Staff Retirement Plan

Net Plan Highlights

Pension Scheme for Staff Joining the Plan on or after April 15, 1998

Includes Plan Amendments through January 1, 2009
Contents – Click on applicable link

Net Plan Overview

Component #1 – Defined Benefit Component

Component #2 – Cash Balance Component

Component #3 – Voluntary Savings Component

Termination Grant Program

Form of Payment

Survivor Benefits

Putting All the Pieces Together

To Apply for Retirement Benefits

Tax Supplement


This document highlights key provisions of the World Bank Staff Retirement Plan – Net Plan. While every attempt has been made to ensure the information in this brochure is accurate, should a discrepancy arise between the information in this brochure and the official Plan document that governs the Plan, the Plan document will prevail. The World Bank reserves the right, as specified in the Plan, to change, amend, or terminate the Plan at any time. Receipt of this brochure does not guarantee employment with the World Bank Group.
As a Net Plan participant, you have the opportunity to build significant income for your retirement. The Net Plan is a partnership between you and the World Bank Group and includes three components that apply to all eligible participants:

1 – Defined Benefit Component – The Defined Benefit Component, which is fully paid by the World Bank, provides a benefit based on your salary and years of service.

2 – Cash Balance Component – Both you and the World Bank contribute to the Cash Balance Component, an account-based plan with benefits based on total contributions made plus investment earnings.

3 – Voluntary Savings Component – You decide whether you want to participate in the Voluntary Savings Component, which is a separate account-based plan where you contribute an additional portion of your salary and control the investment of the money in your account.

As a partnership for retirement benefits, the World Bank is responsible for funding the Defined Benefit Component, funding two-thirds of the Cash Balance Component, and providing you with the opportunity to add to your retirement income through the Voluntary Savings Component. You are responsible for funding one-third of the Cash Balance Component, choosing to contribute to the Voluntary Savings Component, and selecting the investment options under both the Cash Balance and Voluntary Savings Components. You and the World Bank … working together to invest in your future.

Termination Grant Program
A legacy component – the Termination Grant Program – also applies for eligible staff with service prior to April 15, 1998. The service for this benefit was frozen as of April 15, 1998.
A Partnership for Retirement Income

Below is a brief overview of key features of the Net Plan.

<table>
<thead>
<tr>
<th>Contributions</th>
<th>Defined Benefit Component</th>
<th>Cash Balance Component</th>
<th>Voluntary Savings Component</th>
</tr>
</thead>
</table>
|               | Fully paid by the World Bank | • Bank credits 10% of net salary  
• Mandatory participant contributions of 5% of net salary made on an after-tax basis | • Voluntary participant contributions of up to 15% of net salary, made on an after-tax basis |

| Benefit Amount | Based on highest average 3 years net salary times accrual rate times years of Plan Service | Account balance based on contributions plus investment earnings | Account balance based on contributions plus investment earnings |

| Benefit Payment | • If 10 or more years of Plan service or at least 5 years of Plan service and age + service = at least 60, two payment options:  
- monthly pension or  
- lump sum  
• If above service requirements are not met, lump sum paid at termination of employment* | • Lump sum payable at termination of employment, or before pension commences if pension is deferred.  
• Available as an annuity if the Defined Benefit Component is paid as a monthly pension. | • Lump sum paid at termination of employment, or before pension commences if pension is deferred |

Tax Supplement | Eligible | Eligible | Does not apply |

*Note: If Plan service is fewer than 10 years, but combined Plan service and termination grant service is 10 years or more, you may elect to receive 100% of your benefit as an annuity in lieu of 100% lump sum.
Net Plan Eligibility

You are eligible to participate in the Net Plan if either of the following applies:

- You hold a regular, term, or open-ended appointment, and you either (i) did not participate in the Staff Retirement Plan before April 15, 1998 or (ii) participated before April 15, 1998 during a previous period of Bank Group employment and received a withdrawal benefit from the Plan upon separation.
- You joined the Bank Group on or after April 15, 1998 as an executive director, alternate executive director, senior advisor or advisor to an executive director and you did not waive participation in the Plan within six months following your appointment. (However, if you are in this category and joined the Bank Group after attaining age 62, you were ineligible to participate in the Plan before March 1, 2004.)
**Component #1 – Defined Benefit Component**

The Defined Benefit Component provides the foundation for your retirement benefits. The component is fully funded by the Bank with your benefit based on your average net salary and years of Plan service. Your average net salary is your highest average net salary over a three-year consecutive period (1,095 days).

**Fewer Than 10 Years of Plan Service and Do Not Meet the Rule of 60**

If you have fewer than 10 years of service in the Plan and do not meet the Rule of 60 when you terminate employment with the World Bank Group, you will receive a lump-sum payment. The payment is calculated as follows:

8% x Three Year Average Net Salary x Years of Plan Service

**An Example**

Let’s assume you terminate your employment with the Bank after completing eight years of Plan service and your average net salary is $40,000. In this case, your lump-sum payment would be $25,600, calculated as follows:

\[
8\% \times \$40,000 \times 8 = \$25,600
\]

**Ten or More Years of Plan Service / Rule of 60**

You are eligible for a benefit from the Defined Benefit Component if you have 10 or more years of Plan service or you have at least five, but fewer than 10, years of Plan service and the sum of your age plus years of service is at least 60 at the time of termination of employment.

You have two payment options from the Defined Benefit Component. Once you reach retirement age, you can elect to receive your payment as a monthly pension. Alternatively, you can elect a single lump-sum withdrawal payment on or after termination of employment. The monthly pension is calculated as follows:

Annual Pension = 1% x Three Year Average Net Salary x Years of Plan Service (maximum 35)
Monthly Pension = Annual Pension divided by 12

**Pension Increases to Counter Inflation**

If you receive a monthly pension, the amount you receive may be adjusted each May 1 with a cost-of-living increase to counter inflation. The annual cost-of-living increase is available on pensions provided to participants who retire from the World Bank, or participants who leave the Bank with a deferred benefit and whose age plus years of Plan service total at least 50.

**Rule of 60**

At Least 5 Years of Service and Your Age + Your Years of Plan Service = At Least 60

Example: Age of 57 + 5 Years of Service = 62 (Passes Rule of 60)
Let’s assume you have completed 20 years of Plan service, you have reached normal retirement age (62), and your highest three year average net salary is $120,000. In this case, your monthly pension would be $2,000, calculated as follows:

\[ 1\% \times $120,000 \times 20 \div 12 = $2,000 \]

**Example #2**

Let’s consider the previous example except that you elect a lump-sum payout instead of a pension. The lump sum is calculated by applying this formula:

\[
8\% \times \text{Three Year Average Net Salary} \times \text{Years of Plan Service}
\]

Using the same assumptions as example #1, your lump-sum payout would be $192,000, calculated by applying this formula as follows: \((8\% \times \text{highest three year average net salary} \times \text{years of Plan service})\):

\[ 8\% \times $120,000 \times 20 = $192,000 \]

Note that the lump sum payment may be worth more or less than the present value of the pension, depending on factors such as your life expectancy, the rate of inflation, and your expected return on investments. If you elect the lump-sum payment you must also take the Cash Balance component as a lump sum.

**Early Retirement**

If you are eligible for a pension, benefit payments will normally start when you retire at age 62. However, if you leave the Bank before reaching age 62, you may elect to begin early retirement benefit payments as early as age 50. If you elect early retirement, your annual pension benefit will be reduced by 3% for each year before age 62 that payments begin. The reduction is made to take into account the longer period of time that benefits are expected to be paid. The following chart provides some examples of early retirement benefits, based on a normal monthly retirement benefit of $2,000 that begins at age 62.

<table>
<thead>
<tr>
<th>Age Benefits Begin</th>
<th>% Reduction</th>
<th>$ Reduction</th>
<th>Monthly Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>36%</td>
<td>$720</td>
<td>$1,280</td>
</tr>
<tr>
<td>52</td>
<td>30%</td>
<td>$600</td>
<td>$1,400</td>
</tr>
<tr>
<td>55</td>
<td>21%</td>
<td>$420</td>
<td>$1,580</td>
</tr>
<tr>
<td>57</td>
<td>15%</td>
<td>$300</td>
<td>$1,700</td>
</tr>
<tr>
<td>60</td>
<td>6%</td>
<td>$120</td>
<td>$1,880</td>
</tr>
<tr>
<td>62</td>
<td>0%</td>
<td>$ 0</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

$2,000 Normal Retirement Monthly Benefit
Component #2 – Cash Balance Component

The Cash Balance Component is an account-based benefit to which you and the Bank contribute. Contributions are as follows:

- Bank Contributions – 10% of your net salary
- Participant Contributions – 5% of your net salary

Participant contributions are mandatory and are made through payroll deductions on an after-tax basis. Mandatory participant contributions are deducted from your salary in the currency in which you are paid. However, your account balance will be maintained in U.S. dollars. If you are not paid in U.S. dollars, your mandatory contributions and Bank credits will be converted from your currency of salary to U.S. dollars based on the spot rate on the last day of the previous month.

Your Cash Balance account grows based on ongoing contributions and the account’s investment returns. When an investment index that you select for a portion of your Cash Balance account increases or declines, the value of that portion of your Cash Balance account will similarly increase or decline. The account offers the following investment options.

<table>
<thead>
<tr>
<th>Inflation Protected Option</th>
<th>Cash &amp; Equivalent Option</th>
<th>Bond Options</th>
<th>Equity (Stock) Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Real 3%&lt;sup&gt;1&lt;/sup&gt;</td>
<td>• Merrill Lynch USD LIBOR</td>
<td>• JP Morgan Emerging Market Bond Index Plus (EMBI+)</td>
<td>• MSCI EAFE Index&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Barclays Capital U.S. Government/ Credit Index</td>
<td>• MSCI Emerging Market Index&lt;sup&gt;3&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Russell 2000 Index</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• S&amp;P Index</td>
</tr>
</tbody>
</table>

<sup>1</sup> The Real 3% option is the default option and the only option that guarantees principal protection. The return is set once a year based on year-to-year change in U.S. inflation and is not subject to monthly market variations.

<sup>2</sup> A significant component of the return on these indices may result from changes in the value of the U.S. dollar relative to the currencies of the countries represented in the respective index (currency effect). Thus, in addition to the risk of the changes in value of the individual securities underlying the index (market risk), there can be significant additional losses (currency effect) if the U.S. dollar appreciates (or gains if the U.S. dollar depreciates) relative to these currencies.

**Investment Changes**

You can change your investment mix monthly by clicking [here] (Investment changes entered on or before the last day of the month (based on HQ Time) will be effective the first day of the following month.

If you do not have access to the Bank Intranet, a paper copy of the form is available by clicking [here].
As you can see, you have nine investment options that vary based on objectives, fund characteristics, and risk. It’s important that you take the time to construct a diversified investment portfolio for your Cash Balance account that meets your personal needs. Remember to take into consideration your time horizon (how long you have before you retire) and your risk tolerance (the lower the risk, the lower the potential gain or loss; the higher the risk, the higher the potential gain or loss). Investment fact sheets for each of the funds along with basic investment education are available on the “Pension and Retirement Information” web site by clicking here. The Real 3% is the default option. If you do not make any investment election, your investment returns are automatically based on the Real 3% returns.

Example #1
Let’s look at potential account growth under the Cash Balance Component, based on the following assumptions:

- Current salary – $40,000
- Assumed annual salary increase – 4%
- Assumed annual investment returns – 7%

The estimated future account values are not discounted for inflation; you should expect that the stated amounts will have less purchasing power than they would today.
Example #2
Let’s take another look at potential account growth under the Cash Balance Component, based on the following assumptions:

- Current salary – $100,000
- Assumed annual salary increase – 4%
- Assumed annual investment returns - 7%

Sample Cash Balance Account Growth

The estimated future account values are not discounted for inflation; you should expect that the stated amounts will have less purchasing power than they would today.
Under the optional Voluntary Savings Component, you may elect to save up to 15% of your net salary. Contributions are made on an after-tax basis. Income taxes on investment earnings are deferred until you receive a distribution. As with the Cash Balance account, your account balance will be maintained in U.S. dollars. If you are not paid in U.S. dollars, your contributions will be converted from your currency of salary to U.S. dollars based on the spot exchange rate as of the last day of the previous month.

You can change the percentage of your salary you are contributing or even stop contributing to the Voluntary Savings Component. However, since money cannot be withdrawn prior to termination, you must continue to manage investment options for the amounts in your account.

Your Voluntary Savings account grows based on your voluntary contributions and the account’s investment returns. The account offers the following investment options.

<table>
<thead>
<tr>
<th>Inflation Protected Option</th>
<th>Cash &amp; Equivalent Option</th>
<th>Bond Options</th>
<th>Equity (Stock) Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Barclays Capital U.S. TIPS Index</td>
<td>• Merrill Lynch USD LIBOR 3 Month Euribor¹</td>
<td>• JP Morgan Emerging Market Bond Index Plus (EMBI+) • Barclays Capital U.S. Government/Credit Index</td>
<td>• MSCI EAFE Index² • MSCI Emerging Market Index² • Russell 2000 Index • S&amp;P Index</td>
</tr>
</tbody>
</table>

¹ A significant component of the return in this investment option may result from changes in the value of the U.S. dollar relative to the Euro. Thus, in addition to the risk of the changes in value of the Euribor Index (market risk), there can be significant additional losses if the U.S. dollar appreciates or gains if the U.S. dollar depreciates relative to the Euro.

² A significant component of the return on these indices may result from changes in the value of the U.S. dollar relative to the currencies of the countries represented in the respective index. Thus, in addition to the risk of the changes in value of the individual securities underlying the index (market risk), there can be significant additional losses if the U.S. dollar appreciates or gains if the U.S. dollar depreciates relative to these currencies.

As you can see, the investment options under the Voluntary Savings Component are the same as the investment options under the Cash Balance Component with one exception; the Voluntary Savings Component offers the Barclays Capital U.S. TIPS Index in place of the Real 3% option. There is no default investment option in the Voluntary Savings Component. As with the Cash Balance Component, you can change your investment mix monthly by clicking here. Investment changes entered on or before the last day of the month (based on HQ Time) will be effective with your first paycheck in the following month.

If you do not have access to the Bank Intranet, a paper copy of the form for changing investment options is available by clicking here.
effective the first day of the following month. Investment fact sheets for each of the funds along with basic investment education are available by clicking [here].

Example #1
Let’s look at potential account growth under the Voluntary Savings Component, based on the following assumptions:
- Current salary – $40,000
- Assumed annual salary increase – 4%
- Assumed voluntary contributions – 5% of salary
- Assumed annual investment returns – 7%

The estimated future account values are not discounted for inflation; you should expect that the stated amounts will have less purchasing power than they would today.

Example #2
Let’s take another look at potential account growth under the Voluntary Savings Component, based on the following assumptions:
- Current salary – $100,000
- Assumed annual salary increase – 4%
- Assumed voluntary contributions – 5% of salary
- Assumed annual investment returns – 7%
The estimated future account values are not discounted for inflation; you should expect that the stated amounts will have less purchasing power than they would today.
Prior to April 15, 1998, staff who held Local Regular and Local Fixed-Term appointments earned a benefit under the Termination Grant Program. Only staff who earned Termination Grant service before April 15, 1998 are eligible to receive a Termination Grant as part of their retirement benefits. The Termination Grant Program became part of the Staff Retirement Plan on July 1, 1999 with Termination Grant service frozen as of April 15, 1998.

As a participant eligible for a Termination Grant benefit, you will receive an additional benefit equal to:

\[
21\% \text{ of final salary } \times \text{ years of service in the Termination Grant Program}
\]

Participants who were not in active service on January 1, 2002 who are eligible for a Termination Grant, will be paid 14% of final salary \(\times\) years of service in the Termination Grant Program.

If you elect a pension from the Defined Benefit Component you can elect to convert some or all of your Termination Grant into an annuity. Participants with 10 or more years of combined Termination Grant and Defined Benefit Component service also have the option to elect an annuity even if Defined Benefit Component service is fewer than 10 years and they do not meet the Rule of 60. Please contact Pension Administration for additional details.
There are two forms of payment under the Staff Retirement Plan — a single lump-sum payment and a lifetime pension/annuity. All payments under the Voluntary Savings Component are made as a lump sum upon your termination of employment, or if your Defined Benefit is payable as a deferred pension, you may keep the Voluntary Savings in the Plan until you start receiving your pension. The payment form available under the Defined Benefit, Cash Balance, and Termination Grant Components is determined by your service with the World Bank, as described.

**If you have 10 or more years of Plan service or if you have five to 10 years of Plan service and meet the Rule of 60…**

You have the option to receive payment of the Defined Benefit Component as a monthly pension or a lump sum. Note that “Rule of 60” means your age plus years of service total at least 60. If you elect to receive your Defined Benefit Component as a lump sum then any payments from your Cash Balance and Termination Grant Components are also paid as a lump sum. If you elect a pension from the Defined Benefit Component, you may elect to convert some or all of your Cash Balance and Termination Grant Components to an annuity. The annuity is added to your Defined Benefit pension.

**If you have fewer than five years of Plan service or you have five to 10 years of Plan service and do not meet the Rule of 60…**

Benefit payments under all components — Defined Benefit, Cash Balance, and Termination Grant — are paid as a lump sum.

**Deferred Retirement**

If you are eligible for a pension but have not yet reached normal retirement age, you can defer commencement of your pension payments until a later date on or before your 62nd birthday, and your lump sum payments of the Cash Balance, Voluntary Savings, and Termination Grant may also be deferred until your pension commences.

**Tax Supplement**

In addition to the benefit payments from the Defined Benefit, Cash Balance and Termination Grant Components of the Plan, you will receive a tax supplement on taxes that apply to pensions, annuities and/or lump-sum payments from the Defined Benefit, Cash Balance, and Termination Grant Components. There is not a tax supplement on payments from the Voluntary Savings Component.
## Payment Comparisons

<table>
<thead>
<tr>
<th>Defined Benefit Component</th>
<th>10 or More Years of Plan Service OR 5 to 10 Years of Plan Service and Meet the Rule of 60</th>
<th>Fewer Than 5 Years of Plan Service OR From 5 to 10 years of Plan Service and Do Not Meet the Rule of 60</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension upon attainment of retirement age (62) (COLA* applies each May 1 once pension commences or, for deferred retirees, once age plus service equals 50).</td>
<td>Lump sum upon termination</td>
<td></td>
</tr>
<tr>
<td>Lump sum upon termination (or as late as commencement of pension if it is deferred).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full/partial annuity conversion to commence with pension (annuity subject to COLA*). Can do combination of lump sum and annuity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump sum upon termination (or as late as commencement of pension if it is deferred).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full/partial annuity conversion (annuity subject to COLA*). Can do combination of lump sum and annuity.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump sum upon termination (or as late as commencement of pension if it is deferred).</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OR</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lump sum upon termination</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* COLA stands for cost of living adjustment.

## Currency of Benefit

Lump-sum payments are normally made in U.S. dollars. However, you may choose to have your lump-sum payments converted to the currency of your choice at the spot exchange rate applicable at the time of payment. It is your responsibility to ensure that receiving your benefit in the elected currency will not violate any applicable foreign exchange regulations in your country.

Pension/annuity payments are normally made in the currency in which you receive your salary. However, you may choose to have your pension/annuity paid in a different
currency. You may either have each pension/annuity payment converted to the other currency based on the spot rate of exchange on the date of payment and retain the option of changing your election from time to time, or elect an irrevocable conversion to the other currency based on the spot exchange rate at the time of election.

**Pension and Annuity Cost-of-Living Adjustments**

Pension and Annuity payments — including deferred pensions — will be adjusted with an annual cost-of-living increase to counter inflation once your age plus service total 50 or more. Cost-of-living adjustments are based on the consumer price index of the country in whose currency your pension/annuity is paid. (The harmonized consumer price index for all EU countries applies if you elect to receive your pension in Euros.) However, if you have each pension/annuity payment converted at the spot rate, the adjustment will be based on the consumer price index for the country from whose currency the pension is converted.
Death in Service

If you die while employed by the World Bank Group, your beneficiary(ies) will receive a lump sum from each component (Defined Benefit, Cash Balance, and Voluntary Savings) of the Plan. If you have service in the Termination Grant Program, the value of your termination grant on the date of death will be added to the lump sum. Your beneficiary(ies) will receive a lump sum benefit even if you have 10 or more years of Plan service.

Beneficiary(ies)
You can name anyone as the beneficiary(ies) of your Plan benefits. However, if you are married and want to designate someone other than your spouse as beneficiary, your spouse must consent to your designation by signing the designation of beneficiary form.

Death with Deferred Benefit

If you die after you separate from the World Bank but before you begin receiving retirement benefits, your beneficiary(ies) will receive a lump sum benefit from each component of the Plan, including the Termination Grant Program, if applicable.

Death Following Pension/Annuity Commencement

If you die once pension/annuity payments have begun, your designated beneficiary(ies) will receive a death benefit, based on your payment election. Before your pension commences, you may elect a lifetime annuity or a lump sum benefit for your beneficiary(ies). If you are married when your pension commences, your spouse’s consent will be required if you elect death benefits in a form other than a lifetime annuity to your spouse. Please click to access the Net Plan Survivor Benefits fact sheet for additional details.
Putting All The Pieces Together

All three components of the Staff Retirement Plan are designed to work together. Combined with other retirement options available to you, such as a government retirement payment or another individual retirement account (IRA) or 401(k), your Staff Retirement Plan benefits are an important part of your retirement savings. The examples below focus only on your benefits from the Staff Retirement Plan and do not include either the tax supplement payable if your Plan benefits are taxable or other sources of post retirement income.

So….what could your total retirement benefits look like?

Example #1
Let’s assume that you begin work at the World Bank Group (and simultaneously begin participating in the Staff Retirement Plan) at age 32, and you continue your employment until you retire after 30 years of service at age 62. Here’s what your total Staff Retirement Plan benefits would provide, based on the following assumptions:

- You receive annual salary increases of 4%.
- You make contributions to the Voluntary Savings Component of 5% of salary.
- Annual investment returns under both the Cash Balance Component and Voluntary Savings Component are 7%.

<table>
<thead>
<tr>
<th>Starting Salary</th>
<th>Defined Benefit Pension</th>
<th>Cash Balance Component*</th>
<th>Voluntary Savings - Lump-Sum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 40,000</td>
<td>$288,000</td>
<td>$288,000</td>
<td>$300,000</td>
</tr>
<tr>
<td>$ 70,000</td>
<td>$504,000</td>
<td>$1,578,000</td>
<td>$526,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>$720,000</td>
<td>$2,254,000</td>
<td>$751,000</td>
</tr>
<tr>
<td>$130,000</td>
<td>$936,000</td>
<td>$2,930,000</td>
<td>$977,000</td>
</tr>
</tbody>
</table>

*You have an option to elect a combination of lump sum and/or annuity from the Cash Balance Component if you receive a pension from the Defined Benefit Component.

The estimated future account values are not discounted for inflation; you should expect that the stated amounts will have less purchasing power than they would today. For example, if inflation increases at 3% per year, you would need to divide the numbers above by 2.43 to get the value in current dollars.

In addition, if the payments you receive from the Plan are subject to taxation you are eligible for a tax supplement on some or all of the amounts. Please see the Tax Supplement section at the end of this document for further details.
Example #2
Let’s assume that you begin work at the World Bank (and simultaneously begin participating in the Staff Retirement Plan) at age 42 and you continue your employment until you retire after 20 years of service at age 62. Here’s what your total Staff Retirement Plan benefits would provide, based on the following assumptions:

- You receive annual salary increases of 4%.
- You make contributions to the Voluntary Savings Component of 5% of salary.
- Annual investment returns under both the Cash Balance Component and Voluntary Savings Component are 7%.

<table>
<thead>
<tr>
<th>Starting Salary</th>
<th>Defined Benefit Pension</th>
<th>Cash Balance Component*</th>
<th>Voluntary Savings - Lump-Sum Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Lump Sum</td>
<td>or Monthly Annuity</td>
<td>Lump Sum</td>
</tr>
<tr>
<td>$40,000</td>
<td>$130,000</td>
<td>$1,351</td>
<td>$346,000</td>
</tr>
<tr>
<td>$70,000</td>
<td>$227,000</td>
<td>$2,365</td>
<td>$606,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>$324,000</td>
<td>$3,378</td>
<td>$866,000</td>
</tr>
<tr>
<td>$130,000</td>
<td>$422,000</td>
<td>$4,392</td>
<td>$1,126,000</td>
</tr>
</tbody>
</table>

*You have an option to elect a combination of lump sum and/or annuity from the Cash Balance Component if you receive a pension from the Defined Benefit Component.

The estimated future account values are not discounted for inflation; you should expect that the stated amounts will have less purchasing power than they would today. For example, if inflation increases at 3% per year, you would need to divide the numbers above by 1.81 to get the value in current dollars.

In addition, if the payments you receive from the Plan are subject to taxation, you are eligible for a tax supplement on some or all of the amounts. Please see the Tax Supplement section at the end of this document for further details.
You should notify the World Bank Group at least 30 days prior to the date you plan to retire. Pension Administration will not commence the payment of any pension, annuity, benefit, or other amount from the Retirement Trust Fund until it has received the appropriate application. To access application forms (Form 73A or Form 159A) click on the form name above. When completing the required form(s), you will need to indicate the Bank account or address to which payment should be directed.

Processing time for a lump sum benefit is 2 to 3 weeks after the month end of termination if the funds are not fully invested in the Real 3% option. If funds are fully invested in the Real 3% option at the time of termination, payment can be made shortly after termination, provided the appropriate election has been submitted. In such cases, the earnings are prorated to the date of termination.

To Apply for Retirement Benefits
Unlike the net of tax salaries paid to most Bank Group staff, benefits under the Staff Retirement Plan may be taxable. Whether you will actually have a tax liability on your Staff Retirement Plan pension or lump sum distribution will depend on the tax laws of your country of tax residence and your personal circumstances. If your pension/annuity or lump sum benefit from the Defined Benefit Component, Cash Balance Component or Termination Grant is subject to income tax, you will receive a tax supplement based on the tax rates of the country in which your benefit is taxable and the portion of your benefit that is subject to tax. The tax supplement is an approximation of the actual tax due. If the taxable status of your pension changes during retirement, or if your pension becomes taxable in a different tax jurisdiction, your tax supplement will be adjusted to reflect that change. A tax supplement does not apply to distributions from the Voluntary Savings Component.

Tax supplements for lump-sum payments from the Defined Benefit Component, Cash Balance Component or Termination Grant are paid a few weeks after termination or retirement. Tax supplements on pensions/annuities are paid on a regular basis during retirement.

For more information regarding tax supplements, please contact the Tax Service Desk.

Please refer to the circular “Income Tax and the SRP” for additional details on the taxation of your distributions from the Staff Retirement Plan.

A "cash balance" benefit is typically offered by defined benefit plans, such as the Staff Retirement Plan, to provide a benefit that resembles the accumulation of assets in an individual investment account. The "cash balance account" in the Staff Retirement Plan is a notional account that measures the accumulated credits corresponding to staff contributions, Bank provided credits, and earnings credits. The total account balance reflects the Plan's cash balance liabilities to the individual participant, which will be paid from the general assets of the Staff Retirement Plan Trust upon retirement or separation from the Bank. No individual investment accounts are actually established for individual participants in the Plan. Terms used in this pamphlet to describe the cash balance benefit, including "investment options," "earnings," "account" and "contributions" are strictly notional, and they are used in order to provide participants a better understanding of their benefit.

This brochure is intended to provide only a summary of the main provisions of the Plan. It neither establishes nor confers any rights. Please note that amendments to the Plan may not always be reflected in the factsheet. The official Staff Retirement Plan document is the only document that determines the entitlement to and the amount of benefits payable under the Plan, or any rights created by the Plan.

For additional information, go to Human Resources homepage (http://hrkiosk) or the Pension Administration Website (http://staff.worldbank.org/pension). For specific inquiries, call 202.458.2977 or email 1pension@worldbank.org.