

## **Annual Remuneration Disclosure Notice**

### **Background**

Effective as of FY07, the Bank Group decided to disclose the remuneration of Executive Management, Executive Directors, and staff in the annual report. The report contains the actual net salaries, annual Bank Group contribution to the pension plan, and Bank Group contribution to benefits for the President, Executive Directors, Alternate Executive Directors, and staff at the Managing Director-level (GK).

The annual Financial Disclosure report format was developed by a team composed of members from EXC, EBC, HRSCM, and LEGIA. The report does not follow the exact Executive Compensation Disclosure requirements in SEC Regulations S-K, but is designed to provide a reasonable voluntary disclosure of Bank Group compensation and benefits.

The report also lists the staff salary structure with the overall average benefits at each grade level.

### **Calculation of Compensation and Benefits**

Consistent with previous years, in FY13 the following assumptions were used to determine the annual Bank Group contribution to the pension plan and other benefits:

#### **Executive Management Remuneration**

1. Annual Net Salary: This shows the actual annual net salary paid during the period July 1 through June 30 of the fiscal year.
2. Annual Bank Contribution to the Pension Plan: This displays the Bank contribution to the pension plan calculated as a percentage of salaries, as approved by the Pension Finance Committee. For FY13 the overall Staff Retirement Plan (SRP) contribution rate is 31.27 percent as provided by Pension Administration. The Bank Group pension contribution increased from 30.20 percent in FY12 to 31.27 percent in FY13. SRP contribution rates are determined using an adjusted value of pension plan assets based on an averaging methodology, which includes the investment losses of 2008.<sup>1</sup>
3. The estimated contribution split between gross and net plan participants is 44.96 percent for gross plan and 25.60 percent for net plan as estimated by the Bank's Principal Actuary.
4. Thus, for Executive Management in the gross plan (Jin-Yong Cai, Pamela Cox, and Caroline Anstey) the FY13 pension contribution is estimated at 43.84 percent. For the rest of management, who are in the Net Plan, the pension contribution is estimated at 25.53 percent.
5. The Annual Bank Contribution to Other Benefits: This is an estimate of the Bank contribution to benefits (excluding pension, tax allowances of 12.1 percent, and separation grant of 3.3 percent for those not eligible for a separation grant). The historical average benefits percentage is 38 percent as confirmed by CFR.

### **Next Steps**

The enclosed annual disclosure report will be published as part of the Bank Annual Report and posted on the accompanying Web site.

---

<sup>1</sup> The PFC considered and approved a revised funding methodology in December 2009, which became effective for Plan valuations as of January 1, 2010, and contribution calculations as of July 1, 2010. The revised funding method is projected to further stabilize the pattern of Bank contributions, with the annual change in contribution rates expected to be approximately half that under the previous method over the longer term. The new funding policy is based on the Plan's actuarial asset value on a smoothed average of the preceding five years; previously, the funding policy used a three-year average.

## Remuneration of Executive Management, Executive Directors, and Staff

To recruit and retain highly qualified staff, the World Bank Group (WBG) has developed a compensation and benefits system designed to be internationally competitive, to reward performance, and to take into account the special needs of a multinational and largely expatriate staff. The WBG's staff salary structure is reviewed annually by the Executive Directors and, if warranted, is adjusted on the basis of a comparison with salaries paid by private financial and industrial firms and by representative public sector agencies in the U.S. market. After analyses of updated comparator salaries, the Board approved an average increase in the salary structure of 2.0 percent for fiscal 2013, effective July 1, 2012, for Washington-based staff.

The annual salaries (net of taxes) of executive management of the WBG were as follows for the period July 1, 2012, through June 30, 2013:

### Executive Management: Annual Salaries (Net of Taxes, in US\$)

Name and position	Annual net salary <sup>a</sup>	Annual WBG contribution to pension plan <sup>b</sup>	Annual WBG contribution to other benefits <sup>c</sup>
<b>Jim Yong Kim</b> , President <sup>d</sup>	476,360	121,615	250,567
<b>Sri Mulyani Indrawati</b> , Managing Director	381,250	97,333	86,163
<b>Bertrand Badré</b> , Managing Director, Finance and CFO <sup>e</sup>	379,000	96,759	85,654
<b>Anne-Marie Leroy</b> , Senior VP and World Bank Group General Counsel	364,127	92,962	82,293
<b>Izumi Kobayashi</b> , Executive Vice President, MIGA	363,158	92,714	82,074
<b>Mahmoud Mohieldin</b> , Managing Director	362,041	92,429	81,821
<b>Jin-Yong Cai</b> , Executive Vice President <sup>f</sup>	350,000	153,440 <sup>g</sup>	79,100
<b>Kaushik Basu</b> , Sr. Vice President & Chief Economist <sup>h</sup>	345,000	88,079	77,970
<b>Pamela Cox</b> , Senior Vice President <sup>i</sup>	344,700	151,116 <sup>g</sup>	130,986
<b>Caroline Anstey</b> , Managing Director	330,293	144,800 <sup>g</sup>	85,546
<b>Caroline Heider</b> , Director General <sup>j</sup>	322,320	82,288	72,844
<b>Executive Directors</b> <sup>k</sup>	244,350	n.a.	n.a.
<b>Alternate Executive Directors</b> <sup>g</sup>	211,370	n.a.	n.a.

a. The salaries are set on a net-of-tax basis as the WBG staff, other than U.S. citizens, are usually not required to pay income taxes on their WBG compensation.

b. Data are the approximate annualized WBG contribution made to the Staff Retirement Plan and the deferred compensation plans from July 1, 2012, through June 30, 2013.

c. Other benefits include annual leave; medical; life and disability insurance; accrued termination benefits; and other nonsalary benefits.

d. Dr. Kim receives, as part of other benefits from the WBG, a supplemental allowance of \$85,270 to cover expenses. As a U.S. citizen, Dr. Kim's salary is taxable, and he receives a tax allowance to cover the estimated taxes on his World Bank salary and benefits. In addition to his pension, Dr. Kim receives a supplemental retirement benefit equal to 5 percent of his annual salary.

e. Mr. Bertrand Badré's appointment was effective March 1, 2013, and his actual salary for March 1, 2013, through June 30, 2013, was \$126,333. The WBG contributed approximately \$32,341 to his pension and \$28,551 to other benefits over the fiscal year.

f. Mr. Jin-Yong Cai's appointment was effective October 1, 2012, and his actual salary for October 1, 2012, through June 30, 2013, was \$262,500. The WBG contributed approximately \$118,020 to his pension and \$59,325 to other benefits over the fiscal year.

g. Pension benefits for these staff members are based on Staff Retirement Plan (SRP) provisions in effect prior to April 15, 1998.

h. Mr. Kaushik Basu's appointment was effective October 1, 2012, and his actual salary for October 1, 2012, through June 30, 2013, was \$258,750. The WBG contributed approximately \$66,240 to his pension and \$58,478 to other benefits over the fiscal year.

i. Ms. Pamela Cox's salary was adjusted to \$344,700 effective January 1, 2013, and her actual salary for the period July 1, 2012, to June 30, 2013, was \$335,505. The WBG contributed approximately \$150,843 to her pension and \$127,492 to other benefits over the fiscal year.

j. Ms. Caroline Heider's salary was adjusted to \$322,320 effective March 15, 2013, and her actual salary for the period July 1, 2012, to June 30, 2013, was \$315,707. The WBG contributed approximately \$80,821 to her pension and \$71,350 to other benefits over the fiscal year.

k. These figures do not apply to the U.S. Executive Director and Alternate Executive Director, who are subject to U.S. congressional salary caps.

During the period July 1, 2012, to June 30, 2013, the salary structure (net of tax) and average net salaries/benefits for World Bank Group staff was as follows:

**Staff Salary Structure (Washington, DC)**

<b>Grades</b>	<b>Representative job titles</b>	<b>Minimum (\$)</b>	<b>Market reference (\$)</b>	<b>Maximum (\$)</b>	<b>Staff at grade level (%)</b>	<b>Average salary/grade (\$)</b>	<b>Average benefit<sup>a</sup> (\$)</b>
<b>GA</b>	Office Assistant	25,100	32,600	42,400	0.0	34,269	19,591
<b>GB</b>	Team Assistant, Information Technician	31,700	41,200	57,700	0.7	41,379	23,657
<b>GC</b>	Program Assistant, Information Assistant	39,100	50,900	71,300	9.2	53,698	30,699
<b>GD</b>	Senior Program Assistant, Information Specialist, Budget Assistant	46,200	60,100	84,200	7.5	66,204	37,849
<b>GE</b>	Analyst	62,100	80,700	113,000	9.6	77,073	44,063
<b>GF</b>	Professional	82,500	107,300	150,200	19.8	100,089	57,221
<b>GG</b>	Senior Professional	111,300	144,700	202,500	31.4	137,075	78,366
<b>GH</b>	Manager, Lead Professional	151,700	197,200	254,900	18.4	188,958	108,027
<b>GI</b>	Director, Senior Advisor	202,200	264,500	303,300	2.9	249,266	142,505
<b>GJ</b>	Vice President	276,700	310,000	347,100	0.4	309,632	177,016
<b>GK</b>	Managing Director, Executive Vice President	304,000	344,700	379,100	0.1	354,189	195,637

**Note:** Because World Bank Group (WBG) staff, other than U.S. citizens, usually are not required to pay income taxes on their WBG compensation, the salaries are set on a net-of-tax basis. This basis is generally equivalent to the after-tax take-home pay of the employees of the comparator organizations and firms from which WBG salaries are derived. Only a relatively small minority of staff will reach the upper third of the salary range.

a. Includes medical, life, and disability insurance; accrued termination benefits; and other nonsalary benefits.