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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Implications of extending Pension Fund coverage to certain former staff members for service with the United Nations Relief and Works Agency for Palestine Refugees in the Near East during the period 1950 to 1960 inclusive

Third report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the implications of extending Pension Fund coverage to certain former staff members for service with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) during the period 1950 to 1960 inclusive (A/C.5/32/14).
2. The report has been submitted in response to a request made by one delegation in the Fifth Committee in the context of the decision of the General Assembly at the thirtieth session to approve coverage by the Pension Fund of certain staff members of UNRWA for service during the period 1950 to 1960 inclusive. The underlying bases for eligibility for coverage under the 1975 General Assembly decision are described in paragraph 4 of the Secretary-General's report.
3. Among those excluded from coverage on that occasion were those who had served with UNRWA during the period 1950-1960 but who had retired prior to 31 December 1975. In line with the request made in the Fifth Committee, the Secretary-General supplies information on the implications of extending coverage to those "recently retired"; the report is limited to meeting the request for information and makes no proposals as to how the question of equity should be decided.
4. The Advisory Committee is of the opinion that the implications of extending coverage to retired staff members are broader than the Secretary-General indicates

in his report. The action taken by the General Assembly in 1966 ^{1/} and 1975 (see A/C.5/32/14, para. 3) related to extension of pension coverage to persons who had served in UNRWA during the periods in question and who were still in service in the United Nations system as of the dates (31 December 1966, 31 December 1975) immediately preceding the effective dates of the extension of coverage (1 January 1967, 1 January 1976). Should the General Assembly now decide to extend coverage to certain former staff members who had "recently retired", it would raise the question of the eligibility of retired staff members to benefit from decisions of the General Assembly heretofore directed at and limited to staff members serving at the time those decisions were taken.

5. The Secretary-General attempts to limit the implications of extending pension coverage to retired staff members when, in paragraph 7 of his report, he states that "the maximum relevant period under the General Assembly request during which a staff member with uncredited service during the period 1950 through 1960 might have retired is between 1 January 1967 and 30 December 1975". None the less a departure from the General Assembly's traditional practice of distinguishing between serving staff and retired staff, and the creation of classes of retired staff through the application of other cut-off dates would raise new and serious questions.

6. Unless the General Assembly wishes to introduce such distinctions in the treatment of retirees, consideration by it of the eligibility of retired staff members to pension coverage for their UNRWA service must imply that the Assembly is prepared to settle the basic issue of whether equity requires extension of pension coverage to United Nations system retirees who had served in UNRWA without such coverage, regardless of whether they had retired from United Nations service before the question of providing such coverage was considered by the General Assembly.

7. The potential group of retirees who would be affected by a General Assembly decision on this question of equity would thus be greater than the 25 identified by the Secretary-General, in paragraph 7 of his report, as having "recently" retired.

8. Action extending pension coverage to those who had retired could also raise the question of the equitable rights of those who left the system before the age of retirement but who might, had their service with UNRWA been pensionable, have acquired other pension rights such as deferred retirement benefits.

9. In a broader context, a decision by the General Assembly to extend eligibility for pension coverage to retired staff members could have implications which go beyond consideration of the specific UNRWA question, for such a decision could lead to the establishment of the principle that former staff members are affected by decisions of the General Assembly traditionally taken with only serving staff members in mind.

^{1/} See Official Records of the General Assembly, Twenty-first Session, Supplement No. 16, (A/6316), resolution 2191 (XXI).

10. The Advisory Committee has concluded that the report of the Secretary-General does not address itself to all the implications related to extending coverage to retired staff members for service with UNRWA.

11. As stated in paragraph 3 above, the Secretary-General's report was submitted in response to a question raised in the Fifth Committee and not as the result of a decision of that Committee. Should the Fifth Committee decide to pursue this question, it may wish, in view of the considerations raised in the Advisory Committee's report, to request that the Secretary-General study the matter further and submit a detailed report on all of the implications involved.
