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COMPREHENSIVE REVIEW OF THE UNITED NATIONS JOINT STAFF PENSION FUND

Report of the Fifth Committee

Rapporteur: Mr. T.W. CUTTS (Australia)

1. The General Assembly at its thirteenth session, on the recommendation of the Fifth Committee, adopted resolution 1310 (XIII) on the pensionable remuneration of the staff, the first three operative paragraphs of which provided:

"The General Assembly ...

"1. Decides that a comprehensive review of the system of benefits and their present and future adequacy, of the methods by which pensionable remuneration could be revised and of the financial and technical bases of the United Nations Joint Staff Pension Fund shall be undertaken in the light of the observations and suggestions made on this subject in the Fifth Committee;

"2. Requests the Secretary-General, in consultation with the United Nations Joint Staff Pension Board and the Administrative Committee on Co-ordination, to appoint such experts as may be required to accomplish this comprehensive review;

"3. Requests the Secretary-General, in conjunction with the executive heads of the other member organizations and in co-operation with the Joint Staff Pension Board, to submit proposals for action by the General Assembly at its fifteenth session."

2. The comprehensive review provided for under resolution 1310 (XIII) having been carried out, the Fifth Committee considered the item at its 799th, 801st, 802nd, 804th and 805th meetings between 24 and 30 November 1960. For this purpose, the Committee had before it the following documentation:

- The report of the expert Pension Review Group (A/4427 and Corr.1 and 2);
- The report of the United Nations Joint Staff Pension Board (A/4467);
- The report of the Secretary-General containing the proposals called for in the Assembly's resolution, submitted in conjunction with the executive heads of the other member organizations of the Fund and in co-operation with the Joint Staff Pension Board (A/4468);
- A report of the Advisory Committee on Administrative and Budgetary Questions (A/4563).

Further, for convenience in considering the item, the Secretary-General had submitted, as an addendum to his report, the text of a consolidated draft resolution in three parts (A/4468/Add.1 and Add.1/Corr.1) which would give effect to the proposals jointly agreed upon by the Secretary-General and the executive heads, and by the Joint Staff Pension Board.

3. In the discussion in the Fifth Committee, tribute was paid to the Chairman and members of the Pension Review Group for the skill and thoroughness with which they had accomplished a difficult task. Note was taken of the over-all conclusion of the Group that the general structure of the Pension Scheme was sound, and that such changes as it deemed necessary were of an evolutionary nature, involving no radical recasting of the scheme.

4. The Secretary-General, the executive heads of the other member organizations and the Joint Staff Pension Board had unanimously recommended that, with three relatively minor amendments, the proposals of the Review Group should be accepted and acted upon by the General Assembly at its fifteenth session.

5. The Advisory Committee pointed out that the proposals before the General Assembly were the outcome of long and careful study and had the support of all the entities which were directly concerned with pension matters. Consequently it considered that the proposals had to be regarded as constituting, in their totality, a delicately-balanced single structure which it would be difficult to take apart without upsetting the entire scheme. The Advisory Committee had therefore limited its observations to the financial and administrative implications of the proposals and to comments on points of particular interest. Specifically the Advisory Committee:

(a) Noted the financial implications of the proposals - their adoption would entail, on the basis of the estimates in the reports, additional

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costs to the budgets of member organizations in a total amount of some $817,000 a year, of which about $410,000 would fall on the United Nations.

(b) Suggested that in view of the heavy administrative load involved prior to actual implementation of the proposals, the General Assembly might wish to consider an effective date of 1 April 1961, rather than 1 January 1961. This would reduce the 1961 additional cost under (a) above to $614,000 for all organizations and to $308,000 for the United Nations alone. In order to offset the loss of the added contributions to the Fund for three months, the Advisory Committee suggested that the Assembly might also wish to defer acceptance of the recommendation to increase from thirty to thirty-three the maximum number of years of contributory service which can be reckoned for benefit purposes.

(c) Invited the attention of the General Assembly to the views of the representatives of participants in respect of withdrawal settlements as indicated in paragraph 11 of the Pension Board's report (A/4467) as well as to the proposals in this regard which had been put forward on behalf of the United Nations staff at Headquarters.[1/]

6. There was no criticism in the Committee of the general framework of the proposals. However, two points were the subject of some discussion: the proposed increase in the statutory rate of interest from 3 to 3-1/4%, and the proposed changes regarding lump sum withdrawals.

7. With regard to the proposed change in the statutory rate of interest, it was suggested that 3-1/4% was too conservative and that a somewhat higher rate, which appeared to be justified by the present and anticipated yield on investments, would enable the proposals to be implemented without any additional charge to the budgets of member organizations. In support of this suggestion, it was pointed out that the yield on recent investments had, on the average, been 4.19% and even taking into account earlier investments which had earned

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1/ The Secretary-General had transmitted, as document A/C.5/835, a statement by the United Nations Headquarters Staff Council on the report of the Pension Review Group.

a lower rate of interest, the total yield for 1959 had been 3.85%. Thus, the proposed increase to 3-1/4% did not take full advantage of the possibilities offered and could result in the accumulation of excess interest on the one hand and repeated requests to the General Assembly for additional funds to finance the scheme on the other.

8. On the other hand reference was made to the advice given to the Secretary-General by the Investments Committee. When recommending maintenance of the 3% rate, that committee had uttered a warning against the adoption of a rate which could not subsequently be reduced if the anticipated yield were not to be maintained. The Expert Group had, nevertheless exercised its own judgement, on the basis of the best available data, in recommending that the rate be increased to 3-1/4%. While considering that such a rate would still leave a substantial surplus of earned interest, the Group had stated that its recommendation was based chiefly on the fact that the revised scheme of benefits proposed would otherwise entail a considerable actuarial deficit in the Fund. Even admitting that there might now be an excess yield of just over 1/2%, it was not at all certain that this would be sufficient to cover the uses to which it was later to be put, viz., to finance future improvements in benefits, to finance increases in pensions in payment and to offset the increased risk of capital losses arising from the higher proportion of equities in the portfolio. Finally, caution was recommended lest the pensions of staff, and indeed the stability of the Fund, be tied too closely to stock market conditions.

9. On the question of lump-sum withdrawals, several delegations expressed concern lest the rights of existing staff should be affected without due notice. It was clear from the report of the Expert Group itself that the anticipated withdrawal benefit of many staff would be seriously curtailed under the proposed changes. It was argued that the existing withdrawal provisions were a commitment made at the time of employment and that such a commitment should not now be varied unilaterally. In the circumstances, there was support for a proposal that the existing withdrawal rights be maintained for a period of years. Several delegations pointed out that such a provision would not be incompatible with the proposals as a whole nor would it have any adverse budgetary effect upon the Fund.

10. While not contesting the principle that the legitimate expectations of existing staff should be safeguarded, some delegations considered that the

proposals made by the executive heads represented a fair, and even generous, settlement. The revised pension scheme must be looked at as a whole; it gave substantial benefits to the participants, particularly as regards the level of pension annuities. The proposals on withdrawal settlements would involve the continuation, for an arbitrarily chosen period, of what the Expert Group had referred to as "startling anomalies and payments which...are quite unjustified in relation to the service rendered". They felt that the only logical way of safeguarding existing expectations would be to offer a choice of the existing provisions as a whole or the new provisions as a whole.

11. At the Committee's 799th meeting, the representative of Chile proposed that "existing staff should retain their right to the withdrawal benefit provided for in the present regulations of the Fund until 1 January 1967, such benefits to be determined in accordance with the provisions at present in force". In this respect, the representative of Chile, and certain of the other members who supported his proposal, referred to the proposal of the Headquarters Staff Council, which had been included in document A/C.5/835, in respect of a transitional period prior to the implementation of the Secretary-General's recommendations on withdrawal settlements.[2]

12. At the Committee's 804th meeting, the representative of the United Arab Republic proposed that, in the event that the Chilean proposal were not adopted, the following proposition should be put to the vote: "That present participants should be given the option between the present regulations and the proposed regulations".

13. At its 805th meeting, the Committee:

(a) Approved the Chilean proposal (paragraph 11 above) by 28 votes to 2, with 26 abstentions;

(b) Approved, by 47 votes to none, with 11 abstentions, the suggestions of the Advisory Committee concerning the date of implementation of the new provisions and the related deferral of the increase in the maximum period of contributory service to be counted for benefit purposes (paragraph 5 (b) above); and

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2/ The text in document A/C.5/835 would have provided a transitional period to 31 December 1967; the Chilean proposal, to 31 December 1966.

(c) Approved, by 43 votes to none, with 14 abstentions, the consolidated draft resolution contained in the addendum to the report of the Secretary-General, subject to the amendments necessary to give effect to its decisions under (a) and (b) above.

Recommendation of the Fifth Committee

14. Accordingly, the Fifth Committee recommends to the General Assembly the adoption of the draft resolution, in three parts, contained in the annex to the present report.

ANNEX

DRAFT RESOLUTION

United Nations Joint Staff Pension Fund

The General Assembly,

Having considered the report of the Expert Group appointed by the Secretary-General to undertake a comprehensive review of the United Nations Joint Staff Pension Fund in accordance with General Assembly resolution 1310 (XIII) of 10 December 1958, the report of the United Nations Joint Staff Pension Board and the proposals made by the Secretary-General, as a result of those reports, in conjunction with the executive heads of the other member organizations and in co-operation with the Board,

Agrees that the Expert Group has accomplished a difficult task with skill and thoroughness, and places on record its warm appreciation of the services of the Group;

I

Pensionable remuneration of the staff

1. *Decides* that, for the purposes of contributions payable to the Joint Staff Pension Fund, the pensionable remuneration of the staff with effect from 1 April 1961 shall be established as follows:

(a) *Base pensionable remuneration*

(i) For staff who are subject to the Staff Assessment Plan under staff regulation 3.3, the base pensionable remuneration shall be the annual rate of the United Nations gross salary, expressed in United States dollars or such other currency as may be agreed between the United Nations Joint Staff Pension Board and the organization, applicable to the grade and step (including any language allowance) of the official, less one half of the amount of staff assessment deductible from such gross salary under the Staff Assessment Plan.

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(ii) For staff who have been exempted from staff assessment under the provisions of paragraph (a) of staff regulation 3.3, base pensionable remuneration shall be the annual rate of salary, expressed in United States dollars or such other currency as may be agreed between the Board and the organization, applicable to the grade and step (including any language allowance) of the official.

(b) Adjustments to the base pensionable remuneration

(i) There shall be added to the base pensionable remuneration, calculated as above, the net amount of any non-residence allowance which may be payable, expressed in United States dollars or such other currency as may be agreed between the Board and the organization.

(ii) In the case of staff in the Professional category or above, who are subject to the post adjustment system under annex I of the Staff Regulations, the base pensionable remuneration shall be adjusted in multiples of 5 per cent whenever the weighted average of the post adjustment classifications of the headquarters and regional offices of the member organizations varies by 5 per cent measured from 1 January 1956. Such adjustment shall be effective from the 1 January following the date on which each 5 per cent variation in the weighted average was accomplished.

2. Decides that, for the purposes of benefits payable to participants leaving the Fund after 31 March 1961, final average remuneration shall, subject to the option granted under Article X.4 of the Regulations of the Pension Fund set out hereunder, be calculated as though the pensionable remuneration of such participants had been established in accordance with (a) and (b) above from the date of entry to the Fund; in the case of staff subject to (b) (ii) above, the base pensionable remuneration shall be deemed to have been increased by 5 per cent with effect from 1 January 1959;

3. Recommends that, in the interest of maintaining the common system of salaries, allowances and conditions of service, the other member organizations in the Fund take appropriate action to ensure that the Pensionable remuneration of their staffs be increased to the same extent as that of United Nations staff;

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II

Amendments to the Regulations of the Fund

Resolves that the Regulations of the United Nations Joint Staff Pension Fund be amended as follows with effect from 1 April 1961:

ARTICLE I

Definitions

1-7 No change.

8. "Survivor" means a widow, or a disabled widower, or a child, or a secondary dependant, who survives the participant or former participant and is entitled to a benefit under these regulations.

9. "Secondary dependant" means a mother, or a father, or an unmarried brother, or an unmarried sister who was recognized as a dependant under the Staff Rules of a member organization and in respect of whom a dependancy allowance was being paid to a participant at the time his service ceased.

10. "Basic benefit" means the retirement or disability benefit to which a participant is entitled when he leaves the service, or, where he dies in the service, the disability or retirement benefit to which he would have been entitled had he qualified for such benefit at the date of death.

ARTICLE II

Participation

1 (a) to (d) No change.

1. (e) If, having formerly been a participant in virtue of this article and
   - (i) His participation having been interrupted for a period not exceeding three years, or
   - (ii) His prior contributory service having been restored in accordance with article XII

   he re-enters employment under a fixed-term contract for at least one year, or has completed one year's employment,

provided that he is under 60 years of age at the time of entry or re-entry

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into the Fund and that his participation is not excluded by his contract of employment.

2.)
3.) No change.

ARTICLE III

No change.

ARTICLE IV

Retirement benefits

1. (a) A participant who reaches the age of 60 shall, upon retirement, be entitled during the remainder of his life to an annual retirement benefit, payable monthly, equal to one fifty-fifth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years.

(b) This retirement benefit shall be not less than whichever is the smaller of:

(i) $120 multiplied by the number of years of his contributory service not exceeding ten; or

(ii) one-thirtieth of his final average remuneration multiplied by the number of years of his contributory service not exceeding ten.

(c) A participant who reaches the age of 55 shall be entitled, at any time before he reaches the age of 60, to retire with an immediate retirement benefit equal in actuarial value to the benefit he would have received under sub-paragraph (a) above had he been 60 at the date his service ceased. Sub-paragraph (b) above shall not apply in this case.

2. A participant, other than a participant whose retirement benefit under sub-paragraph 1(a) is increased as a result of the application of sub-paragraph 1(b), may, with the consent of the Joint Staff Pension Board, prior to the date on which the first payment of his retirement benefit becomes due, elect to receive a lump sum not greater than one-third of

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the actuarial equivalent of the retirement benefit payable to him, and his retirement benefit shall be reduced in the proportion that such lump sum bears to the actuarial equivalent of his retirement benefit prior to reduction.

3. A participant, other than a participant whose retirement benefit under sub-paragraph 1(a), is increased as a result of the application of sub-paragraph 1(b), who is entitled under this article to a benefit which is less than 300 dollars per annum may, prior to the date on which the first payment of his retirement benefit becomes due and with the consent of the Joint Staff Pension Board, receive the whole benefit payable to him in the form of a lump sum which is the actuarial equivalent of his benefit. In the case of a participant who is married at the date of retirement he may also receive the actuarial equivalent of the prospective benefit which would be payable on his death under article VII.2(a).

4. A participant whose retirement benefit would be increased as a result of the application of sub-paragraph 1(b) may, at the date of retirement, elect to waive the additional amount which he would thereby receive. If he so elects, he shall be entitled to a retirement benefit calculated under sub-paragraph 1(a), and shall then be entitled to receive a lump sum under the conditions of paragraphs 2 or 3.

ARTICLE IV bis

Minimum return of accumulated contributions

1. A participant who becomes entitled to a retirement benefit under article IV shall be entitled to elect, at the date his service ceases, to receive a reduced benefit with a guarantee that the total benefits paid on his account under these regulations shall not be less than the amount payable under article VII ter. 1 as at the date of retirement.

   (a) Where the participant, at the date of retirement, has a wife, the amount of the reduction shall be one-half of 1 per cent of his own and his survivors' benefits.

   (b) In other cases, the amount of the reduction shall be 1 1/2 per cent of his own and his survivors' benefits.

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ARTICLE V

Disability benefits

Subject to the provisions of article XVI, a participant who, before reaching the age of 60, has, in the opinion of the Joint Staff Pension Board, become unable to perform duties appropriate to his grade owing to serious physical or mental impairment shall be entitled, subject to article IX, while such disability continues, to a disability benefit payable in the same manner as a retirement benefit and equal to one fifty-fifth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years. This disability benefit shall be not less than the smaller of:

(a) One-third of the final average remuneration; or

(b) The retirement benefit to which he would have been entitled if he had remained in service until he had reached the age of 60 and his final average remuneration had remained unchanged.

ARTICLE VI

Commencement, discontinuance and reduction of disability benefits

1. The Joint Staff Pension Board shall determine, in accordance with article V and the procedure laid down in the administrative rules made under these regulations when a participant qualified for a disability benefit. The participant shall not, however, be entitled to a disability benefit so long as he is entitled to receive any larger payments under the staff regulations applying to him other than payments under a scheme of compensation for disability attributable to the performance of official duties on behalf of a member organization.

2. Until the recipient of a disability benefit reaches the age of 60, the Joint Staff Pension Board may require evidence of the continuance of disability and review his eligibility to a disability benefit in the light of such evidence. Where the Board decides that the recipient is no longer eligible for a disability benefit, it shall, after giving such notice as it considers proper in each case, discontinue the disability benefit. Where the disability benefit is discontinued and the recipient is not re-employed by a member organization,

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the recipient shall be entitled to a withdrawal settlement as though he had withdrawn under the provisions of article X at the date disability payments began, except that the amount of the withdrawal settlement which would have been awarded under article X shall be reduced by the amount of the disability payments made to him.

3. The Joint Staff Pension Board may make rules regarding the extent to and the circumstances in which a disability benefit may be reduced when the recipient, although remaining disabled in accordance with the provisions of article V, is nevertheless in paid employment.

ARTICLE VII

Widows' (or disabled widowers') benefit

1. Subject to the provisions of article XVI, if a married male participant dies, his widow shall be entitled, subject to article IX, to a widow's benefit amounting to half of the basic benefit. This benefit shall cease on the widow's remarriage.

2. (a) If a married man who is a recipient of a retirement benefit as provided under article IV dies, his widow, provided she was his wife at the time of the cessation of his service with the member organization, shall be entitled to a widow's benefit half as large as the benefit which was being paid to the deceased at the time of his death. However, if the deceased at the time of his retirement had received a lump sum as provided in article IV, in lieu of part or the whole of the retirement benefit to which he was entitled, the widow's benefit shall be half of the total retirement benefit to which the staff member was entitled at the cessation of his service, except that in the case where a married man received the actuarial equivalent of a prospective widow's benefit, no widow's benefit shall be payable. This benefit shall cease on the widow's remarriage.

   (b) If a married man who is a recipient of a disability benefit dies, his widow, provided she was his wife at the time he qualified for the disability benefit shall be entitled to a widow's benefit half as large

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as the benefit being paid to the deceased at the time of his death. This benefit shall cease on the widow's remarriage.

(c) Delete.

3. Delete.

4. Upon ceasing to be entitled to a widow's benefit by reason of remarriage, the widow shall be entitled to a lump-sum payment equal to twice the annual amount of her widow's benefit.

5. Wherever the amount of the widow's benefit determined under paragraph 1 or 2 would be less than $750 per annum, it shall be increased to the smaller of:

   $750 per annum; or

   Twice the original amount determined.

6. A widow whose annual benefit under this article is less than 200 dollars may, prior to the first payment of such benefit and with the consent of the Joint Staff Pension Board, receive in lieu thereof a lump sum which is the actuarial equivalent of such benefit.

7. Should a married woman participant, or a married woman in receipt of a retirement or disability benefit, die and her widower be found by the Joint Staff Pension Board on the basis of a medical examination to be totally and permanently incapable either physically or mentally of providing for his own support, at the time of her death, he shall be entitled, subject to the same conditions as would apply to a widow, to the same benefits as set forth in this article, as would a widow of a male participant.

ARTICLE VII bis

Secondary dependants' benefit

1. Upon the death of a participant who does not leave a widow, or disabled widower, or a child, entitled to a benefit, but who leaves a secondary dependant, the secondary dependant shall be entitled to a benefit under the conditions in paragraph 3 below.

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2. Upon the death of a recipient of a retirement or disability benefit who, at the time his service ceased, had neither a spouse nor a child eligible for benefit, but who at that time had a secondary dependant, the secondary dependant shall, if he can prove to the satisfaction of the Joint Staff Pension Board that the former pensioner had continued to contribute materially to his support between the date of separation from service and the date of death, be entitled to a benefit under the conditions in paragraph 3 below.

3. The amount of a secondary dependant's benefit under paragraph 1 or 2 shall be:

(a) In the case of a mother or father, the amount of a widow's or disabled widower's benefit, respectively, under article VII;

(b) In the case of a brother or sister, the amount of a child's benefit under article VIII.2(a).

The benefit under sub-paragraph (a) above shall be payable under the same conditions as the benefit to a widow, except that in the event of the remarriage of the dependent parent the Board shall have discretion to continue the benefit if it deems fit. The benefit under sub-paragraph (b) above shall be payable under the same conditions as a child's benefit under article VIII.1.

4. Not more than one secondary dependant of a participant shall be eligible for a benefit.

ARTICLE VII ter

Other death payments

1. Upon the death of a participant who does not leave a survivor entitled to a benefit, there shall be paid to his designated recipient a sum equal to:

(a) His own contributions to the Pension Fund, with compound interest at the rate designated in article XXIX, plus

(b) Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund of a member organization at the time of his entry into the Pension Fund, without interest, plus

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(c) If he has validated a period of prior non-pensionable service under article III, such amount, not exceeding 5 per cent of his pensionable remuneration for that period, as he may have received from the Provident Fund of a member organization in excess of his own contributions thereto and have refunded to that member organization.

If a designated recipient does not survive a participant or if a participant has not made, or has revoked, a designation, such sum shall be paid to the participant's estate.

2. If, in the event of the death of a participant who leaves a survivor entitled to a benefit under the regulations, or of a former participant who is in receipt of a disability benefit, the total benefits paid to him and to all his survivors amount to less than the amount which would have been payable under paragraph 1 above, there shall be paid to his designated recipient the difference between the sum total of the benefits paid and the amount in paragraph 1.

If a designated recipient has died before the last benefit payment is made under articles V, VII, VII bis or VIII, or if a participant has not made, or has revoked, a designation, such sum shall be payable to the estate of the former participant.

3. If the total benefits paid to a former participant who has elected to receive a reduced retirement benefit under article IV bis, and to all his survivors, amount to less than the sum which would have been payable under paragraph 1 above had he died on the date his service ceased and qualified for a benefit under that paragraph, there shall be paid to his designated recipient the difference between the sum total of the benefits paid and the amount in paragraph 1.

If a designated recipient has died before the last benefit payment is made under articles IV, VII, VII bis or VIII, or if the former participant has not made or has revoked a designation, such sum shall be payable to the estate of the former participant.

ARTICLE VIII

Child's benefits

1. Subject to paragraph 4, each unmarried child of a participant who dies or on whose account a benefit becomes payable under articles IV, V or VII shall be entitled to a child's benefit. The child's benefit shall be payable monthly up to and including the month in which the child shall attain the age of 18, or, if the child is in full time attendance at a school or university or similar educational institution, the age of 21. If the child is totally disabled by reason of physical or mental incapacity there shall be no age limit so long as the disability continues.

2. The annual benefit on account of each child shall be determined as follows:

   (a) If there be a surviving parent (except in the case where a surviving parent is a widow who is not receiving a benefit or a widower who has not become entitled to a benefit and who in the opinion of the Board is unable to support the former participant's children), the amount of each child's benefit shall be equal to one-third of the basic benefit, subject to a minimum of $300 and a maximum of $600 per child, and subject further to an over-all maximum as in paragraph 3 below;

   (b) If there be no parent surviving, or if the surviving parent be a widow who is not receiving a benefit or a widower who had not become entitled to a benefit under these regulations and who in the opinion of the Board is unable to support the former participant's children, the total children's benefits shall be calculated as under sub-paragraph (a) above, with the addition of the following amount:

      (i) Where there is only one eligible child, by whichever is the greater of $300 or 25 per cent of the basic benefit;

      (ii) If there are two or more eligible children, by whichever is the greater of $600 or 50 per cent of the basic benefit.

   The total children's benefits payable under sub-paragraph 2(b) (ii) shall be divided equally among all the eligible children to determine the amount of any one child's benefit. As and when a child ceases to be eligible, the total benefit payable to the remainder should be recalculated in accordance with this sub-paragraph.

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3. The total children's benefits payable under sub-paragraph 2(a) shall not exceed $1,800 a year. Further, the sum of children's benefits, plus any retirement benefit payable under article IV.1, or disability benefit or widow's benefit, shall not exceed the final average remuneration of the former participant plus the children's allowances which were paid by a member organization at the cessation of his employment.
4. Entitlement to a child's benefit is limited to dependent children existing at the time of eligibility for retirement or disability benefit or at the time of the death of the participant; provided that if the benefit on account of the participant is payable under article IV.1(c), the entitlement to a child's benefit shall not arise until the date on which the participant reaches or would have reached the age of 60. The Joint Staff Pension Board shall define "dependent" child having regard to the provisions of the Staff Rules of the member organization.
5. Under no circumstances shall more than one child's benefit be payable in respect of any one child.

ARTICLE VIII bis

Commencement of entitlement to survivor's benefit

1. Entitlement to a survivor's benefit under articles VII.1, VII bis.1, and VIII of these Regulations shall begin on the day following the death of the participant, except as otherwise provided in these Regulations.
2. Entitlement to a survivor's benefit under articles VII.2 and VII bis.2 shall begin on the first day of the month following the death of the primary beneficiary.
3. The Joint Staff Pension Board may, however, decide for any particular category of cases that an earlier date of commencement should apply if deemed more appropriate.

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ARTICLE IX

Eligibility for disability and death benefits

1. The Joint Staff Pension Board shall require every entrant or re-entrant, before admission to coverage by the benefits provided under articles V, VII.1 and VII bis.1, to undergo a medical examination to be prescribed in the administrative rules made under these regulations unless the Board decides to accept the findings of a medical examination previously undergone by the entrant.
2. On the basis of the medical examinations referred to in the preceding paragraph, the Joint Staff Pension Board shall decide whether the participant concerned shall be covered by the provisions of articles V, VII.1, and VII bis.1 immediately, or shall not be covered by those provisions until he has completed five years of contributory service or, in the case of a re-entrant, until he has completed five years of contributory service subsequent to his re-entrance. However, no participant shall be excluded from the benefits provided under articles V, VII.1 and VII bis.1, if the disability or death is the direct result of accident or damage to health arising from service in an unhealthy area, nor shall his survivor be excluded from the provisions of articles VII.1, or VII bis.1, if he has attained the age of 60.

ARTICLE X

Withdrawal settlements

1. If a participant ceases to be in the employment of a member organization for reasons other than death, or dismissal for serious misconduct, as defined in the Staff Regulations, and is not eligible for a disability or retirement benefit, he shall be entitled to a withdrawal settlement in accordance with paragraph 2 or 3 below.
2. If the participant has less than five years of contributory service, he shall be paid a sum equal to:

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(a) His own contributions to the Pension Fund, with compound interest at the rate designated in article XXIX; plus

(b) Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund of a member organization at the time of his entry into the Pension Fund, without interest; plus

(c) If he has validated a period of prior non-pensionable service under article III, such amount, not exceeding 5 per cent of his pensionable remuneration for that period, as he may have received from the Provident Fund of a member organization in excess of his own contributions thereto and have refunded to that member organization.

3. If the participant has five or more years of contributory service he shall be entitled to elect, at the date his service ceases, to receive one of the following:

(a) Subject to article XII.1 a life annuity, deferred to age 60, equal to one fifty-fifth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years, with survivor benefits in accordance with paragraph 6 below.

(b) Subject to article XII.2:

(i) An amount in cash equal to the amounts in paragraph 2 (a), (b) and (c), plus

(ii) A life annuity, deferred to age 60, equal in value to the difference between the amount he receives in cash and the actuarial equivalent, at the date his employment ceased, of the retirement benefit payable at the age of 60 calculated on the basis of his contributory service and final average remuneration. Where the amount of this annuity at age 60 is less than $300 a year, he shall be entitled to receive, at the date his service ceases, in lieu of the annuity, a cash sum of equal actuarial value.

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(c) A final cash settlement, which shall extinguish all his entitlements under these regulations, consisting of:

(i) A sum in cash equal to the amounts in paragraph 2; plus

(ii) For each completed year of service in excess of five, 10 per cent of the amount in sub-paragraph 2(a), subject to a maximum of the amount in 2(a).

4. Notwithstanding the provisions of sub-paragraph 3(c) above, a participant in the Fund on 31 March 1961 who subsequently becomes eligible for a final cash settlement under sub-paragraph 3 (c) shall be entitled to receive, in lieu of and if greater than the amount in 3(c), the following:

(a) If he withdraws on or before 31 December 1966:

(i) The amount of the lump sum withdrawal benefit which he would have received had the regulations, actuarial bases and other provisions in force at 31 March 1961 been still in force at the date his service ceased, together with

(ii) The amount by which his own contribution to the Fund after 1 April 1961 exceeds the amount he would have contributed under the regulations, actuarial bases and other provisions in force at 31 March 1961, with compound interest on this excess at the rate designated under article XXIX;

(b) If he withdraws on or after 1 January 1967:

(i) The amount of the lump sum which he would have received under (a) above had he withdrawn on 31 December 1966, plus

(ii) The amount of his own contribution to the Fund from 1 January 1967 until the date his service ceases, with compound interest at the rate designated under article XXIX, which amount shall be increased by 10 per cent for each of his completed years of contributory service in excess of five, whether before or after 1 January 1967, subject to a maximum increase of 100 per cent.

5. Where, under this article, a deferred annuity to a participant is payable at the age of 60, he may elect to receive the annuity from an earlier age, provided that this age shall not be less than 55. In such event, the value of the annuity shall be subject to an appropriate actuarial reduction to be determined by the Joint Staff Pension Board.

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6. On the death of a former participant who elected to receive a deferred annuity under sub-paragraph 3 (a),

(a) If he leaves a widow who was his wife at the time his service ceased, a widow's benefit shall be payable as from the date of his death, of an amount calculated as follows:

(i) If death occurred after the commencement of the annuity, the widow's benefit shall be one-half of the amount of that annuity;

(ii) If death occurred before the commencement of the annuity, the widow's benefit shall be one-half of the annuity which, had it been payable to the former participant from the date of his death, would have had the same actuarial value as the annuity he would have received at the age of 60.

(b) If he leaves no widow, but leaves a dependent mother or father who, at the time his service ceased, was recognized as a secondary dependant, a secondary dependant's benefit shall be payable, of an amount calculated as in sub-paragraphs (a) (i) or (a) (ii) above, as may be appropriate.

(c) A survivor's benefit payable under sub-paragraphs (a) or (b) above shall be subject to the same conditions as if the benefit had been payable under article VII or VII bis.

(d) If he dies before the commencement of the annuity and leaves no survivor entitled to a benefit under sub-paragraph (a) or (b) above, there shall be paid to his designated recipient an amount equal to the sums in paragraph 2 above as at the date his service ceased.

If a designated recipient does not survive the former participant, or if no designation has been made, or if the designation has been revoked, such sum shall be paid to the former participant's estate.

ARTICLE XI

Summary dismissal for serious misconduct

No change.

ARTICLE XII

Re-employment

If a person who has ceased to be a participant becomes a participant again by virtue of a new appointment, the following provisions shall apply, subject to article IX:

1. If the participant, when he previously left the service, had elected to receive a deferred annuity under article X.3(a),
   (a) If payment of the annuity had not been commenced, his contributory service credit prior to separation shall be restored and his benefits when he again ceases to be a participant shall be calculated on the basis of his total period of contributory service.
   (b) If payment of the annuity had been commenced, such payment shall cease and if the participant repays all payments of his benefit received with compound interest at the rate designated in article XXIX, his contributory service credit prior to separation shall be restored. If the participant does not so repay the payments of his benefit received, then the lump sum which is the actuarial equivalent of the discontinued benefit at the date upon which payments were discontinued shall be credited as an additional contribution in accordance with the provisions of article XVIII, 2 and 3.
2. If the participant, when he previously left the service, had elected to receive a cash refund together with a deferred annuity under article X.3(b):
   (a) If he has not, at the time he again becomes a participant, begun to receive the annuity payable under article X.3(b) (ii), he may pay into the Pension Fund, in a manner acceptable to the Board, a sum or sums equivalent to the amount he received under article X.3(b)(i), with compound interest at the rate designated in article XXIX.
      (i) If he does so, his contributory service credit prior to separation shall be restored and his benefits when he again ceases to be a participant shall be calculated on the basis of his total period of contributory service.

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(ii) If he does not do so, the annuity arising from the earlier period of service shall not be begun until he again ceases to be a participant, and his entitlement to further benefits shall be determined solely by reference to his contributory service after re-employment, provided however that the total benefits paid or payable to him in respect of two or more periods of employment shall not exceed the benefits he would have received had all his employment been continuous.

(b) If he has, at the time he again becomes a participant, begun to draw the annuity payable under article X.3(b) (ii), payment of that annuity shall cease, and the provisions of sub-paragraph 1 (b) shall be applied.

3. If the participant received a final cash settlement under article X.3(c) or X.4, or if he commuted a deferred annuity under article X.3(a), or X.3(b) his entitlement to further benefits shall be determined solely by reference to his contributory service after re-employment, provided however that the total benefits paid or payable to him in respect of two or more periods of employment shall not exceed the benefits he would have received had all his employment been continuous.

4. If the participant was in receipt of a disability benefit under article V, payment of that benefit shall cease, and:

(a) He shall re-enter the Pension Fund as a participant with credit for the contributory service which he had accumulated when his disability benefit began.

(b) In making any withdrawal settlement to which he may become entitled within five years after his re-entry into the Fund the Board may take into account the amount of the disability benefit payments made to him; and the amount of any retirement benefit which may become payable to him within one year after his re-entry into the Fund may be reduced by the Board to an amount not exceeding the sum of the disability benefit of which he had been in receipt and the retirement benefit earned during his period of contributory service since reappointment.

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ARTICLES XIII TO XV

No change.

ARTICLE XVI

Contributions on account of participants

1-5 (a) No change.

5. (b) Any such participant who before reaching the age of 60 becomes disabled, or withdraws from the Fund, or dies, shall be deemed to have withdrawn from the Fund on the date his appointment terminated, his contributory service being reckoned to his last day of actual service.

5. (c) Delete.

5. (d) Delete "or (c)"; renumber as sub-paragraph 5 (c).

ARTICLES XVII TO XXIV

No change.

ARTICLE XXV

Investment of assets of the Fund

Subject to the complete separation to be maintained between the assets of the Fund and the assets of the United Nations as provided in article XIV, the investment of the assets of the Fund shall be decided upon by the Secretary-General of the United Nations, after consultation with an Investments Committee and after having heard any observations or suggestions by the Joint Staff Pension Board concerning the investments policy. The Investments Committee shall consist of six members appointed by the Secretary-General after consultation with the Advisory Committee on Administrative and Budgetary Questions, subject to subsequent confirmation by the General Assembly.

ARTICLES XXVI TO XXVIII

No change.

ARTICLE XXIX

Adoption of basic tables

(a) The Joint Staff Pension Board, upon the advice of a committe of three independent actuaries to be appointed by the Secretary-General on the recommendation of the Board, shall adopt from time to time service, mortality and other tables and shall decide upon the rate of interest which is to be used in each actuarial valuation of the Pension Fund.

(b) At least once in each three years the Board shall have an actuarial investigation made into the service, mortality and compensation experience of the participants and beneficiaries of the Pension Fund; and taking into account the results of such investigation, the Board shall adopt such service, mortality and other tables as it shall deem appropriate.

(c) Without prejudice to the power of the Board to establish a rate of interest for actuarial valuations purposes under sub-paragraph (a) above, the rate of interest which shall be used in all actuarial calculations required in connexion with these regulations shall be 2 1/2 per cent per annum through 31 December 1957, 3 per cent per annum for the period 1 January 1958 to 31 March 1961 and 3 1/4 per cent per annum thereafter unless and until changed by the Joint Staff Pension Board.

ARTICLES XXX TO XXXIII

No change.

ARTICLE XXXIV

Documentary evidence

1. Every participant and every beneficiary under these regulations shall furnish such documentary evidence as may be required under the administrative rules.

If the Board finds that any material fact so required has been omitted or misrepresented, the Board shall be empowered to take such omission or misrepresentation into account in deciding on the individual's entitlement to benefits or participation in the Fund or in modifying any such decision, provided that the individual's entitlement to benefits and participation in the Fund in such case shall be no less favourable than it would have been had the material facts been disclosed or accurately represented.

ARTICLES XXXV TO XLII

No change.

SUPPLEMENTARY ARTICLES A, B AND C

No change.

III

Adjustments in benefits after award

Decides that:

1. The supplement of 5 per cent to pensions and life annuities authorized, pending the outcome of the comprehensive review, by paragraph 5 of General Assembly resolution 1310 (XIII), shall cease to be paid after 31 March 1961, provided that if in any case the increases resulting from paragraph 2 below in the benefits of a participant or his widow, taken together with the benefits payable to his children, shall amount to less than the amount of the 5 per cent supplement, then the difference shall continue to be paid;

2. With effect from 1 April 1961, all pensions and life annuities in payment or payable under the provisions of articles IV, V, VII, VIII and X.1 (d) of the Regulations of the United Nations Joint Staff Pension Fund as in force on 31 March 1961 shall, with the exception stated in paragraph 3 below, be adjusted to the amount which would have been payable had they been awarded under the provisions of articles IV, V, VII, VIII, and X.3 (a) or X.3 (b), as approved in section II of the present resolution, and had their final average remuneration been calculated on a base salary at the mid-point between their actual net base salary and the

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corresponding United Nations gross salary; in the case of staff subject to the post adjustment system who retired between 1 January 1959 and 31 March 1961, the base pensionable remuneration shall be deemed to have been further increased by 5 per cent with effect from 1 January 1959;

3. No adjustment shall be made in the amount of lump-sum payments paid or payable under the Regulations in force on 31 March 1961 nor shall the new provisions of article IV.1 (b) be applied retroactively to any retirement benefit of which the recipient commuted a part to a lump sum;

4. Where part of any retirement benefit has been commuted to a lump sum, the amount of any remaining part which is paid or payable as an annuity shall be increased _pro rata_ to the increase which would have been granted under paragraph 2 above in the full retirement benefit [other than as a result of article IV.1 (b)] had no part of it been commuted;

5. The present resolution shall create no entitlement to a pension or annuity to which no entitlement existed at the date a former participant left the service;

6. The United Nations Joint Staff Pension Board is requested to study, at its next session, methods by which any future adjustments in benefits, after their award, might be made; pending the outcome of such study, the Board is invited to establish, from the excess yield on its investments, a Reserve for Pension Adjustments, and to credit annually to such Reserve an amount sufficient to cover the actuarial value of an increase of 1 per cent in benefits and annuities in payment and in deferred annuities payable under article X of the Regulations.
