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0411

EB/CAP/89/5
Supplement 1

December 6, 1989

To: Members of the Committee on Administrative Policies

From: The Committee Secretary

Subject: Eligibility of Staff Members' Dependent Children
for Certain Benefits

The attached note has been prepared in response to requests for clarification by members of the Committee on Administrative Policies during CAP meeting 89/5 on December 4, 1989. This note, together with the earlier paper on the eligibility of staff members' dependent children for certain benefits (EB/CAP/89/5, 10/31/89), will be taken up at a meeting of the Committee scheduled for 10:00 a.m., on Thursday, December 7, 1989 in Committee Room 12-120.

Mr. Ahl (ext. 8218) is available to answer technical questions relating to this paper prior to the Committee meeting.

Att: (1)

Other Distribution:
Members of the Executive Board

Eligibility of Staff Members' Dependent Children for
Certain Benefits: Supplementary Note

At the meeting of the Committee on Administrative Policies on Monday, December 4, 1989, several members of the Committee sought clarification on the extent to which the Administration Department's proposals affect eligibility for education allowances. This supplementary note responds to these requests.

1. At the present time, in order to qualify as a "dependent" for the purposes of various Fund benefits, a child must be either (i) a full-time student and receiving more than half annual support from the staff member; or (ii) a non-student or part-time student earning less than \$1,000 per year. The substantive effect of the Administration Department's proposals is to place primary reliance on a ceiling of annual earnings of \$7,500, which--in the great majority of cases--will eliminate the need to rely on student status or on the provision of more than half annual support.

2. This does not enlarge the number of children eligible for the education allowance, because that allowance is only available for children who are full-time students and who, therefore, have never been subject to the \$1,000 earning limit. While changing the basis for eligibility for a dependent in respect of certain benefits, we are not proposing any change in the principle that the education allowance is restricted to children who are full-time students.

3. If we had proposed in future to rely solely on the earnings limit of \$7,500 for purposes of determining whether or not a child is a dependent, the effect could have been to exclude from access to the education allowance children who are full-time students but who earn more than \$7,500 per year. It was to avoid this possible loss of eligibility in a few cases that our proposal permits a child earning more than \$7,500 to retain eligibility as a dependent, provided that the child is a full-time student and more than half of the child's annual support is provided by the staff member.