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UNITED NATIONS JOINT STAFF PENSION FUND: ANNUAL
REPORT OF THE UNITED NATIONS JOINT STAFF PENSION
BOARD

Report of the Fifth Committee

Rapporteur: Mr. Francisco A. FORTEZA (Uruguay)

1. The Fifth Committee, at its 536th meeting held on 21 November 1956, considered the annual report of the United Nations Joint Staff Pension Board (A/3146),^{1/} covering the operation of the Fund for the year ended 30 September 1955, and the work of the Board at its seventh session in March 1956. The Committee also examined the amendments proposed by the Board to two articles of the regulations of the Fund, articles III and XXIX, and for this purpose it had received the observations of the Advisory Committee on Administrative and Budgetary Questions in its tenth report to the eleventh session of the General Assembly (A/3352).
2. The Fifth Committee also had before it a report of the Secretary-General (A/C.5/668) on a proposal to use Pension Fund capital for housing loans to staff which the Pension Board had considered at its seventh session, and a report of the Advisory Committee (A/3351) on this proposal. The Fifth Committee decided to consider this question at a later date, and will submit a separate report thereon to the General Assembly.
3. The Second Vice-Chairman of the Joint Staff Pension Board, in introducing the report of the Board, drew attention to some of the main features of the

1/ Official Records of the General Assembly, Eleventh Session,
Supplement No. 8.

operation of the Fund for the year ended 30 September 1955. During that period, the active membership of the Fund had increased by some 500 participants to 9,001. The principal of the Fund increased by about \$8.3 million during the year to a total of \$51.7 million. The yield on the investments rose from 3.06 per cent for 1954 to 3.18 per cent for 1955 and, since 30 September 1955, the investment portfolio had increased to a level of \$60 million with a current yield of about 3.33 per cent. The yield realized compared favourably with the actuarial yield assured by the regulations of 2.50 per cent. It could also be seen from the report that, during the year ended 30 September 1955, the Fund had paid benefits to more than a thousand recipients. The number of pensioners had increased by 59 to 284, including 155 retirement pensioners, 17 disabled participants, 44 widows and 67 children.

4. A number of representatives, commenting on the report, noted that the Fund was already beginning to fulfil the function for which it had been created. The Board and its secretariat was complimented on the manner in which the Fund was managed, and several representatives noted specifically the satisfactory condition of the investment portfolio and the yield which was being obtained. The steps already taken by the Board in altering the composition of the Standing Committee and in improving its methods of work were noted. The Fifth Committee also noted that a fuller review of the Board's composition was currently engaging the attention of the Board.

5. In the course of the discussion, a number of representatives sought information on the status of the negotiations between the Secretary-General and the Interim Committee for the International Trade Organization on the agreement providing for the entry of ICITO into the Fund under supplementary article A of the regulations of the Fund approved by the General Assembly at its ninth session. The representative of the Secretary-General informed the Fifth Committee of certain difficulties that had been encountered in reaching an agreement, particularly in regard to the payment by ICITO of interest retroactively on its contributions to the Fund, and the conditions under which ICITO might withdraw from the Fund. In his negotiations on these points, the Secretary-General was following the views which had been expressed by the

Pension Board; it was his hope that an early agreement would be reached. Several representatives emphasized that it was the view of their Governments that the arrangements should be completed as soon as possible and ICITO staff be given the coverage of the Fund. They also expressed the hope that, in the event ICITO should be replaced by a different agency and there should be a certain period of transition when neither organization might exist as a member of the Pension Fund, arrangements could be worked out to provide for continued coverage of ICITO staff members despite a technical break in pensionable service. They noted that the Pension Board had assured ICITO that it would give sympathetic consideration to finding a solution to any problem of this nature that might arise.

6. In respect of the proposed amendments to articles III and XXIX of the regulations of the Fund, it was noted that the amendments were of a minor character. The amendment to article III was intended to exclude permanently the validation of any prior service which was specifically made non-pensionable by the terms of employment; the amendment to article XXIX, by providing for a periodic review of the basic tables at least once every six years, rather than once each five years, would reduce the cost of actuarial work by making these investigations coincide with alternate actuarial valuations which would normally be at three-year intervals. It was further noted that, in paragraph 6 of its report (A/3352), the Advisory Committee had recommended that the amendments should be adopted in the form proposed by the Joint Staff Pension Board.

7. The Fifth Committee decided unanimously to recommend to the General Assembly that it take note of the report of the United Nations Joint Staff Pension Board, and approved unanimously the amendments to articles III and XXIX recommended by the Board and endorsed by the Advisory Committee.

8. The Fifth Committee therefore recommends to the General Assembly the adoption of the following draft resolutions:

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Draft resolution I

ANNUAL REPORT OF THE UNITED NATIONS JOINT
STAFF PENSION BOARD

The General Assembly,

Takes note of the annual report of the United Nations Joint Staff
Pension Board.^{1/}

Draft resolution II

AMENDMENTS TO THE REGULATIONS OF THE UNITED
NATIONS JOINT STAFF PENSION FUND

The General Assembly,

Adopts the texts annexed to the present resolution as amendments to
the regulations of the United Nations Joint Staff Pension Fund. These
amendments shall become effective from the date of their adoption.

^{1/} Official Records of the General Assembly, Eleventh Session,
Supplement No. 8 (A/3146).

Article III (amended text)

1. A participant who has been in the employment of a member organization as a full-time staff member and whose participation in the Pension Fund was at that time excluded by article II of these regulations because he entered employment under a contract for less than one year, or had completed less than one year of service, may, subject to paragraph 4 of this regulation, elect within one year of the commencement of his participation to have the period of such prior employment included in his contributory service to the extent to which he pays into the Pension Fund, in accordance with the administrative rules established for this purpose by the Joint Staff Pension Board, a sum or sums equal to the contributions which he would have paid had he been subject to these regulations throughout this period, with compound interest at 2-1/2 per cent per annum, and provided that there has been continuity of employment. For the purposes of this article, intervals of not more than thirty calendar days in the period of employment shall not be considered as breaking the continuity of employment. The time covered by these intervals shall not be included in the period of contributory service.
2. Payment into the Pension Fund of amounts equal to twice the amount of the payment so made by the participant shall be made by the member organization designated for that purpose in accordance with arrangements concluded by the member organizations.
3. The earliest date from which employment with the United Nations can be validated is the first day of February 1946.
4. Notwithstanding the provisions of paragraph 1 of this article, a participant may not make pensionable a period during which he was employed under a contract of employment which specifically excluded his participation in the Pension Fund.

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Article XXIX (Amended text)

The Joint Staff Pension Board, upon the advice of a qualified actuary or actuaries, shall adopt from time to time service and mortality tables and the rate of regular interest which shall be used in all actuarial calculations required in connexion with the Pension Fund. Unless and until changed by the Joint Staff Pension Board, a rate of 2-1/2 per cent per annum shall be the applicable rate of regular interest. At least once in each six years following the establishment of the Pension Fund, the Board shall have an actuarial investigation made into the mortality, service, 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 mortality, service and other tables as it shall deem appropriate.
