

## Summary of DZ v. IBRD, Decision No. 589 [2018]

The Applicant, a staff member who started working at the World Bank on 18 January 1994, submitted an Application to the Tribunal claiming that: 1) the 2015 Amendments to the Net Plan of the Staff Retirement Plan (SRP) changed the conditions of the Applicant's employment and deprived her of compensation; 2) the Net Plan failed to provide the benefits promised; 3) the Bank's failure to pay additional "catch-up" payments is unfair; 4) the 2015 Amendments discriminate against long-serving staff and U.S. Citizens; and 5) the Bank has not been transparent and is not meeting its obligations under U.S. law. Eleven staff members were granted the right to intervene in this case.

The Tribunal found that the 2015 Amendments do not change the nature of the Applicant's employment. According to the Tribunal, the record demonstrated that the 2015 Amendments created an opportunity for the Applicant to make additional contributions towards her retirement. The Tribunal held that the 2015 Amendments did not retroactively deprive the Applicant of compensation since she could make additional contributions if she so chooses.

The Tribunal further found that there was no proof of an unequivocal promise made to staff in general that they would receive a 70% replacement income of their salaries upon retirement with a 5% contribution to their retirement plan after 35 years of service. In addition, based on the testimony of the Bank's Principal Actuary, the Tribunal was satisfied that the Net Plan would yield the desired outcome in the event the Applicant served 35 years at the Bank and only paid the mandatory 5% contributions. The Tribunal was satisfied with the Bank's statements, assertions, and calculations. The Tribunal considered that no evidence was presented to cause the Tribunal to doubt the Bank's calculations.

With respect to the Applicant's allegation of discrimination, the Tribunal found that there was no evidence that the 2015 Amendments discriminated against long-serving staff members, and the Applicant has not met their burden in this regard. The Tribunal further noted that the effect that spillovers from the SRP into the SSRP have on U.S. citizens did not meet the definition of discrimination against U.S. citizen staff, because staff members in different situations will normally be governed by different rules or provisions.

Finally, on the assertion that the Bank was not transparent, the Tribunal held that the record showed that the Bank conducted long and detailed studies with various shareholders (including the Staff Association). To the Tribunal this demonstrated that the 2015 Amendments were not hastily adopted reforms. The Tribunal nevertheless noted that it is always the obligation of the Organization to communicate more clearly with staff and the Tribunal was of the view that the Bank could have communicated more clearly with staff in the process of adopting the 2015 Amendments by providing them with information on the elements underlying the pension reform to avoid confusion.

**Decision:** The Bank Group was encouraged to develop a targeted communication strategy and disseminate clear and comprehensive information to staff about the Net Plan. The Bank was ordered to contribute to the Applicant's legal fees and costs. The Application was otherwise dismissed.