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EB/CAP/97/4
Supplement 1

July 14, 1997

To: Members of the Committee on Administrative Policies

From: The Committee Secretary

Subject: **Summary of Staff Benefits, Allowances, and Services**

The attached summary of staff benefits, allowances, and services was prepared as a supplement to the paper on overview of the Fund's compensation programs (EB/CAP/97/4, 7/14/97).

Mr. Kennedy (ext. 34665) or Mrs. Archer-Davies (ext. 36423) is available to answer technical or factual questions relating to this paper.

Att: (1)

Other Distribution:
Members of the Executive Board

INTERNATIONAL MONETARY FUND

Summary of Staff Benefits, Allowances and Services

Prepared by the Administration Department

Approved by K. Burke Dillon

July 11, 1997

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I. ALLOWANCES ASSOCIATED WITH APPOINTMENT AND SEPARATION

A. Travel and Shipping Allowances

Purpose

1. The Fund reimburses the reasonable costs associated with the relocation of staff members (and accompanying family members recognized by the Fund as dependents) between their place of residence and the duty station at the time of their appointment and separation.

Eligibility

Appointment

2. Regular or fixed-term staff members with appointments of at least two years who are recruited from at least 35 miles outside the duty station are eligible for appointment benefits.

Separation

3. Regular and fixed-term staff members who have completed two or more years of service are eligible when they resettle outside the duty station.
4. The eligibility of dependents is determined on the basis of their continuing residence with the staff member and eligibility for the spouse and dependency allowances.

Major provisions

5. Air fare is provided in one class above economy for travel by the most direct route between the staff member's place of residence and the duty station. On separation, costs are limited to destinations no more distant than the home leave city of the staff member (or the most distant point in the duty station country, if it is also the individual's home country).
6. The Fund bears the cost of packing, transportation, transit insurance and temporary storage for the personal and household goods and automobile of the staff member and family. Paid surface shipments for household goods and personal effects are limited to 8,000 lbs. net (or 20 ft. container) for an individual, and 15,000 lbs. (or 40 ft. container) net for a family, plus an automobile. Separate air freight shipments are also provided (200 lbs. gross for the staff member plus 100 lbs. gross for each dependent).
7. Per night allowances are provided for standard travel time and stopovers *en route* and incidental travel expenses are reimbursed.

8. All moving arrangements for appointment must be completed within one year after appointment; for separation, they must be commenced within one year from the separation date.

Utilization (FY 1996)	Number	Amounts
• Staff receiving appointment travel	119	
• Staff receiving separation travel	<u>159</u>	
• Appointment and Separation Travel Totals	278	\$ 1,365,000
• Shipments associated with appointment	155	
• Shipments associated with repatriation	<u>210</u>	
• Appointment and Separation Shipping Totals	365	\$ 2,330,000

B. Installation Allowance and Settling-in Grant

Purpose

9. The installation allowance is intended to assist new staff members and their families to meet the initial, direct costs of temporary accommodation, meals, taxis, etc., upon their arrival in Washington or another duty station.

10. The settling-in grant was introduced in 1979, upon the recommendation of the Joint Committee on Staff Compensation Issues, to complement the installation allowance. It assists staff members and their families in meeting more general costs of relocating and settling in at the duty station.

Eligibility

11. Regular and fixed-term staff members who are not locally recruited are eligible for both benefits. The eligibility of dependents is determined on the basis of continuing residence with the staff member and eligibility for the spouse and dependency allowances. The amount of the allowances may be reduced if comparable assistance is provided by the staff member's previous employer.

Major provisions

12. The current rates for the installation allowance are \$3,840 for the staff member and \$1,920 for the spouse and each dependent.

13. The rates are reviewed and are subject to adjustment annually (as of May 1) on the basis of local cost-of-living increases.

14. Settling-in grants are provided in an amount equivalent to eight weeks' salary for a staff member who is accompanied upon appointment by one or more family members (or when the family members relocate within one year of the appointment date); and four weeks' salary for a staff member not accompanied by family members.

Utilization (FY 1996)	Number	Amounts
• Installation allowance		\$ 932,800
• Settling-in grant		814,500
• Number of staff receiving installation allowances and settling-in grants	127	\$ 1,747,300

C. Salary Advances for Settling-in Purposes

Purpose

15. In addition to the installation allowance and settling-in grant, financial assistance in the form of salary advances can be provided to assist staff in meeting the costs of relocating and establishing themselves in the duty station. Salary advances are available for general settling-in expenses.

Eligibility

16. A staff member on a regular or fixed-term appointment who is recruited from outside the Washington area is eligible for a salary advance for settling-in expenses within the six-month period following arrival. Eligible staff assigned to Resident Representative posts and to Fund offices in Paris, Geneva or the Joint Vienna Institute may also request this advance prior to their travel.

Major provisions

17. For settling-in expenses, an amount equivalent to up to four months' salary may be advanced; such advances are repaid within twenty-four (24) months without interest.

Utilization (FY 1996)	Number	Amounts
• New appointments	179	\$1,921,300
• Other duty stations	21	359,300
• Resident representatives	29	380,500
• Rental assistance/security deposit	13	94,500

D. Salary Advances for Home Purchase

Purpose

18. Salary advances are provided to staff members to assist in their purchase of a first home in the duty station. This assistance reflects the high cost of housing in the Washington area and the difficulty that staff members, particularly those from overseas who may be unable to freely transfer resources from their home country or who do not have an established credit record, can face upon initially entering the housing market at the duty station.

Eligibility

19. Staff members with regular appointments may be eligible for salary advances for the purchase of a home. Staff members who are on a fixed-term appointment may also be eligible for this advance if they have received a commitment that they will be offered a regular appointment. When loans are made, the individual's financial situation and repayment capacity are assessed.

Major provisions

20. Assistance is provided only for the purchase of a staff member's first home in the duty station area, and staff are expected to meet at least 5 percent of the total cost of purchase from their own resources. The maximum amount of the advance is the smaller amount of one-third of the total cost of the home or 18 months' salary. Repayment is generally scheduled on the following basis, but a graduated repayment schedule, which keeps installments low during the initial years, is also available.

- Advances up to 12 months' salary at either: (a) annual interest of 5 percent with repayment over a period of 6-12 years, or (b) annual interest of 4 percent with repayment within 6 years.
- Advances of more than 12 months' salary with repayment of 12 months' salary on the above basis, and the balance repayable within 20 years at a market-based interest rate (Credit Union's current 30-year fixed-term mortgage rate).

Utilization	Number	Amounts
• Advances outstanding as of April 30, 1996		
Home purchase - 6 years	11	\$ 343,200
Home purchase - 12 years	435	\$13,878,200

E. Resettlement Allowance

Purpose

21. The resettlement allowance is intended to assist staff members and their families in meeting the direct costs of temporary accommodation, meals, taxis, etc., upon their separation and relocation outside the duty station. It corresponds to the installation allowance provided at appointment.

Eligibility

22. Regular and fixed-term staff members who relocate outside the duty station upon completing two or more years of service are eligible for the allowance. The staff member's spouse and other dependents qualify when (a) spouse or child allowance is being paid on their behalf, and (b) they have resided in the staff member's household prior to separation.

Major provisions

23. The amount of the allowance for staff members and dependents is equal to 80 percent of the corresponding installation allowances in effect at the time of separation. The current rates are as follows:

- | | |
|-----------------------------|---------|
| • Staff member | \$3,070 |
| • Spouse and each dependent | \$1,535 |

Utilization (FY 1996)	Number	Amount
• Staff receiving allowances	140	\$870,300

F. Separation Grant

Purpose

24. The separation grant is intended to address the added difficulties and costs that staff encounter upon separation and in connection with relocation, re-entering one's career and/or re-establishing one's household following an extended period of service with the Fund.

Eligibility

25. Staff members who retire or resign after at least five years of continuous service on either a regular or fixed-term appointment are eligible.

Major provisions

26. For staff members whose residence after separation is outside the duty station country, the amount of the grant is equivalent to two weeks' net salary for each full year of qualifying service up to a maximum of 52 weeks' salary (26 years of service). For staff members who resettle in the duty station country, the grant is two-thirds of the above amount.

27. In both cases, only active service after July 1, 1979 is taken into account in determining the amount of the separation grant.

Utilization (FY 1996)	Number	Amounts
• Grants paid in FY 1996	91	\$ 2,630,700
• Staff eligible (with more than five years of continuous service as of the end of FY 1996)	1,464	
• Accumulated liability for future payments		\$46,272,500

II. ALLOWANCES RELATED TO SALARIES AND TAXES

A. Spouse and Dependency Allowances (Tax Equivalency Allowances)

Purpose

28. Because tax systems normally differentiate among individuals on the basis of marital status and the number of supported dependents, net pay differs among individuals outside the organization with the same gross income. The allowances for a spouse and children are provided to incorporate the effects of these differences in the Fund's net salary system. The amounts are based on the "netting-down" procedure, by which gross salaries in the comparator market are adjusted downward to take account of the incidence of tax.

Eligibility

29. Staff members holding regular and fixed-term appointments are eligible for spouse and dependency allowances (previously known as tax equivalency allowances). Qualification of dependents is determined on an individual basis taking into account the degree of support provided by the staff member and the income of the dependent.

30. The allowances for children are payable for a staff members' natural or legally adopted or step-children who are (a) under 19 years of age; or (b) 19 or over, but under 24 years of age, and are (i) unmarried, or have an income not exceeding the established ceiling (\$9,090 for 1997), or receive more than 50 percent of support from the staff member; or (c) handicapped prior to age 24 as defined by the Medical Benefits Plan.

Major provisions

31. When the spouse's annual income does not exceed \$30,000 (gross), the spouse allowance is 5 percent of the staff member's net salary, with a maximum of \$3,500 per year; the allowance for children is \$600 per year.

32. When the spouse's annual income is greater than \$30,000, the above allowances are reduced by 1 percent per \$1,000 of the spouse's income above \$30,000 up to a maximum of \$130,000.

Utilization (FY 1996)	Number	Amount
• Staff receiving allowances	1,780	\$ 6,438,900
• Allowances paid on behalf of spouses	1,632	
• Allowances paid on behalf of children	2,480	

B. Tax Allowances

Purpose

33. Fund salaries and allowances are established and paid on a net-of-income-tax basis, reflecting the fact that most staff do not pay income taxes on earnings from the Fund. However, the Fund income of U.S. nationals (and French nationals working in the Fund's Paris Office) is subject to national income taxes. Because the Fund itself is also exempt from taxation, U.S. nationals are, moreover, required to pay the social security taxes that would normally be paid by a U.S. employer. When staff are subject to such taxation, the Fund pays an allowance that approximately offsets the amount of the tax.

34. The purposes of these tax allowances are to maintain broad equivalency in the net pay of all staff members, and to support recruitment by ensuring that the taxable income of staff subject to a country's taxation is broadly in line with the pre-tax income of persons in that country.

Eligibility

35. Staff members are eligible for the tax allowance when they are paid by the Fund on a net-of-tax basis and are legally required to pay national, state or local income tax by their home country. In addition, U.S. nationals employed in the United States are eligible for the partial reimbursement of U.S. social security taxes.

Major provisions

36. The computation of the tax allowance is based on (a) a staff member's income from the Fund, including salaries and taxable allowances or benefits, and (b) general assumptions regarding the amount of tax liability. Amounts reimbursed are generally based on the staff member's place of residence, the assumption that Fund income is his or her only income, the most economical filing status, and average deductions of all U.S. taxpayers with the same level of adjusted gross income. Additional provisions allow a partial adjustment to be made to reflect the effects of a spouse's income on the tax payable by the staff member and to provide a "safety net" when a staff member's actual deductions are less than the assumed average deductions.

37. The reimbursement of U.S. Social Security taxes is based on the staff member's Fund income subject to the social security tax and the difference—currently one-half of the total tax—in contributions for "employed" and "self-employed" individuals.

Utilization (FY 1996)	Number	Amounts
• U.S. staff receiving allowances	615	\$19,915,700
• Other staff receiving allowances	6	\$194,300

III. LEAVE AND VACATION

A. Official Holidays

Purpose

38. The Fund closes to permit staff members to observe a number of the official holidays of the duty station country each year.

Eligibility

39. All staff are excused from reporting for duty.

Major provisions

40. The following ten holidays are observed by the Fund in Washington, D.C. In other countries, the selected holidays are based on local practice. When a holiday falls on a Saturday or Sunday, it is observed on the preceding Friday or following Monday.

January 1	New Year's Day
January (variable date)	Martin Luther King, Jr.'s Birthday
February (variable date)	Presidents' Day
May (variable date)	Memorial Day
July 4	Independence Day
September (variable date)	Labor Day
October (variable date)	Columbus Day
November (variable date)	Thanksgiving Day and following Friday
December 25	Christmas Day

Purpose

Eligibility

Major provisions

- Less than 5 years of service 26 days of leave per year
- From 5 up to 10 years 28 days of leave per year
- 10 or more years 30 days per year

44. Normally, a maximum of 60 days of unused leave may be carried forward from year to year. Any excess annual leave is converted to sick leave. Upon separation, staff are paid a lump sum based on their net salary for the period of unused leave, subject to the 60-day maximum.

Utilization (FY 1996)	Number	Amount
• Staff utilizing leave	2,269	
• Average days used		22.6

C. Other Types of Leave

Purpose

45. In addition to annual leave, other forms of leave or excused absence are provided to address the following specific situations:

- Compensatory leave may be authorized to allow staff members time to recuperate following an intensive period of overtime work and/or exhausting travel during a mission.
- Emergency leave is granted upon the death of a staff member's spouse, child or parent.
- Excused absence from duty is granted when (i) staff members are required to undertake jury duty or to appear in court (except as a plaintiff or defendant), (ii) weather or other conditions do not permit staff to report for duty, and (iii) on specific occasions, other than official holidays, when the Fund is closed, i.e., the day of the Presidential Inauguration and the afternoon of the Fund picnic.

Eligibility

46. Except in connection with missions, compensatory leave is normally provided only to staff who are not eligible for overtime. All staff on regular and fixed-term appointments are eligible for emergency and excused leave.

Major provisions

- Compensatory leave is limited in each instance to no more than two days in connection with mission travel and five days for overtime work; it must be used within a period of eight weeks.
- Up to three days of emergency leave may be provided.
- Excused leave is authorized as needed for jury duty and court appearances and, in other cases for specific periods determined by the Fund.
- Leave without pay may be granted at the Fund's discretion (i) to enable the staff member to engage in an activity that the Fund considers to be "in the interest of the Fund" or (ii) for personal reasons.

Utilization (FY 1996)	Number	Amount
• Staff utilizing emergency leave	79	
• Average days used		2.9

IV. HEALTH CARE BENEFITS

A. Medical Benefits

Purpose

47. The Fund provides a comprehensive medical and dental benefits program designed to assist staff in meeting the cost of medical care for themselves and their dependents, and a number of medical services to protect the health of staff members. Additional services include pre-employment and annual medical examinations, and access to in-house health services through the joint Fund/Bank Health Room.

Eligibility

48. All staff members are eligible to enroll themselves and family members (generally for the spouse and other dependents on whose behalf tax equivalency allowances are paid) in the Medical Benefits Plan.

Major provisions

49. Coverage under the Medical Benefits Plan (MBP) is available to the staff member, spouse, dependent children and other dependents. Benefits include hospital charges, fees of doctors and surgeons, annual physical examinations, diagnostic testing and second surgical opinions, dental expenses, medical supplies, nursing services, and hospice care for the terminally ill. Reimbursed amounts are generally in the range of 80-100 percent of eligible expenses; they are subject to annual deductibles and, in certain cases, annual or lifetime maximum benefits.

50. The MBP is a funded program administered on behalf of the Fund by United Healthcare (medical) and Metropolitan Life Insurance Company (dental). Three-fourths of the cost is met by the Fund and one-fourth by the employees and retirees. Enrollees' contributions are graduated by income (net salary or gross pension, as applicable) and type of coverage.

51. Services provided through the Health Room include treatment of minor ailments, medical support for traveling staff, and medical/psychiatric advisory, counseling and referral services.

MBP Utilization (CY 1996)	Number	Amounts
• Staff enrollees	2,727	
• Retirees	552	
• Enrollee contributions		\$ 4.8 million
• Fund contributions		\$14.1 million

B. Sick Leave and Maternity Leave

Purpose

52. Sick leave, with pay, is provided to staff to cover absences from duty for reasons of illness or injury, or for medical, dental or optical examinations and treatment. A female staff member is also provided maternity or adoption leave, with pay.

Eligibility

53. All staff on regular and fixed-term appointments are entitled to sick leave. Female staff are eligible for maternity or adoption leave after completing ten months of service.

Major provisions

54. Staff members are credited with 15 days of sick leave on May 1 each year. Absences for periods of more than three consecutive days must be supported by a physician's certification that the individual was unable to work. Unutilized sick leave may be carried forward from year to year. When staff have exhausted their accumulated sick leave, extended leave may be granted at full pay for five days per year of service plus 120 days per occasion.

55. Staff members may use up to 5 days of accumulated sick leave annually as family leave, to care for sick or injured family members.

56. Maternity/adoption leave is earned at the rate of four weeks per year of service. Up to 12 weeks of maternity leave per confinement and up to 8 weeks of adoption leave may be granted. Staff who utilize leave in excess of the amount accrued are expected to return to duty for the period necessary to accrue the leave utilized.

Utilization (FY 1996)	Number	Amounts
• Staff using sick leave	1,953	
• Staff using maternity/adoption leave	50	
• Average days of sick leave utilized		7.9
• Average days of maternity/adoption leave used		47.1

V. RETIREMENT BENEFITS

A. Pension Benefits—Staff Retirement Plan

Purpose

57. The pension benefits provided under the Staff Retirement Plan (SRP) are intended to provide replacement income that allows staff members an appropriate standard of living during retirement. The Plan makes benefits available as follows:

- immediate pensions beginning at or after 55 years of age;
- when a participant's age plus service equal 75 years with a minimum age of 50 (rule of 75);
- deferred pensions for staff who separate before age of 55; and
- lump-sum withdrawals, which separating staff may elect to receive in lieu of a deferred pension.

Eligibility

58. Participation in the Plan is mandatory as a condition of service for staff on regular appointments; staff on fixed-term appointments for a period of two or more years may elect to enroll in the Plan. Participants become eligible for pensions when three years of service are completed.

Major provisions

59. Full pension benefits for staff members retiring at 62 years of age, and whenever the sum of age and service years is at least 85, are determined by multiplying (a) the gross pensionable remuneration corresponding to the staff member's net salary, averaged over the three highest years, by (b) 2.2 percent for each year of completed service, up to 25 years of service plus 1.8 percent for each year of service thereafter, subject to a maximum of 73 percent of the highest average gross remuneration.

60. The payment of pensions may begin at any time after reaching the rule of 75 or 55 years of age. When staff retire before 62 years of age and the sum of their age and service is less than 85 years, the above pension benefits are reduced; the reductions reflect the age at which payment begins and the length of the staff member's service. Staff who separate before

55 years of age without reaching the rule of 75 may either withdraw from the Plan or elect a deferred pension with payment beginning at 55 or later.

61. Pensions are subject to annual cost-of-living adjustments.

62. Participants contribute 7.0 percent of gross remuneration to the Plan. The Fund contributes the balance required to meet the benefit obligations accrued in accordance with the provisions of the Plan. This amount is determined annually based on an actuarial valuation of current Plan liabilities and current assets (valued on the basis of the "aggregate" method). In Plan Year 1996, the Fund contributed 10.56 percent of gross remuneration.

SRP Utilization (as at April 30, 1996) ¹	Number
• Active participants	2,380
• Normal and early retirees receiving pensions	770
Plan Year 1996	Contributions
• Participants	\$18.9 million
• Fund	\$38.3 million

¹Data are based on Plan participation and include Executive Directors, Alternate Executive Directors and Advisors.

B. Post-Retirement Medical and Life Insurance

Purpose

63. Upon their retirement, continuing coverage under the Fund's medical and life insurance plans is made available, at the option of the staff member, for staff and eligible dependents.

Eligibility

64. Coverage under the Group Life Insurance Plan (GLI) and Medical Benefits Plan (MBP) may, at the option of the participant, be continued after normal or early retirement. The GLI policy requires ten prior years' enrollment in the Plan. The MBP requires ten prior years of service when retirement occurs before age 62. Neither restriction applies when an enrollee is retired on a disability pension.

Major provisions

65. Life insurance coverage continues on a declining scale: between the ages of 55 and 65, the participant may continue coverage equal to approximately one or two times final net salary. At age 65, coverage is lowered to 100 percent of final net, with a maximum of \$50,000; these amounts decline at age 70 to 50 percent of final net (\$25,000 maximum), and at age 75 to a fixed amount of \$15,000 (which is provided at no cost to the retiree).

66. Benefits under the MBP are available to the retired staff member on the same basis as to staff, as well as to the retired staff member's spouse and dependent children under 24 years of age.

67. Both Plans are contributory, with the retirees' MBP contributions normally based on the amount of their pensions and the specific type of coverage elected, while their GLI contributions are based on their age and the amount of coverage in force.

Number of enrolled retirees as of December 31, 1996

- GLI 483
- MBP 552

VI. DEATH AND DISABILITY BENEFITS

A. Survivor and Disability Benefits—Staff Retirement Plan

Purpose

68. In addition to retirement pensions, the Staff Retirement Plan includes survivor and disability benefits that are intended to provide replacement income for dependents in the event of the death of a staff member or retiree, and to provide continuing lifetime income when a staff member is totally and permanently disabled.

Eligibility

69. Participation in the Plan is mandatory as a condition of service for staff on regular appointments; staff on fixed-term appointments for a period of two or more years may elect to enroll in the Plan. Participants become eligible for death and disability benefits upon enrollment.

Major provisions

70. A staff member who retires because he is totally and permanently incapacitated for the performance of any reasonable duties receives an immediate, lifetime pension. The disability pension is generally 50 percent of three years' highest average gross remuneration as of the retirement date.

71. The pension payable to the surviving spouse of a participant who dies in service or, subject to certain qualifications, while retired, is generally 30 percent of the three years' highest average gross remuneration. The pension payable to the surviving spouse of a retired participant is 50 percent of the pension payable to the participant prior to the reductions due to elections for commutation or survivor options. Lump-sum benefits are payable to designated beneficiaries of participants who die without a surviving spouse. Children's benefits are also provided.

Utilization (April 30, 1996)

Participants receiving benefits

• Disability	23
• Surviving spouse	116
• Other survivors	25

72. Costs are included in the contributions of participants and the Fund to the Staff Retirement Plan.

B. Life, Accident and Travel Insurance

Purpose

73. Term life insurance, under a group policy, is made available to support the financial security of dependents or other beneficiaries in the event of the staff member's death. For staff who enroll in the Group Life Insurance (GLI) Plan, supplementary coverage for accidental death and dismemberment is automatically also provided. In addition, all staff and their dependents are insured against accidental death or dismemberment while traveling at the Fund's expense.

Eligibility

74. Staff members appointed on a regular or fixed-term basis for a period of at least one year are eligible to enroll in the GLI Plan. Enrollment is at the option of the staff member. Travel insurance is automatically provided by the Fund for all staff and dependents traveling at Fund's expense.

Major provisions

75. For life insurance, three benefit levels are available to staff; coverage equal to approximately one, two, or three times annual net salary may be elected. For any participating staff member, regardless of the amount of elected coverage, additional accidental death and dismemberment coverage, equal to 1.5 years' net salary, is provided.

76. As an additional option, participating staff may secure life insurance in the amount of \$5,000 for their spouses.

77. Life insurance premiums are paid jointly by participating staff members and the Fund. Rates are periodically adjusted to maintain the sharing of costs between enrollees and the Fund in the proportion of 2:1. Enrollees' contributions are graduated by age.

78. The travel insurance provides coverage of three years' net salary for a staff member, 50 percent of this amount for the spouse, and 25 percent for other eligible dependents. A further benefit of \$300,000 is provided for the staff member only, when death results from aircraft accident or an act of war.

Utilization (CY 1996)	Number	Contributions
<i>Group Life Insurance</i>		
• Staff enrolled	2,312	\$916,000
• Fund		\$457,300
<i>Cost to the Fund of travel insurance</i>		\$ 82,500

C. Workers' Compensation

Purpose

79. The Workers' Compensation Program covers illness, injury or death arising out of and in the course of employment with the Fund. Its objective is to provide a base of income replacement benefits for permanent disabilities and continuing income to surviving dependents in the case of job-related death. The Program also covers the cost of medical care required over a claimant's lifetime as the result of work-related illness or injury.

Eligibility

80. All staff members are covered by the Program.

Major provisions

81. Workers' compensation is provided by the Fund at no cost to staff members.

82. The program pays in full any medical costs incurred as a result of work-related illness or injury.

83. Two benefits are payable in the event of death: (a) a lump sum equal to 150 percent of a staff member's final annual net salary, and (b) annuities payable to a surviving spouse and children. The annuity for a spouse (which ceases upon remarriage) or to a child, as sole survivor, is 50 percent of the staff member's final gross pensionable remuneration; when the staff member is survived by a spouse and a child or children, the annuity is raised to 66 2/3 percent of final gross pensionable remuneration.

84. In the case of permanent total disability, the staff member receives an annuity equal to 66 2/3 percent of final gross pensionable remuneration. Lump-sum payments are provided for permanent partial disability (i.e., the loss of a member or function).

85. Workers' compensation benefits are coordinated with benefits available through the Staff Retirement Plan and the Fund's life, accidental death and dismemberment and travel insurance policies. In general terms, annuities are reduced by amounts paid, or normally payable, under the Staff Retirement Plan, and lump-sum payments are reduced by amounts paid under other Fund insurance plans.

Utilization (FY 1996)	Number	Amount
• New claims filed	35	
• Total claims and administration costs		\$396,000

D. Death Grant

Purpose

86. Upon the death of a staff member, the Fund provides a grant that is intended to assist in meeting immediate expenses arising as the result of the death.

Eligibility

87. Staff members on regular and fixed-term appointments are eligible.

Major provisions

88. A grant of \$5,000 is paid in the event of the death of a staff member.

Utilization (FY 1996)	Number	Amount
• Grants paid	2	\$10,000

VII. FINANCIAL ASSISTANCE

A. Salary Advances for Urgent Personal Reasons

Purpose

89. In special and unusual circumstances beyond the individual's control, salary advances may be provided to staff who urgently require financial assistance.

Eligibility

90. Regular and fixed-term staff are eligible for advances for urgent personal reasons. The granting of the advance is dependent on disclosure and analysis of the staff member's financial situation and evidence that he is unable to obtain the necessary funds from his own resources or from a commercial lending institution.

Major provisions

91. Salary advances may be provided in emergency situations which arise from accidents, serious illness or natural disaster involving the staff member, immediate family or close relatives.

92. Advances are permitted in amounts up to a maximum equivalent to six months' salary. Repayment is scheduled over a period of up to six years, with annual interest of 4 percent.

Utilization (FY 1996)	Number	Amounts
• Staff receiving advances	2	\$47,100
• Advances outstanding (December 31, 1996)	13	\$80,200

B. Salary Advances for Staff Members' and Dependents' Education

Purpose

93. Salary advances may be provided to assist staff members in meeting the costs of their own and their family members' education.

Eligibility

94. Regular and fixed-term staff are eligible for advances for educational expenses.

Major provisions

95. Salary advances can be provided in the following circumstances:

- To help meet the cost of staff members' own tuition for education undertaken outside the Fund's working hours. For staff who are eligible to receive reimbursement under the Individual Study Program (ISP) the education advance will be available only in the first year of study. For staff who will not receive reimbursement under the ISP, this advance is available throughout the course of study.
- To assist in meeting expenses for university education or vocational training for a staff member's dependent children or spouse, provided that, in the case of a spouse, the studies are directed towards acquiring a marketable skill.

The repayment terms and allowable amount of these advances vary with the purpose of the advance and individual circumstances. In general, an amount equivalent to up to six months' net salary may be advanced, with repayment within six years at an annual interest rate of 4 percent; advances granted in connection with study leave are interest free.

Utilization (FY 1996)	Number	Amounts
• Staff receiving advances	99	\$1.1 million
• Advances outstanding (April 30, 1996)	262	\$3.3 million

VIII. ALLOWANCES AND BENEFITS FOR EXPATRIATE STAFF

A. Education Allowances

Purpose

96. The purpose of the education allowance is to assist expatriate staff members in meeting the costs of educating their children either in their home country or in a manner intended to facilitate the children's eventual return to their home country.

Eligibility

97. Regular and fixed-term staff members who are assigned to a duty station outside their home country for a period of one year or more are eligible for education allowances on behalf of dependent children who are (a) full-time students, and (b) for whom a child allowance is being paid by the Fund. Staff who are (or were at any time during the twelve months preceding their appointment) citizens or permanent residents of the duty station country are ineligible. Applicants for this allowance must certify that the purpose of this benefit is being met.

98. The allowances are available for school years in which a child is enrolled between his fifth and twenty-fourth birthdays. When a child attends school in the duty station country, the allowance is provided through only the secondary school level. Allowances are not provided for a child attending university in the duty station country.

Major provisions

99. Three-fourths of the cost of attendance, subject to specified maximum amounts, is reimbursed by the Fund. Such costs include tuition, books, and registration or examination fees and, for children studying outside the duty station country, board and lodging. Tutoring grants can be provided, in certain cases, for instruction in the language of the country of assignment or home country (when they are different), and in specific subjects required for re-entry into the home country educational system.

100. The maximum allowances are based on Washington area costs but are adjusted for differences in purchasing power in the countries where schooling occurs. The current maximum base allowances are as follows:

- For schools in the country of assignment without boarding \$9,140
- For schools outside the country of assignment with boarding \$13,040

101. Within these maxima, limits are placed separately on the amounts reimbursable for tuition, subsistence, and tutoring.

Utilization (1995/1996 Academic Year)	Number	Amount
• Staff receiving allowances	576	
• Total cost of allowances		\$ 8.6 million
• Children enrolled—duty station country	724	
• Children enrolled—non-duty-station country	261	

B. Education Travel

Purpose

102. In order for a child to travel to and from the school and to allow parents and a child who is attending school outside the staff member's country of assignment to visit periodically, the Fund will meet the costs of travel between the duty station and school.

Eligibility

103. Travel allowances are provided when the child attends, for a full academic year, an educational institution outside the staff member's duty station country that qualifies for the payment of education allowances.

Major provisions

104. Children are allowed two round trips, one restricted and one unrestricted air fare, for a single academic year. In each case, per night allowances for authorized stopovers *en route*, incidental travel expenses, and baggage insurance are included.

105. In order to provide flexibility, a staff member or spouse may utilize one travel entitlement in lieu of the child. If more than two children study abroad, the parent may take up to a maximum of two round trips per academic year.

Utilization (1995/1996 Academic Year)	Number	Amount
• Children utilizing travel	264	\$ 1,038 million

C. Home Leave and Allowance

Purpose

106. Home leave is granted to expatriate staff members and their families so that they may periodically visit and renew their personal and their social and cultural ties with their home country. The home leave benefits consist of a cash entitlement that includes direct air travel to and from the staff member's home, the home leave allowance and incidental travel expenses, and travel time without charge to leave. (Annual leave is used by staff during the period of their stay.)

Eligibility

107. Staff members on regular appointments or on fixed-term appointments of two or more years are eligible for home leave, provided that they are not (and were not at any time during the twelve months prior to the date of their letter of appointment) a citizen or permanent resident of the duty station country. The restriction regarding permanent residence does not apply, however, to non-U.S. staff whose appointment letter is dated on or before January 28, 1985, if they then held permanent resident status in the U.S. or initiated such status on or before January 28, 1986.

108. The spouse and dependent children of eligible staff members are entitled for home leave if a spouse or child allowance is paid on their behalf.

Major provisions

109. The authorized home leave destination is typically the staff member's former place of residence in the country of citizenship; another country may be chosen in lieu of this if the staff member has lived there for a prolonged period and maintains cultural and family ties. An entitlement date is reached after two years' eligible service from entry on duty date. The cost entitlement is based on air transportation one class below first class. Actual travel may be taken in any class. Personal travel taken up to 6 months in advance of an entitlement date may qualify as home leave travel, on a reimbursement basis. The traveler must remain in his home leave country a minimum of 7 days, including days of arrival and departure.

110. Recognizing that the costs of board, lodging and local transportation during home leave may be substantial, home leave allowances of \$1,210 for the staff member and \$605 for each dependent who travels are paid. A separate travel allowance is provided for overnight stops *en route* and for incidental expenses.

Utilization (FY 1996)	Number	Amounts
• Staff using home leave	598	
• Dependent using home leave	1,126	
• Home leave travel		\$6.575 million
• Home leave allowances and expenses		\$2.035 million

D. Estate Tax "Safety Net"

Purpose

111. The estate tax safety net was approved by the Executive Board to ameliorate the discriminatory effects on the families of staff members of the changes in estate tax established by the Tax and Miscellaneous Revenue Act of 1988 (TAMRA). Most importantly, TAMRA denied the unlimited marital deduction (the exemption from estate tax) of marital property passing to a spouse who was not a U.S. citizen. Other changes also discriminated against non-U.S. citizens. A major purpose of the "safety net" is to preserve the value of those benefits payable by the Fund to a surviving spouse.

Eligibility

112. "Non-U.S. citizen" spouses of staff members who die in service or within six months of leaving the Fund. Certain limitations as to the amounts are applicable if the staff member is a U.S. citizen.

Major provisions

113. The principal provisions are intended to assist the surviving spouse to meet the increase in estate taxes that resulted from the provisions of TAMRA relating to non-citizens. The assistance has, to date, been given in the form of non-interest-bearing loans, but the Executive Board in 1991 specifically authorized the Managing Director in his sole discretion to waive repayment of all or part of a loan or to make assistance available as an outright grant.

Utilization

114. Since the "safety net" was established in 1989, six surviving spouses have received assistance and loans outstanding now total \$1,253,245.13.

IX. SERVICES AND FACILITIES

A. Legal Assistance and Immigration Counseling

Purpose

115. To assist staff members in dealing with personal legal problems and questions concerning immigration, the Fund has arranged counseling services utilizing local lawyers.

Eligibility

116. Staff members and their spouses and dependents may utilize both the Legal Assistance and Immigration Counseling Services.

Major provisions

117. The two services generally provide an initial consultation on staff members' legal problems and immigration issues. The main role of the consulting lawyers is to clarify the issues involved and to identify courses of action that may be appropriate. After the initial consultation, staff members must arrange for their own attorneys and meet any further expenses incurred.

Utilization (1996)	Number	CY 1996 Expenditure
Consultations: Legal assistance	1,130	\$120,000
Individual immigration counseling:	49	\$ 68,000*

*(including visa services, individual and other immigration consultations)

B. Outplacement Assistance

Purpose

118. Outplacement assistance provides services to staff members who wish to seek alternative employment. Its purposes are to provide career counseling to staff and to help overcome the difficulties that staff members with long service may face in re-entering home-country employment markets and in identifying appropriate employment alternatives.

Eligibility

119. Staff members on regular appointments are eligible for this assistance.

Major provisions

120. The assistance may include counseling, access to the services of an outplacement firm/company, travel needed for the job search and interviews, and short-term training, which may enhance a staff member's prospects for obtaining alternative employment.

Utilization

121. In FY 1997, it is expected that 10 staff will utilize one or more of the offered services. The budget allocation for FY 1997 is \$30,000, the same amount as in FY 1996.

C. Parking

Purpose

122. Parking facilities are provided within the headquarters facility and in nearby commercial garages for staff who drive to work.

Eligibility

123. All staff and long-term contractual employees (13 months or more) of the Fund are eligible to use the parking facilities. Senior staff in Grades B1-B4, and Executive Directors, Alternates and Advisors are eligible upon appointment for in-house parking at headquarters. Others become eligible for headquarters parking as capacity allows in accordance with the date of their request for parking. In the interim period, persons on the headquarters waiting list can be accommodated in commercial facilities.

Major provisions

124. The Fund's headquarters garage has capacity for about 800 vehicles; the available spaces are over-subscribed by 10-15 percent to allow for absences and to maximize utilization. Outside facilities provide about 480 additional spaces.

125. Charges for in-house (headquarters and commercial parking dedicated to Fund-leased office space at International Square and K Street) and external parking (other commercial garages) are set to correspond to the aggregate operating costs of all facilities, with fees for external parking being set at slightly lower rates in recognition of the greater inconvenience involved. The current monthly charges are \$90 (in-house), \$85 (external), and \$23 for motorcycles.

Utilization

126. The parking facilities are used by 1,100-1,200 persons on a daily basis.

127. In FY 1996, direct and indirect expenses associated with operating the Fund's parking program were approximately \$1,310,000; these costs were covered by corresponding revenues in the same period.

D. Food Service

Purpose

128. The Fund provides dining facilities that make available convenient, high quality, and reasonably priced meals to staff and other employees working at the Fund.

Eligibility

129. All Fund employees, vendors and their guests are eligible to use the cafeterias and the Executive and Private Dining Rooms (EDR and PDRs).

Major provisions

130. Facilities include the EDR, five PDRs, and cafeterias in the headquarters building and in Fund-leased space at International Square. The headquarters facility also has a snack bar, and both headquarters and International Square have "bistros." Priority in the use of the EDR and PDR rooms is given to official functions. The Fund's food service operations are contracted to a major food service provider.

131. Overall, cafeteria food prices are set at a level that recovers two-thirds or more of total costs. The EDR and PDRs are break-even operations and have operated in this capacity since June 1995.

Utilization

FY 1996 expenditure was \$1,265,000.

E. Fitness Center

Purpose

132. To promote the health and well-being of staff and thereby reduce costs incurred under the Medical Benefits Plan, the Fund provides access to exercise facilities at the headquarters building and International Square.

Eligibility

133. Membership is open to staff with regular and fixed-term appointments, contractuels with appointments of a minimum of six months, spouses, and retirees. The facility at International Square is open only to staff whose offices are located at International Square and K Street; all other members have to use the Fitness Center at headquarters.

Major provisions

134. The headquarters Fitness Center offers squash, racquetball and walleyball courts, an exercise room with physical fitness equipment for individual activities and an aerobics room for organized exercise classes. Other services include fitness assessments, exercise program prescriptions, blood pressure screening, and fitness incentives, games and contests. Similar programs and activities are offered at the Executive Fitness Center at International Square.

135. Membership fees are used to defray the operating costs of the headquarters Fitness Center; the shortfall between revenue and expenditures is covered by a subsidy from the Fund. The current membership fee is \$13 per month for all members, including spouses and retirees.

Utilization (FY 1997)	Headquarters	I-Square
• Number of members	850	304
• Membership fees	\$162,700	
• Cost of contract	\$186,000	\$182,000 ²
• Fund expenditures	\$23,300	\$182,000

² The cost of maintaining membership at the Executive Fitness Center at International Square is considered to be part of the cost of leasing the Fund's temporary office space in that building.

X. OTHER TRAVEL

A. Spouse Travel on Points

Purpose

136. The spouse travel system is intended to partially compensate staff members and their spouses for periods of separation arising from the staff members' travel on official business. Staff members who travel accumulate "points" which, after extended travel, allow the spouse occasionally to accompany the staff member on official travel at Fund expense.

Eligibility

137. All married staff members are eligible to accrue points for spouse travel. Such travel cannot be used by other family members.

Major provisions

138. A married staff member traveling on official business to a destination outside the duty station country accrues one point for each night spent outside the duty station for which the Fund pays a travel allowance. Points may be accumulated without limit, and they may be exchanged for a spouse's travel on the following basis: with 200 accumulated points, the Fund meets the cost of round trip travel and incidental expenses on a subsequent official business trip and, with 300 accumulated points, the Fund provides, in addition, a per diem allowance for the spouse. Credits of 80-200 points may be used to meet a *pro rata* portion of travel costs.

Utilization (FY 1996)	Number	Amount
• Spouses traveling on points	84	\$405,400

B. Emergency Travel

Purpose

139. The Fund will meet the cost of emergency travel necessitated by the death of a staff member's spouse, child, parent, or parent-in-law.

Eligibility

140. Either the staff member or spouse may utilize emergency travel within 60 days of the death of the relative. Travel costs may also be claimed retroactively when the staff member or spouse has traveled at his own expense to visit a critically ill child, parent, or spouse who dies within 60 days following the travel.

Major provisions

141. The Fund generally meets the cost of economy class, round-trip air fare by the most direct route between the duty station and the place of the death or interment of the deceased relative. Standard travel time is allowed *en route*, in addition to emergency or other leave. The cost of ground transportation, but no other expenses, is reimbursed.

Utilization (FY 1996)	Number	Amount
• Staff/spouses using emergency travel	112	\$277,600