



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/C.5/31/30
20 October 1976

ORIGINAL: ENGLISH

Thirty-first session
FIFTH COMMITTEE
Agenda item 104

UNITED NATIONS PENSION SYSTEM

Question of pension coverage for members of the
Joint Inspection Unit

Report of the Secretary-General

1. During the thirtieth session, the General Assembly considered the report of the Secretary-General on the question of pension coverage for members of the Joint Inspection Unit (JIU). 1/ The Advisory Committee on Administrative and Budgetary Questions (ACABQ) also submitted a report on this question. 2/
2. The General Assembly, at its 2442nd plenary meeting on 16 December 1975, adopted the following decisions, as recommended by the Fifth Committee:
 - (a) "The General Assembly decides to defer consideration of the question of pension coverage for members of the Joint Inspection Unit until the thirty-first session"
 - (b) "The General Assembly concurs with the recommendation of ACABQ in paragraph 2 of its report, with regard to the provision of death and disability coverage for members of the Joint Inspection Unit."
3. In accordance with the decision of the General Assembly as set forth in paragraph 2 (b) above, provision for death and disability coverage for the Inspectors has been in effect since 16 December 1975.
4. In connexion with the further consideration by the General Assembly of the question of pension coverage for members of the Joint Inspection Unit, the

1/ A/C.5/1697.

2/ A/10374.

Secretary-General wishes to draw the attention of Member States to the views of the Unit, as set forth in document A/31/89/Add.1, as well as to paragraphs 89-91 of the report of the United Nations Joint Staff Pension Board on its twenty-first session. 3/

5. The Secretary-General submits herewith revised costings of alternatives A and D given in paragraph 7 of document A/C.5/1697. These new costings take into account the present membership of the Unit, as well as the fact that a year has passed since these costs were last calculated. In view of the nature of alternatives C and E in that report, dealing with schemes, respectively, for contributions to an inspector's national retirement scheme and for the creation of a provident fund, it is felt that the statements relating to the possible costs of those schemes as set forth in the initial report to the Assembly last year remain valid. With regard to the estimated costs of providing a separate contributory pension plan for the Inspectors, patterned on the scheme in effect for the Judges of the International Court of Justice, as outlined under alternative B of the initial report, the costs of the scheme, as was stated then, would be dependent on the rates of benefit to be paid to retirees. These rates could be selected on a basis that would ensure that the costs involved would be approximately the same as those which would result from the provision of coverage under alternative A.

Costs of alternative A (Membership in the United Nations Joint Staff Pension Fund)

(i) Cost of prior service coverage up to 31 December 1976	\$521,792
comprising: Organizations' contributions	\$404,792
Inspectors' contributions	\$117,000
(ii) Annual organizations' contributions from 1 January 1977	\$ 64,200

Actuarial cost of alternative D (Purchase of a group annuity)

On the basis of:

(i) Final average remuneration averaged over 3 years' service	\$1,792,000
(ii) Final salary	\$1,900,000

6. In commenting upon the possibility of a separate scheme, which was referred to under alternative B in document A/C.5/1697, and which would be "patterned on the existing scheme for the Judges of the International Court of Justice, the Inspectors, in paragraph 11 (b) of document A/31/89/Add.1, have stated that such a scheme should be non-contributory and that the benefits should be reduced, so that it would not cost the organizations more than would their membership in the United Nations Joint Staff Pension Fund.

7. At the request of the Secretary-General, the Consulting Actuary of the Fund has computed the level of benefits which, if funded, could be provided by a contribution of 14 per cent of gross annual salary, under a scheme similar to the one for the International Court of Justice. The results of his computations show the following benefits in terms of percentage of final gross salary, at the ages and after the years of service stated.

<u>Age</u>	<u>Years of service at retirement</u>			
	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
55	6.0%	7.2%	8.4%	9.6%
56	6.4	7.7	9.0	10.3
57	6.8	8.2	9.6	11.0
58	7.3	8.8	10.3	11.7
59	7.8	9.4	11.0	12.6
60	8.4	10.1	11.8	13.5
61	9.1	10.9	12.7	14.5
62	9.8	11.8	13.7	15.7
63	10.6	12.7	14.8	16.9
64	11.5	13.8	16.1	18.4
65	12.5	15.0	17.5	20.0

8. Benefits upon death and disability would be similar to those of the scheme for the International Court of Justice but reduced to reflect the level of maximum pension benefit upon retirement shown in the above table.
