

Decision of the European Ombudsman closing his inquiry into complaint 3207/2008/TN against the European Investment Bank

Decision

Case 3207/2008/TN - Opened on 29/01/2009 - Decision on 05/02/2010

THE BACKGROUND TO THE COMPLAINT

[1]

1. The complainant started working for the European Investment Bank (EIB) in 1983. After she joined the EIB, she transferred, to the EIB Optional Supplementary Provident Scheme, the 11 years of pension contributions she had already made to the Luxembourg national pension scheme. In 1999, the complainant was offered the option of purchasing additional EIB pension insurance years. She decided to take up this offer. Accordingly, on 1 December 1999, she transferred EUR 85 151.77, which was in her name within the EIB Optional Supplementary Provident Scheme, to the EIB Staff Pension Scheme. By doing so, she obtained seven years and three months of additional EIB Staff Pension Scheme entitlements.

2. The complainant subsequently fell ill. She was eventually granted an invalidity pension on 1 March 2005.

3. She then asked the EIB to reimburse the money that she had paid for the additional pension insurance years. On 2 September 2005, the EIB refused her request.

THE SUBJECT MATTER OF THE INQUIRY

4. The Ombudsman opened an inquiry into the allegation that the EIB's refusal to reimburse to the complainant the sum of EUR 85 151.77 was unfair. The inquiry also covered the claim that the EIB should reimburse to the complainant the mentioned sum.

THE INQUIRY



5. The complaint was submitted on 28 November 2008. On 29 January 2009, the Ombudsman opened an inquiry by sending the EIB a request for an opinion. On 28 April 2009, the EIB submitted its opinion, which was then forwarded to the complainant. The complainant submitted observations on 29 June 2009.

THE OMBUDSMAN'S ANALYSIS AND CONCLUSIONS

A. Preliminary remark on admissibility

6. In its opinion, the EIB argued that the administrative act refusing the reimbursement was a note dated 2 September 2005 (note RH/DIR/2005-0054). Although the EIB does not know the exact date on which this act was forwarded to the complainant, it appears reasonable to assume that she received the note in October 2005 at the latest. The EIB therefore argued that the complaint was not submitted within the two-year time limit stipulated in Article 2(4) of the Statute of the European Ombudsman [2] .

7. The Ombudsman finds that although the decision not to reimburse the complainant was made in 2005, the complaint to the Ombudsman alleging unfairness is, to a great extent, based on the asserted fact that the EIB subsequently changed its rules as regards the EIB Staff Pension Scheme (see paragraph 9 below). According to information supplied by the complainant, the rules were changed in 2008 (and communicated by a note to the staff dated March 2008). The EIB has not contested that a new set of rules were put in place in March 2008 in the context of the programme " *Early departure in the context of EU enlargement* " (see paragraph 14 below), even if it does not share the complainant's position as regards the substance of these rules. The Ombudsman finds, therefore, that the complaint was made within two years of the date on which the facts on which it is based came to the complainant's attention.

B. The allegation that the EIB's refusal to reimburse the complainant was unfair

Arguments presented to the Ombudsman [3]

8. The complainant argued that the additional insurance years that she purchased for the sum of EUR 85 151.77 were not taken into consideration when determining her invalidity pension. Furthermore, they will not be taken into consideration once she turns 65 and starts receiving her retirement pension, because the ceiling of her pensionable salary will already have been reached. The only way she could benefit from the purchase of additional years would be through early retirement. However, this is no longer possible since she is on an invalidity pension.

9. The complainant argued that she has been discriminated against for two reasons. First, a



person who has to leave the EIB due to invalidity does not have the right to be reimbursed money paid to purchase additional pension insurance years, while a person leaving of his/her own free will has the possibility to have his/her supplementary pension payments reimbursed. Second, the EIB has changed the text of its regulations so that, henceforth, the purchase of additional pension years will not be debited from the staff member's account until the day he/she leaves the institution. The purchase becomes void if the buyer becomes incapacitated before the staff member's departure. This change in the conditions for purchasing additional insurance years was introduced by note to staff No 617 dated 4 March 2008. It must have been the complainant's request for reimbursement that provoked the EIB to re-think its policy in this regard. However, the option to pay for the additional insurance years on the day of departure was not available to her.

10. In its opinion, the EIB explained, by way of background information, that Article 36 of the EIB Staff Regulations sets up a Staff Pension Scheme, which is financed jointly by the EIB and staff. The Pension Scheme is governed by the Staff Pension Scheme Regulations. The purpose of the Staff Pension Scheme is to provide the insured persons with retirement or invalidity pensions, survivors' pensions and child or orphan pensions. The purchase of additional insurance years is governed by Article 21 of the Staff Pension Scheme Regulations.

11. The EIB also stated that, in addition to the possibility to contribute to the Staff Pension Scheme, Article 21.5 of the Staff Pension Scheme Regulations gives members of staff the possibility to participate, through a single payment or regular contributions (or, as in the case of the complainant, the transfer of national pension entitlements), in the Optional Supplementary Provident Scheme. The Optional Supplementary Provident Scheme provides supplementary retirement and survivors' pensions and a capital sum payable on death. Participation in the Optional Supplementary Provident Scheme is voluntary. A member declared incapacitated by the EIB may, therefore, choose to withdraw the capital sum already accrued, to terminate contributions, or to continue contributions.

12. The EIB states that the document annexed to the proposal to purchase additional insurance years, which was sent to the complainant, expressly stated that the purchase option would not take invalidity or death into consideration. She was thus adequately informed of the impact that invalidity would have on her purchase of additional pension insurance years.

13. As regards the complainant's argument that it is discriminatory to allow members of staff to withdraw contributions made to the Optional Supplementary Provident Scheme in case of invalidity, whereas the same does not apply for rights transferred to the Staff Pension Scheme, the EIB argued that the rationale behind such a distinction stems from the guiding principle of pension schemes such as the Staff Pension Scheme. The principle behind such a pension scheme is to implement mechanisms of solidarity between generations as well as within generations. In accordance with the principle of contributors' solidarity, EIB staff members who have served long enough to obtain the maximum pension must continue to contribute, albeit with no further personal advantage. On the contrary, in respect of pension schemes based on voluntary savings, such as the Optional Supplementary Provident Scheme, the principle is that contributors receive a pension proportionate to the amount by which they have contributed to



the scheme. As a result, staff members who have contributed to that scheme have a certain legitimate expectation in respect of future benefits. They may, therefore, withdraw their contribution, if supervening events, such as invalidity, hinder them from benefiting from the contributions made.

14. As regards the complainant's argument that she was discriminated against because of note to staff No 617 of 4 March 2008, which gave members of staff the possibility to purchase additional insurance years under the programme " *Early departure in the context of EU enlargement* " ('the early departure programme'), the EIB stated that the contract concluded with the complainant was a contract with an immediate exchange of performances. The contract concluded with members of staff under the early departure programme is a contract that will be performed at a certain point of time in the future, provided that certain conditions (such as the invalidity of the staff member) are not met. The difference in the type of contract is justified by the clear difference in the situation: Those staff members who have been granted the possibility of an earlier departure from the EIB under the programme " *Early departure in the context of EU enlargement* " have been authorised to do so in order to enable the institution to face the challenge of important structural changes spurred by the entry of ten new Member States. It is thus clear that the complainant's request for reimbursement did not provoke the Pension Board to rethink its policy in terms of invalidity, as argued by the complainant. The conditions laid down under the early departure programme (note to staff No 617 of 4 March 2008) have to be considered as *ad hoc* measures aimed at encouraging early departure (and thereby a smooth and fast geographic reshuffle) in the context of the EU enlargement. The EIB also stressed that the ordinary provisions on early retirement in the EIB Staff Pension Regulations apply to all members of staff who choose to go on early retirement without having participated in the above-mentioned programme. Furthermore, at the time when the complainant purchased the additional insurance years, no alternative option to an ordinary contract with an immediate exchange of performances existed that was similar to the " *Early departure in the context of EU enlargement* ". Accordingly, at that time, she was in the same situation as any other member of staff.

15. In her observations on the EIB's opinion, the complainant argued that it was not clear whether the information in the document annexed to the proposal to purchase additional insurance years, which stated that invalidity did not affect the purchase of additional pension years, should be interpreted as implying that the transferred sum would be lost in the event of invalidity.

16. The complainant also argued that it is astonishing that the EIB's position regarding the matter changed without a reasonable explanation. The complainant pointed out that, on 2 September 2005, her request for reimbursement was rejected. However, in its letter of 19 March 2008, the EIB stated that the transferred amount will be taken into account: (i) if the EIB has to re-examine the complainant's invalidity status; (ii) and when determining the amount of pension to be paid to her once she reaches the age of 65. In the complainant's view, the letter of 19 March 2008 is totally untrue and in complete contradiction to the refusal of 2 September 2005.

17. The complainant also outlined that the EIB did not explain why the loss of pension years



was made impossible through a modification of the rules that occurred three days after her departure. The complainant also referred to the " *unofficial* " minutes of the Pension Board's meeting of 31 May 2005, during which her request for reimbursement was discussed. It is clear from these minutes that the Pension Board was aware that there was a problem, but that it did not want to set a precedent.

18. According to the complainant, the EIB, in its opinion, made a theoretical summary of the difference between " *defined benefit pension schemes* " and " *contributed pension schemes* ", but did not give any concrete justifications. The complainant pointed out that the amount she paid for her supplementary pension years was never in proportion to her monthly salary from the EIB.

The Ombudsman's assessment

(i) Factual background

19. The Pension Scheme of the EIB contains, among other things, a retirement pension, an early retirement pension, an invalidity pension plan and the possibility to purchase an Optional Supplementary Provident Pension.

20. The EIB's retirement pension is a *defined benefit pension plan* . The aim of a *defined benefit* plan is to ensure that every member of the pension scheme obtains, for the remainder of his/her life, an adequate income. In order to achieve this end result, the EIB retirement pension is based on the principle of solidarity between scheme members. This means that some scheme members may, eventually, receive more in terms of pension payments than they have contributed to the system, while others will receive less in terms of pension payments than they have contributed to the system. For example, persons that live longer than the average will, over their lifetime, receive more from the retirement pension scheme than others. However, the amount a person has contributed to the system does have a certain impact on the pension received: the amount an individual will be entitled to receive *per month* in terms of a pension will depend on the number of insurance years accumulated by the person concerned. The monthly pension the person will obtain is, in effect, calculated on the basis of 2% of their pensionable salary per insurance year accrued. The amount a person is entitled to receive per month in terms of a retirement pension is capped at 70% of the pensionable salary of that person [4] . Thus, a person who has worked for 35 years will receive the maximum monthly retirement pension of 70% of his/her pensionable salary.

21. The EIB's *early* retirement pension allows a person to retire at the age of 55. Similar to the EIB retirement pension, the monthly pension the person will obtain is calculated on the basis of 2% of his/her pensionable salary per insurance year accrued. However, in contrast to the EIB retirement pension, the early retirement pension is then reduced to take account of the insured person's age at the time payment of the pension commences [5] . In effect, the monthly payment is reduced by a fixed percentage for each month the person is younger than 65 at the time payment of the pension commences [6] .



22. In the Ombudsman's understanding, an early retirement pension can be particularly attractive for persons who have not yet reached the age of 65, but have contributed for more than 35 years to the EIB pension scheme. This is so because, as noted above, income derived from the standard pension system is capped at 70% of their pensionable salary. Thus, a person who has contributed for more than 35 years will not obtain any extra pension benefit for any extra years they work. However, if the person has already worked for the EIB for more than 35 years, and then takes *early retirement*, they can still, *in theory*, obtain a monthly pension equivalent to 70% of the pensionable salary [7]. An early retirement pension is also a defined benefit plan and, as such, is based on the principle of solidarity between scheme members.

23. A person who has not contributed to the EIB pension scheme for 35 years when they reach retirement age (for example, because the person previously worked elsewhere) can choose to transfer the pension rights obtained under their previous pension scheme to the EIB benefit scheme [8]. In doing so, the person "*purchases*" additional insurance years within the EIB pension scheme. The person can, in this way, obtain 70% of their pensionable salary. If the transfer results in the person acquiring more than 35 years of insurance years, the person can take an early retirement pension while still obtaining 70% of their pensionable salary (see paragraphs 21 and 22 above).

24. Invalidity insurance also forms part of the EIB's Pension Scheme and is based on the principle of solidarity as well. While all members contribute into an invalidity insurance system, only those members that become invalid will obtain payments from the system. Invalidity pension amounts to 70% of a person's pensionable salary and is payable until the person reaches retirement age (which is 65). According to Article 20.1 of the Staff Pension Scheme Regulations, the years during which a person is incapacitated shall be considered as "*insurance years*". Thus, contributions to the Staff Pension Scheme will continue to be made for the person concerned during the period when the person concerned is on invalidity pension. If the person concerned is considered to have contributed to the Pension Scheme of the EIB for at least 35 years, as soon as he/she reaches 65, the staff pension will pay him/her 70% of his/her pensionable salary.

25. The Pension Scheme of the EIB also contains an Optional Supplementary Provident Scheme. The Optional Supplementary Provident Scheme is a *defined contribution* plan. In contrast to the *defined benefit* plans and the invalidity insurance, it is not based on the principle of solidarity between individual scheme members. In a *defined contribution* plan, the amount that will be received by the contributor is based on the amount of money invested by that contributor. The contributor will not subsidise, nor will the contributor be subsidised by, the other members of the scheme. The eventual payments will not be increased or decreased based on the lifespan of the contributor.

26. A person who joins the EIB's staff after having worked elsewhere can also choose to transfer the contributions he/she made to his/her previous pension scheme to the EIB Optional Supplementary Provident Scheme. The money thereby transferred is not translated into insurance years within the EIB *defined benefit* pension scheme, but is rather used to increase the dividend to be paid to the person concerned under the EIB *defined contribution* plan. Such



a transfer can be particularly useful for persons who do not wish to take early retirement and who would, if they obtained additional insurance years, have accumulated more than 35 years of insurance years by the time they reach the age of 65. In effect, unless such a person were to take early retirement (see paragraphs 21 and 22 above), the additional insurance years purchased [9] , would not create any benefit for that person because of the 70% pensionable salary cap.

(ii) General assessment of the complainant's situation

27. The Ombudsman understands, from the facts described to him, that the complainant's objective, by purchasing extra insurance years, was to put herself in a position where she could, in the future, retire early while still obtaining a full pension of 70% of her pensionable salary.

28. On the basis of what is explained in paragraph 24 above, in the complainant's case, as well as obtaining the invalidity pension (which is 70% of her pensionable salary), the Staff Pension Scheme contributions will be paid for her during the period she is on invalidity pension until she reaches 65. The Staff Pension Scheme contributions will be made for her during the period she is on invalidity pension and that invalidity period will be considered as a working period. As a result, she will also accumulate the necessary number of insurance years needed to receive the maximum amount of retirement pension despite the fact that (assuming there is no change in her invalidity status) she will not work again before she reaches the age of 65.

29. It is true, the Ombudsman observes, that the complainant will not be able to *retire* early while she is on invalidity pension. Nevertheless, as she had planned when she sought to make provision for early retirement by purchasing additional insurance years, she will continue to receive 70% of her pensionable salary once she reaches 65 (that is, when her invalidity pension ends and her retirement pension commences).

30. The Ombudsman understands that the complainant now wishes to take advantage of the characteristic of the invalidity system whereby a person continues to accumulate insurance years while they are on invalidity pension. The Ombudsman recalls that, as explained in paragraph 20 above, the Staff Pension Scheme, which includes a retirement pension and an invalidity pension, is a *defined benefit* pension scheme based on solidarity between members. Indeed, one of the more salient aspects of this solidarity based system is that persons who suffer invalidity will have their pension contributions paid, on their behalf, by the pension scheme itself.

31. The Ombudsman understands that the complainant made the decision to purchase additional insurance years because she considered that decision was beneficial for her in the factual circumstances in which she found herself in at the time she made that decision. The Ombudsman recalls, in this respect, that the very nature of an invalidity system is that it is designed to deal with *unforeseen* events (in sum, accidents and illnesses of staff leading to invalidity). It is not consistent with such a system if a person is allowed to review decisions as regards contributions to a pension scheme after he/she has started benefitting from an invalidity pension. This is especially the case if the very reason the person seeks to revoke the decision is



because that decision becomes less attractive for that person as a result of the benefits that person is receiving from the invalidity system.

32. As regards the complainant's allegation of unfairness, the Ombudsman considers, in fact, that it would not be fair if a scheme member were allowed to withdraw the contributions made from a solidarity based pension scheme because it appears that he/she would not benefit as much as expected from the system.

(iii) The complainant's specific arguments

33. The complainant appears to argue that the EIB's position is contradictory, or that its position has changed. She states that the EIB first refused her request to have the amount used to purchase additional insurance years reimbursed, and then stated that the transferred amount will be " *taken into consideration* " either in case it has to re-examine her invalidity or when determining her old age pension. The Ombudsman considers, however, that these statements are not contradictory, nor do they indicate that the EIB has changed its position. Indeed, it is true that, if for medical reasons, the complainant's current state of invalidity were to cease to exist before she reaches 65, the additional insurance years she has obtained could be used by her to obtain an early retirement pension (on a full pension). It is also true that the transferred amount will, in the strict meaning of the term, be *taken into consideration* when determining the complainant's retirement pension. In sum, the number of insurance years accumulated by the complainant when she reaches 65 *will take " into consideration "*: (i) the insurance years accumulated while she was working; (ii) the insurance years accumulated when she was on invalidity pension; and (iii) the extra insurance years purchased by her. It may well be the case that, after " *taking into consideration* " all the insurance years accumulated, the total number of insurance years she will have acquired will exceed 35 insurance years (because she will also accumulate insurance years when she is on the invalidity pension). However, such an eventuality is a result of the additional benefit obtained through the invalidity system. It cannot, as such, be used as grounds to criticise the EIB.

34. The functioning of a defined benefit pension scheme based on the principle of solidarity also implies that the complainant's argument that the sum she transferred to the Pension Scheme of the EIB has been " *lost* " cannot be considered valid.

35. As regards the complainant's argument that she has been discriminated against, the Ombudsman notes that discrimination occurs when similar situations are treated differently or different situations are treated the same, without any objective justification.

36. The Ombudsman finds that the complainant, who wishes to have contributions to the Pension Scheme of the EIB reimbursed, is not in a comparable situation to persons who wish to have their *supplementary* pension contributions reimbursed. The EIB Pension Scheme is a *defined benefit* pension scheme based on the principle of solidarity between scheme members. The Ombudsman considers it reasonable not to allow contributors to withdraw funds from such a scheme (especially when the reason for a request to withdraw funds is based on a benefit received from such a scheme). In contrast, the *supplementary pension* , provided for under the



Optional Supplementary Provident Scheme, is a *defined contribution* pension scheme. The scheme is not based on the principle of solidarity between scheme members. Individual contributors are paid supplementary pensions, which are proportionate to the amounts paid in by the individual contributors. The Ombudsman considers it reasonable to allow contributors to withdraw funds from the latter scheme.

37. The complainant also argued that she has been discriminated against because the EIB allegedly changed the text of its regulations so that the purchase of additional pension years is no longer debited from a staff member's account until the day he/she leaves the institution.

38. When arguing that the EIB changed the text of its "*regulations*", the complainant referred to note to staff No 617 of 4 March 2008. According to the EIB, the note in question provided its staff with the *ad hoc* possibility to go on early retirement under the programme "*Early departure in the context of EU enlargement*".

39. The Ombudsman understands that the purchase of additional insurance years under the early departure programme is not in any way related to the purchase of additional insurance years under Article 21 of the Staff Pension Scheme Regulations. The purchase of additional insurance years under Article 21 of the Staff Pension Scheme Regulations is related to the *transfer* of pension rights *already accumulated by the person concerned under a previous pension scheme*. The purchase of insurance years under that system is made using a capital sum corresponding to all entitlements *accrued under the previous pension scheme*. All persons who wish to purchase additional insurance years *under Article 21 of the Staff Pension Scheme Regulations* must make a request for a *transfer* within one year of either the date of entry into service, or of the entry into force of an agreement with the insured person's previous pension scheme. Indeed, any person who might eventually have used the early departure programme must also have abided by that system when *transferring* entitlements *accrued under a previous pension scheme*. Any such transfers could not be revoked (even by those persons using the Early Retirement Programme).

40. The Ombudsman understands that additional insurance years purchased under the Early Retirement Programme are not purchased using pension rights accrued under a previous pension scheme and transferred to the EIB pension scheme. Rather, the additional insurance years are purchased under the Early Retirement Programme using funds made available at the time of early departure. As such, the early departure programme does not derogate from the system of transferring pension rights set out in Article 21 of the Staff Pension Scheme Regulations.

41. It is true that the early departure programme creates an *additional* possibility to purchase insurance years, which is not available to persons who do not participate in the early departure programme. There is, however, an objective justification for such an additional possibility to purchase insurance years. Such a system is necessary because early retirement on a full pension would otherwise not normally be possible for those persons who are actively *encouraged* by the EIB to retire early (early retirement *on a full pension* is normally reserved for those persons who have contributed for more than 35 years when they take early retirement



(see paragraph 21 and 22 above)). In the absence of an exception permitting such persons to purchase additional insurance years at the time of their departure, the unjust situation would be created where persons who are *encouraged* to retire early *in the interest of the service* (as opposed to retiring in their own interests) would not have *any possibility* to obtain a full pension. There is also an objective need for the EIB to make early retirement attractive for those staff members whom the EIB, in the *interests of the service*, wishes to retire.

42. The Ombudsman also notes that persons taking advantage of the early departure programme do not appear to have the possibility to withdraw contributions they have made to the pension scheme.

43. The complainant further argued that the amount she paid for the additional insurance years was not in proportion to her monthly salary at the EIB. According to Article 21.1 of the Staff Pension Scheme Regulations, the purchase of additional insurance years is always made using a *capital sum* corresponding to all entitlements accrued under the regulations of a previous pension scheme. According to Article 21.3 of the Staff Pension Scheme Regulations, the precise number of additional insurance years purchased is calculated by multiplying the purchaser's salary at the time of purchase by the annual retirement pension rate (which is 2%) and by the actuarial tariff applicable for the purchaser's age at the time of purchase. As such, the calculation system does take account of her monthly salary. The Ombudsman has not been provided with any evidence to show that the system was not applied correctly.

(iv) Conclusion

44. On the basis of the above general assessment and analysis of the complainant's specific arguments, the Ombudsman does not find that the EIB acted unfairly by refusing to reimburse to the complainant the sum used by her to purchase additional pension insurance years.

45. The minutes from the Pension Board's meeting of 31 May 2005 [10], during which the complainant's request for reimbursement was rejected, also indicate that the Pension Board sympathised with her situation. Nevertheless it felt compelled to refrain from making an exception in her case in order not to set a precedent. In light of the above analysis, the Ombudsman considers the approach of the Pension Board reasonable and he does not find any maladministration by the EIB in relation to the complainant's request for reimbursement.

B. The complainant's claim

46. Given the Ombudsman's conclusion in respect of the complainant's allegation, the claim that the EIB should reimburse to the complainant the sum of EUR 85 151.77 must fail.

C. Conclusions

On the basis of his inquiry into this complaint, the Ombudsman closes it with the following



conclusion:

There has been no instance of maladministration in relation to the present complaint.

The complainant and the EIB will be informed of this decision.

P. Nikiforos DIAMANDOUROS

Done in Strasbourg on 5 February 2010

[1] The background information was outlined in an earlier complaint, made on behalf of the present complainant, concerning the same matter (1921/2008/TN). That complaint was declared inadmissible on the basis of Article 2(8) of the Statute of the European Ombudsman, since the complaint concerned a staff matter and the member of staff had not exhausted the internal remedies of the EIB. The present complaint was submitted, and declared admissible, after the complainant tried to make use of the available internal remedies (conciliation under Article 41 of the EIB Staff Regulations).

[2] According to Article 2(4) of the Statute of the European Ombudsman, "[a] *complaint shall be made within two years of the date on which the facts on which it is based came to the attention of the person lodging the complaint.* "

[3] The complainant's arguments were mainly put forward in complaint 1921/2008/TN and its enclosures.

[4] See Article 45.1 of the EIB Staff Pension Scheme Regulations.

[5] See Article 74.1 of the EIB Staff Pension Scheme Regulations and Annex 1 thereto.

[6] The fixed percentage is 0.3% per month. Thus, for example, if the person retires at 64 under this system, the person's pension will be reduced by 3.6% (0.3 x 12 months).

[7] For example, a person who is 64 years and who has already worked for 37 years for the EIB will have accumulated 74% of pensionable salary in total (that is, 2% of pensionable salary per insurance year worked). That person may, of course, decide to continue working until he/she reaches 65, whereupon he/she will become entitled to a retirement pension. That retirement pension will be, however, capped at 70% of his/her pensionable salary. In sum, the person receives no extra *pension* benefit for the extra years worked. If the person were, however, to take early retirement at 64, his/her early retirement pension would be 74% of his/her pensionable salary. This would then be reduced by 3.6% (see footnote 6 above). This reduction would not, however, reduce the person's early pension entitlements below 70% of pensionable salary. As such, the person could take early retirement at 64 on a full pension (that is, a pension of 70% of his/her pensionable salary).



[8] The full pension is 70% of a pensionable salary. Each year worked corresponds to 2% of pensionable salary accrued. Thus, a person needs to contribute for 35 years to obtain a full retirement pension. As a consequence, a person who joins the EIB after they turn 30 cannot obtain a full retirement pension by the time they reach the age of 65 (unless they purchase additional insurance years).

[9] That is, those additional insurance years *in excess* of the 35 insurance years required to obtain a full retirement pension.

[10] In the French original, the minutes state that " *bien que cette situation individuelle soit très pénible, il est très important de ne pas créer un précédent.* "