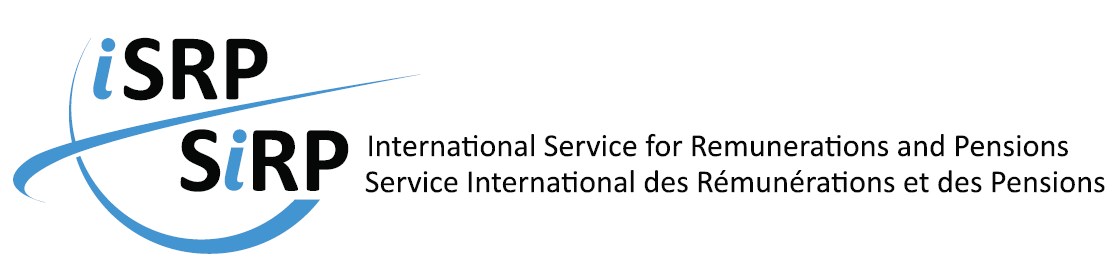
|  |  |  |  |
| --- | --- | --- | --- |
| **MINISTERS’ DEPUTIES** | CM Documents | **CM(2019)134** | 9 August 2019[[1]](#footnote-1) |

|  |
| --- |
| **1361st (Budget) meeting, 19-21 November 2019**  11 Programme, Budget and Administration    **11.1 Draft Programme and Budget 2020-2021**  Pension Reserve Fund: 2019 actuarial study[[2]](#footnote-2)  **Item to be considered by the GR-PBA at its meeting on 17 October 2019** |

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**2022 Global Contribution Rate Considerations**

Prepared for: Council of Europe

SIRP/E(2019)17

Andy Hardy, Actuary

Maitane Mancebo, Actuary



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1. **Introduction** 
   1. The International Service for Remunerations and Pensions (ISRP), in accordance with the requirements of the Letter of Mission signed by the Council of Europe (CoE) and the ISRP (LM/COE(2008)2/ADD1), has been tasked to calculate, the contribution needs from member countries to the Pension Reserve Fund (PRF) and the lifecycle.
   2. Following discussions within CoE, an estimation of the Global Contribution Rate (GCR) to be paid from 2022 onwards. This report provides an estimation of the GCR as well as additional mechanisms in order to achieve the required GCR.
   3. It must be emphasised that the projections in this document are based on assumptions and it is highly likely that the actual value of funds and required contribution rate for 2022 onwards will be different to that estimated in this report. This may be due to, amongst other things:
   * Staff population changing differently to that assumed
   * PRF assets growing faster, slower or even falling over the period considered
   * Projected salary levels being different from those assumed
   * Benefits and contributions being different from those assumed
   1. Last year an update of the GCR agreed in 2017 was completed. This provided an estimate of the GCR to be implemented from 2022 onwards. Therefore, it is recommended that this report is read in conjunction with the previous reports “Global Contribution Rate update as at 31/12/2016” (SIRP/E(2017)16/REV3) and “Pension Reserve Fund – Contribution Scenarios” (SIRP/E(2018)27).

***Disclaimer***

* 1. This report (including any enclosures or attachments) is prepared in relation to the estimation of the 2022 GCR as agreed above based on a date as at 31 December 2018. It has been prepared for the purpose and on the basis set out in the report, and for the exclusive use of CoE, based on data available to the ISRP as at the effective date of the report. In addition, this report takes no account of developments after that date except where exclusively stated otherwise. The ISRP does not accept any responsibility for any consequences arising from any third party seeking to rely on this report.

1. **Data, Assumptions and Methodology**
   1. As for any defined benefit scheme, an actuarial assessment is needed in order to assess the future development of the scheme and associated funding. This is because the promise to pay a defined retirement benefit commits the provider to the payment of amounts of money, the timing and duration of which are not fixed or certain, but dependent upon the beneficiary. The definition of the benefits may also mean that the amount of the benefit is uncertain (e.g. if the benefit is defined by reference to final salary). There may be a considerable delay between the promise to pay benefits being given and the actual payment of benefits. The need for actuarial involvement therefore arises from the requirement to have information on the benefits promised before they are actually paid.
   2. The need to recognise and make provision for benefit payments in advance requires the actuary to place a present value on the future commitment to pay benefits i.e. finding the amount that needs to be held now in order to meet an uncertain commitment in the future; this is done by discounting to a present value the expected cash flows arising from this commitment.
   3. Given this, assumptions regarding future events are one of the most important inputs. The actuarial assumptions used in this report consist of financial and demographic assumptions.

Data

*Population*

* 1. The population to be considered for the analysis is at 31 December 2018. A summary of the population can be found in Appendix 3. A brief overview of the population as at 31 December 2018 is shown in Table 1 below.

*Table 1: Population Overview (31 December 2018)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Pension Scheme** | **Active Members** | **Deferred Members** | **Pensioner Members** | **Total** |
| Co-ordinated Pension Scheme (CPS) | 892 | 21 | 861 | 1,774 |
| New Pension Scheme (NPS) | 792 | 6 | 40 | 838 |
| Third Pension Scheme (TPS) | 517 | - | - | 517 |
| **Total** | **2,201** | **27** | **901** | **3,129** |

*Assets*

* 1. For this analysis the value of the PRF net assets as at 31 December 2018 is used with an estimation of the development of the fund due to real investment returns up to 31 May 2019. From that date onwards, the Expected Return on Assets (EROA) is applied. As at 31 December 2018 the net assets of PRF were MEUR 357.9.

*Member States’ Contributions*

* 1. CoE has provided the contribution amounts to be paid by Member States for the period 2019 to 2021. The total amount of contributions is set out in the following sections.

Financial Assumptions

* 1. Financial assumptions determine the *amount* of benefits that will be payable and *how* the fund will increase over time.

*Expected Return on Assets*

* 1. The EROA is 3.40% (real terms), which was set by the Management Board of PRF during 2017 as the outcome of the PRF’s Three-Year Review. The EROA is used for discounting future cash flows to calculate a net present value, as well as projecting the future fund returns.

*Salaries and inflation Rates*

* 1. The long-term salary increase assumption is calculated as a 0.24% increase to the derived rate of inflation as recommended, during 2018, by the Comité Administratif des Pensions des Organisations Coordonnées (CAPOC) to be used for the most recent actuarial study of the contribution rate for the Co-ordinated Organisations. The same value has been retained here.
  2. Previous studies assumed a real (i.e. above the rate of inflation) salary increase rate of 0.27%, being the previous value recommended by CAPOC and approved by Co-ordinating Committee on Remuneration which was used for the calculations of the contribution rates effective from 1 January 2015.
  3. Pensions for CPS beneficiaries are adjusted in line with salary inflation and for NPS and TPS in line with price inflation.
  4. Where monetary amounts are provided in nominal terms an expected inflation rate of 1.93% per annum has been used. The assumption for price inflation is based on the long-term inflation rate target of the European Central Bank adjusted by the difference between the official French inflation rate and the Harmonised Index of Consumer Prices. Specifically, the average difference between the HICP and French inflation over the previous ten years (average difference of 0.07% at 31 December 2018) is deducted from the European Central Bank’s long-term inflation rate target of 2.0%, resulting in a long-term expected inflation rate of 1.93%.
  5. Note that based on the inflation rate of 1.93%, the EROA in nominal terms is 5.40%.

Demographic Assumptions

* 1. Demographic assumptions determine *when and for how long* benefits will be payable. They are used to project the development of the population of the pension scheme. The demographic assumptions project when a member will progress between population categories (active/deferred/pensioner). Figure 1 shows a graphical representation of this.
  2. The demographic assumptions used in this report are based on CoE’s experience over the period 2003 to 2015. The analysis was discussed with CoE and the final, agreed assumptions, are set out in ISRP’s report entitled “Demographic Assumptions Analysis” (SIRP/E(2016)31/REV1), dated 8 March 2017. The demographic assumptions were discussed in detail with CoE and agreed to be reflective of current HR policies.
  3. The demographic assumptions’ changes were considered in the previous report on the projected 2022 GCR (SIRP/E(2018)27).

*Mortality Table*

* 1. Mortality tables are a set of probabilities of a person dying within the year at a specific age and are an important assumption for the calculation of pension obligations. Mortality probabilities and, therefore, life expectancies vary widely depending on many parameters such as age, country of residence, lifestyle, etc. From previous studies, it has been confirmed that the life expectancy of international civil servants differs from the one of the overall population, even from those living in the same country. The Joint Pensions Administrative Section, today the ISRP, have produced mortality tables specific to international civil servants based in Europe since 2008 in order to have more appropriate results, compared to national or regional tables, on the life expectancy of the relevant population. This series of tables is known as the International Civil Servants Life Table (ICSLT).
  2. The ICSLT 2018 mortality table was finalised towards the end of 2018 using historic population data from a number of international organisations, including CoE, for the period 2013 to 2017. The ICSLT 2018 mortality table has similar characteristics to the ICSLT 2013 mortality table by including a prospective element with improvements in mortality probabilities and, therefore, increasing life expectancies.
  3. The ICSLT 2018 is the most up-to-date mortality table available and is used by all of the Co-ordinated Organisations as well as a number of other International Organisations.
  4. The ICSLT 2013 mortality table was used for the calculation of the 2017 year-end accounting liabilities and the previous report on contribution rate scenarios. The ICSLT 2018 mortality table has been used for the calculation of the 2018 year-end accounting liabilities. Set out in Table 2 below is a comparison of life expectancies based on the ICSLT 2013 mortality table and ICSLT 2018 mortality table.

*Table 2: Life expectancies for ICSLT 2013 and ICSLT 2018*

|  |  |  |
| --- | --- | --- |
|  | ICSLT 2013  (2018 Projection) | ICSLT 2018  (2018 Projection) |
| Males - |  |  |
| 60 year old | 26.7 | 28.3 |
| 40 year old now at 60 | 27.4 | 29.0 |
| Females - |  |  |
| 60 year old | 28.4 | 31.0 |
| 40 year old now at 60 | 29.1 | 31.5 |

*Other Demographic Assumptions*

* 1. Following a detailed study carried out in 2017, based on CoE member data between 2003 and 2015, the other demographic assumptions were updated compared to those used for the previous calculation of the Global Contribution Rate. A brief explanation of the various demographic assumptions is provided below and a summary of can be found in Appendix 2 – Demographic Assumptions.
  2. *Turnover* assumptions represent the annual probability of leaving the organisation for causes other than death or invalidity.
  3. The *probability to retire* assumption takes into account the different retirement ages at which staff members retire on an annual basis. Even though the Normal Retirement Age is different for each scheme, members may choose to retire later or earlier.
  4. The *probability of invalidity* represents the probability of leaving CoE due to invalidity.
  5. *Career progressions* are considered after analysing the historic evolution of staff members according to their age and grade. This assumption represents staff promotions in addition of salary inflation.
  6. *New Entrants* represent the profiles of new active members joining CoE to replace current, or future, active members who leave the organisation.

*Family allowances*

* 1. Family allowances are a part of pension’s benefits; they are to be included into the pension valuation. In accordance with the previous global contribution rate, and after analysis of the current level of family allowances provided to pensioners, we have maintained the same loading rate of 3.5% for staff members that joined prior to 1 January 2017.
  2. Staff members who joined CoE after 1 January 2017 receive a lower level of family allowances attached to their retirement benefits, following various reforms that were introduced and approved by the Co-ordinating Committee on Remuneration (CCR). For staff members who joined after 1 January 2017 we have assumed, based on our analysis of the pensioner population, that the increase in pension payments due to family allowances will be 1%. Therefore, a loading of 1% is applied for staff who joined after 1 January 2017.

*Employers’ Medical Costs*

* 1. As part of the Global Contribution Rate calculations, a loading of 3.85% is applied to the liabilities as an estimation of the employer’s share of medical costs. This is based on an analysis completed by the CoE of the weighted average contribution rate paid by Member States towards pensioners’ medical costs, considering the pensioner population as at 31 December 2018.
  2. In the previous report, a loading of 3.0% was applied to the liabilities.

*Staff Contribution Rates*

* 1. The current contribution rates have been in force since the start of 2015. A contribution rate study is currently underway with the intention of setting new contribution rates to come into force as from 1 January 2020.
  2. Table 3 below sets out the contribution rates used in this report. It is important to note that the contribution rates used from 2020 have not yet been approved. If the rates implemented from 2020 onwards are different to those set out in Table 3 below this will affect the contribution rates paid by staff members and, consequently, the contributions required to be paid by Member States.

*Table 3: Staff contribution rates*

|  |  |  |
| --- | --- | --- |
| **Pension Scheme** | **Staff Contribution Rates** | |
| **2019** | **2020 onwards**  **(To be approved)** |
| Co-ordinated Pension Scheme | 9.5% | 12.1% |
| New Pension Scheme | 9.3% | 11.8% |
| Third Pension Scheme | 9.4% | 10.6% |

*Potential Reforms to the Co-ordinated Pension Scheme*

* 1. There are currently ongoing discussions within the CCR which may result in the rate of pension increase for CPS members (both current and future pensioners) changing to reference inflation, rather than salary inflation as currently required under the Rules of CPS. It is anticipated that this change would result in the staff contribution rate for the CPS being 11.8%, rather than 12.1% as shown in Table 3 may change
  2. In addition, the CCR is also investigating the impact of increasing the Normal Retirement Age for current active members of CPS to 63. The current Normal Retirement Age for CPS is 60. The analysis of the impact of this adjustment on the staff contribution rate is currently being investigated.
  3. It should be noted that if the rate of pension increase for CPS is adjusted to be inflation, rather than salary inflation, then it is expected to result in a reduction of the GCR. On the other hand, whilst a change to the Normal Retirement Age may reduce the staff contribution rate, it will not impact current pensioners, who account for the majority of cashflows within CPS. Therefore, it may result in an increase in the GCR to offset the reduced staff contribution rate.
  4. Within this report we have provided an estimate of the impact on the GCR of the change in rate of pension increase. However, as the discussions on changing the Normal Retirement Age are at an early stage we are unable to provide an estimate of the impact on the GCR of this reform.
  5. The CCR reconvenes in September 2019 at which time a decision on the CPS reforms is expected.

*Methodology for Calculating the Global Contribution Rate*

* 1. In order to assess the global contribution rate, the expected benefit payments (including all benefits described in Appendix 1) over the 80 years from the date of calculation are projected, as well as the employees' contributions projected over the same period. These cashflows are then discounted back to today using the EROA to provide a value of the pension schemes’ liabilities. The difference between the liabilities, minus the expected employees’ contributions and the value of the PRF at the valuation date gives the amount to be financed by the Organisation. This amount is then assessed as a percentage of the projected CoE's salary mass in the same period.
  2. The most recent formal contribution rate study performed in 2017 (SIRP(2017)16/REV3) evaluated the necessary contribution rate to be paid as 37.85% using an EROA, expressed in real terms, of 3.4%. The next global contribution rate study will be performed in 2021 with anticipated application from 2022 onwards.
  3. The development of the PRF is projected considering that the contribution receipts and benefit payments are made half-way through the year.
  4. In addition, it is estimated that during each year, on average, two months of benefit payments are held as Treasury assets. For the purposes of this report it is considered that Treasury assets receive investment returns in-line with inflation.
  5. The required contribution rate is calculated using an 80 year projection horizon as:

* 1. The calculation of the contribution rate in this manner has the implicit target of funding benefit payments for the projected period. In order to calculate a Global Contribution Rate it is necessary to account for benefit payment timings and the expected return of the whole fund, which takes into consideration non-returning assets such that the fund is sustainable at the end of the projected period. That is, the fund should be of a size by the end of the projection period that the investment returns can meet any expected shortfall due to the contributions being insufficient to meet benefit payments due.

*Figure 1: Representation of demographic assumptions impact on the active population*



1. **Projected 2022 Global Contribution Rate**

Scenario Details

*Population Development*

* 1. The population is considered to be stable at 2,193 active staff members, which is the current level of non-frozen[[3]](#footnote-3) posts.

*Member State Contributions 2019-2021*

* 1. The expected member state contributions (in nominal terms) are set out in Table 4 below.

*Table 4: Budgeted Member State Contributions (2019-2021) (MEUR)*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019** | **2020** | **2021** |
| Member State Contributions | 54.4 | 56.6 | 58.8 |
| Contributions from Budget | 0.7 | 0.7 | 0.7 |
| *Sub-Total Contributions With No Salary Increase (Nominal Terms)* | *55.1* | *57.3* | *59.5* |
| **Total Contributions With Assumed Salary Increase (Nominal Terms)** | **55.1** | **58.5** | **62.1** |
| **Total Contributions (Real Terms)** | **54.6** | **57.4** | **59.8** |

* 1. It is assumed that the Russian Federation will pay contributions owing for 2017 and 2018, including interest, at the end of 2019. The total contributions to be paid are KEUR 6,150.9, set out in Table 5 below. The impact of the Russian Federation not paying outstanding contributions and/or penalty interest is considered in Section 5.

*Table 5: Outstanding Russian Federation Contributions (2017-2018) (KEUR)*

|  |  |  |
| --- | --- | --- |
|  | **2017** | **2018** |
| Unpaid Contributions | 2,533.9 | 2,550.3 |
| Interest – 2017 | 76.0 |  |
| Interest – 2018 | 304.1 | 76.5 |
| Interest – 2019 | 304.1 | 306.0 |
| **Total** | **3,218.1** | **2,932.8** |

*Projected Cash Flows to 2021*

* 1. The projected cash flows, investment returns and projected year-end fund value over the period 2019 to 2021 are set out in Table 6 below.

*Table 6: 2019-2021 Cash Flows and Fund Value (MEUR)*

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2019** | **2020** | **2021** |
| **Nominal Terms (Assuming inflation of 1.93% p.a.)** | | | |
| Staff Contributions | 14.3 | 18.2 | 18.4 |
| Member States’ Contributions | 55.1 | 58.5 | 62.1 |
| Russian Federation Payments | 6.2 |  |  |
| Benefit Payments | (53.6) | (57.0) | (60.0) |
| *Net Cash Flow (Contributions – Benefit Payments)* | *21.9* | *19.7* | *20.5* |
| Investment Returns | 41.4 | 23.1 | 25.4 |
| Projected Fund Value (End of Year) | 421.3 | 464.1 | 510.0 |
| **Real Terms (2019 Base)** | | | |
| Staff Contributions | 14.2 | 17.7 | 17.6 |
| Member States’ Contributions | 54.6 | 57.4 | 59.8 |
| Russian Federation Payments | 6.0 |  |  |
| Benefit Payments | (53.1) | (55.4) | (57.2) |
| *Net Cash Flow (Contributions – Benefit Payments)* | *21.7* | *19.7* | *20.1* |
| Investment Returns | 41.4 | 14.3 | 15.5 |
| Projected Fund Value (End of Year) | 421.0 | 455.0 | 490.7 |

* 1. The investment returns for 2019 include actual returns generated by the PRF up to 31 May 2019. Up to 31 May 2019, the PRF generated returns of 8.2% in nominal terms.

Results

*Projected Global Contribution Rate from 2022*

* 1. Consistent with the methodology set out in paragraphs 2.38 to 2.43, the net present value of staff contributions, benefit payments and the projected fund value at the end of 2021 using a discount rate equal to the EROA are considered as shown in Table 7 below:

*Table 7: Base Scenario – 2022 Projected Global Contribution Rate*

|  |  |
| --- | --- |
| **MEUR** | **Net Present Value (2022 Base)** |
| Benefits (A) | 2,750 |
| Staff Contributions (B) | 462 |
| Projected 2021YE Fund Value (Nominal Terms) (C) | 510 |
| Staff Salaries (D) | 4,220 |
|  |  |
| Calculated Contribution Rate | [(A) – (B) – (C)] / (D) = 42.14% |
| **Projected 2022 Global Contribution Rate for Sustainability** | **42.93%** |

* 1. Based on the projected 2022 GCR and the scenario specific assumptions, the projected salaries and contributions are shown in Table 8 below.

*Table 8: Projected Salaries and Contributions (MEUR)*

| **MEUR** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Budgeted Contributions** | | | **Projected GCR Contributions** | | |
| **Nominal Terms** (Assuming inflation of 1.93% p.a.) | | | | | | |
| Aggregate Salaries | 152.3 | 155.4 | 157.9 | 160.1 | 162.8 | 165.3 |
| Staff Contributions | 14.3 | 18.2 | 18.4 | 18.6 | 18.9 | 19.1 |
| Total Member States Contributions | 55.1 | 58.5 | 62.1 | 68.7 | 69.9 | 71.0 |
| *Consisting of:*  *Ordinary Contributions*  *Additional Contributions* | *24.2*  *30.9* | *30.5*  *28.0* | *30.6*  *31.5* | *30.6*  *38.1* | *30.6*  *39.2* | *30.6*  *40.4* |

| **MEUR** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Budgeted Contributions** | | | **Projected GCR Contributions** | | |
| **Real Terms (2019 Base)** | | | | | | |
| Aggregate Salaries | 150.8 | 151.0 | 150.5 | 149.7 | 149.4 | 148.8 |
| Staff Contributions | 14.2 | 17.7 | 17.6 | 17.3 | 17.2 | 17.0 |
| Total Member States Contributions | 54.6 | 57.4 | 59.8 | 64.3 | 64.1 | 63.9 |
| *Consisting of:*  *Ordinary Contributions*  *Additional Contributions* | *23.9*  *30.6* | *29.7*  *27.8* | *29.2*  *30.6* | *28.6*  *35.7* | *28.1*  *36.0* | *27.5*  *36.3* |

* 1. The GCR calculation provides the required total Member States’ contributions. The total amount of contributions in each year has been divided between ordinary contributions and additional contributions. Ordinary contributions can be considered as those contributions which are due in accordance with the scheme rules in order to pay for the future accrual of benefits of current active members, whilst additional contributions can be considered as payments towards the historic deficit, calculated as the difference between the total Member States’ contributions and the ordinary contributions.
  2. Under the projected GCR, Member States’ contributions increase by around 11% in 2022 compared to 2021. Member States’ ordinary contributions increase by around 26% in 2020 due to the change in staff contribution rates and, consequently, Member States’ contributions rates which take effect from 1 January 2020. Considering only the additional contributions which are paid towards the historic deficit, the required contributions increase by around 20% in 2022, compared to 2021 as a result of the increase in the projected GCR.
  3. [*Blank*]

Step-By-Step Analysis

* 1. In Figure 2 below, the impact of changes on the projected GCR from the estimation provided in the report “Pension Reserve Fund – Contribution Scenarios” (SIRP/E(2018)27) to the updated estimation provided in this report is provided.

*Figure 2: Projected 2022 GCR Step-By-Step Breakdown*



*Population and Fund Update*

* 1. For the previous estimation of the 2022 GCR, the calculations were based on the membership data as at 31 December 2017. For the current calculations, the membership has been updated as at 31 December 2018.
  2. For the previous estimation of the 2022 GCR, the value of the PRF as at 31 December 2017 was used. For the current calculations, the value of the PRF as at 31 December 2018 has been used, along with reported performance up to 31 May 2019.
  3. The update of the population and fund value resulted in an increase in the projected 2022 GCR.

*2020 Contribution Rates*

* 1. Since the previous estimation of the 2022 GCR, the staff contribution rates have been re-calculated in accordance with the various scheme rules. The new potential[[4]](#footnote-4) staff contribution rates, as set out in Table 3, take effect from 1 January 2020. The increase in the staff contribution rates result in additional monies being received into the PRF and hence results in a significant reduction in the projected 2022 GCR.

*Salary Increase Assumption*

* 1. The reduction in the assumption for salary increases over inflation from 0.27% used for the previous estimation to 0.24% used for this estimation, results in a smaller salary base on which the GCR is based as well as a reduced level of benefits. In addition, as CPS pension increases are linked to the salary increase assumption, the change in the salary increase assumption reduces the rate at which current and future CPS pensioners’ benefits increase.
  2. Overall, there was a small decrease in the projected 2022 GCR from the reduction in the assumption for salary increases over inflation.

*Mortality Table Update*

* 1. The updated mortality table, ICSLT 2018, shows an increased life expectancy compared to the mortality table used for the previous estimation of the 2022 GCR (ICSLT 2013). There was a significant increase in the projected 2022 GCR due to the update of the mortality table.

*Medical Contribution Rate Update*

* 1. Since the previous estimation of the 2022 GCR, an updated analysis of the contribution made on behalf of Member States towards the medical scheme has been undertaken. This updated analysis showed that the contribution to be made should be increased to 3.85% of benefit payments, compared to 3.0% used in the previous estimation. The increase in the required medical contribution rate results in higher benefits to be paid, hence there is an increase in the projected 2022 GCR.

No Action Taken – Maintain Current GCR (37.85%)

* 1. If no action is taken on implementing the projected 2022 GCR then the PRF is projected to deplete in 2060. After this time, Member States would be liable for the annual benefit payments which would result in a significant increase in required contributions. Figure 3 shows the development of Member States’ projected contributions for 2050 to 2080 (Nominal and Real terms) if the GCR were maintained at current levels in the future.

*Figure 3: Projected Member States’ Required Contributions 2050 – 2080 with no change in GCR from 2022 onwards*



* 1. Clearly, the depletion of the fund in 2060 would result in a significant increase in the required contributions from this date. Required contributions would need to increase by over 100% between 2059 (the year prior to PRF depletion) and the 2061 (the year after depletion).
  2. Considering the whole 80 year period used for the calculation of the GCR, the comparison between the total required contributions through adjusting the GCR in 2022 and the total required contributions if the GCR is not adjusted is shown in Table 9 below. However, note that the projections rely heavily on the veracity of the assumptions and so actual requirements could be materially different from that shown.

*Table 9: Comparison of Member States’ total contributions (2022-2101) with and without GCR adjustment in 2022*

|  | **No 2022 GCR Adjustment** | | **With 2022 GCR Adjustment** | |
| --- | --- | --- | --- | --- |
| **MEUR** | **Nominal Terms** | **Real Terms** | **Nominal Terms** | **Real Terms** |
| Total Projected Member States’ Contributions | 16,700 | 6,100 | 12,500 | 4,900 |

1. **Potential GCR Calculation Adjustments**

Impact of Potential Reforms to the Co-ordinated Pension Scheme on Projected 2022 GCR

* 1. As noted in paragraphs 2.33 to 2.37, the CCR is currently considering reforms to CPS. The impact of the reforms under consideration is set out below.

*Adjustment to CPS Pension Increase Rate*

* 1. If the rate of pension increase for CPS members is adjusted to follow inflation rather than salary inflation, then the staff contribution rate to be applied from 1 January 2020 is estimated to be 11.8%. Due to the lower rate of future CPS pension increases the present value of future benefits would be lower and hence the GCR would also be lower. It is estimated the GCR would be 42.01% (a reduction of 0.92%) if this reform is implemented.
  2. The projected salaries and contributions under this scenario are set out in Table 10 below. Note that aggregate salaries are not affected by this reform.

*Table 10: Projected Salaries and Contributions Considering CPS Pension Increase Rate Reform (MEUR)*

| **MEUR** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Budgeted Contributions** | | | **Projected GCR Contributions** | | |
| **Nominal Terms** (Assuming inflation of 1.93% p.a.) | | | | | | |
| Aggregate Salaries | 152.3 | 155.4 | 157.9 | 160.1 | 162.8 | 165.3 |
| Staff Contributions | 14.3 | 18.0 | 18.2 | 18.4 | 18.7 | 18.9 |
| Total Member States Contributions | 55.1 | 58.5 | 62.1 | 67.2 | 68.4 | 69.4 |
| *Consisting of:*  *Ordinary Contributions*  *Additional Contributions* | *24.2*  *30.9* | *30.1*  *28.4* | *30.2*  *31.9* | *30.2*  *37.0* | *30.3*  *38.1* | *30.3*  *39.1* |
| **Real Terms (2019 Base)** | | | | | | |
| Aggregate Salaries | 150.8 | 151.0 | 150.5 | 149.7 | 149.4 | 148.8 |
| Staff Contributions | 14.2 | 17.5 | 17.4 | 17.2 | 17.1 | 17.0 |
| Total Member States Contributions | 54.6 | 57.4 | 59.8 | 62.9 | 62.7 | 62.5 |
| *Consisting of:*  *Ordinary Contributions*  *Additional Contributions* | *23.9*  *30.6* | *29.3*  *28.2* | *28.8*  *31.0* | *28.3*  *34.6* | *27.8*  *35.0* | *27.2*  *35.3* |

*Adjustment to CPS Normal Retirement Age*

* 1. As previously noted, CCR is currently considering a change to the Normal Retirement Age for CPS active members with transitional provisions to age 63, from age 60 currently. If the Normal Retirement Age is adjusted then it is anticipated that the staff contribution rate would decrease. This would result in lower than anticipated contributions being paid into the PRF. Furthermore, current pensioners members would be unaffected by this reform and future pensioners would have transitory measures meaning that not all of them will be affected, and the effect will not be immediate. Therefore the future benefit payments will only be marginally affected. As a consequence of receiving less contributions into the PRF and benefits being largely unaffected, it is expected that the projected 2022 GCR would increase.
  2. At present, a detailed analysis has not been completed for the CCR on the impact on the staff contribution rate from an adjustment to the Normal Retirement Age 63. Nor have the details of the transitional measures (if the reform is implemented) been approved. Therefore, it is not currently possible to provide an estimate of the impact on the GCR due to this potential reform until the details of the reform are known.

Impact of Non-Payment of Russian Federation Contributions for 2017 and 2018

* 1. Following the ratification of the Russian Federation’s credentials by the Parliamentary Assembly of the Council of Europe, the PRF received the Russian Federations contributions owing for 2019. However, as of the date of this report, the contributions owed by the Russian Federation to the PRF in respect of 2017 and 2018 were still outstanding.
  2. As set out in Section 3, the total repayment of 2017 and 2018 contributions assumed to be paid on 31 December 2019 by the Russian Federation totals KEUR 6,150.9 which is split between unpaid contributions of KEUR 5,084.2 and late interest penalties of KEUR 1,066.7.
  3. In the event that the contributions owing for 2017 and 2018 are received but not the late interest penalties payment then it is estimated the projected 2022 GCR would need to increase to 42.95% from 2022 (an increase of 0.02% compared to the projected 2022 GCR calculated in this report).
  4. In the event that no money is received in respect of the contributions owing for 2017 and 2018 then the fund would receive less contributions than anticipated under the Base Scenario and hence the GCR would increase. It is estimated that the GCR would increase to 43.08% from 2022 (an increase of 0.15% compared to the projected 2022 GCR calculated in this report).
  5. It is important to note that depending on the exact timing of the receipt of past contributions owed by the Russian Federation and the veracity of the assumptions used in the projections, the impact of the receipt of the past contributions and the timing of the receipt may be greater or less than discussed here.

1. **Alternative Contribution Methods**
   1. In consideration that the projected 2022 GCR presented in this report represents a significant increase in Member States’ projected contributions, a number of alternative methods for examining Member States’ contributions have been examined. This includes:
      * Earlier implementation of an updated GCR from 2020.
      * Progressive implementation of an updated GCR.
      * Fixed and increasing supplementary contributions

Implementation of an Updated GCR from 2020

* 1. Due to the significant increase in GCR from 2022, the impact of an earlier implementation in 2020 has been investigated. Whilst this would increase contributions from 2020, it should result in lower total payments as contributions are being paid earlier and so benefiting from greater time to earn investment returns.
  2. If an updated GCR were to be implemented from 2020, as opposed to 2022, then the GCR would be 42.60%, a reduction of 0.33% compared to the projected 2022 GCR presented in this report.
  3. Figure *4* (Nominal Terms) and Figure 5 (Real Terms) below show the evolution of the Member States’ contributions if an updated GCR was implemented from 2020 and the comparative Member States’ contributions if the projected GCR is implemented from 2022.

*Figure 4: Member States’ Contributions with GCR implemented from 2020 or 2022 (Nominal Terms)*



*Figure 5: Member States’ Contributions with GCR implemented from 2020 or 2022 (Real Terms)*



* 1. Clearly, implementing an updated GCR from 2020 results in a significant increase in required contributions compared to the current budgeted contributions in 2020 and 2021. However, the earlier implementation allows for a lower level of Member States’ contributions from 2022 onwards due to the lower projected GCR and its earlier implementation.
  2. If the GCR was held constant throughout the 80 year period used for the calculation of each of the projected GCRs and all assumptions are proven correct over the 80 year period, then an earlier implementation of the updated GCR would result in a saving of around MEUR 590, in nominal terms, or MEUR 40, in real terms.

Gradual Increase in GCR from 2022

* 1. In order to smooth the anticipated increase in Member States’ contributions, a transition period could be used to smooth the increase over a number of years. However, it follows that the longer the transition period, the higher the eventual GCR needs to be to compensate for lower contributions in earlier years and “lost” investment returns.
  2. Table 11 below show the projected GCRs and Member States’ contributions should a one, two or three year transitional period be considered.

*Table 11: Member States’ Contributions from 2021 with Different Transition Periods*

| **MEUR** | **Targeted GCR** | **2021 (Budgeted)** | **2022** | **2023** | **2024** | **2025** |
| --- | --- | --- | --- | --- | --- | --- |
| **Nominal Terms** (Assuming inflation of 1.93% p.a.) | | | | | | |
| No Transition | *42.93%* | 62.1 | 68.7 | 69.9 | 71.0 | 71.9 |
| One Year Transition | *42.99%* | 62.1 | 66.1 | 70.0 | 71.1 | 72.0 |
| Two Year Transition | *43.05%* | 62.1 | 65.1 | 68.2 | 71.2 | 72.1 |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Three Year Transition | *43.12%* | 62.1 | 64.7 | 67.2 | 69.7 | 72.2 |
| **Real Terms (2019 Base)** | | | | | | |
| No Transition | *42.93%* | 59.8 | 64.3 | 64.1 | 63.9 | 63.5 |
| One Year Transition | *42.99%* | 59.8 | 61.8 | 64.2 | 64.0 | 63.6 |
| Two Year Transition | *43.05%* | 59.8 | 60.9 | 62.5 | 64.1 | 63.7 |
| Three Year Transition | *43.12%* | 59.8 | 60.5 | 61.7 | 62.8 | 63.8 |

* 1. As can be seen, the longer transition periods allow for a more gradual increase in the Member States’ contributions. The annual required increase varies with transition period length from approximately MEUR 2.5 to MEUR 4, in nominal terms, or from MEUR 1.0 to MEUR 2.4, in real terms. However, a longer transition period also requires a slightly higher GCR to be targeted at the end of the transition period due to the lower than required contributions received by the PRF during the transition period and the “lost” investment returns from receiving contributions later.

Supplementary Contributions

* 1. As an alternative to the GCR calculation, it is possible to split the purpose of Member States’ contributions between ordinary contributions and supplementary contributions. Ordinary contributions being the contributions envisaged to be paid by Member States to meet obligations under the scheme rules for each scheme. Supplementary contributions can be considered as the contributions to be made to repay the historic deficit.
  2. Supplementary contributions could be calculated separately to the ordinary contributions, which adjust with each staff contribution rate update. It would be possible to set a fixed amount of supplementary contributions from 2022 onwards which would increase annually with inflation.
  3. The advantage of separately calculating the supplementary contributions is that there is less volatility for Member States in future contributions and an end date for supplementary contributions could also be targeted. However, regular checks would be required to consider whether the end date is later (or earlier) as the end date could change depending on the evolution of the fund, benefit payments and population. So, whilst there may be greater certainty of the amount of annual supplementary contributions (the regular Organisation ones will still be updated every 5 years), the period over which they are to be paid may be less certain.
  4. Figure 6 below shows how the supplementary contributions would change depending on the period over which supplementary contributions are to be made. The same target of sustainability as used throughout this report has been used when calculating the required level of supplementary contributions in 2022

*Figure 6: Projected 2022 Member States’ Contributions with varying Supplementary Contribution Periods (Nominal Terms)*



**Figure 7:** *Projected 2022 Member States’ Contributions with varying Supplementary Contribution Periods (Real Terms)*



* 1. It should be noted that ordinary contributions are assumed constant in these graphs, but they will evolve in the future after each 5 year review, together with the staff contribution rate.
  2. All scenarios presented would result in a higher contribution requirement in 2022 compared to the projected 2022 GCR calculated in this report. However, this method would result in significant savings over the whole 80 year projection period, as shown in Figure 8. The earlier the larger contributions are made, the greater are the investment returns over time, which results in lower total contributions being necessary.

*Figure 8: Total Projected Member States’ Contributions (2022-2101) in Nominal and Real Terms*



1. **Conclusions**
   1. This report has updated the projected 2022 GCR from the report issued last year (SIRP/E(2018)27). The calculations include updates to the population and fund value to 31 December 2018 and updates to assumptions related to the future salary increases, mortality and medical contribution requirements.
   2. The GCR required from 2022 onwards, calculated in a similar manner as the GCR that is currently in force and that calculated in last year’s report, is 42.93%. The main reason for the increase in the GCR is due to the increased life expectancy projected under the updated mortality table.
   3. Further considerations have been given to the recuperation of monies owed to the PRF by the Russian Federation. The impact of not receiving contributions owed by the Russian Federation due from 2017 and 2018 would be to increase the GCR to 43.08% from 2022 onwards.
   4. It should be noted that the analysis contained in this report is based on the current CPS pension scheme rules. CCR is currently considering reforms to the CPS pension scheme which could result in different projected benefit payments compared to those used for the calculation of the GCR in this report and, therefore, a different projected GCR. CCR is meeting in September 2019 when a decision on reforms is expected.
   5. Furthermore, it should be well noted that the GCR is based on actuarial assumptions over the long-term concerning the development of the population, the fund, contributions and benefits. These assumptions are regularly updated which could lead to a change in the calculation of the GCR.
   6. Summary of the main scenarios analysed within the report:

|  |  |
| --- | --- |
| **Scenario** | **GCR** |
| 2018 Analysis[[5]](#footnote-5) | 39.86% |
| Updated 2019 analysis[[6]](#footnote-6) | 42.93% |
| *Potential GCR adjustments:* |  |
| - CPS change to inflation increases[[7]](#footnote-7) | 42.01% |
| - No payments from Russia for 2017 and 2018 | 43.08% |
| - Payments from Russia but no penalty interest | 42.95% |

**Appendix 1 – Main characteristics of the Pension Schemes**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Co-ordinated Pension Scheme** | **New Pension Scheme** | **Third Pension Scheme** |
| Type of scheme | DB | DB | DB |
| Accrual rate | 2% of last basic salary | 2% of last basic salary | 1.75% of last basic salary |
| Maximum | 70% | 70% | 70% |
| ... reached after | 35 years | 35 years | 40 years |
| Minimum accrual | 4% of C1/1 | 4% of C1/1 | 1.75% of B3/1 |
| Leaving allowance | Staff contributions + 4%  1.5 month salary / year | 2.25 x rate of contribution applied to salary / year | 2 x rate of contribution applied to salary / year |
| Minimum invalidity pension | 120% of C1/1 | 120% of C1/1 | 100% of C1/1 |
| Minimum survivor’s pension | 35% of last basic salary | 35% of last basic salary | 30% of last basic salary |
| Annual adjustment | Same as salaries | Inflation | Inflation |
| Normal retirement age | 60 | 63[[8]](#footnote-8) | 65 |
| Early retirement starting at | 50 | 51 | 55 (to be raised to 60) |
| Share of staff contribution | 1/3 | 40% | 45% |
| Staff contribution rate  - 2019  - 2020 onwards | 9.5%  12.1% | 9.3%  11.8% | 9.4%  10.6% |
| Family allowances | Family allowances granted under the same conditions as for active staff | | |

**Appendix 2 – Demographic Assumptions**

The demographic assumptions were updated during 2017 based on an in-depth analysis of CoE’s population between 2003 and 2015. Set out below are the assumptions that have been used in this analysis based on our report entitled “Demographic Assumptions Analysis” (SIRP/E(2016)31/REV1), dated 8 March 2017.

*Annual Probability of turnover before 10 years of service*

|  |  |  |
| --- | --- | --- |
| **Grade/ Years of Service** | **A/C/L/JU/HC** | **B** |
| 0 | 4.5% | 3.0% |
| 1 | 4.5% | 6.6% |
| 2 | 6.7% | 7.8% |
| 3 | 3.8% | 35.3% |
| 4 | 23.5% | 27.3% |
| 5 | 9.0% | 11.0% |
| 6 | 5.3% | 8.0% |
| 7 | 0.0% | 3.3% |
| 8 | 5.9% | 0.0% |
| 9 | 0.0% | 0.0% |

*Annual Probability of turnover after 10 years of service*

|  |  |
| --- | --- |
| **Age** | **All Grades** |
| 20-44 | 0.0% |
| 45-54 | 0.1% |
| 55-59 | 1.1% |

*Annual Probability to retire Co-ordinated Pension Scheme*

|  |  |  |  |
| --- | --- | --- | --- |
| **Grade/ Age** | **A/L/JU/HC** | **B** | **C** |
| 50-55 | 0% | 0% | 0% |
| 56 | 1.4% | 0.6% | 0.6% |
| 57 | 1.4% | 0.6% | 0.6% |
| 58 | 2.0% | 0.6% | 0.6% |
| 59 | 2.3% | 4.4% | 4.4% |
| 60 | 12.4% | 25.7% | 27.0% |
| 61 | 15.7% | 13.5% | 13.5% |
| 62 | 2.5% | 19.1% | 19.1% |
| 63 | 21.5% | 11.0% | 11.0% |
| 64 | 14.6% | 21.9% | 33.4% |
| 65 | 100% | 100% | 100% |

*Annual Probability to retire New Pension Scheme*

|  |  |  |
| --- | --- | --- |
| **Grade/ Age** | **A/L/JU/HC** | **B/C** |
| 51-62 | 0% | 0% |
| 63 | 6.5% | 7.5% |
| 64 | 33.1% | 15.7% |
| 65 | 100% | 100% |

*Annual Probability to retire Third Pension Scheme*

|  |  |  |
| --- | --- | --- |
| **Grade/ Age** | **A/L/JU/HC** | **B/C** |
| 51-64 | 0% | 0% |
| 65 | 100% | 100% |

*Annual Probability of invalidity*

|  |  |  |  |
| --- | --- | --- | --- |
| **Grade/ Years of Service** | **A/ L/JU/HC** | **B** | **C** |
| 0-9 | 0.06% | 0.07% | 0.30% |
| 10-19 | 0.06% | 0.10% | 0.70% |
| 20-29 | 0.06% | 0.60% | 0.70% |
| 30-45 | 0.06% | 0.30% | 0.70% |

*Annual Salary Increase due to Career Progression*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Grade/ Years of Service** | **A** | **B** | **C** | **L** | **JU/HC** |
| 0-4 | 3.8% | 1.3% | 1.3% | 0.9% | 0% |
| 5-9 | 3.0% | 1.6% | 1.4% | 1.1% | 0% |
| 10-14 | 1.6% | 1.3% | 1.1% | 1.3% | 0% |
| 15-19 | 1.1% | 0.9% | 0.9% | 0.7% | 0% |
| 20-24 | 1.0% | 0.6% | 0.4% | 0.7% | 0% |
| 25-29 | 0.9% | 0.4% | 0.2% | 0.3% | 0% |
| 30-45 | 0.5% | 0.3% | 0.4% | 0% | 0% |

*New Entrants Assumption[[9]](#footnote-9)*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Age** | **Gender** | **Grade** | **Salary** | **Weight** | **Pension Scheme** |
| 39 | Female | A2 | 5896.14 | 11.08% | TPS |
| 41 | Male | A2 | 5896.14 | 9.94% | TPS |
| 30 | Female | B3 | 3416.99 | 23.58% | TPS |
| 39 | Female | B3 | 3416.99 | 23.30% | TPS |
| 29 | Male | B3 | 3416.99 | 11.36% | TPS |
| 39 | Male | B3 | 3416.99 | 11.08% | TPS |
| 38 | Female | C2 | 2580.01 | 4.83% | TPS |
| 36 | Male | C2 | 2580.01 | 3.69% | TPS |
| 45 | Female | L2 | 5992.87 | 0.85% | TPS |
| 38 | Male | L2 | 5992.87 | 0.28% | TPS |

**Appendix 3 – Population Summary as at 31 December 2018**

The membership details as at 31 December 2018 were provided by Council of Europe.

*Actives*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *CPS* |  |  |  |  |  |
| **Grade** | **Sex** | **Number** | **Average Age** | **Average salary (EUR/month)** | **Average pensionable years** |
| A | M | 178 | 55 | 10,472 | 24 |
| F | 156 | 54 | 9,768 | 23 |
| B | M | 70 | 53 | 4,981 | 23 |
| F | 405 | 53 | 4,771 | 23 |
| C | M | 46 | 53 | 3,815 | 23 |
| F | 7 | 52 | 3,726 | 18 |
| L | M | 15 | 57 | 10,105 | 25 |
| F | 13 | 56 | 10,267 | 23 |
| HC | M | 1 | 64 | 16,175 | 23 |
| F | 1 | 68 | 16,175 | 42 |
| JU | M | - | - | - | - |
| F | - | - | - | - |
| **TOTAL** | | **892** | **54** | **6,937** | **23** |
| *NPS* |  |  |  |  |  |
| **Grade** | **Sex** | **Number** | **Average Age** | **Average salary (EUR/month)** | **Average pensionable years** |
| A | M | 148 | 46 | 7,888 | 12 |
| F | 195 | 43 | 7,418 | 11 |
| B | M | 76 | 45 | 4,406 | 10 |
| F | 326 | 46 | 3,962 | 12 |
| C | M | 22 | 45 | 3,149 | 12 |
| F | 6 | 56 | 3,178 | 11 |
| L | M | 8 | 50 | 8,189 | 12 |
| F | 5 | 49 | 8,471 | 11 |
| HC | M | 1 | 68 | 17,090 | 9 |
| F | - | - | - | - |
| JU | M | 3 | 59 | 17,167 | 7 |
| F | 2 | 50 | 17,167 | 8 |
| **TOTAL** | | **792** | **46** | **5,732** | **11** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| *TPS* |  |  |  |  |  |
| **Grade** | **Sex** | **Number** | **Average Age** | **Average salary (EUR/month)** | **Average pensionable years** |
| A | M | 56 | 41 | 5,681 | 4 |
| F | 72 | 41 | 5,812 | 4 |
| B | M | 93 | 37 | 3,581 | 3 |
| F | 228 | 37 | 3,435 | 3 |
| C | M | 29 | 37 | 2,689 | 2 |
| F | 26 | 40 | 2,605 | 3 |
| L | M | - | - | - | - |
| F | 6 | 46 | 6,012 | 2 |
| HC | M | - | - | - | - |
| F | - | - | - | - |
| JU | M | 3 | 53 | 17,167 | 3 |
| F | 4 | 58 | 17,167 | 3 |
| **TOTAL** | | **517** | **39** | **4,168** | **3** |

*Deferred Members*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *CPS* |  |  |  |  |
| **Grade** | **Sex** | **Number** | **Average Age** | **Average pensionable months** |
| A | M | 8 | 53 | 197 |
| F | 4 | 57 | 199 |
| B | M | 1 | 60 | 283 |
| F | 7 | 52 | 156 |
| C | M | 1 | 53 | 270 |
| F | - | - | - |
| L | M | - | - | - |
| F | - | - | - |
| HC | M | - | - | - |
| F | - | - | - |
| JU | M | - | - | - |
| F | - | - | - |
| **TOTAL** | | **21** | **53** | **191** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| *NPS* |  |  |  |  |
| **Grade** | **Sex** | **Number** | **Average Age** | **Average pensionable months** |
| A | M | 2 | 46 | 129 |
| F | 1 | 47 | 121 |
| B | M | 1 | 47 | 120 |
| F | 2 | 49 | 158 |
| C | M | - | - | - |
| F | - | - | - |
| L | M | - | - | - |
| F | - | - | - |
| HC | M | - | - | - |
| F | - | - | - |
| JU | M | - | - | - |
| F | - | - | - |
| **TOTAL** | | **6** | **47** | **136** |

There are currently no TPS Deferred members.

*Pensioners*

*CPS*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Pension type** | **Sex** | **Count** | **Average Age** | **Average pension amount (at 1 Jan 2019)** |
| Retirement pension | M | 262 | 74 | 5,824 |
| F | 374 | 73 | 3,841 |
| Reversion pension | M | 10 | 80 | 2,553 |
| F | 100 | 81 | 3,672 |
| Survival pension | M | 6 | 67 | 2,448 |
| F | 32 | 74 | 3,056 |
| Invalidity pension | M | 29 | 66 | 3,675 |
| F | 37 | 68 | 3,154 |
| Orphan/Dependant pension | M | 7 | 34 | 1,056 |
| F | 4 | 32 | 1,145 |
| **TOTAL** | | **861** | **73** | **4,301** |

*NPS*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Pension type** | **Sex** | **Count** | **Average Age** | **Average pension amount**  **(at 1 Jan 2019)** |
| Retirement pension | M | 6 | 69 | 3,116 |
| F | 8 | 66 | 1,618 |
| Reversion pension | M | 1 | 51 | 1,294 |
| F | - | - | - |
| Survival pension | M | 1 | 57 | 1,117 |
| F | 4 | 47 | 1,429 |
| Invalidity pension | M | 1 | 59 | 2,832 |
| F | 8 | 51 | 3,446 |
| Orphan/Dependant pension | M | 8 | 26 | 362 |
| F | 3 | 9 | 654 |
| **TOTAL** | | **40** | **48** | **1,838** |

There are currently no TPS Pensioner members.

1. This document has been classified restricted until examination by the Committee of Ministers. [↑](#footnote-ref-1)
2. Cf. [CM(2019)133](https://search.coe.int/cm/Pages/result_details.aspx?Reference=CM(2019)133" \o "Draft Programme and Budget 2020-2021 - Pension Reserve Fund – explanatory note for the 2019 actuarial study [1361 meeting]) – explanatory note [↑](#footnote-ref-2)
3. Frozen posts are those which will not be filled when they become vacant. [↑](#footnote-ref-3)
4. Updated contribution rates have not been officially approved yet. [↑](#footnote-ref-4)
5. Based on population and assumptions as at 31/12/2017. [↑](#footnote-ref-5)
6. Based on population and assumptions as at 31/12/2018. [↑](#footnote-ref-6)
7. Inflation increase for pension payments. [↑](#footnote-ref-7)
8. Increased to 65 with transitory measures. [↑](#footnote-ref-8)
9. The New Entrants assumption is based on 2017 salary scale without any adjustment because the COE had 0% (nominal) salary increases in 2018 and 2019. [↑](#footnote-ref-9)