



United Nations

GENERAL

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UNITED NATIONS JOINT STAFF PENSION FUND

THIRD ANNUAL REPORT TO THE GENERAL ASSEMBLY SUBMITTED BY THE UNITED NATIONS STAFF PENSION COMMITTEE ACTING AS THE JOINT STAFF PENSION BOARD

I. INTRODUCTION

During its third regular session the General Assembly adopted definitive regulations for the United Nations Joint Staff Pension Fund (resolution 248(III)). These regulations came into force on 23 January 1949 and the financial statements attached show the position of the Fund approximately six months after that date, i.e., 31 July 1949. All statistical information given in this report also relates to that date.

II. OPERATION OF THE FUND

1. Membership

One of the new provisions inserted in the revised regulations for the pension scheme brings staff members into the scheme on completing one year's service. This rule had the effect of bringing in approximately 1500 new members the day it became effective, i.e., 23 January 1949. It also, indirectly, had the effect of closing out the Provident Fund, as its members were transferred to the Pension Fund under this rule.

The movement in membership of the Fund since inception up to 31 July 1949 was as follows:

Staff members entering the Fund	3,793
Staff members withdrawing	<u>312</u>
Active membership at 31 July 1949	<u>3,481</u>

2. Medical standards

Since the inception of the Fund, the Pension Committee has considered 3,346 medical reports on entrants to the Fund, finding that of that number 190, or approximately 6 per cent, failed to meet the medical standards laid down for immediate coverage by the insurance provisions of the scheme. These provisions relate to benefits payable in the event of death or disability.

It is hoped that identity of standards will be achieved, as far

/as practicable,

as practicable, between the medical standards for employment and the standards for entitlement to immediate full benefits under the Pension Fund. This would have the effect of reducing the rather high rate of six per cent of entrants medically disqualified.

During the past year, the standards were modified by the Committee to permit reconsideration of cases in which the necessary standards could be met with the help of appliances e.g. hearing aids, seeing aids and dentures.

3. Payment of benefits

Since 23 January 1949 practically the whole of the Secretariat has been covered by the Pension Fund, which means that every staff member leaving the service for whatever cause receives payment of a benefit of one form or another.

Withdrawal benefits. From the inception of the Fund, 295 withdrawal benefits have been paid in accordance with the provisions of article 10 of the regulations. Until staff members have served for more than five years the amount of a withdrawal benefit only slightly exceeds the members' own contributions plus the interest earned thereon. The total amount paid out in such benefits since the inception of the Fund is \$173,067.49.

Retirement benefits. Up to 31 July 1949 eleven staff members had qualified for retirement benefit under article 4 of the regulations. In six of these cases the annual value of the benefit was less than \$120 and the beneficiaries exercised their option to receive the total value of the benefit in one lump sum down.

Widow's benefits. Two widow's benefits are at present in course of payment.

Child's benefit. One child's benefit is at present in course of payment to the father, who is in receipt of a retirement benefit.

Disability benefit. One disability benefit is at present in course of payment.

Designated beneficiaries' benefit. Four payments have been made to beneficiaries designated in accordance with article 7(e) or article 9.

4. Past service made pensionable under article 3

Applications have been received from 50 members to pay the sums required under article 3 in order to have past non-pensionable service included in their pensionable service.

/5. Purchase of

5. Purchase of additional retirement benefit
under article 18

Applications have been received from 28 members for permission to make deposits under article 18, for the purpose of purchasing retirement benefit in addition to the prospective normal retirement benefit to which they may become entitled under the pension scheme.

III. FINANCIAL POSITION AT 31 JULY 1949

Statements submitted

There are attached to this report Annexes A and B containing:

Annex A

- (1) A statement of cash income and disbursements from the inception of the Fund, showing an accumulated fund at 31 July 1949 of \$6,319,563.23.
- (2) A statement of the assets comprising that Fund.

Annex B

A detailed statement of the investments included in the statement of assets, amounting at cost, to \$6,006,640.64.

These statements do no more than to record in summary form the income and expenditure of the Fund on a strictly cash basis, and to show how the accumulated excess of income over expenditure down to 31 July 1949 was invested at that date. No balance sheet showing the true liability of the Fund can be prepared until an actuarial valuation of the Fund has been made. The first actuarial valuation of the Fund will be made as of 31 December 1949 and an actuarial balance sheet based thereon, together with the report of the actuary, will be presented to the General Assembly at its next session.

Investments. The investments of the Fund have been made in accordance with a policy laid down by the Investments Committee appointed as provided in article 25. The rate of yield of the present investments is slightly in excess of 2 1/2 per cent per annum, which was the rate of interest assumed in the actuarial basis of the Fund.

IV. MEMBER ORGANIZATIONS

The Governing Bodies of the following specialized agencies of the United Nations have resolved that these agencies shall enter the United Nations Joint Staff Pension Fund as member organizations:

World Health Organization; United Nations Educational, Scientific and Cultural Organization; International Civil Aviation Organization.

Negotiations for the admission of WHO with effect from 1 May 1949

/are well advanced.

are well advanced. Negotiations are also in progress with UNESCO and ICAO, the effective dates of entry at present contemplated being 1 October 1949 and 1 November 1949 respectively.

V. ORGANIZATION

The United Nations Staff Pension Committee, in accordance with Provision D of the regulations, has so far performed the functions attributed to the Joint Staff Pension Board to be set up in accordance with article 22 of the regulations. On the admission of any of the three specialized agencies referred to under IV above, the conditions requiring the constitution of the Joint Staff Pension Board will have been realized. The Board will probably be set up towards the end of 1949 or in the beginning of 1950.

The United Nations Staff Pension Committee has held 52 meetings up to 31 August 1949, the date to which this report is compiled. Its special report of 22 July 1948* to the General Assembly, submitting regulations for a permanent pension scheme, formed the basis of the permanent scheme now in force. The members of that Committee are:

Elected by the General Assembly:

<u>Members</u>	<u>Alternates</u>
M. Roland Lebeau (Belgium), Chairman	Dr. E. de Holte-Castello (Colombia)
Mr. P. M. Chernyshov (Union of Soviet Socialist Republics)	Dr. J. Katz-Suchy (Poland)
Mr. A. J. Altmeyer (United States of America)	Hon. Edward A. Ghorra (Lebanon)

Appointed by the Secretary-General:

<u>Members</u>	<u>Alternates</u>
M. Georges Palthey Director, Bureau of Personnel	Mr. P. Barrett Bureau of Personnel
Mr. Hans C. Andersen Director, Bureau of Finance	Mr. Laurence Michelmores Bureau of Finance
Mrs. A. Myrdal Department of Social Affairs	Mr. Hanna Saba Legal Department

Elected by participants:

<u>Members</u>	<u>Alternates</u>
M. Marc Schreiber Legal Department	Mr. John C. Cosgrove Security Department
Mr. David Vaughan Department of Conference and General Services	Mr. J. R. Lopez Jr. Department of Conference and General Services
M. Stephane Hessel, Department of Social Affairs	Mr. A. Carey Sevard Jr. Conference Division

* A/584.

The three-year term of the members elected by the General Assembly ends on 31 December 1949. Three members and three alternate members will be elected by the General Assembly during its present session.

ANNEX A

UNITED NATIONS JOINT STAFF PENSION FUND

1. STATEMENT SHOWING CASH RECEIPTS AND CASH DISBURSEMENTS
FROM THE INCEPTION OF THE FUND ON 27 JANUARY 1947 TO 31 JULY 1949

CASH RECEIPTS:

CONTRIBUTIONS TO THE FUND BY THE STAFF

Normal contributions at the rate of 7% of salaries	\$1,363,917.07
Staff balances in the Provident Fund transferred to the Pension Fund - 12% of salaries.....	\$1,316,927.34
Voluntary contributions to make past service pensionable.....	14,778.28
Contributions to cover leave without pay.....	177.66
<u>TOTAL STAFF CONTRIBUTIONS.....</u>	<u>\$2,695,800.35</u>

CONTRIBUTIONS TO THE FUND BY THE UNITED NATIONS

Normal contributions at the rate of 14% of salaries	\$2,727,834.14
Payment in complement of Staff Balances transferred from Provident Fund - 9% of salaries.....	987,695.55
Contributions to make past service pensionable.....	29,556.56
<u>TOTAL OF UNITED NATIONS CONTRIBUTIONS</u>	<u>\$3,745,086.25</u>

<u>TOTAL OF ALL CONTRIBUTIONS</u>	<u>\$6,440,886.60</u>
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<u>INCOME FROM INVESTMENTS, INTEREST</u>	<u>63,432.58</u>
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<u>TOTAL OF CASH RECEIPTS</u>	<u>\$6,504,319.18</u>
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CASH DISBURSEMENTS:

PAYMENT OF PENSIONS

Retirement benefit.....	10,694.18
Widow's benefit.....	994.28
Withdrawal benefit.....	173,067.49
<u>TOTAL OF CASH DISBURSEMENTS</u>	<u>\$ 184,755.95</u>

SUMMARY

TOTAL OF CASH RECEIPTS (AS ABOVE)	\$6,504,319.18
LESS: TOTAL OF CASH DISBURSEMENTS (AS ABOVE)	184,755.95
<u>ACCUMULATED FUND AT 31 JULY 1949</u> (Funded by the assets shown below)	<u>\$6,319,563.23</u>

2. STATEMENT OF ASSETS
at 31 July 1949
(Representing the Accumulated Fund)

Cash at Bank.....	259,263.37
Sum due from the United Nations.....	53,659.22
Investments at cost (See Annex B).....	<u>\$6,006,640.64</u>
<u>TOTAL ASSETS</u>	<u>\$6,319,563.23</u>

ANNEX B

INVESTMENTS OF THE UNITED NATIONS JOINT STAFF PENSION FUND - AT 31 JULY 1949.

<u>DISTRIBUTION OF SECURITY</u>	<u>NOMINAL RATE OF INTEREST</u>	<u>DATE OF MATURITY</u>	<u>NOMINAL VALUE</u>	<u>PURCHASE PRICE</u>
U.S. Treasury Bonds 1949-51 dated 15 May 1942		15 Sept. 1951	175,000.00	175,962.8
U.S. Treasury Bonds 1951-53 dated 15 Sept 1943 (M & S 15)		15 Sept. 1957	100,000.00	101,342.8
U.S. Savings Bonds Reg. Series F, dated 1 Nov. 1946		1 Nov. 1958	135,125.00	99,992.8
U.S. Savings Bonds Reg. Series F, dated 1 Jan. 1947		1 Jan. 1959	135,125.00	99,992.8
U.S. Savings Bonds Reg. Series F, dated 1 Dec. 1947		1 Dec. 1959	95,000.00	70,500.0
U.S. Savings Bonds Reg. Series F, dated 1 Apr. 1948		1 Apr. 1960	135,125.00	99,992.8
U.S. Savings Bonds Reg. Series F, dated 1 July 1948		1 July 1960	1,934,150.00	1,431,271.0
U.S. Savings Bonds Reg. Series F, dated 1 Jan. 1949		1 Jan. 1961	135,125.00	99,992.8
U.S. Treasury Bonds 1959-1962 dated 1 June 1945 (J & D 15)	2 1/4	15 June 1962	700,000.00	705,468.7
Pittsburgh Union Station Co. 1st Mortgage Series F (J & J 1)	3 5/8	1 July 1963	65,000.00	66,862.8
Packer Oats Co. Deb. (J & J 1)	2 5/8	1 July 1964	60,000.00	59,985.0
National Steel Corp. 1st Mortgage (A & O 1)	3	1 Apr. 1965	120,000.00	125,360.0
Wabash Corp. Deb. (M & N 15)	3	15 May 1965	120,000.00	126,790.0
Western Calif. Edison Co. Ltd 1st & Reg. Mortgage (M & S 1)	3	1 Sept. 1965	60,000.00	62,100.0
Atlantic Refining Co. Deb. (J & J 15)	2 5/8	15 Jan. 1966	60,000.00	59,612.8
Washington Real. Co. Ltd 1st Mortgage Series B (F & A 1)	7 1/4	1 Feb. 1966	72,000.00	74,898.8
Standard Oil Co. of Calif., Deb. (F & A 1)	3 3/4	1 Aug. 1966	60,000.00	61,375.0
U.S. Treasury Bonds 1952-67, dated 5 May 1942 (J & D 15)	2 1/2	15 June 1967	200,000.00	204,687.7
Philadelphia Elec. Co. 1st & Reg. Mortgage (M & N 1)	2 3/4	1 Nov. 1967	120,000.00	121,395.8
Consolidated Natural Gas Co., Deb. (A & O 1)	2 3/4	1 Apr. 1968	120,000.00	122,922.6
Public Service Elec. & Gas Co., 1st & Reg Mortgage (J & J 1)	3 1/4	1 July 1968	11,000.00	11,732.5
Union Power Co., 1st Mortgage	3 1/4	1 Oct. 1968	100,000.00	106,411.8
U.S. Treasury Bonds 1965-1970, dated 1 Feb. 1944 (M & S 15)	2 1/2	15 Mar. 1970	200,000.00	202,750.0
U.S. Treasury Bonds 1963-1968, dated 1 Dec. 1943 (J & D 15)	2 1/2	15 Dec. 1968	200,000.00	205,750.0
Levee and Elec. Illuminating Co., 1st Mortgage (J & J 1)	3	1 July 1970	120,000.00	125,290.0
Boston Edison Co. 1st Mortgage, Series A (J & D 1)	2 3/4	1 Dec. 1970	120,000.00	120,950.0
Detroit Edison Co. Gen. & Reg. Mortgage (J & D 1)	3	1 Dec. 1970	120,000.00	124,088.5
Standard Oil Co. of N.Y. Deb. (M & N 15)	2 3/8	15 May 1971	120,000.00	114,564.8
Consolidated Edison Co. of N.Y. 1st & Reg. Mortgage, Series C (J & D 1)	2 3/4	1 June 1972	120,000.00	119,491.2
U.S. Treasury Bonds 1967-1972, dated 20 Oct. 1941 (J & D 15)	2 1/2	15 June 1972	200,000.00	201,656.2
Pacific Gas & Elec. Co. 1st & Reg. Mortgage (Series L (J & D 1)	3	1 June 1974	120,000.00	122,870.0
Consumers Power Co. 1st Mortgage (M & S 1)	2 7/8	1 Sep. 1975	120,000.00	121,448.6
American Tel. & Tel. Co. Deb. (A & O 1)	2 3/4	1 Nov. 1975	100,000.00	94,177.5
Buffalo Niagara Elec. Corp., 1st Mortgage (M & N 1)	2 3/4	1 Nov. 1975	120,000.00	118,924.7
Union Pacific R.R. Co. Deb.	2 7/8	1 Feb. 1976	120,000.00	123,275.8
American Tel. & Tel. Co. Deb.	2 3/4	15 Dec. 1981	120,000.00	124,352.5

TOTAL VALUE OF INVESTMENTS AT COST

\$ 6,006,640.6