

THE SYSTEM OF EARLY DEPARTURES AT CERN

A SUMMARY

Introduction

The social policy of the Organization is an important aspect of employment conditions. Consequently, the opportunity offered to members of the staff to retire before the legal retirement age in suitable conditions is a key element in the smooth transition from an active professional occupation in the European research community to a life where other considerations play an important role.

We felt that it would be interesting to review the statistics and criteria relating to the two early departure schemes that CERN has had to date in order to clarify the approach which the Staff Association intends to put forward in a forthcoming article. The first such scheme was decided on by the Council, while the second is based on the discretionary powers of the Director-General to grant special leave (Annex R A 10, page 1, Staff Regulations).

The RESCO system

This system was described in Administrative Circular No. 2 which is now no longer in force and which was implemented from April 1980 to April 1982. Its main features were:

1. Resignation in the interests of the Organization
2. Holding of an indefinite contract for at least three years
3. Acceptance of the departure by the Division Leader
4. A minimum age of 45 years
5. A grant of one month's salary for each year of service (maximum 24 months)
6. The grants paid to persons aged 62 and over will be reduced on the basis of a scale given in Administrative Circular No.2.

206 people availed themselves of the scheme (110 of them in the last year of its implementation).

The present system (since 1985)

The system which is still in force now does not offer such good terms as the previous one. Its main features are:

1. Resignation in the interests of the Organization
2. Holding of an indefinite contract for at least three years
3. Acceptance of the departure by the Division Leader
4. **The staff concerned must be aged between 50 and 64**
5. a. **Special leave of half a month is granted for every year of service (maximum one year)**
 b. **Instead of the special leave a corresponding sum may be paid, to which the Organization's contribution to the Pension Fund is added**
 c. **A combination of a. and b. (i.e. special leave and a sum of money)**
6. The grants paid to persons aged 62 and over will be reduced on the basis of a scale given in Administrative Circular No.2.

In the period from March 1985 to March 1987, 123 resignations were signed and accepted (the figure has now reached 152).

It should be noted that around three-quarters of those leaving opt for the special leave, as by doing so they remain members of the CERN staff and add to their years of membership in the Pension Fund, as well as retaining their right to stay in the area.

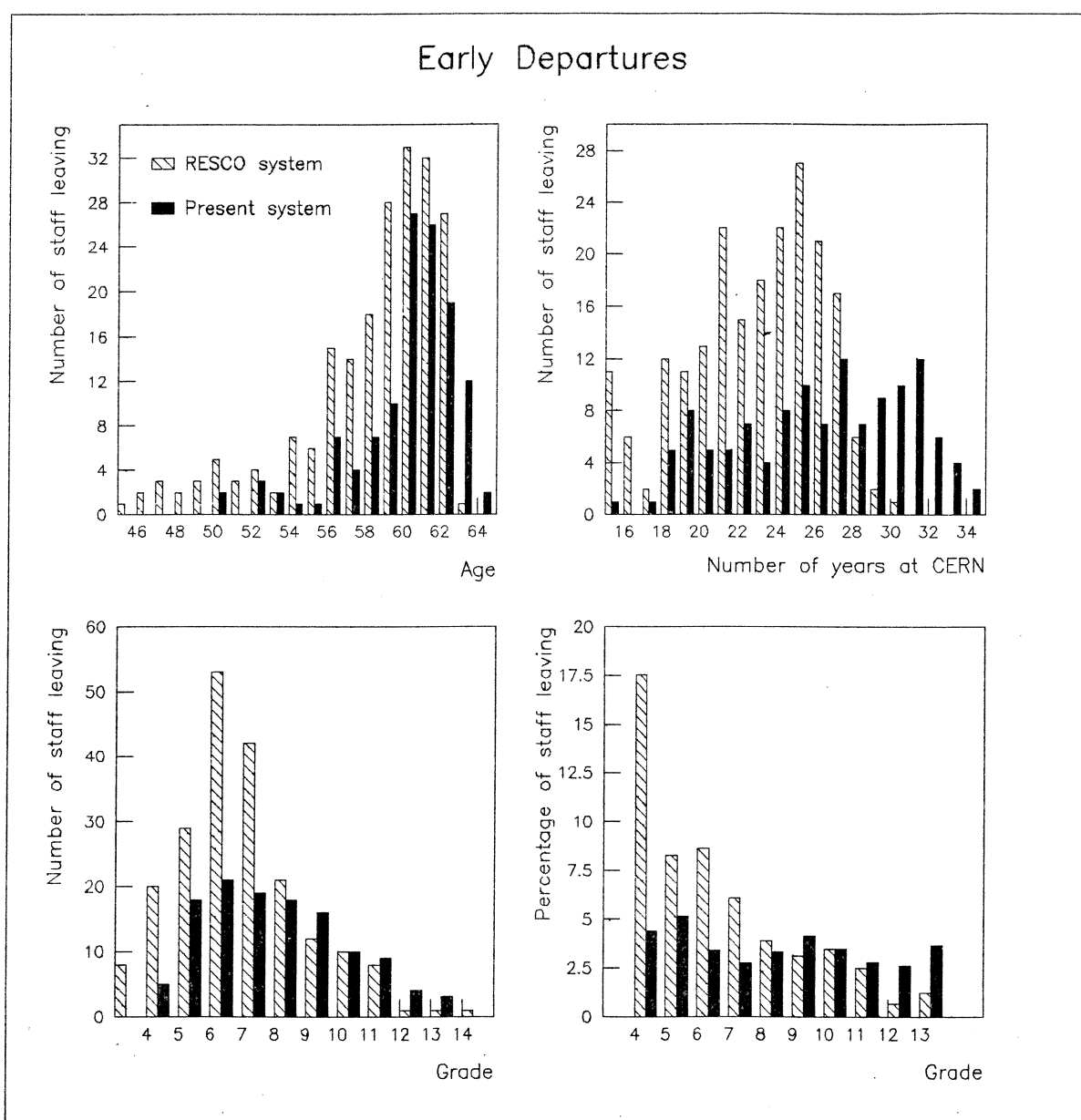
Financing

The 206 early departures under the RESCO scheme, according to estimates made by the actuary, cost the Pension Fund 20 million Swiss francs, thus increasing its technical deficit by that amount.

An unforeseen early departure scheme changes the actuarial parameters of the Pension Fund; the Organization has to pay the Fund a sum equivalent to the resulting additional cost.

The recommendation adopted by the Council in October 1985 (CERN/1591-CERN/FC/2885/Rev.) stipulated that:

"whenever the Organization wants to apply a measure of staff policy that might influence the Fund's balance, the consequences to the Fund be made clear in the proposal to Council and the actuarially determined cost be paid by the Organization into the Fund;"



Discussion

In the graphs given below we compare certain characteristics of members of personnel who took advantage of one of the early departure schemes mentioned. The hatchings correspond to the 206 persons who left under the RESCO scheme, while the black blocks correspond to the 123 cases of staff who have left under the present scheme up to the end of 1986. (We would like to thank the Personnel Division for providing these statistics).

- . The age distribution shows that most of those leaving are aged 60 or over.
- . In 1980-1982 when CERN had just celebrated its 30th anniversary, most members of the staff taking early departure from the Organization **had spent** between 20 and 30 years at CERN, whereas the figure now is between 25 and 35 years which shows that the number of years of membership in the Pension Fund and, consequently, the pension level plays an important role in the decision to opt for early departure.
- . When one looks at the **grade** distribution of staff leaving, it stands out very clearly that those taking advantage of the RESCO early departure scheme were mainly in the lower grades. At present it can be seen that those leaving are almost evenly distributed throughout the grades, especially when one refers to the graph showing the ratio of the number of staff leaving as a function of the total number of staff in those grades (grades 3 and 14 are not included in the graphs in view of the very small number of persons involved).

It may be concluded that several elements play a role in an individual's decision to opt for early retirement. However, we do wish to stress that any scheme for early departure should be based on "**mutual agreement**" between the Organization and the member of staff.

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CONFERENCE - PROJECTION DE DIAPOSITIVES

par les Physiciens de l'Institut de Physique de YEREVAN

MERCREDI 2 SEPTEMBRE 1987, à 12h.00

Amphithéâtre du Bâtiment Principal

Conjointement à l'exposition de dessins d'enfants d'Arménie, un exposé avec projection de diapositives sur le pays **arménien ancien et contemporain** sera présenté par un groupe de physiciens de l'Institut de Physique de YEREVAN qui travaillent actuellement au CERN.

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