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FIFTH COMMITTEE
Agenda item 128

UNITED NATIONS PENSION SYSTEM

Draft resolution submitted by the Vice-Chairman
following informal consultations

United Nations pension system

The General Assembly,

Recalling its resolution 44/199 of 21 December 1989,

Having considered the report of the United Nations Joint Staff Pension Board for 1990 to the General Assembly and to the member organizations of the United Nations Joint Staff Pension Fund, 1/ chapter III of the report of the International Civil Service Commission, 2/ the report of the Secretary-General on the investments of the Fund, 3/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, 4/

1/ Official Records of the General Assembly, Forty-fifth Session, Supplement No. 9 (A/45/9).

2/ Ibid., Supplement No. 30 (A/45/30 and Add.1).

3/ A/C.5/45/7.

4/ A/45/699.

I

PENSIONABLE REMUNERATION OF STAFF IN THE PROFESSIONAL
AND HIGHER CATEGORIES

Recalling its request in section I, paragraph 6, of its resolution 41/208 of 11 December 1986 that the International Civil Service Commission undertake, in full co-operation with the United Nations Joint Staff Pension Board, a further comprehensive review of the methodology for the determination of the scale of pensionable remuneration of staff in the Professional and higher categories, for monitoring the level of the scale and for its adjustment between comprehensive reviews, and to submit its recommendations thereon to the General Assembly at its forty-fifth session,

Recalling further its request in section II, paragraph 2, of its resolution 44/199 that the Commission, in full co-operation with the Board, study the desirability of establishing a margin range between the pensionable remuneration of staff in the United Nations common system and staff in comparable grades in the comparator civil service,

Noting with satisfaction that the close co-operation between the Commission and the Board had resulted in agreement between the two bodies on the substantive issues involved in the determination of the scale of pensionable remuneration, as reflected in their respective reports,

Noting further the views of the International Civil Service Commission and the United Nations Joint Staff Pension Board on the desirability of a margin range for pensionable remuneration, as set out in paragraphs 33 to 37 of the report of the International Civil Service Commission 2/ and paragraphs 50 to 55 of the report of the United Nations Joint Staff Pension Board, 1/

Recalling the criteria established by the General Assembly in section I of its resolution 41/208 for the determination of the scale of pensionable remuneration for staff in the Professional and higher categories,

1. Approves the recommendations made by the International Civil Service Commission and the United Nations Joint Staff Pension Board for the determination of the scale of pensionable remuneration for staff in the Professional and higher categories, for monitoring the level of the scale and for its adjustment in between comprehensive reviews, namely:

(a) That income replacement in New York should continue to be used as the basis of the methodology for the determination of pensionable remuneration of staff in the Professional and higher categories, bearing in mind the relationship between pensionable remuneration amounts for United Nations staff in the Professional and higher categories and for their counterparts in the United States federal civil service;

(b) That the methodology used to establish the 1 April 1987 scale of pensionable remuneration on the occasion of the previous comprehensive review should continue to be used;

(c) That the scale of staff assessment shown in annex III of the report of the International Civil Service Commission 2/ should be used for the determination of pensionable remuneration for staff in the Professional and higher categories;

(d) That the interim adjustment procedure, as amended by the General Assembly at its forty-fourth session, should be continued;

(e) That the procedure outlined in annex IV of the report of the International Civil Service Commission 2/ should be used for the calculation and reporting of the annual pensionable remuneration margin;

(f) That the income replacement ratios applicable over the three-year period ending on 31 December of the margin year should be calculated for both the comparator and the United Nations system and reported to the General Assembly;

(g) That following the annual review of the pensionable remuneration margin and the income replacement ratios, the Commission and the Board shall report and make their respective recommendations, as appropriate, to the General Assembly;

2. Amends, with effect from 1 January 1991, article 54 (b) of the Regulations of the United Nations Joint Staff Pension Fund, as set out in the annex to the present resolution;

3. Requests the International Civil Service Commission, in full co-operation with the United Nations Joint Staff Pension Board, to undertake in 1995 a further comprehensive review of the methodology for the determination of the scale of pensionable remuneration of staff in the Professional and higher categories, for monitoring the level of the scale and for its adjustment between comprehensive reviews, and to present recommendations thereon to the General Assembly at its fiftieth session.

II

Pensionable remuneration and pensions of ungraded officials

Taking note of the information provided in paragraphs 59 to 67 and in annex IV of the report of the United Nations Joint Staff Pension Board on the pensionable remuneration and net remuneration of ungraded officials, including the executive heads of member organizations of the Fund, and on the possible amendments to the Pension Fund Regulations considered by the United Nations Joint Staff Pension Board to cover such officials;

Noting further that the International Civil Service Commission, in the light of the advisory opinion it had received from the United Nations Legal Counsel, concluded that it had neither the statutory authority nor the mandate from the General Assembly to address the matter of the pensionable remuneration of ungraded officials;

Believing that a common system approach should be used for the determination of the pensionable remuneration and pensions of all participants in the United Nations Joint Staff Pension Fund, including ungraded officials;

1. Expresses concern at the divergent practices that have emerged since 1984 in the common system in respect of the pensionable remuneration of ungraded officials;

2. Requests the International Civil Service Commission, in full co-operation with the United Nations Joint Staff Pension Board, to review the methodology for the determination of the pensionable remuneration of ungraded officials, including the executive heads of member organizations who are participants in the Fund, and to submit recommendations thereon to the General Assembly at its forty-sixth session, and requests the United Nations Joint Staff Pension Board to recommend consequential changes in the Regulations of the Fund;

3. Invites the governing bodies and executive heads of the member organizations of the Fund to co-operate with the International Civil Service Commission and the United Nations Joint Staff Pension Board, taking account of the information contained in paragraphs 59 to 67 and annex IV of the report of the United Nations Joint Staff Pension Board; 1/

III

PENSIONABLE REMUNERATION OF STAFF IN THE GENERAL SERVICE AND OTHER LOCALLY RECRUITED CATEGORIES

1. Takes note of the intention of the International Civil Service Commission to undertake, in 1991, in full co-operation with the United Nations Joint Staff Pension Board, a comprehensive review of the pensionable remuneration and consequent pensions of staff in the General Service and other locally-recruited categories and of the arrangements, designed to ensure full co-operation in the conduct of that review, agreed upon by the International Civil Service Commission as set out in paragraphs 55 to 57 of its report 2/ and by the United Nations Joint Staff Pension Board as set out in paragraphs 72 to 75 of its report; 1/

2. Requests the International Civil Service Commission, in full co-operation with the United Nations Joint Staff Pension Board, to present recommendations thereon to the General Assembly at its forty-sixth session;

IV

CHANGES IN THE PENSION ADJUSTMENT SYSTEM

1. Takes note of section III.E of the report of the United Nations Joint Staff Pension Board 1/ on the pension adjustment system, in particular of the modifications of that system considered by the United Nations Joint Staff Pension Board, including the proposal of the International Telecommunication Union, for the determination of the initial local currency pension in the light of the expiration on 31 December 1990 of the interim measure approved by the General Assembly in resolution 42/222 of 21 December 1987;

2. Takes note of the arrangements made by the United Nations Joint Staff Pension Board to continue, in 1991, its efforts to develop a long-term approach to the determination of the initial local currency pension;

3. Approves, with effect from 1 January 1991, the transitional measures recommended by the United Nations Joint Staff Pension Board in paragraph 114 of its report 1/ and the consequential change in the pension adjustment system, as set out in annex X of the report of the Board;

4. Approves, with retroactive effect to 1 July 1990, the change in the pension adjustment system resulting from the introduction of a new salary structure for staff in the Professional and higher categories, as set out in annex X of the report of the United Nations Joint Staff Pension Board; 1/

5. Requests the United Nations Joint Staff Pension Board to give priority to the development of a long-term approach to the determination of the initial local currency pensions, taking into account the observations made by the Advisory Committee on Administrative and Budgetary Questions in paragraphs 25 to 27 of its report 4/ and the need to safeguard the financial health of the Fund while, at the same time, responding to the problems caused by the declining value of pensions in certain countries resulting from currency exchange rate fluctuations, and to submit recommendations on appropriate changes in the pension adjustment system to the General Assembly at its forty-sixth session;

6. Invites the governing bodies of the Fund's other member organizations to refrain from seeking to establish for their staff, whether by provisions in their staff regulations or by other means, additional pension entitlements as such action would be detrimental to the common system under which all staff should receive equal treatment irrespective of their employing organization;

V

ASSISTANCE TO THE INTERNATIONAL LABOUR ORGANISATION IN IMPLEMENTING
JUDGMENT NO. 990 OF ITS ADMINISTRATIVE TRIBUNAL

1. Takes note of the information provided in paragraphs 188 and 189 of the report of the United Nations Joint Staff Pension Board 1/ on the International Labour Organisation Administrative Tribunal Judgment No. 990 [In re Cuvillier (No. 3)] and the request by the Director-General of the International Labour Organisation for assistance by the United Nations Joint Staff Pension Board in the implementation of that judgment;

2. Concurs with the views of the United Nations Joint Staff Pension Board, as set out in paragraph 190 of its report, 1/ that the assistance requested should be provided only if the conditions specified by the United Nations Joint Staff Pension Board in that paragraph are met;

3. Urges the Governing Body of the International Labour Organisation, in considering possible amendments of article 3.1.1. of its Staff Regulations, to ensure that the text it eventually adopts corresponds to the provisions made in the

staff regulations of the Fund's other member organizations which define pensionable remuneration by direct reference to its definition in the Fund's Regulations, so that pensionable remuneration would be defined uniformly for the staff of all the member organizations of the Fund;

VI

OTHER MATTERS

Takes note of the other matters considered in the report of the United Nations Joint Staff Pension Board; 1/

VII

INVESTMENTS OF THE UNITED NATIONS JOINT
STAFF PENSION FUND

1. Takes note of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund; 3/
2. Requests Member States that do not now grant tax exemption on investments of the Fund to make all possible efforts to permit such exemptions.

Annex

Amendment to the Regulations of the United Nations
Joint Staff Pension Fund

Article 54

Pensionable remuneration

(b) In the case of participants in the Professional and higher categories, the pensionable remuneration effective 1 November 1990 shall be that set out in the appendix hereto. Thereafter, the scale of pensionable remuneration for such participants shall be adjusted as from the same date as the net remuneration amounts of officials in the Professional and higher categories in New York are adjusted. Such adjustment shall be by a uniform percentage equal to the variation in the net remuneration amounts, as determined by the International Civil Service Commission.

Appendix

SCALE OF PENSIONABLE REMUNERATION FOR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES

(in United States dollars)

Effective 1 November 1990

	S T E P S														
Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
USG	137 349														
ASS	127 082														
D-2	106 311	108 863	111 269	113 766	116 320	118 931									
D-1	93 733	95 857	98 028	100 151	102 326	104 483	106 571	108 701	110 873						
P-5	83 208	85 115	86 940	88 801	90 729	92 516	94 421	96 618	98 585	100 430	102 310	104 225	106 175		
P-4	68 407	70 219	72 022	73 739	75 607	77 404	79 231	81 256	83 115	85 087	86 402	88 263	90 164	92 106	94 090
P-3	56 051	57 792	59 474	61 079	62 734	64 369	66 111	68 193	69 559	71 399	72 749	74 354	76 016	77 715	79 453
P-2	45 302	46 750	48 121	49 590	51 058	52 397	53 856	55 567	57 188	58 652	59 788	60 947			
P-1	35 525	36 744	37 824	38 925	40 139	41 228	42 533	45 669	46 978						