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ATTENTION**

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ROOM C-12D

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EBAP/84/93

May 3, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Staff Retirement Plan--Recalculation of 1983 Pension
Supplements

The Managing Director has requested that the attached memorandum from the Chairman of the Administration Committee of the Staff Retirement Plan, requesting approval of a recalculation for 1983 pension supplements, be brought to the Executive Board for its consideration.

It is not intended to place this matter on the agenda unless an Executive Director so requests by noon on Tuesday, May 8, 1984. In the absence of such a request, the recommendation in the memorandum will be deemed approved and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Heads
Members of the Pension Committee



Office Memorandum

TO: Managing Director

FROM: Chairman, Administration Committee
Staff Retirement Plan

SUBJECT: Staff Retirement Plan: Request for Approval to
Recalculate 1983 Pension Supplements

DATE: April 30, 1984

In accordance with Section 4.11(d) of the Staff Retirement Plan, cost of living increases on pensions paid in U.S. dollars are based on the change in the Washington, D. C. Consumer Price Index for All Urban Consumers. The March 1982 to March 1983 increase of the index was originally published (in April 1983) by the U.S. Bureau of Labor Statistics as 3.7 percent. After Executive Board approval, pensions on May 1, 1983 payable in U.S. dollars were increased by 3.7 percent.

On April 24, 1984, simultaneous with the announcement of the March 1984 index figure, the Bureau revised the six index figures for 1983 (the Washington index is published bimonthly) and for 1984. As a result, the March 1982 to March 1983 increase in the index is shown as 3.8 percent instead of the earlier figure of 3.7 percent. It is, therefore, our intention to recalculate pension supplements for those affected, as we would have, had the index been revised downward.

The cost of the 3.7 percent pension supplement was estimated in EBAP/83/114 (April 26, 1983) to be \$2,142,000. The cost of a 3.8 percent increase will be \$2,268,000, about \$126,000 larger.

It is recommended that the estimated payment (to be made later in 1984 after the Actuary's Report as of April 30, 1984 is received) be increased from \$2,142,000 to \$2,268,000 to allow for the increased payments resulting from the revised increase in the index.