year of employment corresponding to the year of the valuation, referred to as the 'year n servicing cost', shall be determined in accordance with this method.
4. The actuarial equilibrium contribution shall be equal to this year n servicing cost, divided by twelve times the total of monthly salaries subject to superannuation contributions applicable as at 1 January of year n.
5. The servicing cost for the year shall be calculated in accordance with the projected unit credit method. This conventional method consists of calculating for each member the present value of the benefits to which they will be entitled at the date of the valuation according to their service record.
6. The Chief Executive of the EIF, on the basis of a recommendation from the actuarial advisers to the Board and a proposal from the Board, shall determine the actuarial assumptions. The Chief Executive of the EIF's decision shall state the reasons on which it is based and be communicated to the Board.
7. The assumptions shall be determined for the whole of the five-year period.

8. The actuarial assumptions must be objective and consistent with one another. The actuarial assumptions shall be the best estimates made by the EIF of the variables that will determine the final cost of the Pension Scheme benefits. These assumptions shall comprise:
- demographic assumptions relating to the future characteristics of the members and their rightful claimants. These demographic assumptions shall take account of the following factors:
    - i. mortality, during and after employment;
    - ii. staff turnover, invalidity and early retirement;
    - iii. rightful claimants to survivor's, child's and orphan's benefits and capital sums payable on death; and
  - financial assumptions taking account of the following factors:
    - i. the technical discount rate, as defined above;
    - ii. future changes in salaries subject to superannuation contributions;
    - iii. the future revaluation of pensions.
9. The mortality table must be recent and relate to a population with characteristics similar to the population of members.
10. The contribution rate of members shall be equal to one third of the contribution required to ensure the actuarial equilibrium of the Pension Scheme so determined, expressed as a percentage and rounded to the nearest decimal, and subject to Article 2-1. of this Annex.
11. The financing of benefits not provided for in Section VI of the Regulations, such as partial or temporary disability allowances, may not be borne by the Pension Scheme.

### Section 3 – Financial equilibrium of the Pension Scheme

#### Article 4

1. The EIF shall be responsible for the financial equilibrium of the Pension Scheme.
2. As from the 1 January 2024 review of contributions and at each subsequent five-yearly review, the Chief Executive of the EIF may, in order to maintain the actuarial equilibrium of the Scheme, amend the normal retirement age and the length of the reference period for the calculation of pensionable salary. Such amendments may be decided only in the event of there being a substantial change in the life expectancy of members or of factors with a comparable impact on the actuarial equilibrium. Such amendments shall be decided on the basis of a proposal from the actuarial advisers and the opinion of the Board. They shall not, however, be applicable to those members who, when the amendments entered into force, are less than ten years away from the normal retirement age previously in force.

### Section 4 – Clause concerning the technical revision of Annex 3

#### Article 5

In the event of an occurrence substantially changing the EIF's legal or accounting environment and likely to affect the smooth functioning of the Pension Scheme and Annex 3

(such as a modification of the discount rate applied to calculate retirement liabilities for drawing up of IFRS accounts), the Chief Executive of the EIF, on the basis of a recommendation from the actuarial advisers to the Board and a proposal from the Board, may amend the provisions of Annex 3 to the extent necessary for the smooth functioning of the said Scheme. The Chief Executive of the EIF's decision shall state the reasons on which it is based and be communicated to the Board.