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EBAP/84/74  
Correction 1

April 11, 1984

To: Members of the Executive Board

From: The Secretary

Subject: Cost of Living Supplements for Pensioners, Effective  
May 1, 1984

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The following corrections have been made in EBAP/84/74  
(4/10/84):

Page 2, table, heading of column 1: for "Cost of Living Increase to  
Pensions (Percent)"  
read "General Salary Adjustment  
(Percent)"

column 2: for "General Salary Adjustment on  
Salaries (Percent)"  
read "Cost of Living Increase to  
Pensions (Percent)"

A corrected page is attached.

Att: (1)

Other Distribution:  
Members of the Pension Committee  
Department Heads



# Office Memorandum

TO: The Managing Director

FROM: Chairman, Administration Committee  
Staff Retirement Plan

SUBJECT: Cost of Living Supplements for Pensioners  
Effective May 1, 1984

DATE: April 4, 1984

The purpose of this memorandum is to provide the necessary information so that a decision can be taken with respect to funding cost of living supplements for pensioners in the fiscal year beginning May 1, 1984.

The rules and procedures governing the determination, funding and payment of cost of living supplements to pensioners are set forth in Section 4.11 of the Staff Retirement Plan and in EBAP/76/194, Supplement 2, as follows:

## Staff Retirement Plan

4.11(a) "Whenever the cost of living for a fiscal year beginning after April 30, 1977 increases, pensions shall be augmented by a pension supplement which, expressed in percentage terms shall be equal to the lesser of (i) the increase in the cost of living for the fiscal year or (ii) two percent."

4.11(b) "If the increase in the cost of living for a year exceeds two percent, pensions shall be augmented by an additional supplement, to be paid from contributions of the Employer under Section 6.2(a)(ii), equal in percentage terms to the difference between the supplement under subsection (a) above and the increase in the cost of living, provided that the Employer, for good cause shall have the right, not later than the commencement of the fiscal year in which the additional supplement is payable, to reduce prospectively the additional supplement to not less than one percent. In the case of an additional supplement calculated on the basis of [a non-U.S. index] any such reduction shall be made applicable through uniform rules adopted by the Employer upon the recommendation of the Administration Committee."

## EBAP/76/194, Supplement 2:

Paragraph 5: "Estimated amounts which may be required to fund cost of living supplements above 2 percent will be submitted for approval prior to the beginning of a fiscal year in which the supplements become effective and will be included in the Administrative Budget for the following