

This version of the ECB Pension Scheme rules has been produced for members of staff who take up employment with the ECB on or after 1 June 2009.

European Central Bank

Conditions of Employment for Staff of the European Central Bank

Annex IIIa - Pension Scheme

Latest amendments entered into force on 1 January 2025

The Rules of the ECB Pension Scheme form Annex II to Decision ECB/2009/NP7 of 4 May 2009 amending the Conditions of Employment for Staff of the European Central Bank. Decision ECB/2009/NP7 contains a transitional provision, the effect of which is shown in Article 22 of this version of the Rules of the Scheme.

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Section I - DEFINITIONS

Article 1

Definitions

In these Rules the terms set out below have the following meaning:

‘actual service’ means all of the following periods from the date of entry into force of the Scheme:

- (a) periods of active employment at the ECB, regardless of the working time arrangements applicable to such periods;
- (b) periods of sick leave within the meaning of the Conditions of Employment;
- (c) periods of entitlement to a disability allowance, adjusted in the case of partial disability;
- (d) periods of maternity leave;
- (e) periods of parental leave;
- (f) any other periods subject to approval of the administrator;

‘actuarial advice’ means the advice given by the Scheme actuary;

‘actuarial equivalent’ or ‘equivalent actuarial value’ means the equivalent value of the retirement benefits determined according to the actuarial tables adopted by the administrator under Article 21;

‘age adjustment’ means, for the purpose of determining the reduction under Article 9 of Appendix 3 to be applied to a spouse’s pension payable under Articles 4, 5, 6, and 7 of Appendix 1, the reduction of the difference in age between the deceased member and their surviving spouse by subtracting, as applicable, the duration of any of the following: (i) their marriage; (ii) their recognised non-marital partnership; (iii) their partnership which would have been recognised by the ECB as a non-marital partnership within the meaning of the Conditions of Employment;

‘administrator’ means the Director General Human Resources or any other persons appointed by them;

‘approved insurance company’ means an insurance company authorised by the competent authority of a Member State under either Article 14 or Article 162 of Directive 2009/138/EC of the European Parliament and of the Council¹, to take up the activities referred to under any of Headings I, III, VII, and IX in Annex II to that Directive;

‘balancing contribution’ means a contribution to a member’s voluntary contribution account equal to the excess of the overall contribution over the home plan contribution;

‘beneficiary’ means any of the following:

- (a) a member;
- (b) a person who receives a pension from the Scheme;
- (c) a person who is entitled to deferred retirement benefits under the Scheme;

¹ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

(d) a person who is entitled to a surviving former spouse's benefit under the Scheme;

'child' means the child of a member or a pensioner whose eligibility to receive benefits under the Scheme is determined in accordance with the same criteria as apply to a dependant child of a member of staff under the Conditions of Employment; **'children'** shall be construed accordingly;

'Conditions of Employment' means the Conditions of Employment for Staff of the European Central Bank;

'compulsory contribution' means a member's monthly contribution to the defined benefit scheme set at a rate of 6%, or any other rate decided by the Governing Council, of the member's:

- (a) monthly basic salary,
- (b) monthly disability allowance before any reduction for earnings or benefits from another source,
- (c) monthly partial disability allowance before any reduction for earnings or benefits from another source, combined with adjusted monthly basic salary,
- (d) monthly unemployment allowance in accordance with Article 36(a)(i) of the Conditions of Employment, or
- (e) special monthly allowance in accordance with Article 36a(a) of the Conditions of Employment, whichever is applicable;

'deferred member' means a former member of staff:

- (a) whose employment contract with the ECB has been terminated otherwise than by reason of death or retirement prior to the normal retirement age; and
- (b) who has completed more than five years of pensionable and/or actual service;

'deferred retirement benefits' means the benefits defined in Articles 2, 5 and 6 of Appendix 1, and Articles 2, 5 and 6 of Appendix 2;

'dependants' means the spouse and/or dependant children of a member or pensioner within the meaning of the Conditions of Employment;

'early retirement' means retirement at or after age 55 but prior to the normal retirement age. The administrator's approval shall be required for early retirement at or after age 55 up to, but not including age 60;

'ECB contribution' means the monthly contribution paid by the ECB from its general assets to the defined benefit scheme set at a rate of 18%, or at any other rate decided by the Governing Council, of a member's:

- (a) monthly basic salary,
- (b) monthly unemployment allowance in accordance with Article 36(a)(i) of the Conditions of Employment, or
- (c) special monthly allowance in accordance with Article 36a(a) of the Conditions of Employment, whichever is applicable;

‘final salary’ means the annual rate of a member’s monthly basic salary received prior to leaving service, retirement or death;

‘home plan’ means an employee benefit arrangement:

- (a) established by or for an organisation or government with which a member of staff maintains an employment relationship; and
- (b) of which a member of staff is authorised to remain a member on a continuous basis;

‘home plan contribution’ means a contribution within the limits authorised by the home plan consisting of part or at maximum all of the overall contribution, which is paid monthly from the defined benefit scheme into the home plan in accordance with Article 2 of these Rules;

‘initial contribution’ means a one-off lump sum contribution which a member decides to pay into the voluntary contribution scheme within one year of joining it, subject to limits determined by the administrator;

‘interest’ means interest compounded annually based on an interest rate of 3.5%, which may be revised from time to time by the Executive Board on the advice of the Scheme actuary and following consultation with the Staff Committee;

‘Investment Committee’ means the ECB’s Investment Committee, as defined and established in accordance with the relevant rules laid down by the Executive Board and entrusted with responsibilities in relation to the Scheme;

‘late retirement’ means retirement after the normal retirement age but prior to age 70 subject to the administrator’s approval;

‘leaver’ means a former member of staff whose employment contract with the ECB is terminated otherwise than by reason of death or retirement and who is entitled to the benefits defined in Article 1 of Appendix 1 and Article 1 of Appendix 2; **‘leaving’** shall be construed accordingly;

‘maximum pension’ means an annual pension equivalent to 70% of final salary at retirement;

‘member’ means a member of staff, a former member of staff in receipt of unemployment benefits in accordance with Article 36 of the Conditions of Employment, a former member of staff in receipt of benefits as a result of a cooling-off period in accordance with Article 36a of the Conditions of Employment, or a deferred member, who is affiliated to the defined benefit scheme and/or the voluntary contribution scheme;

‘normal retirement age’ (NRA) means age 65;

‘overall contribution’ means the total of the ECB contribution and the compulsory contribution payable to the Scheme;

‘Oversight Committee’ means the Oversight Committee as defined and established in accordance with the relevant rules laid down by the Executive Board from time to time and entrusted with responsibilities in relation to the Scheme;

‘payment account’ means an account established for the Scheme from which pensions under the Scheme are paid;

‘pensionable service’ means all of the following periods from the date of entry into force of the Scheme:

- (a) periods of actual service, or periods of receipt of unemployment benefits in accordance with Article 36 of the Conditions of Employment, or periods of receipt of benefits as a result of a cooling-off period in accordance with Article 36a of the Conditions of Employment, in respect of which overall contributions are paid, adjusted to take into account a member’s applicable working time arrangements;
- (b) any period of service bought back in accordance with Article 3(c) and (d);
- (c) any other periods subject to the administrator’s approval;
- (d) any period of service in respect of amounts transferred in pursuant to Article 8;

‘pensioner’ means a former member of staff whose employment contract with the ECB has been terminated by reason of early retirement, retirement at the normal retirement age or late retirement;

‘prospective pension’ means, in respect of a member who has died in service, the retirement pension to which they would have been entitled if they had retired at the normal retirement age based on their revalued earnings at the date of their death;

‘prospective deferred pension’ means, in respect of a deferred member who has died after leaving, the retirement pension to which they were entitled at the leaving date, based on their revalued earnings at such date, adjusted in accordance with Article 13 until the date of their death;

‘revalued earnings’ means the average of a member’s highest basic salaries on a full time basis, over a maximum of 30 years of pensionable service, up to the date of leaving, retirement or death. In the case of a disabled member who receives a disability allowance, their basic salary on a full time basis immediately prior to becoming disabled shall be used if necessary. In the case of a member in receipt of unemployment benefits in accordance with Article 36 of the Conditions of Employment, or of benefits as a result of a cooling-off period in accordance with Article 36a of the Conditions of Employment, their basic salary on a full time basis immediately prior to the unemployment or cooling-off period shall be used. The above basic salaries shall be adjusted in line with general salary adjustments in accordance with the Conditions of Employment;

‘Rules’ mean these rules and the appendices thereto, as amended from time to time;

‘Scheme’ means the European Central Bank Pension Scheme adopted on 4 May 2009 and entering into force on 1 June 2009 comprising the defined benefit scheme and the voluntary contribution scheme;

‘Scheme assets’ means all contributions, monies, property and other assets of the Scheme;

‘Scheme auditor’ means the ECB’s auditor appointed in accordance with Article 27 of the Statute of the European System of Central Banks and of the European Central Bank;

‘special contribution’ means a lump sum contribution which a member may decide to pay once a year to the voluntary contribution scheme, subject to limits determined by the administrator;

‘spouse’ means:

- (a) a member’s legal spouse;
- (b) a member’s non-marital partner recognised by the ECB under the Conditions of Employment;

- (c) a deferred member's legal spouse or partner who would have been recognised by the ECB as a non-marital partner within the meaning of the Conditions of Employment;
- (d) a pensioner's legal spouse or non-marital partner recognised by the ECB under the Conditions of Employment;

'spouse's pension' means a pension payable for life to a spouse from the defined benefit scheme;

'spouse's supplementary pension' means a pension payable for life to a spouse from the voluntary contribution scheme;

'staff representative' means a member of staff elected under Article 45 of the Conditions of Employment who is appointed to the Investment Committee in accordance with Article 16 of these Rules;

'supplementary contribution' means any additional contribution payable by the ECB to the defined benefit scheme including a contribution relating to past service;

'supplementary retirement pension' means a pension payable for life to a member from the voluntary contribution scheme, subject to the limit of the maximum pension;

'voluntary contribution' means a monthly contribution deducted from a member's monthly basic salary or from a member's allowance as set out in points (b) to (e) and paid into the voluntary contribution scheme. Such regular monthly contribution to the voluntary contribution scheme shall not exceed 12% of the member's:

- (a) monthly basic salary;
- (b) monthly disability allowance before any reduction for earnings or benefits from another source;
- (c) monthly partial disability allowance before any reduction for earnings or benefits from another source combined with adjusted monthly basic salary;
- (d) monthly unemployment allowance in accordance with Article 36(a)(i) of the Conditions of Employment; or
- (e) special monthly allowance in accordance with Article 36a(a) of the Conditions of Employment, whichever is applicable;

'voluntary contribution account' means the account which the ECB maintains for a member in the voluntary contribution scheme as described in Appendix 2 to these Rules, or where the context requires, the amount credited to that account at any given date.

Section II - MEMBERSHIP AND CONTRIBUTIONS

Article 2

Membership

- (a) On taking up employment with the ECB, a member of staff shall join the defined benefit scheme.
- (b) From the date of taking up employment with the ECB, a member of staff may elect to join the voluntary contribution scheme.

- (c) The Governing Council may also allow a member of staff to join the Scheme on any special terms and from such date as it may decide.
- (d) If the Governing Council adopts specific pension provisions for particular categories of members of staff, it may exclude such members of staff from participating in the Scheme. In this event, the provisions of Articles 1 and 2 of Appendix 1 and Articles 1 and 2 of Appendix 2 shall apply.
- (e) For members of staff who, by derogation from paragraph (a), have been authorised by the administrator prior to 1 March 2022 to remain a member of their home plan, home plan contributions shall be paid accordingly. In this event, the ECB shall pay any balancing contribution into the member's voluntary contribution account. Any such member shall not accrue pensionable nor actual service in the defined benefit scheme and shall not be entitled to any benefit from the defined benefit scheme.

Article 3

Temporary absence from work

- (a) If a member is temporarily absent from work, they shall remain a member for as long as they receive any basic salary from the ECB.
- (b) During any such period of paid absence, all of the following shall apply:
 - (i) the ECB shall continue to pay ECB contributions and the member shall continue to pay compulsory contributions;
 - (ii) any balancing contributions shall continue to be paid;
 - (iii) the member may continue to contribute to the voluntary contribution scheme;
 - (iv) the member's entitlement to death in service benefits under Article 4 of Appendix 2 shall continue.
- (c) If a member's basic salary is reduced during the period of temporary absence, the ECB contribution and the compulsory contribution shall be reduced accordingly. In such case the period of absence shall only count as pensionable service to the extent decided by the administrator after taking actuarial advice and if the member, no later than three months after their return to work, pays to the defined benefit scheme the balance of: (i) the compulsory contributions based on the member's unreduced salary; and (ii) an amount equal to what the ECB contributions would have been based on the member's unreduced salary. Any such payments shall be increased by applying interest. The member may opt for a monthly deduction of those contributions from the monthly reduced salary, in which case the payment shall not bear any interest. The member shall exercise such option at least ten days prior to payment of the salary from which the contributions are to be deducted.
- (d) If a member does not receive any basic salary from the ECB during the period of temporary absence from work, the Executive Board may decide that the member may remain a member for that period. To the extent decided by the administrator after taking actuarial advice, the period of absence shall be treated as full pensionable service, if the member, within three months after their

return to work, pays to the defined benefit scheme the compulsory contributions and an amount equal to the ECB contributions in respect of that period of absence. Any such payments shall be increased by applying interest.

- (e) For the purpose of calculating any benefits becoming payable during the period of temporary absence, the member's monthly basic salary shall be deemed to be that applicable on the date on which the absence commenced, adjusted in line with general salary increases.

[Article 4 deleted]

Article 5

Suspension

Where a member of staff has been suspended in accordance with Article 46 of the Conditions of Employment and part of their basic salary has been withheld, ECB contributions, compulsory contributions and any voluntary contribution shall become payable if the withheld portion of the monthly basic salary is reimbursed. Where relevant, the ECB shall compensate in such manner as the Executive Board determines for the loss of investment returns in the voluntary contribution account suffered by the member as a result of the later payment of the voluntary contribution.

Article 6

Rejoining the Scheme

If a member leaves the Scheme and later rejoins it, they shall, unless otherwise agreed between the administrator and the member, remain entitled to any benefits arising on cessation of their earlier period of membership and shall be treated for all purposes as a new member in relation to their later period of membership.

Article 7

Contributions

- (a) The following contributions shall be payable to the Scheme in euro:
 - (i) ECB contributions;
 - (ii) a supplementary contribution, if any;
 - (iii) compulsory contributions;
 - (iv) voluntary contributions, if any;
 - (v) an initial contribution, if any;
 - (vi) special contributions, if any;
- (b) The administrator may limit the voluntary contributions in any event in order to respect the maximum benefits payable under Appendix 1 and 2.

Article 8

Transfers-in

- (a) The ECB shall enter into agreements or make appropriate arrangements with such other employee benefit arrangements, organisations and governments as it determines to accept the transfer to the Scheme of amounts of cash in respect of members of staff who have completed their probationary period with the ECB. Such agreements or arrangements shall be subject to prior approval by the administrator. They shall not permit transfers to the Scheme of amounts of cash from pension schemes or arrangements to which no employer contributions have been paid.
- (b) The amounts transferred in shall be allocated to the defined benefit scheme and the member of staff shall be credited pensionable service in accordance with actuarial advice. Where a member of staff requests a transfer of pension rights into the defined benefit scheme, they shall be provided with a written estimate of the service which shall be eligible to be taken into account under the defined benefit scheme. The member of staff shall, not later than six months after receiving such written estimate, confirm to the ECB in writing that they elect to proceed with the transfer of pension rights.
- (c) Notwithstanding any other provision of these Rules, any requirements imposed on a member of staff's benefits by a scheme from which amounts are transferred in shall continue to apply, even if the amount transferred in is transferred out at a later date.

Article 9

Transfers-out

- (a) In accordance with Articles 1 and 2 of Appendix 1 and Articles 1, 2 and 3 of Appendix 2 the administrator shall in respect of a member who on leaving joins another pension fund or approved insurance company make a transfer payment to such other pension fund or approved insurance company on condition that such fund or company guarantees that all of the following shall apply:
 - (i) if the transfer payment is made in accordance with Article 2 of Appendix 1, the capital derived from the defined benefit scheme shall not be repaid to the member in the form of a lump sum. If the transfer payment is made in accordance with Article 1 of Appendix 1, the capital derived from the defined benefit scheme shall only be repaid to the member if subject to taxation. The capital derived from the voluntary contribution scheme shall only be repaid to the member if subject to taxation;
 - (ii) any monthly income shall be paid upon their retirement or from age 65, whichever date is earlier, to an account located in a jurisdiction which is not, at the time of payment, on the EU list of non-cooperative jurisdictions for tax purposes adopted and published by the Council in its conclusions of 5 December 2017, as updated;
 - (iii) in relation to the capital derived from the defined benefit scheme, provision shall be made for benefits to be paid to dependants;

- (iv) a subsequent transfer to another pension fund or approved insurance company shall be authorised only if such fund or company fulfils the conditions laid down in this paragraph.
- (b) Where a member leaving with both pensionable service and actual service of five years or less opts for transfer-out, they shall request a transfer payment to a pension fund or approved insurance company as described under paragraph (a) no later than three months after leaving or such longer period as determined by the administrator.
- (c) Subject to paragraph (a) a deferred member may request the administrator to transfer out the actuarial value of their entitlement to deferred retirement benefits at any moment after leaving.
- (d) Where a deferred member opts for a transfer-out under the defined benefit scheme, they shall also transfer out or cash out all of their entitlement to benefits under the voluntary contribution scheme, if any.
- (e) In the case of a deferred member, the transfer payment from the defined benefit scheme shall represent the actuarial equivalent of the member's deferred retirement benefits.
- (f) The transfer payment from the voluntary contribution scheme shall be the value of the member's voluntary contribution account at the date of redemption from the investment manager(s) to the ECB.
- (g) Once the relevant transfer payments have been made, a member, their spouse and any divorced surviving spouse, and dependants shall have no further entitlement to benefits under the Scheme.

Section III - BENEFITS

Article 10

Benefits under the defined benefit scheme

The detailed rules applying to members who are entitled to benefits under the defined benefit scheme are set out in Appendix 1.

Article 11

Benefits under the voluntary contribution scheme

The detailed rules applying to members who are entitled to benefits under the voluntary contribution scheme are set out in Appendix 2.

Article 12

Maximum pension

- (a) The total annual retirement pension payable to a member from both the defined benefit and the voluntary contribution schemes, or the total annual amount of a combined spouse's pension and spouse's supplementary pension, shall not exceed 70% of the member's final salary.

- (b) The amount of a deferred member's pension shall be increased over the period from the date of leaving to the date of retirement in accordance with the provisions of Article 13.

Article 13

Pension adjustments

- (a) Pensions paid following the retirement or death of a member shall be increased annually by reference to the general salary adjustment adopted in accordance with the Conditions of Employment.
- (b) Any pension adjustment shall be implemented at the same time as the annual general salary adjustment.

Article 14

Disappearance

- (a) Where a beneficiary is missing and, in all probability, no longer alive, they shall be presumed to be deceased from the first anniversary of the date of their disappearance, in the absence of a Court decision specifying an earlier date.
- (b) Where a member is missing and presumed to be deceased, death benefits shall be paid provisionally and on confirmation of death, retroactively from the date of disappearance. Interest shall be payable on arrears.
- (c) The missing beneficiary shall be treated as deceased in accordance with paragraph (a) until such time as they are proved to be alive, in which case benefits paid and increased by applying interest shall be repaid by the recipients or otherwise compensated for.
- (d) Subject to the consent of the administrator, repayment under paragraph (c) may be spread over a certain period.
- (e) The benefits under this Article shall be converted into final benefits once the beneficiary's death has been established officially or the beneficiary has been declared dead by a final Court decision.

Section IV - SCHEME ASSETS AND INVESTMENT

Article 15

Funding and Scheme assets

- (a) The administrator shall establish a single account for the defined benefit scheme. It shall be funded by all of the following:
 - (i) ECB contributions;
 - (ii) compulsory contributions;
 - (iii) amounts transferred in;

- (iv) any supplementary contributions on the advice of the Scheme actuary;
 - (v) investment returns.
- (b) The administrator shall establish a voluntary contribution account for each member. It shall be maintained until the earliest of the date on which the member's benefits under the Scheme become payable, the date their benefits are transferred or bought out of the Scheme, or their date of death. It shall be funded by all of the following:
- (i) voluntary contributions;
 - (ii) investment returns;
 - (iii) any initial contribution;
 - (iv) any special contribution;
 - (v) any balancing contribution.
- (c) The administrator shall establish a payment account for the Scheme. It shall be funded by all of the following:
- (i) the value of voluntary contribution accounts, being the actuarial equivalent of the supplementary retirement pension and where applicable the spouse's supplementary pension determined at retirement;
 - (ii) from the defined benefit scheme, the actuarial equivalent of all benefits determined at a member's retirement or death;
 - (iii) any supplementary contributions on the advice of the Scheme actuary.
- (d) The ECB shall keep the Scheme assets separate from all of its other assets and shall use them solely to provide benefits under the Scheme and to pay the expenses of the Scheme, as decided by the Governing Council from time to time in accordance with Article 25. Scheme assets may not be used for any other purpose.
- (e) No person shall have any entitlement under the Scheme except as expressly provided for in these Rules.

Article 16

Investment Committee

- (a) The Investment Committee shall have the powers in relation to the Scheme as laid down in these Rules.
- (b) The Executive Board shall adopt the Terms of Reference of the Investment Committee after consulting the Staff Committee.
- (c) The Investment Committee shall, in addition to its default members as determined by the Executive Board, be composed of:
 - (i) two staff representatives appointed by the Staff Committee; and
 - (ii) a representative of the administrator as a non-voting member.

- (d) The Investment Committee shall propose to the Executive Board investment policies and strategies for the investment of the Scheme assets. The Investment Committee shall forward a copy of the proposals to the administrator and the Oversight Committee.
- (e) The Investment Committee shall agree with the investment managers as to how to allocate the Scheme assets to implement the abovementioned policies and strategies.
- (f) The Investment Committee shall make arrangements whereby each member has a choice regarding the investment of their voluntary contribution account. In making these arrangements, the Investment Committee may, with the administrator's agreement, recommend to the Executive Board such terms and conditions as it deems necessary at any time, including any amendment or cancellation of the arrangements.
- (g) The Investment Committee shall assess relevant data on the Scheme's performance and its risk situation on the basis of an analysis provided by the ECB organisational unit responsible for risk management and the actuarial valuation reports.
- (h) The Investment Committee shall provide the Executive Board, the administrator and the Oversight Committee with an investment report at least twice a year.

Article 17

Investment of Scheme assets

- (a) The Scheme assets shall be invested in accordance with the policies and strategies determined from time to time by the Executive Board after taking the advice of the Investment Committee. The ECB shall not be liable for any losses whatsoever to benefits for or in respect of any member under the voluntary contribution scheme which may arise from the administrator acting on a member's instruction or their wishes with regard to the choice of investments made.

Article 18

Investment manager(s) and custodian(s)

- (a) The Investment Committee shall recommend to the Executive Board the appointment of one or more investment managers who shall invest the assets in accordance with the policies and strategies determined under Article 17(a). The Executive Board shall agree the terms of appointment and remuneration of the investment managers on the recommendation of the Investment Committee.
- (b) The Investment Committee shall recommend to the Executive Board the appointment of one or more custodians. The terms of appointment and remuneration of the custodians shall be agreed by the Executive Board, on the recommendation of the Investment Committee.

Section V - ADMINISTRATION

Article 19

Administration of the Scheme

The administrator shall administer the Scheme in accordance with these Rules.

Article 20

Scheme actuary

The Executive Board shall, after seeking the recommendation of the Oversight Committee, appoint a Scheme actuary for the purpose of providing actuarial advice and services to the administrator. The Executive Board may, after seeking the recommendation of the Oversight Committee, remove and replace the Scheme actuary.

Article 21

Adoption of actuarial assumptions

The administrator shall, on advice of the Scheme actuary and the ECB organisational unit responsible for risk management, and following consultation with the Staff Committee, adopt and revise, subject to the rules laid down in Appendix 3, actuarial tables and assumptions to be used in the administration of the Scheme.

Article 22

Actuarial valuation of the Scheme

- (a) The administrator shall instruct the Scheme actuary to carry out a valuation of the defined benefit scheme at least every three years. The Executive Board may instruct the administrator at any time to commission the Scheme actuary to carry out a full or partial valuation of the defined benefit scheme.

Article 3(4) of Decision ECB/2009/NP7 provides as follows: ‘By way of derogation from Article 22 of the Scheme, the first valuation of the defined benefit scheme shall be carried out in 2014 based on the data as at 31 December 2013.’

- (b) The administrator shall, following consultation with the Staff Committee, determine the actuarial assumptions used for the valuations described in paragraph (a) on a proposal from the Scheme actuary and following a recommendation of the ECB organisational unit responsible for risk management. For the purposes of such valuation, the Scheme actuary shall make use of the mortality tables issued and from time to time updated by the Joint Pension Administrative Section of the Coordinated Organisations and Eurostat.

- (c) The actuarial report shall state the assumptions on which the calculations are based, describe the method of valuation used, and state the results as well as the recommendations, if any, for appropriate action. The actuarial report shall include a sensitivity analysis of the results in relation to the assumptions applied.
- (d) The administrator shall obtain an actuarial statement from the Scheme actuary each year, for inclusion in the annual report and accounts of the Scheme.

Article 23

Adjustments

- (a) If any valuation conducted under Article 22 discloses that the value of the assets of the defined benefit scheme may not be sufficient to meet its liabilities in relation to past service, the Governing Council shall, on the advice of the Scheme actuary, decide that the ECB shall pay supplementary contributions.
- (b) If any valuation conducted under Article 22 discloses that in respect of liabilities in relation to future service the financial sustainability of the defined benefit scheme is in the opinion of the Scheme actuary impaired, the Governing Council shall, on the advice of the Scheme actuary, decide:
 - (i) to increase the overall contribution in relation to future service only; and/or
 - (ii) to adjust the normal retirement age, subject to transitional measures.Any increase in the overall contribution shall be funded as to two-thirds by the ECB contribution and as to one-third by the compulsory contribution. The normal retirement age may only be adjusted:
 - (i) from 2019 onwards; and
 - (ii) if the overall contribution rate has been adjusted or is being adjusted to at least 26.4%.
- (c) If any valuation conducted under Article 22 discloses that the value of the projected assets of the defined benefit scheme exceeds the value of the liabilities (including projected liabilities) in relation to past and/or future service, the Governing Council may, on the advice of the Scheme actuary, take steps to reduce or eliminate the excess by reducing the ECB contribution and/or the compulsory contribution and/or providing increased or new benefits under the Scheme. Any such adjustment of the overall contribution shall be in the same proportion as described under paragraph (b).
- (d) Any decision of the Governing Council under paragraph (b) shall be subject to a recommendation of the Oversight Committee and consultation with the Staff Committee.

Article 24

Annual report and financial statements

In accordance with international accounting standards, the administrator shall present an annual report on the Scheme to the Executive Board, the Oversight Committee and the members. The annual report shall include the audited financial statements of the Scheme under Article 27, an actuarial certificate, the investment report under Article 16(h) and the Oversight Committee's annual report.

Article 25

Costs of the Scheme

The ECB shall bear all costs incurred in the establishment, administration and management of the Scheme, as well as those arising in connection with the making and realising of investments. The Governing Council may, on advice of the Scheme actuary and after seeking the Oversight Committee's recommendation, decide that all or part of the costs shall instead be paid from the Scheme assets.

Section VI - OVERSIGHT AND AUDIT

Article 26

Oversight Committee

- (a) The Oversight Committee shall monitor the overall running of the Scheme as representative of the beneficiaries' interests. In particular, it shall make recommendations to the Executive Board and the Governing Council as laid down in Articles 20, 25, 31, 32 and 33.
- (b) The Oversight Committee shall perform its functions in accordance with its Terms of Reference, which shall be adopted by the Executive Board after consulting the Staff Committee.
- (c) The Executive Board shall make such arrangements as it considers necessary for the conduct of ballots, including provisions for the nomination of candidates and voting procedures, for the election of the Oversight Committee. The persons eligible to vote and those eligible to stand for election shall be defined in the Terms of Reference.
- (d) The Oversight Committee shall consist of five persons. All members of the Oversight Committee shall be subject to re-election every three years. Elections shall be held to select persons to fill any vacancies.
- (e) The Oversight Committee shall have such rights to information and access to persons and bodies as are necessary to enable it to carry out its tasks.

Article 27

Audit of the Scheme

The Scheme auditor shall audit the accounts of the Scheme. The Scheme auditor shall have full power to examine all books and accounts of the Scheme and obtain full information about the Scheme's transactions.

Section VII - GENERAL PROVISIONS

Article 28

Forfeiture of rights

- (a) Beneficiaries shall furnish such supporting evidence as may be required by the administrator, including any confirmation of entitlements that may be requested on a regular basis by the administrator, and shall inform the administrator of any facts which may affect their entitlements to benefits under the Scheme. The beneficiaries shall duly cooperate with the administrator and provide all relevant information.
- (b) If a beneficiary fails to comply with these obligations, the administrator may deprive them of the right to benefits under the Scheme on the basis of criteria established by the Executive Board. Save in exceptional circumstances, the beneficiary shall refund any sums received to which they were not entitled.
- (c) Where dependants or a divorced surviving spouse fail to apply for their benefit within one year from the date of the relevant member's death, subject to Article 14 their benefits shall not be payable until the first day of the month following that in which they make their application.

Article 29

Taxation

In accordance with the Protocol on the Privileges and Immunities of the European Communities and Council Regulation (EC, ECSC, Euratom) No 1197/98 of 5 June 1998 amending Regulation (EEC, Euratom, ECSC) No 260/68 laying down the conditions and procedure for applying the tax for the benefit of the European Communities¹, pensions and benefits paid by the ECB under the Scheme shall be subject to the tax for the benefit of the European Communities. The transfer-out of a capital sum to another pension fund or approved insurance company in accordance with Article 9(a) shall not be subject to tax for the benefit of the European Communities.

Article 30

Offset for crime, negligence or fraud

- (a) Without prejudice to Part 8 of the Conditions of Employment, the benefits under the Scheme in respect of any member, other than those attributable to amounts transferred in from another scheme, shall be reduced by any amount the Executive Board, after taking actuarial advice, determines to be equivalent to any debt due to the ECB as a result of a criminal, grossly negligent

¹ OJ L 166, 11.6.1998, p. 1.

or fraudulent act or omission by the member. The part withheld shall not be more than one-half of the member of staff's basic salary.

- (b) Where a beneficiary or a potential beneficiary has sought to obtain or has obtained a benefit under the Scheme by fraudulent means, by incomplete or inaccurate statements or following an act deliberately causing death, excluding suicide, of the member, the Executive Board may disqualify them from full or partial entitlement to benefits under the Scheme, without prejudice to the ECB's right to secure recovery of undue payments.

Article 31

Closure of the Scheme to future members of staff

The Governing Council may, after seeking the recommendation of the Oversight Committee, determine at any time that no further members of staff shall be admitted to either or both of the defined benefit scheme and the voluntary contribution scheme.

Article 32

Cessation of the ECB contribution

The Governing Council may, after seeking the recommendation of the Oversight Committee, decide at any time that the ECB may cease to pay the ECB contribution.

Article 33

Termination and winding-up

- (a) The Governing Council, after seeking the recommendation of the Oversight Committee, may terminate the Scheme at any time by giving six months' written notice of its intention to terminate to the administrator.
- (b) If the Scheme is terminated, the ECB shall wind it up and use the Scheme assets to secure the benefits of the beneficiaries, in particular by purchasing immediate or deferred annuities or by transferring entitlements out to other pension funds or approved insurance companies in accordance with Article 9.
- (c) If there are insufficient Scheme assets to secure the benefits of the beneficiaries, the ECB shall make up the deficit from its general assets. If, following winding-up of the Scheme, there are surplus assets, they shall revert to the ECB's general assets.
- (d) The administrator shall notify all beneficiaries if and when it commences any action to wind up the Scheme. As soon as possible after the Scheme assets are used, the administrator shall notify each beneficiary of the benefits to which they are, or will be, entitled.

Article 34

Communication and information

- (a) The administrator shall ensure that all members are provided with such information as may reasonably be necessary for them to understand the operation of the Scheme and their entitlement to benefits from the Scheme.
- (b) The administrator shall procure that an annual report, including a copy of the audited accounts under Article 27 and the investment report under Article 16(h) and an annual benefit statement are made available to members. The annual benefit statement shall show, among other things, a member's accrued years of pensionable service, their estimated pension entitlement at retirement provided by the defined benefit scheme and the value of their voluntary contribution account.
- (c) The administrator shall communicate with beneficiaries electronically, principally by means of the ECB's dedicated electronic system. Upon the request of a beneficiary and where considered appropriate by the administrator in view of the circumstances, communication between the administrator and that beneficiary may take place by post or by any other agreed means of communication.
- (d) The administrator shall only communicate with the beneficiaries or with any person that has been explicitly authorised by a beneficiary to act on their behalf and to communicate with the administrator.

Article 35

Disputes

Any dispute arising in respect of:

- (a) the application of any provision of these Rules;
 - (b) the proper implementation of the Scheme; or
 - (c) any claim or other matter relating to the Scheme or the rights of members or other persons,
- shall be dealt with in accordance with the procedure set out in the Staff Rules.

Article 36

Any other matters

Any matters not specifically dealt with in these Rules and their appendices shall be resolved by the Governing Council, adhering to the principles that form the basis for these Rules.

Section VIII - APPENDICES

Appendix 1: Benefits under the defined benefit scheme

Appendix 2: Benefits under the voluntary contribution scheme

Appendix 3: Actuarial assumptions and factors

APPENDIX 1: BENEFITS UNDER THE DEFINED BENEFIT SCHEME

Section 1

Retirement pension or equivalent benefits

Subsection 1

Leavers

Article 1

Leaving with both pensionable and actual service of five years or less

The following shall apply to leavers.

- (a) On leaving with both pensionable and actual service of five years or less, they shall cease to be members. They shall be paid a capital sum based on the overall contributions to the defined benefit scheme plus interest at the date of payment.
- (b) Alternatively, leavers may opt to transfer out all or part of the abovementioned capital sum in accordance with Article 9 of the Rules.

Subsection 2

Deferred members

Article 2

Leaving after completing more than five years of pensionable and/or actual service

A deferred member shall be entitled to the following:

- (a) on retirement at normal retirement age to a retirement pension amounting to 2% of revalued earnings per year of pensionable service, subject to the maximum pension;
- (b) on early retirement, to a retirement pension as determined in paragraph (a) but reduced on the basis of the deferred member's age at retirement in accordance with the actuarial factors for early retirement set out in Appendix 3;
- (c) at any time before benefits become payable, to transfer out a capital sum equivalent to the actuarial value of the accrued retirement benefits in accordance with Article 9 of the Rules.

Any such entitlement of the deferred member shall cease at the end of the month in which the deferred member dies. In the case of a transfer-out, a deferred member shall cease to be a member.

Subsection 3

Pensioners

Article 3

Retirement pension

A pensioner shall be entitled to the following:

- (a) on retirement at normal retirement age to a retirement pension amounting to 2% of revalued earnings per year of pensionable service, subject to the maximum pension;
- (b) on early retirement to a retirement pension amounting to 2% of revalued earnings per year of pensionable service accrued until the termination of the member's employment contract with the ECB, but reduced on the basis of the member's age at retirement in accordance with the actuarial factors for early retirement set out in Appendix 3.
- (c) on late retirement to a retirement pension amounting to 2% of revalued earnings per year of pensionable service, subject to the maximum pension.

Any such entitlement shall cease at the end of the month in which the pensioner dies.

Section 2

Entitlement to death benefits

Subsection 1

Death in service

Article 4

Death in service

Benefits payable under this Article shall commence from the date on which a deceased member ceases to be entitled to any salary under the Conditions of Employment.

(a) Spouse's pension

- (i) If a member dies while in service with the ECB, their surviving spouse shall be entitled, provided that the couple had been married or in a non-marital partnership recognised by the ECB under the Conditions of Employment for at least one year at the time of the member's death, to a spouse's pension equal to 60% of the prospective pension.
- (ii) The duration of such marriage or non-marital partnership shall not be taken into account if there are one or more children of such marriage or non-marital partnership or of a previous marriage or a previous non-marital partnership of the member, provided that the surviving spouse maintains or has maintained those children, or if the member's death resulted either from physical disability or sickness contracted in the performance of their duties or from an

accident, or in such other circumstances as the administrator considers to be appropriate on the advice of the Scheme actuary.

- (iii) If the difference in age between the deceased member and their surviving spouse (the latter being the younger) is more than 10 years after applying the age adjustment, the spouse's pension shall be subject to a reduction in accordance with the actuarial factors set out in Appendix 3.

(b) Children's pensions

- (i) A children's pension of 40% of the spouse's pension provided under subparagraph (a)(i) shall be payable in respect of each child.
- (ii) If no spouse's pension is payable, the abovementioned children's pension shall be calculated by reference to the spouse's pension that would have been payable and shall be doubled.

Subsection 2

Death of deferred member

Article 5

Death of deferred member before retirement

Benefits payable under this Article shall be payable from the date of a deferred member's death.

(a) Spouse's pension

- (i) If a deferred member dies after leaving but before their retirement pension becomes payable, their surviving spouse shall be entitled to a spouse's pension equal to 60% of the prospective deferred pension, provided that the couple had been married or in a non-marital partnership that would have been recognised by the ECB within the meaning of the Conditions of Employment for at least one year at the time of death.
- (ii) The duration of such marriage or non-marital partnership shall not be taken into account if there are one or more children of such marriage or non-marital partnership or of a previous marriage or a previous non-marital partnership of the deferred member, provided that the surviving spouse maintains or has maintained those children, or in such other circumstances as the administrator considers to be appropriate on the advice of the Scheme actuary.
- (iii) If the difference in age between the deceased deferred member and their surviving spouse (the latter being the younger) is more than 10 years after applying the age adjustment, the spouse's pension shall be subject to a reduction in accordance with the actuarial factors set out in Appendix 3.

(b) Children's pensions

- (i) A children's pension of 40% of the spouse's pension provided under subparagraph (a)(i) shall be payable in respect of each child.

- (ii) If no spouse's pension is payable, the abovementioned children's pension shall be calculated by reference to the spouse's pension that would have been payable and shall be doubled.

Article 6

Death of deferred member after retirement

Benefits payable under this Article shall be payable from the date of a deferred member's death after retirement.

(a) Spouse's pension

- (i) If a deferred member dies after their retirement pension becomes payable, their surviving spouse shall be entitled to a spouse's pension equal to 60% of the retirement pension, provided that the couple had been married or in a non-marital partnership that would have been recognised by the ECB within the meaning of the Conditions of Employment for at least one year at the time of death.
- (ii) The duration of such marriage or non-marital partnership shall not be taken into account if there are one or more children of such marriage or non-marital partnership or of a previous marriage or a previous non-marital partnership of the member, provided that the surviving spouse maintains or has maintained those children, or in such other circumstances as the administrator considers to be appropriate on the advice of the Scheme actuary.
- (iii) If the difference in age between the deceased member and their surviving spouse (the latter being the younger) is more than 10 years after applying the age adjustment, the spouse's pension shall be subject to a reduction in accordance with the actuarial factors set out in Appendix 3.

(b) Children's pensions

- (i) A children's pension of 40% of the spouse's pension provided under subparagraph (a)(i) shall be payable in respect of each child.
- (ii) If no spouse's pension is payable, the abovementioned children's pension shall be calculated by reference to the spouse's pension that would have been payable and shall be doubled.

Subsection 3

Death of pensioner after retirement

Article 7

Death of pensioner after retirement

Benefits payable under this Article shall be payable from the date of a pensioner's death.

(a) Spouse's pension

- (i) If a pensioner dies, their surviving spouse shall be entitled to a spouse's pension equal to 60% of the retirement pension, provided that the couple had been married or in a non-marital partnership recognised by the ECB under the Conditions of Employment at the date of retirement, for at least one year at the time of the pensioner's death.
- (ii) The duration of such marriage or non-marital partnership shall not be taken into account if there are one or more children of such marriage or non-marital partnership or of a previous marriage or a previous non-marital partnership of the pensioner, provided that the surviving spouse maintains or has maintained those children, or in such other circumstances as the administrator considers to be appropriate on the advice of the scheme actuary.
- (iii) If the difference in age between the deceased pensioner and the surviving spouse (the latter being the younger) is more than 10 years after applying the age adjustment, the spouse's pension shall be subject to a reduction in accordance with the actuarial factors set out in Appendix 3.

(b) Children's pensions

- (i) A children's pension of 40% of the spouse's pension provided under subparagraph (a)(i) shall be payable in respect of each child.
- (ii) If no spouse's pension is payable, the abovementioned children's pension shall be calculated by reference to the spouse's pension that would have been payable and shall be doubled.

Subsection 4

Article 8

Surviving former spouse's benefit

- (a) If a member dies their former spouse shall be entitled to a surviving former spouse's benefit, as determined in paragraphs (b) and (c), provided that at the date of the member's death:
 - (i) the former spouse has neither (re)married nor are they in a non-marital partnership that would be recognised by the ECB within the meaning of the Conditions of Employment;
 - (ii) the member was under an obligation to pay maintenance to their former spouse in a personal capacity by virtue of a court order which had become final and binding or an officially registered settlement in force between them; and
 - (iii) such court order or settlement does not provide for any entitlement or payment to the former spouse in respect of pension rights accrued by the member during their period of employment at the ECB or entitle the former spouse to rights similar to the surviving former spouse's benefit.
- (b) The surviving former spouse's benefit shall be a percentage of the spouse's pension equal to $A/B \times 100$ where:

A = the duration of the marriage or recognised non-marital partnership between the former

spouse and the member throughout the period of the member's employment at the ECB, expressed in years and fractions thereof.

B = the total number of years of the member's actual service.

- (c) The surviving former spouse's benefit shall not be more than the amount agreed to in the court order or settlement referred to in paragraph (a)(ii) and shall be payable to the former spouse:
 - (i) provided the conditions set out in paragraph (a)(i) remain fulfilled; and
 - (ii) for as long the former spouse would have been entitled by such court order or settlement to ongoing maintenance payments had the member remained alive.
- (d) If a member dies and at the date of their death they have both a surviving spouse entitled to a spouse's pension and a former spouse, the former spouse shall be entitled to the benefit determined under paragraph (b). The spouse's pension to which the surviving spouse is entitled shall be reduced by the amount of the surviving former spouse's benefit.
- (e) If the former spouse under this Article dies, renounces their share, forfeits their rights under Article 28 of the Rules, or where the conditions of paragraph (c) are no longer met, the spouse's pension that was reduced in accordance with paragraph (d) shall be increased by the amount of the surviving former spouse's benefit that was payable to the former spouse.
- (f) Reductions in respect of difference in age as provided for in Appendix 3 shall be applied separately to pensions calculated in accordance with this Article.
- (g) The surviving former spouse's benefit shall be taken into account and adjusted accordingly for the purposes of Article 4(b)(iv) and Article 5(b)(iv) of the Rules.

Section 3

Calculating pensionable or actual service

Article 9

Calculation basis

For the purpose of calculating years of pensionable service or actual service the following shall apply.

- (a) Each calendar month shall count as one-twelfth of a year.
- (b) A calendar month shall comprise the total number of working days for that month.
- (c) An incomplete calendar month shall count as one-twelfth of a year, multiplied by the following fraction:

actual days of active employment at the ECB plus any other relevant days that qualify as actual service in such incomplete calendar month / total number of working days in such incomplete calendar month

Section 4

Payments and duration of benefits

Article 10

Payment and duration of benefits

- (a) Benefits other than capital sum payments provided under the defined benefit scheme shall be payable in equal monthly instalments on the ECB's monthly payroll date, unless the administrator decides otherwise. The first payment shall be made on the ECB's payroll date of the month coincident with, or following, the date on which such benefits become payable and shall, in the latter case, include the amount necessary to take account of the period between the date such benefits became payable and the date of the first payment. The administrator may, for administrative convenience, pay small amounts at less frequent intervals.
- (b) The administrator may make payments either to the person entitled to them by direct credit to their bank account, or where this is not possible by any other method that the administrator considers appropriate. In the case of a children's pension, payment may be made to the spouse or legal guardian. On reaching age 18, a child may request that the children's pension to which they are entitled is paid directly to them. All payments shall be made in euro.
- (c) The retirement pension and the spouse's pension under the defined benefit scheme shall be paid for life. A children's pension under the defined benefit scheme shall be paid for as long as the child remains a dependant within the meaning of the Conditions of Employment.

APPENDIX 2: BENEFITS UNDER THE VOLUNTARY CONTRIBUTION SCHEME

Section 1

Retirement pension or equivalent entitlements

Subsection 1

Leavers

Article 1

Leaving with both pensionable and actual service of five years or less

The following shall apply to leavers:

- (a) on leaving with both pensionable and actual service of five years or less, they shall cease to be members. They shall be paid a capital sum equal to the value of their voluntary contribution account at the date of leaving;
- (b) alternatively, leavers may opt to transfer all or part of the abovementioned capital sum in accordance with Article 9 of the Rules.

Subsection 2

Deferred members

Article 2

Leaving after completing more than five years of pensionable and/or actual service

- (a) A deferred member shall be entitled to use the value of their voluntary contribution account for any combination of the following:
 - (i) payment of a capital sum equivalent to all or part of the voluntary contribution account;
 - (ii) to transfer out all or part of the capital sum in accordance with Article 9 of the Rules;
 - (iii) payment of a supplementary retirement pension equal to the value of the assets in the voluntary contribution account at the date of retirement, divided by the relevant pension conversion factor provided by the Scheme actuary. Where the deferred member opts for payment of a spouse's supplementary pension, an additional pension conversion factor shall be applied.
- (b) If payment of a capital sum or a transfer-out results in there being no assets in the voluntary contribution account, a deferred member shall cease to be a member.
- (c) The deferred member's entitlement to their supplementary retirement pension shall cease at the end of the month in which they die.

Subsection 3

Pensioners

Article 3

Benefits on retirement

- (a) A pensioner who has a voluntary contribution account shall be entitled on retirement to use the value of their voluntary contribution account for any combination of the following:
 - (i) payment of a capital sum equivalent to all or part of the voluntary contribution account;
 - (ii) to transfer out all or part of the capital sum in accordance with Article 9 of the Rules;
 - (iii) payment of a supplementary retirement pension equal to the value of the assets in the voluntary contribution account at the date of retirement, divided by the relevant pension conversion factor provided by the Scheme actuary. Where the member opts for payment of a spouse's supplementary pension, an additional pension conversion factor shall be applied.
- (b) If after payment of a capital sum or a transfer-out, assets remain in the voluntary contribution account, the balance shall be converted into a supplementary retirement pension.
- (c) The pensioner's entitlement to their supplementary retirement pension shall cease at the end of the month in which they die.

Section 2

Entitlement to death benefits

Subsection 1

Death in service

Article 4

Death in service

Benefits payable under this Article shall commence from the date on which a deceased member ceases to be entitled to any salary under the Conditions of Employment.

(a) *Benefits where member has a spouse*

If a member dies while in service with the ECB, their surviving spouse shall be entitled to choose to use the value of their voluntary contribution account for any combination of the following, provided that the couple had been married or in a non-marital partnership recognised by the ECB under the Conditions of Employment for at least one year at the time of the member's death:

- (i) payment of a capital sum equivalent to all or part of their voluntary contribution account;

- (ii) payment of a spouse's supplementary pension equal to the value of their voluntary contribution account at the date of entitlement, divided by the relevant pension conversion factor provided by the Scheme actuary.

In the case of payment of a capital sum equivalent to part of the voluntary contribution account, the balance of the voluntary contribution account shall be converted into a spouse's supplementary pension.

(b) *Benefits where member has no spouse*

- (i) A capital sum equal to the value of the voluntary contribution account shall be payable on the death of a member who has no spouse, as follows:
 - (aa) to their legal heirs, in accordance with the applicable inheritance law.
 - (ab) in the absence of such heirs, the administrator shall, on proof of such maintenance, pay all or part of the capital sum payable on death to any person or persons to whose maintenance the deceased effectively contributed;
 - (ac) If neither subparagraph (aa) or (ab) applies, the capital sum shall accrue to the payment account.
- (ii) The capital sum shall fall due on the date of the deceased member's death.

Subsection 2

Death of deferred member

Article 5

Death of deferred member before retirement

Benefits payable under this Article shall commence from the date of a deferred member's death.

(a) *Benefits where deferred member has a spouse*

If a deferred member dies, their surviving spouse shall be entitled, provided that the couple had been married or in a non-marital partnership that would have been recognised by the ECB within the meaning of the Conditions of Employment for at least one year at the time of the deferred member's death, to choose to use their voluntary contribution account for any combination of the following:

- (i) payment of a capital sum equivalent to all or part of the voluntary contribution account;
- (ii) payment of a spouse's supplementary pension equal to the voluntary contribution account at the date of the deferred member's death, divided by the relevant pension conversion factor provided by the Scheme actuary.

In the case of payment of a capital sum equivalent to part of the assets, the balance of the assets remaining in the voluntary contribution account shall be converted into a spouse's supplementary pension.

(b) *Benefits where deferred member has no spouse*

- (i) A capital sum equal to the value of the assets in the voluntary contribution account shall be payable on the death of a deferred member who has no spouse as follows:
 - (aa) to their legal heirs, in accordance with the applicable inheritance law;
 - (ab) in the absence of such heirs, the administrator shall, on proof of such maintenance, pay all or part of the capital sum to any person or persons to whose maintenance the deceased effectively contributed;
 - (ac) If neither subparagraph (aa) or (ab) applies, the capital sum shall accrue to the payment account.
- (ii) The capital sum shall fall due on the date of the deferred member's death.

Article 6

Death of deferred member after retirement

If a deferred member elected on or prior to retirement for their nominated surviving spouse to receive a spouse's supplementary pension, the surviving spouse shall on the deferred member's death be entitled to a spouse's supplementary pension as determined on retirement in accordance with Article 2, provided that the couple had been married and/or in a non-marital partnership that would have been recognised by the ECB within the meaning of the Conditions of Employment for at least one year at the time of the deferred member's death. The spouse's supplementary pension shall be payable from the date of the deferred member's death.

Subsection 3

Death of pensioner after retirement

Article 7

Death of pensioner after retirement

If a pensioner elected on or prior to retirement for their nominated surviving spouse to receive a spouse's supplementary pension, the surviving spouse shall on the pensioner's death be entitled to a spouse's supplementary pension as determined on retirement in accordance with Article 3 provided that the couple had been married and/or in a non-marital partnership that would have been recognised by the ECB within the meaning of the Conditions of Employment for at least one year at the time of the pensioner's death. The spouse's supplementary pension shall be payable from the date of the pensioner's death.

APPENDIX 3: ACTUARIAL ASSUMPTIONS AND FACTORS

1. The administrator shall, on the advice of the Scheme actuary and the ECB organisational unit responsible for risk management, adopt and revise, on a regular basis, the assumptions to be used in the determination of benefits under the Scheme.
2. The actuarial factors used for early retirement under Appendix 1 shall apply by reference to the age of the member at early retirement as shown in the table below.

Early retirement age	Reduction in pension on early retirement applicable to members who take up employment with the ECB on or prior to 31 May 2009	Reduction in pension on early retirement applicable to members who take up employment with the ECB from 1 June 2009
55	32%	42.5%
56	28%	39.5%
57	24%	36.3%
58	20%	32.9%
59	16%	29.2%
60	12%	18.75%
61	9%	15%
62	6%	11.25%
63	3%	7.5%
64	1.5%	3.75%

3. The administrator shall, following an actuarial valuation under Article 22 of the Rules and on the advice of the Scheme actuary and the ECB organisational unit responsible for risk management, review and, if appropriate, revise the assumptions to be used in accordance with paragraph 1 above.
4. The administrator shall, on the advice of the Scheme actuary, on 1 June 2009, and thereafter as recommended by the Scheme actuary, adopt the relevant conversion factors for the calculation of members’ and spouses’ benefits referred to in Appendix 2.
5. The relevant pension conversion factor in respect of any pension from the voluntary contribution scheme shall reflect the member’s and/or spouse’s choice as to the pension payable on the death of the member taking into account the beneficiary’s age.
6. The conversion factors for members’ supplementary retirement pensions and spouses’ supplementary pensions payable in the event of ‘death of a member in service or a deferred

member', without prejudice to the power of the administrator to adopt factors in accordance with Article 4 above, shall automatically be increased by 0.2% on 1 January of each year.

7. The conversion factors for a spouse's supplementary pension payable in the event of 'a member's or a deferred member's death in retirement' without prejudice to the power of the administrator to adopt factors in accordance with Article 4 above, shall automatically be increased by 0.0 % on 1 January of each year.
8. The administrator shall, on the advice of the Scheme actuary, revise the rate of annual increase in the conversion factors as set out in Articles 6 and 7 above.
9. Where the difference in age between the deceased member and their surviving spouse (the latter being the younger) is more than 10 years after applying the age adjustment, the spouse's pension calculated in accordance with Appendix 1 shall be subject to a reduction amounting to:
 - 1% for each year of residual age difference in excess of 10 years and up to and including 20 years;
 - 2% for each year of residual age difference in excess of 20 years and up to and including 25 years;
 - 3% for each year of residual age difference in excess of 25 years and up to and including 30 years;
 - 4% for each year of residual age difference in excess of 30 years and up to and including 35 years; and
 - 5% for each year of residual age difference in excess of 35 years.
10. The administrator shall publish any change in the actuarial basis together with a detailed explanation thereof to members via the ECB intranet and/or any other appropriate means of communication.

APPENDIX 4: PROVISIONS APPLICABLE TO MEMBERS OF STAFF WHOSE EMPLOYMENT CONTRACTS ARE TERMINATED BY MUTUAL CONSENT TO SUPPORT A VOLUNTARY TRANSITION TO A CAREER OUTSIDE THE EUROPEAN CENTRAL BANK

Article 1

Scope

This Appendix applies to members of staff whose employment contracts are terminated by mutual consent, as expressed in a termination agreement (hereinafter the ‘termination agreement’), to support a voluntary transition to a career outside the European Central Bank (ECB) under the conditions and following the procedure laid down in the ECB Staff Rules (hereinafter the ‘Staff Rules’). This Appendix lays down the conditions under which pensionable service may be accrued and purchased in the defined benefit scheme in respect of periods agreed in the termination agreement.

Article 2

Purchase of pensionable service in respect of periods of unpaid leave

Notwithstanding Article 3(d) of the Pension Scheme Rules, any period of unpaid leave taken by a member in accordance with their termination agreement shall be treated as full pensionable service if the member pays to the defined benefit scheme, by the date of effective termination, the amount equivalent to the actuarial value of pensionable service to be purchased in accordance with actuarial advice. The member shall be credited with the period of pensionable service purchased on receipt of the full corresponding amount in the defined benefit scheme, at which time the final calculation of the member’s years of pensionable service shall be made.

Article 3

Accrual and purchase of pensionable service in respect of periods of special working pattern

During a period of special working pattern as defined in the Staff Rules and granted to a member in accordance with their termination agreement:

- (a) pension contributions to the defined benefit scheme shall be paid over the entire period on the basis of the monthly salary actually received by the member;
- (b) the entire period of special working pattern shall be considered as pensionable service, adjusted to take into account the member’s working time over the entire period;
- (c) the period of special working pattern may be treated as full pensionable service in accordance with Article 4 of the Pension Scheme Rules to the extent that the 10-year period mentioned in that provision is not exceeded, provided that during the period of special working pattern the member pays on a monthly basis the compulsory contributions and an amount equal to the ECB contributions that would have been payable if the member had been working full-time during such period.

- (d) the maximum regular monthly contribution to the voluntary contribution scheme that the member may elect to make shall be calculated on the basis of the monthly salary actually received by the member.

Article 4

Purchase of additional pensionable service

1. In the context of their termination agreement, a member who will have reached the age of 50 by the date of effective termination, may opt to purchase up to five years of additional pensionable service at equivalent actuarial value in accordance with actuarial advice as long as the maximum pension specified in Article 12(a) of the Pension Scheme Rules is not exceeded. The member shall be credited with the period of pensionable service purchased on receipt of the full corresponding amount in the defined benefit scheme, at which time the final calculation of the member's years of pensionable service shall be made. Such a purchase shall be made no later than the date of effective termination.
2. The amount referred to in paragraph 1 shall be financed by the ECB and by the member as follows:
 - (a) The ECB's contribution shall be 50 % of the difference between, on the one hand, the equivalent actuarial value of the cost of the period of pensionable service to be purchased and, on the other hand, an amount equal to the total of the compulsory contributions, including the ECB contributions, that would have been paid for the corresponding period, calculated on the basis of the member's last basic salary at a full-time rate. The ECB's contribution shall be paid directly into the defined benefit scheme on a date of payment agreed with the member.
 - (b) The member shall pay the remaining amount.