Retirement and Pension Plan

of the

Organization of American States

SECTION I

DEFINITIONS

Plan:	The Retirement and Pension Plan of the Organization of American States, set forth in this document.
Committee:	The Retirement and Pension Committee referred to in Section II of the Plan.
Fund:	The Retirement and Pension Fund referred to in Section III of the Plan.
Account:	The record set up on the books of the Fund in the name of each participant for the receipt of contributions, the accreditation of interest, and the payment of benefits.
Participant:	Any staff member of the General Secretariat of the Organization of American States or of any other inter-American institution affiliated with the Plan who belongs to the Plan because he is required or permitted to do so by, respectively, the Secretary General of the Organization of American States or the equivalent authority of the other affiliated institutions in accordance with the pertinent policies or regulations of the institution. For purposes of Section VIII. 10 of the Plan only, and not for any other Section of this Plan, the term "participant" means "participant", "retiree-pensioner" or both together.
Participation:	The condition of being a participant in the Plan. "Participation" is to be distinguished from "service" (see below).
Length of Participation:	The period of time for which both the employer's and the participant's contributions are made to the account of the latter plus any period of leave without pay of 6 months or less. Completed 6-month periods of participation are treated as half years for the calculation of pensions.
Service:	The condition of being a staff member of the General Secretariat of the Organization of American States or of other institution affiliated with the Plan. Service does not necessarily imply participation in the Plan, and length of service, as distinct from length of participation, is not taken into account in calculating entitlements under the Plan.

Retiree: A former participant who has met the conditions for any form of retirement established in the Plan and has been declared retired by the Committee. A retiree may or may not be a pensioner (see below). Only retirees who are pensioners are entitled to any of the post-retirement benefits provided for in the Plan.

Pension: The benefit paid periodically to a pensioner. Pensions are for life except as otherwise specified.

Pensioner: (1) A retiree who is receiving a pension; or (2) a person who is receiving a pension as a survivor of a deceased participant or retiree-pensioner in accordance with Section VI of the Plan.

Beneficiary: A person other than the participant, designated by the participant or by the Plan to receive benefits in accordance with its provisions. To be valid, the designation of a beneficiary by a participant must be made in writing, witnessed, and deposited with the Secretary-Treasurer of the Fund.

Basic salary: The salary established for any position before any deductions and excluding any adjustments or allowances. "Basic salary" is to be distinguished from "pensionable remuneration" (see below).

Pensionable remuneration: The amount designated by each of the affiliated institutions for computing contributions to the Plan and calculating pensions. The term "pensionable remuneration" is equivalent to the term "compensation" as used in the Internal Revenue Code of the United States.

Final average remuneration: The average annual pensionable remuneration for the 36 consecutive months of highest pensionable remuneration within the last 5 years of remunerated participation.

Final basic salary: The average annual basic salary for the 36 consecutive months of highest basic salary within the last 5 years of remunerated participation.

Actuarial value: The cumulative present value of the pension over the expected lifetime of the retiree- pensioner, determined in accordance with the actuarial tables adopted by the Committee.

Unmarried: Having no spouse at the time when eligibility for a benefit is under consideration.

IRC: The Internal Revenue Code of the United States of America.

He, him, his: The masculine pronouns are used for convenience only. All provisions of the Plan apply equally to men and women.

SECTION II

RETIREMENT AND PENSION COMMITTEE

1. A Retirement and Pension Committee composed of the following three members shall be charged with carrying the Plan into effect:

   a. A person elected by the Permanent Council of the Organization of American States.

   b. The Secretary General of the Organization of American States or a person appointed by him.

   c. A member of the staff of the General Secretariat of the Organization of American States, elected annually by the participants in the Plan.

2. On the recommendation of the Committee, the Secretary General shall appoint a Secretary-Treasurer of the Fund, who shall devote himself to his duties full-time and exclusively. The Secretary-Treasurer shall be the principal executive officer of the Fund and shall exercise the powers and functions of its administration and management, serving under the authority of the Committee and in accordance with the standards established by the Committee and by the Plan.

   He shall guarantee his financial responsibility by a security bond, the amount of which shall be determined by the Committee.

3. The Committee shall formulate any rules or regulations necessary to carry out the Plan in accordance with its provisions.

4. The Committee shall fix the interest rates for the computations necessary to carry out the provisions of the Plan.

5. The Committee may make provisions within the Plan for accepting savings from participants and making loans to them.

6. The Committee may enter into agreements with other international organizations and with governments of member states to permit the transfer and continuity of pension rights and the transfer of funds of participants who leave to work in those organizations or governments, or vice versa, provided that the agreements are consistent with the principles of the Plan and that the transfers involve no cost to the Fund or to the institutions affiliated with the Plan.

SECTION III

FINANCING OF THE PLAN

1. The Plan shall be financed by a Retirement and Pension Fund, which shall be under the control and direction of the Committee and shall be available for investment and for meeting the obligations and expenses it incurs in carrying out the Plan. The Fund shall consist of:

   a. Such amounts as heretofore have come under the control of the Committee for the purposes of carrying out the provisions of the Plan.

   b. A compulsory contribution by participants of 7 per cent of their pensionable remuneration.

   c. A contribution of 14 per cent of each participant's pensionable remuneration made by the institution employing him.

   d. Such funds as appropriated by the General Assembly of the Organization of American States to ensure the fulfillment of the financial obligations of the Plan.

   e. All earnings and income from assets under the control of the Committee.

   f. Forfeitures of certain sums from the accounts of participants who leave the service of affiliated institutions, as provided in Section IV.1.

   g. Bequests, gifts, or payments from any source accepted by the Committee.

   h. In case of emergency or where it is temporarily advantageous, funds under the control of the General Secretariat whose use is approved by the Secretary General, its being understood that reimbursement shall be made later to the General Secretariat.

2. Within the Fund, an account shall be maintained for each participant, consisting of:

   a. The Personal Credit: The participant's contribution plus semiannual interest.

   b. The Institutional Credit: The employer's contribution plus semiannual interest.

   The interest to be allowed on the Personal Credit and the Institutional Credit shall be computed as of June 30 and December 31 on the previous semiannual balance; but when an account is being liquidated, interest to the date of liquidation may be allowed.

3. Any amounts needed to supplement the accounts of retiring participants in order to pay their pensions shall be provided from the general reserve of the Fund. When, in the judgment of the Committee, the Fund is not in a position to meet such expenses, the Secretary General of the Organization of American States shall submit this situation to the General Assembly in presenting the proposed budget of the Organization for that fiscal period.

4. To finance the cost-of-living adjustments to pensions granted in accordance with Section VII of the Plan, the Secretary General of the Organization of American States may include the necessary amount in the proposed budget of the Organization.

SECTION IV

BENEFITS UPON SEPARATION FROM SERVICE PRIOR TO RETIREMENT

1. A participant who leaves the service of the General Secretariat or other affiliated institution shall receive, upon separation, the entire amount of the Personal Credit in his account and the applicable percentage of the Institutional Credit according to the following scale:

Years of Participation	%
Fewer than 4	35
4	40
5	60
6	80
7 or more	100

2. A participant with fewer than 7 years of participation who is separated from the service of the General Secretariat or other affiliated institution against his desire, and who has observed good conduct, shall be entitled to the full amount of his Personal and Institutional Credit, independently of any other indemnification paid to him. This separation shall not be construed as a retirement under the Plan.

3. In the event of the death of a participant, the benefits specified in Section VI shall be applicable.

SECTION V

RETIREMENT

1. The following forms of retirement are contemplated: *compulsory, voluntary, early, deferred,* and *disability.* All pensions payable under any of them are for life except as otherwise stated.

2. ***Compulsory retirement*** shall be applicable at the age of 65 with 15 or more years of participation.

    a. The amount of the pension for compulsory retirement shall be determined as follows: 2 percent of the final average remuneration for each year of participation up to a maximum of 30 years; and 1.2/3 percent of the final average remuneration for each year of participation thereafter up to a maximum of 10 years.

    At the time of retirement, a participant may elect to receive in cash up to one third of the actuarial value of his pension, in which case his pension shall be reduced in the same proportion.

    b. Instead of the preceding benefit, a participant who joined the Plan before January 1, 1982, may elect a pension based on the value of the total sum in his account. Alternatively, at the participant's request, the Committee has the power to substitute some other form of benefit of equivalent value. This benefit may consist of, but is not limited to, the following:

    (i) Full payment in cash of the total sum in the participant's account, immediately or at some future date.

    (ii) A pension based on the value of the total sum in the participant's account, payable to some other person.

    (iii) Any combination of the foregoing.

    c. The Committee may extend the service of a participant who joined the Plan before January 1, 1982, for periods not exceeding a year at a time if the extensions are deemed beneficial to the affiliated institution and if the Committee has received a written request for the extension from the participant concerned.

3. ***Voluntary retirement*** shall be applicable, upon their written request, to participants 55 years of age or older but less than 65 whose age and years of participation, when added together, total not less than 85. The other provisions shall be the same as for compulsory retirement.

4. ***Early retirement*** shall be applicable, upon their written request, to participants 55 years of age or older but less than 65 with 15 or more years of participation.

   a. The amount of the pension for early retirement shall be determined in the same manner as that for compulsory retirement except that an actuarial reduction factor shall be applied that will offset the higher value of the annuity resulting from its being granted to a person under 65 years of age.

   b. However, if the participant joined the Plan before January 1, 1982, the pension shall instead be reduced by 3 percent for each year of age below 60 and by an additional 2 percent for each year of participation less than 30. The other provisions shall be the same as for compulsory retirement.

5. ***Deferred retirement*** shall be applicable to former participants who reach 65 years of age and who, having discontinued their participation at an earlier age with 15 years of participation or more, did not withdraw the funds in their accounts or elect voluntary or early retirement.

   The amount of the pension for deferred retirement shall be determined in the same manner as that for compulsory retirement.

   The benefits applicable to the survivors of a deceased former participant who did not withdraw the funds in his account or elect voluntary or early retirement are specified in Section VI.10.

6. ***Disability retirement*** shall be applicable to a participant of any age whose services are terminated for reasons of physical or mental incapacity after he has completed 5 or more years of participation, unless the employing institution offers him another position with a salary that is at least 60 percent of the one he was previously receiving.

   a. The amount of the pension for disability retirement shall be determined in the same manner as that for compulsory retirement except that it will be assumed that, at retirement, the participant under 65 years of age is 65 years old and that the participant with 5 or more years of participation but less than 15 has 15 years of participation. Each year the pension payment shall be reduced by US$0.50 for every US$1 earned by the pensioner during the preceding year.

b. A participant who joined the Plan before January 1, 1982, may elect to be covered instead by the following provisions on disability retirement if they are more beneficial to him:

(i) For participation of 5 years or more but less than 15, he may receive a pension amounting to 30 percent of his average annual pensionable remuneration for the 5 consecutive years of highest pensionable remuneration plus 0.5 percent for each additional year of participation. The pension shall cease if he recovers sufficiently to return to gainful employment before reaching the age of 65, and in any case shall not be payable for longer than his length of participation at the time of retirement.

(ii) For participation of 15 or more years, he may receive a pension amounting to 35 percent of his average annual pensionable remuneration for the 5 consecutive years of highest pensionable remuneration plus 1 percent for each additional year up to a maximum of 10. The pension shall cease if he recovers sufficiently to return to gainful employment before reaching the age of 65.

(iii) Alternatively, upon his written request, the Committee may decide to pay him in cash the total sum in his account.

(iv) When he has been receiving the benefits in either (i) or (ii) above and recovers before reaching the age of 65, he shall be paid in cash the difference between the value of the pension payments made to him and the amount to which he would have been entitled if he had resigned at the time they began, unless he reenters the service of an affiliated institution on terms that provide for his rejoining the Plan. In the latter case, his previous status as a participant shall be restored and his account shall be reduced by the value of the pension payments made to him; however, he may refund to his account as much of those payments as he desires.

(v) If he has been receiving the benefits in either (i) or (ii) above and dies before reaching the age of 65, his beneficiaries shall be paid in cash the difference between the value of the pension payments made to him and the total sum in his account at the time they began. Regardless of their relationship to him, they shall not be entitled to the survivors' benefits specified in Section VI.

(vi) Under all the foregoing provisions, proof of the initial disability and of its continuance must be furnished to the satisfaction of the Committee.

A participant who meets the other conditions for disability retirement but has less than 5 years of participation shall receive only the total sum in his account.

The Alternative Minimum Pension, described in paragraph 7 of this Section, is inapplicable to Disability Retirement.

7. A retiring participant may elect to receive, instead of the pension calculated according to the formula set forth in paragraph 2.a of this Section, an alternative minimum pension equal to 60 percent of his final basic salary if this is more beneficial to him.

If the final basic salary is less than US$27,000, the pension shall be calculated by adding US$1,000 to the amount resulting from the computation of 60 percent of the final basic salary. The amounts of US$27,000 and US$1,000 are those in effect as of July 1, 1990, and shall be adjusted thereafter whenever the General Assembly grants a cost of living adjustment to staff members of the General Secretariat and in the same proportion.

An actuarial reduction factor shall be applied to the amount of the pension when the participant does not meet the requirements for compulsory or voluntary retirement.

The participant may elect to receive in cash up to one third of the actuarial value of the pension for which he would be eligible according to the formula set forth in paragraph 2.a of this Section, in which case the alternative minimum pension shall be reduced in the same proportion.

SECTION VI

SURVIVORS' BENEFITS

1. Pensions shall be granted to the following surviving relatives of a deceased participant who had 5 or more years of participation, or of a deceased retiree-pensioner.

   a. Widows or widowers of any age. If the deceased was a retiree-pensioner, the widow or widower must have been married to him or her at the time of retirement.

   b. Unmarried children under the age of 18.

   c. Unmarried children under the age of 21 while studying full-time.

   d. Unmarried children of any age who are totally and permanently disabled.

2. The amount of the survivor's pensions shall be calculated as a percentage of the pension that the retiree-pensioner was receiving or to which the deceased participant would have been entitled had he been disabled on the date of death. In the case of a deceased participant, the calculation of the pension shall be based on the assumption that, at the time of death, a participant under 65 years of age was 65 years old and a participant with 5 or more years of participation but less than 15 years of participation had 15 years of participation.

   The scale of percentages shall be as follows:

   a. For a widow or widower: 50 per cent. However, every year a deduction of US$0.50 shall be made for each US$1 earned by the survivor during the preceding year.

   b. For each child: 10 per cent. If there are more than 2, the total shall not exceed 25 per cent and shall be equally divided among them.

   c. For one or more totally and permanently disabled unmarried children of any age, after the death of both parents: 50 per cent. If there are more than one, the pension shall be equally divided among them.

3. For a child to be entitled to a pension as totally and permanently disabled, the total and permanent disability must exist at the moment the participant or retiree-pensioner's death. The pension shall continue for the life of the child or for as long as that child is deemed to be totally and permanently disabled, whichever is less. Payment of this pension shall be without prejudice to the pensions of siblings who are not totally and permanently disabled.

4. When a retiree-pensioner has received in cash up to one third of the actuarial value of his pension, the amount of the pensions payable to the surviving relatives shall be calculated as a percentage of his reduced pension.

5. When a participant dies with less than 5 years of participation, the surviving spouse shall receive 50 per cent of the total sum in his account and the eligible children, as specified in paragraph 1 of this Section, shall receive the other 50 per cent in equal parts. If there is no surviving spouse, his or her portion shall accrue to the children, and vice versa.

6. When a participant dies leaving no spouse or children who are entitled to receive the pension or funds provided for in paragraphs 1 and 5 of this Section, his Personal Credit, with accrued interest to the date of payment, shall be paid to the beneficiary or beneficiaries he has designated, except as provided in paragraph 8 of this Section.

7. When all the surviving children of a participant cease to meet the requirements for continuing to receive a pension and there is no surviving spouse, the balance of the participant's Personal Credit, net of any pension payments that have been made to the spouse and/or children, shall be paid to the beneficiary or beneficiaries he has designated, with the interest accrued to the date of payment.

8. A participant who joined the Plan before January 1, 1982, may elect to designate a beneficiary or beneficiaries to receive the total sum in his account upon his death. Alternatively, if he has a spouse and/or children who would be eligible for the benefits specified in paragraphs 1 and 2 of this Section, he may refrain from designating a beneficiary, in which case his eligible survivors will receive those benefits.

9. Upon the death of a participant who has failed to designate a beneficiary and who has no survivors eligible for the benefits specified in paragraphs 1 and 2 of this Section, any distribution in cash that would otherwise have been payable to a beneficiary under the terms of this section shall be paid into the participant's estate.

10. In the event of the death of a former participant who elected deferred retirement the following provisions shall apply:

    a. If he was 55 years of age or more at the time he discontinued his participation, his surviving spouse and/or children shall receive pensions as if he had entered upon early retirement on the date of death.

    b. If he was less than 55 years of age at the time he discontinued his participation, the total sum in his account shall be paid to the person or persons who would have been entitled to a pension if he had died after retirement.

SECTION VII

REAL VALUE OF PENSIONS

1. The real value of pensions shall be maintained by applying to them a percentage increase at the same level as the cost-of-living adjustment supplement granted to staff members of the General Secretariat to maintain the real value of their salaries.

2. The pensions shall be increased by up to 3 percent, as the Committee decides, effective on January 1 of any year for which no cost-of-living adjustment supplement has been approved by the General Assembly and that has been preceded by two years without an increase for the same reason if, according to the index selected by the Committee, the cost of living has risen by at least 3 percent since the last increase.

SECTION VIII

GENERAL PROVISIONS

1. Participation in the Plan shall begin on the first day of the month following that in which the staff member becomes eligible for participation, unless he becomes eligible on the first day of a month, in which case participation shall begin on that same day.

2. For the purposes of the Plan, the age of a participant shall be computed as of the first day of the month following his birthday, with the exception that persons whose participation began before July 1, 1990, may choose to have their age computed as of the January 1 or July 1 following their birthday, whichever comes first.

3. A former participant who is not a retiree may rejoin the Plan upon entering the service of an affiliated institution, whether the same one that previously employed him or not. In that case he shall have the status of a new participant. However, he may elect to be given credit for his former participation (disregarding fractions of six-month periods) by redepositing in the Fund the sum he withdrew at the time his former participation ceased plus the interest that it would have earned up to the date of its redeposit. With the consent of the Committee, such redeposits may be made in installments.

4. Except to correct any actuarial errors, no part of the contributions to the Fund made by the General Secretariat of the OAS or any other affiliated institution, or of the increment thereon, shall revert to the general funds of the institutions or be used for any other purpose than the exclusive benefit of the participants or their beneficiaries.

5. If the Plan is terminated, the available funds shall be used first to guarantee the pensions that have been granted to retirees and that may be due to the surviving relatives of deceased participants or retiree-pensioners, and second to pay to living participants all contributions made on their behalf and the increment thereon.

6. The Plan does not eliminate or limit the powers relating to the suspension or removal of staff members that are conferred upon the Secretary General of the Organization of American States and the equivalent authorities of the other affiliated institutions by their respective regulations.

7. In the event that a large sum of money becomes payable unexpectedly and it would be inconvenient to make the payment, the Committee may, in its discretion, postpone any or all of the payment for up to three months.

8. A participant or former participant may appeal to the Administrative Tribunal of the Organization of American States from any decision of the Committee that he considers to be in violation of his rights under the provisions of the Plan.

9. The Secretary General and the Assistant Secretary General of the Organization of American States shall not be participants in the Plan, and all matters relating to their retirement shall be decided by the General Assembly.

10. The following provisions shall apply solely for the purpose of obtaining for the participants the benefits afforded under the IRC to participants in qualified pension trusts:

   a. Regardless of any other provision of the Plan, the maximum initial pension shall not exceed the lesser of the following: (1) the amount set forth in Section 415 (b) (1) (A) of the IRC, subject to adjustments required under Section 415 (b) (2), or any higher amount that may be established from time to time in accordance with Section 415 (d) and other pertinent sections of the IRC; or (2) 100 per cent of the participant's final average remuneration, in accordance with Section 415 (d) of the IRC. If the participant has less than 10 years of participation, the maximum pension shall be reduced under Section 415 (b) (5) of the IRC or its successor provision. An otherwise permissible pension may be reduced to the extent necessary, as determined by the Committee, solely to prevent disqualification of the Plan under Section 415 of the IRC.

   b. The pensionable remuneration taken into account under the Plan for any year shall not exceed the amount specified in Section 401 (a) (17) of the IRC as adjusted pursuant to that section or its successor provisions.

   c. Regardless of any other provision of the Plan, the payment of benefits shall be made within the following time limits, which are to be understood only as maximums established under the IRC:

      (i) The participant's entire interest shall be distributed to him either (a) no later than April 1 of the calendar year following the one in which he reaches the age of 70.5, or (b) beginning not later than that date, over his life or the lives of himself and a designated beneficiary or over a period not extending beyond his life expectancy or that of himself and a designated beneficiary.

      (ii) Where the participant dies after distribution has begun but before he has received his entire interest, the remaining portion shall be distributed at least as rapidly as under the method of distribution that applied before his death.

(iii) Where the participant dies before the distribution of his benefits has begun, they shall be distributed within 5 years after his death except as follows: (a) the distribution of any portion of the benefits that is payable to a designated beneficiary shall begin not later than 1 year after his death and shall continue for a period no longer than the life of that beneficiary (or over a period not extending beyond the life expectancy of the beneficiary); and (b) where the designated beneficiary is the participant's spouse, the distribution need not begin until the date on which the participant would have reached the age of 70.5, and if the spouse dies before the distribution begins, the provisions of this Section VIII.10.c shall apply as if the spouse had been the participant.