Clarification of misleading press reports on pension reform

“Contrary to recent press reports, the World Bank does not recommend nor is it aware of any policy that will reduce the actual cash payments pensioners currently receive from the Pension Funds.

The World Bank and the Office of the High Representative have been working with the Federation Government on pension reforms to improve the financial soundness of the pension system and to achieve timely payment to pensioners because it is not acceptable that pensioners receive their pensions with months of delay.

The current pension law in the Federation also states that increase in pension level and pension payments should be made in line with available resources. So far, the Federation government has failed to identify new funding sources. The position of the World Bank and the OHR is that pension level should not be increased if the current demand on pension payments has not been fully met and no reliable new resources have been identified.

Given the significant delays in pension payments under the current situation, instead of further increasing pension level with unfunded resources, the Pension Fund should strive to pay pensioners regularly, supported by intensified revenue collection efforts to increase available resources”