

abstract



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UNITED NATIONS PENSION SYSTEM

Report of the Fifth Committee

Rapporteur: Mr. Mario MARTORELL (Peru)

I. INTRODUCTION

1. At its 4th plenary meeting, on 18 September 1981, the General Assembly decided to include in the agenda of its thirty-sixth session the item entitled:

"United Nations pension system:

"(a) Report of the United Nations Joint Staff Pension Board;

"(b) Report of the Secretary-General",

and to allocate it to the Fifth Committee.

2. The Committee considered the item at its 27th, 28th, 31st, 37th, 40th, 48th and 50th meetings, held from 30 October to 23 November 1981. Comments made by delegations and by the representatives of the Secretary-General in the course of the discussion on this item are reflected in the relevant summary records (A/C.5/36/SR.27, 28, 31, 37, 40, 48 and 50).

3. The Committee had before it the following documents:

(a) Report of the United Nations Joint Staff Pension Board for 1981, 1/ including the report of the Board of Auditors on the accounts of the United Nations

1/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 9 (A/36/9 and Corr. 1).

Joint Staff Pension Fund for the year ended 31 December 1980, and containing a draft resolution proposed for adoption by the General Assembly;

(b) Report of the International Civil Service Commission; 2/

(c) Report of the Secretary-General on investments of the United Nations Joint Staff Pension Fund (A/C.5/36/12);

(d) Report of the Advisory Committee on Administrative and Budgetary Questions (A/36/624).

4. The reports of the Board and of the International Civil Service Commission were introduced by the respective Chairmen at the 27th and 31st meetings of the Committee, on 30 October and 1 November.

II. CONSIDERATION OF PROPOSALS

5. In the course of its deliberations, the Fifth Committee considered seven draft resolutions and three draft decisions, as set forth below.

A. Draft resolution recommended by the United Nations Joint Staff Pension Board 3/

6. At its 50th meeting, on 23 November, the Committee adopted without a vote the draft resolution recommended by the Board (see para. 26, draft resolution I A).

B. Draft resolutions A/C.5/36/L.6 and Rev. 1 and A/C.5/36/L.13 and draft decisions A/C.5/36/L.8, A/C.5/36/L.9 and A/C.5/36/L.10

7. At the 31st meeting, on 4 November, the representative of the United States of America introduced a draft resolution entitled "Statutory age of retirement" (A/C.5/36/L.6), which read as follows:

"Recognizing the serious and increasing actuarial imbalance of the United Nations Joint Staff Pension Fund, currently amounting to \$722.1 million,

"Noting the projection of the consulting actuary that although the Pension Fund may continue to grow for the next 25 to 30 years, a decline will commence which could lead to the bankruptcy of the Fund soon thereafter,

"Noting also that with improved health and increasing longevity, individuals are able to work competently later in life, and therefore compulsory retirement at age 60 is no longer necessary or justifiable,

2/ Ibid., Supplement No. 30, (A/36/30), chaps. II.F and III.

3/ Ibid., Supplement No. 9, (A/36/9 and Corr. 1), annex IX.

"Noting that in the comparator country for the Professional and higher categories there is no statutory retirement age for the civil service,

"Noting that one member organization in the Fund has a retirement age of 62,

"Noting further that if the United Nations and other member organizations of the Pension Fund increased their statutory retirement age to 65, the actuarial imbalance of the Pension Fund would be totally removed and its survival ensured,

"1. Welcomes the intention of the United Nations Joint Staff Pension Board to undertake a comprehensive analysis of all possible measures to restore the actuarial balance of the Fund;

"2. Requests the United Nations Joint Staff Pension Board, in co-operation with the International Civil Service Commission, to consider recommendations for action which might be taken to change the regulations and rules of the United Nations Joint Staff Pension Fund, the Staff Regulations of the United Nations and those of other member organizations of the Pension Fund to increase the statutory retirement age from 60 to 65;

"3. Further requests the United Nations Joint Staff Pension Fund and the International Civil Service Commission to submit their recommendations to the General Assembly at its thirty-seventh session."

8. At the 40th meeting, on 12 November, the representative of the United States of America introduced a revised draft resolution (A/C.5/36/L.6/Rev.1), in which the words "from 60 to 65" at the end of operative paragraph 2 were deleted.

9. At the 40th meeting, on 12 November, the representative of the Union of Soviet Socialist Republics introduced a draft decision (A/C.5/36/L.8), which read as follows:

"The General Assembly proposes to the United Nations Joint Staff Pension Board and to the International Civil Service Commission that they should study, as a matter of urgency, the question of the amount of all the types of pensions paid in the United Nations as compared with the amount of the pensions paid to employees of corresponding occupations and levels belonging to the civil services of countries in which the headquarters of organizations of the United Nations system are situated, and that they should report on the results thereof to the General Assembly

of the United Nations at its thirty-seventh session."

10. At the 31st meeting, on 4 November, the representative of the United States of America introduced a draft decision (A/C.5/36/L.9), which read as follows:

"The General Assembly requests the United Nations Joint Staff Pension Board to submit a status report to the General Assembly at its thirty-seventh session on the application of the definition of residence and on the operation of the arrangements to furnish proof thereof, as described in section III. E of the report of the Board."

11. At the 40th meeting, on 12 November, the representative of Belgium introduced a draft decision (A/C.5/36/L.10), which read as follows:

"The General Assembly, in order to ascertain all possible measures for reducing the actuarial imbalance shown by the latest actuarial valuation of the United Nations Joint Staff Pension Fund, requests the United Nations Joint Staff Pension Board to study the situation in which staff members, otherwise eligible for participation in the Fund, are excluded therefrom and to report thereon to the General Assembly at its thirty-seventh session, giving details of:

- "(a) The categories of staff involved;
- "(b) The numbers, and the reasons for their exclusion;
- "(c) The amounts of contributions lost thereby to the Fund;
- "(d) The actuarial implications thereof."

12. At the 48th and 50th meetings, on 19 and 23 November, the representative of Egypt introduced a draft resolution (A/C.5/36/L.13) consolidating draft resolution A/C.5/36/L.6/Rev.1 and draft decisions A/C.5/36/L.8, A/C.5/36/L.9 and A/C.5/36/L.10.

13. At the 50th meeting, on 23 November, the Committee adopted draft resolution A/C.5/36/L.13 without a vote (see para. 26, draft resolution I B).

14. Draft resolution A/C.5/36/L.6/Rev.1 and draft decisions A/C.5/36/L.8, A/C.5/36/L.9 and A/C.5/36/L.10 were withdrawn by their sponsors.

C. Draft resolution A/C.5/36/L.7 and Rev.1

15. At the 31st meeting, on 4 November, the representative of the United States of America introduced a draft resolution entitled "United Nations Joint Staff Pension Fund benefit provisions: protection of dependent spouses" (A/C.5/36/L.7) sponsored also by Kenya, which read as follows:

"The General Assembly,

"Noting that no provision exists under the Regulations and Rules of the United Nations Joint Staff Pension Fund to ensure that the financial obligations of a pensioner to his or her estranged or former spouse are met,

"Concerned that this may give rise to serious injustice and hardship for the latter,

"Requests that the United Nations Joint Staff Pension Board, at its thirtieth session, study measures to deal with such situations and that it make recommendations thereon to the General Assembly at its thirty-seventh session."

16. At the 50th meeting, on 23 November, the representative of the United States of America on behalf of the sponsors introduced a revised version of the draft resolution (A/C.5/36/L.7/Rev.1), sponsored also by Belgium and Kenya. He orally revised the text further by deleting the words "for the latter" at the end of the second preambular paragraph.

17. At the same meeting, the Committee adopted draft resolution A/C.5/36/L.7/Rev.1, as orally revised, without a vote (see para. 26, draft resolution I C).

D. Draft resolution A/C.5/36/L.5 and Rev.1

18. At the 37th meeting, on 10 November, the representative of the United Kingdom of Great Britain and Northern Ireland introduced a draft resolution (A/C.5/36/L.5) sponsored by Belgium, Denmark, France, Germany, Federal Republic of Greece, Ireland, Italy, Luxembourg and the Netherlands and the United Kingdom of Great Britain and Northern Ireland, which read as follows:

"The General Assembly,

"Recalling its resolutions 34/222 of 20 December 1979 and 35/216 of 17 December 1980,

"1. Takes note with appreciation of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund; 4/

"2. Endorses the policy summarized in paragraph 25 of that report;

"3. Reaffirms its confidence in the Secretary-General as trustee of the assets of the Fund."

19. At the 50th meeting, on 23 November, the representative of the United Kingdom of Great Britain and Northern Ireland introduced a revised draft resolution (A/C.5/36/L.5/Rev.1).

20. At the 50th meeting, on 23 November, the Committee adopted draft resolution A/C.5/36/L.5/Rev.1 without a vote (see para. 26, draft resolution II A).

E. Draft resolution A/C.5/36/L.11

21. At the 48th meeting, on 19 November, the representative of Zaire introduced a draft resolution (A/C.5/36/L.11) sponsored by Benin, the Central African Republic,

4/ A/C.5/36/12.

Chad, the Congo, Cuba, Egypt, Ghana, Guinea, Kenya, the Libyan Arab Jamahiriya, Madagascar, Mauritania, Morocco, Panama, Rwanda, Senegal, Sierra Leone and Zaire.

22. At the same meeting, the sponsors accepted an amendment, based on a proposal by the representative of the United Kingdom of Great Britain and Northern Ireland, replacing the word "been" in the second preambular paragraph by the words "to be".

23. At the same meeting, the Committee adopted draft resolution A/C.5/36/L.11, as amended, without a vote (see para. 26, draft resolution II B).

F. Draft resolution A/C.5/36/L.12

24. At the 48th meeting, on 19 November, the representative of Cuba introduced a draft resolution (A/C.5/36/L.12) sponsored by Barbados, Costa Rica, Cuba, Guinea, the Libyan Arab Jamahiriya, Madagascar, Mexico, Panama and Peru.

25. At the same meeting, the Committee adopted draft resolution A/C.5/36/L.12 without a vote (see para. 26, draft resolution II C).

III. RECOMMENDATIONS OF THE FIFTH COMMITTEE

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

DRAFT RESOLUTION I

Report of the United Nations Joint Staff Pension Board

A

The General Assembly,

Having considered the report of the United Nations Joint Staff Pension Board to the General Assembly and to the member organizations of the United Nations Joint Staff Pension Fund for 1981, 5/ chapter III of the report of the International Civil Service Commission 6/ and the related report of the Advisory Committee on Administrative and Budgetary Questions, 7/

5/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 9 (A/36/9 and Corr.1).

6/ Ibid., Supplement No. 30 (A/36/30).

7/ A/36/624.

I

Supplementary measures

Decides, with effect from 1 January 1982, to revise the pension adjustment system contained in General Assembly resolution 35/215 of 17 December 1980, in accordance with the recommendations of the United Nations Joint Staff Pension Board contained in section III.H of its report to the Assembly for 1981;

II

Emergency Fund

Authorizes the United Nations Joint Staff Pension Board to supplement the voluntary contributions to the Emergency Fund for a further period of one year by an amount not exceeding \$100,000;

III

Administrative expenses

Approves expenses, chargeable directly to the United Nations Joint Staff Pension Fund, totalling \$5,456,900 (net) for 1982 and supplementary expenses of \$147,000 (net) for 1981 for the administration of the Fund.

B

The General Assembly,

Recognizing the actuarial situation of the United Nations Joint Staff Pension Fund,

Welcoming the intention of the United Nations Joint Staff Pension Board to undertake a comprehensive analysis of all possible measures to improve the actuarial balance of the Fund,

1. Requests the United Nations Joint Staff Pension Board, in co-operation with the International Civil Service Commission, where necessary, to consider alternative courses of action that might be taken;
2. Further requests that the analysis to be undertaken take into account all the views expressed during the discussion in the Fifth Committee 8/ and that it be submitted to the General Assembly at its thirty-seventh session.

8/ A/C.5/36/SR.40, 48 and 50.

C

The General Assembly,

Noting that no provision exists under the Regulations and Rules of the United Nations Joint Staff Pension Fund with respect to the financial obligations of a pensioner to his or her spouse or former spouse,

Concerned that this may give rise to serious injustice and hardship,

Requests the United Nations Joint Staff Pension Board, at its thirtieth session, to study the desirability and feasibility of measures to deal with such situations and to make recommendations thereon to the General Assembly at its thirty-seventh session.

DRAFT RESOLUTION II

Investments of the United Nations Joint Staff Pension Fund

A

The General Assembly,

Recalling its resolutions 34/222 of 20 December 1979 and 35/216 of 17 December 1980,

1. Takes note with appreciation of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund; 9/
2. Endorses the policy of diversification of the investments of the Fund in developing countries, wherever this serves the interests of the participants and beneficiaries, in accordance with the four criteria of safety, profitability, liquidity and convertibility;
3. Reaffirms its confidence in the Secretary-General as trustee of the assets of the Fund.

B

The General Assembly,

Recalling its resolutions 33/121 B of 19 December 1978, 34/222 B of 20 December 1979 and 35/216 C of 17 December 1980,

9/ A/C.5/36/12.

Taking into consideration the report of the Joint Staff Pension Board, 10/ which recognizes that, in spite of some constraints due to the behaviour of the market, the four requirements have to be complied with,

Concerned at the very low level of the investments made to date in the African States members of the Organization of African Unity,

1. Requests the Secretary-General to continue his consultations with each State member of the Organization of African Unity, the African Development Bank and other financial institutions in Africa with a view to improving the level of investments in member States;

2. Further requests the Secretary-General to report on this question to the General Assembly at its thirty-seventh session.

C

The General Assembly,

Recalling its resolutions 31/197 of 22 December 1976, 32/73 A of 9 December 1977, 33/121 A of 19 December 1978, 34/222 of 20 December 1979 and 35/216 B of 17 December 1980,

Taking note of the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund, 6/

Observing with satisfaction the increasing pace at which the Fund is making investments in developing countries,

1. Commends the work of the Secretary-General as trustee of the assets of the United Nations Joint Staff Pension Fund;

2. Requests the Secretary-General to continue and accelerate the efforts to diversify the investments of the Fund, and to maintain the consultations initiated with the Investments Committee in order to ensure that the resources which the Fund holds invested in shares of transnational corporations shall be reinvested in developing countries to the greatest extent practicable, subject to observance of the requirements of safety, profitability, liquidity and convertibility, and in conformity with the Regulations and Rules of the Fund;

3. Requests the Secretary-General to report on those efforts to the General Assembly at its thirty-seventh session.
