



## General Assembly

A/C.5/38/CRP.4  
17 November 1983

ORIGINAL: ENGLISH

---

Thirty-eighth session  
FIFTH COMMITTEE  
Agenda item 118

### UNITED NATIONS PENSION SYSTEM

Note prepared by the Secretariat of the United Nations Joint  
Staff Pension Board, in consultation with the Secretariat of  
the International Civil Service Commission

1. This note is provided in response to questions raised during the discussions in the Fifth Committee on agenda item 118 and includes information and data on pensionable remuneration and pension benefits in the United Nations and in the United States Civil Service.
2. In response to a question by the representative of Belgium at the thirty-fifth session of the General Assembly in 1980 regarding pensionable remuneration levels in the years 1971 and 1981 of the Federal Civil Service of the United States of America and those of the United Nations system, the ICSC submitted information in document A/C.5/35/CRP.3. In view of the requests made this year, the information in that paper has been updated to 1983.
3. Additional information and data are also provided on the amounts and number of retirement benefits currently being paid, on the years of service of United Nations staff who have separated since 1970 and on the procedures for the adjustment of pensionable remuneration.

#### Pensionable remuneration

##### (a) United States Federal Civil Service

The annual amounts indicated below correspond to the top step of the respective grades as contained in the salary scales of the United States Federal Civil Service except that at present a ceiling limitation of \$63,800 is applied.

<u>Grade</u>	<u>1971</u> \$	<u>1981</u> \$	<u>1983</u> \$
GS-9	13 611	24 165	26 331
GS-10	14 973	26 605	29 003
GS-11	16 404	29 236	31 861
GS-12	19 549	35 033	38 185
GS-13	23 089	41 661	45 406
GS-14	27 061	49 229	53 661
GS-15	31 523	57 912	63 115
GS-16	35 633	66 183	72 129
GS-17	36 886	69 364	75 604
GS-18	37 624	71 734	78 184

(b) United Nations International Civil Service

The annual amounts indicated below correspond to the top step of the respective grades.

<u>United Nations level</u>	<u>1971</u> \$	<u>1981</u> \$	<u>1983</u> \$
P-1	10 910	29 801	34 716
P-2	14 028	38 985	45 416
P-3	18 039	51 121	59 554
P-4	21 515	61 490	71 633
P-5	25 232	72 166	84 070
D-1	27 573	78 676	91 655
D-2	29 946	85 952	100 129
ASG	34 598	101 199	117 891
USG	38 693	114 047	132 858

(c) The grade equivalencies between the United Nations and the United States Federal Civil Service, as contained in annex I to the report of the ICSC (document A/38/30) are as summarized below:

<u>United Nations level/step</u>	<u>United States grade 1/</u>
P-1/1	GS-9
P-2/1	GS-11-12
P-3/1	GS-12-13
P-4/1	GS-13-14
P-5/1	GS-15 and SES-2-4
D-1/1	GS-16 and SES-1-4-5
D-2/1	GS-17-18 and SES-4-5-6
ASG, USG	No equivalent grades have been established

---

1/ The precise weight given to each United States grade where more than one grade is listed are shown in Annex I of the ICSC report (A/38/30).

4. An arithmetical comparison of UN/US pensions calculated as of 1 October 1983 is provided, as requested, in the attached annex. As both the ICSC and the UNJSPB have observed in the past such comparisons can be misleading unless placed in a correct context. Thus, in its report to the thirty-fourth session of the General Assembly (A/34/30), the ICSC provided a detailed study of the provisions of the United States Civil Service pension scheme as well as a summary comparison of the principal features of the United States and United Nations pensions schemes. The Commission concluded in paragraph 56 of the report:

"there are a number of significant and explicable differences between the conditions provided by this scheme (United States) and that of the United Nations. In some respects the United Nations scheme's conditions are more favourable, e.g., higher rate of accumulation in early years of service (but which, it may be noted, is identical with that of the United States Foreign Service), surviving spouse's benefit without reduction of retirement benefit; in others, the United States scheme is more favourable, e.g, more liberal conditions for early retirement and for obtaining disability benefits, higher maximum rate of pension made possible by the greater number of years of permissible accumulation, the absence of a mandatory age of retirement and the possibility of adding on credit for unused sick leave above the normal maximum level of pension. To evaluate precisely the impact of these various features on the benefit value to the participants as a whole requires complicated actuarial calculations ... In general, however, it may be said that, having due regard to the differences between the two services, their pension schemes are comparable within the context of the comparison of the total compensation of the two services" (emphasis added).

5. Subsequent to that review, the ICSC has included pensions in the total compensation comparisons between the United Nations and the United States Civil Service, within the framework of application of the Noblemaire Principle, on which it reports annually to the General Assembly.

6. Another factor to be kept in mind is the measure taken last year to improve the actuarial situation of the Fund by reducing the rate of accumulation in early years of service in the United Nations for staff members entering into service on or after 1 January 1983 so that they now correspond to the rates of accumulation applicable in the United States Civil Service, i.e. 1.5 per cent for the first five years, 1.75 per cent for the next five years, 2 per cent thereafter (up to a further 25 years in the United Nations and 30 years in the United States Civil Service).

7. Bearing in mind that the Professional and higher level staff in the United Nations system are predominantly expatriate, it would also seem relevant to note that, under United States Public Law 95-595, the United States Foreign Service retirement plan provides benefits which are significantly higher than those under the United States Civil Service retirement scheme, particularly in view of the earlier retirement eligibility due to accelerated credits for service outside the United States.

8. Finally, it should be pointed out that the rate of contribution in the United Nations is 21 per cent of pensionable remuneration (14 per cent paid by the

/...

Organization and 7 per cent by staff members). The United States Civil Service retirement system has reached a cost level of approximately 41 per cent of payroll (34 per cent paid by the Government and 7 per cent by the employee).

#### Retirement benefits as of October 1983

9. The annual amounts and number of retirement benefits for (a) all categories of staff and (b) for staff in the Professional and higher categories only as of October 1983 of the United Nations Joint Staff Pension Fund are shown in the following table:

Annual amount in US dollars	Number of actual benefits being paid (including pensioners who commuted one-third of their pensions into lump sums)		Per cent		Number of benefits if the pensions of those who commuted lump sums were restored to full value		Per cent	
	All categories	P-1 and above	(a)	(b)	(a)	(b)	(a)	(b)
	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)
Less than \$10 000	2 911	1 369	40.9	28.6	2 157	904	30.3	18.8
\$10 000 - \$20 000	2 591	1 972	36.4	41.1	2 379	1 618	33.5	33.7
\$20 000 - \$30 000	1 163	1 032	16.4	21.5	1 432	1 207	20.1	25.2
\$30 000 - \$40 000	371	353	5.2	7.4	705	651	9.9	13.6
\$40 000 - \$50 000	62	58	0.9	1.2	345	326	4.8	6.8
\$50 000 - \$70 000	11	11	0.2	0.2	88	86	1.3	1.8
\$70 000 and above	1	1	-	-	4	4	0.1	0.1
Totals	7 110	4 796	100.0	100.0	7 110	4 796	100.0	100.0

It should be noted that the above amounts reflect contributory service that was not affected by the lower rate of accumulation for new participants approved by the General Assembly last year with effect from 1 January 1983.

10. According to the records of the United Nations Joint Staff Pension Fund, as of October 1983, the average length of contributory service of the 65 pensioners who retired between 1966 and 1983 with more than five years in service and who had some or all of their service in ungraded posts (USG, ASG, DG, DDG, ADG) was 16 years and 3 months.

#### Years of service of United Nations staff upon separation

11. The table below indicates the years of service of staff members in the United Nations (including UNDP, UNICEF, UNITAR, etc.) who separated since 1970. Out of a total 6,194 separations, 659 or 10.6 per cent had 25 years or more of service; 931 or 15 per cent had 20 years or more of service. At levels Assistant Secretary-General and above, 10 out of 107, or 9.3 per cent, had 25 years of service or more; 17 or 15.9 per cent had 20 years or more of service. The weighted average of the number of years of service was approximately 7.5 years; 15.7 years if only those with more than 5 years of service are included. It would also be useful to obtain comparative data related to the United States Civil Service.

/...

	Years of Service						Total
	0-4	5-9	10-14	15-19	20-24	25 and above	
ADM/DG	1	-	-	-	-	-	1
USG	12	11	7	4	2	1	37
ASG	37	8	7	3	5	9	69
D-2	97	51	25	21	17	52	263
D-1	151	88	43	44	43	128	497
P-5	388	174	77	62	74	153	928
P-4	684	399	79	52	56	135	1 405
P-3	980	240	45	37	45	110	1 457
P-2	942	53	13	14	28	70	1 120
P-1	398	10	2	4	2	1	417
Total	3 690	1 034	298	241	272	659	6 194

#### Adjustment of pensionable remuneration

12. In its report to the thirty-fifth session of the Assembly (A/35/30), the ICSC endorsed the "Washington Formula" proposed by the UNJSPB for determining pension benefits and their subsequent adjustment, and recommended the scale of pensionable remuneration for staff in the professional and higher categories which would apply with effect from 1 January 1981. The ICSC also recommended, and the UNJSPB concurred with, the arrangements for subsequent adjustments of pensionable remuneration. These provisions were approved by the General Assembly in resolution 35/215, and included in article 54 (b) of the regulations of the UNJSPF which reads as follows:

"In the case of participants in the Professional and higher categories, the pensionable remuneration effective 1 January 1981 shall be established at the level which will be reached by the application of the present Weighted Average of Post Adjustments (WAPA) system through September 1980. Thereafter, the pensionable remuneration for such participants shall be as follows:

- (i) When, on a subsequent 1 April or 1 October, the weighted average of the post adjustment classifications of the headquarters and regional offices of the member organizations, as determined by the International Civil Service Commission on the preceding 1 January and 1 July respectively, shows a variation of 5 per cent or more, the pensionable remuneration for establishing contributions to the Fund in accordance with article 25 shall be increased or decreased, as the case may be, by the full extent of the variation in the weighted average of the post adjustment classifications, provided however that it shall not be less than the pensionable remuneration under (ii) below.
- (ii) When, on a subsequent 1 April or 1 October, the Consumer Price Index for the United States of America, as measured on preceding 1 January and 1 July respectively, shows a variation of 5 per cent or more, the pensionable remuneration for computing the final average remuneration under article 1(h) shall be increased or decreased, as the case may be, by the full extent of the variation in that Consumer Price Index."

/...

13. The movement of the two relevant indices, i.e. WAPA and US/CPI, in July and January of 1981 and 1982 were are follows:

	<u>1 July 1981</u>	<u>1 January 1982</u>	<u>1 July 1982</u>	<u>1 January 1983</u>	<u>1 July 1982</u>
WAPA	-4.9% <u>2/</u>	+1.8% <u>2/</u>	-2.5% <u>2/</u>	+3.2% <u>2/</u>	+2.4% <u>2/</u>
US CPI	+8.7%	+3.6% <u>2/</u>	+7.1%	+0.6% <u>2/</u>	+2.4% <u>2/</u>

14. As a consequence the pensionable remuneration for benefit and contribution purposes was adjusted according to the US/CPI movement by 8.7 per cent on 1 October 1981 and by a further 7.1 per cent on 1 October 1982. The movement of the CPI index as of 1 July 1983 was less than 5 per cent and hence no change in the pensionable remuneration was effected on 1 October 1983. The next index reading will take place in January 1984.

---

2/ No effect on pensionable remuneration.

/...

# ANNEX

## Comparison of United Nations/United States Pensions

(Calculated as of 1 October 1983)

UN Grade (top step)	Pensionable remuneration UN	US b/ US b/	United Nations Pension a/ (maximum)			United States Pension					Maximum
			20 yrs service	30 yrs service	35 yrs service	20 yrs service	30 yrs service	35 yrs service	40 yrs service	40 yrs service	
P-1	\$ 34 716	\$ 26 331	\$ 13 886	\$ 20 830	\$ 22 565	\$ 9 545	\$ 14 811	\$ 17 444	\$ 20 077	\$ 21 065	\$
P-2	45 416	34 264	18.166	27 250	29 520	12 421	19 274	22 700	26 126	27 411	
P-3	59 554	42 157	23 822	35 732	38 710	15 282	23 713	27 929	32 145	33 726	
P-4	71 633	50 937	28 653	42 980	46 561	18 465	28 652	33 746	38 839	40 750	
P-5	84 070	62 996	33 628	50 442	54 646	22 836	35 435	41 735	48 034	50 397	
D-1	91 655	63 011	36 662	54 993	59 576	22 842	35 444	41 745	48 046	50 409	
D-2	100 129	64 463	40 052	60 077	65 084	23 893	36 260	42 707	49 153	51 570	
ASG	117 891	-	47 156	70 735	76 629						
USG	132 858	-	53 143	79 715	86 358						

a/ Under the revised rates of accumulation the United Nations pensions for participants who join the UNJSPF scheme on or after 1 January 1983 would be as follows:

P-1	12 585	19 528	22 999
P-2	16 463	25 547	30 088
P-3	21 588	33 499	39 455
P-4	25 967	40 294	47 457
P-5	30 475	47 289	55 696
D-1	33 225	51 556	60 721
D-2	36 297	56 323	66 335
ASG	42 735	66 314	78 103
USG	48 161	74 733	88 018

b/ Top step of equivalent grades in United States using weights referred in footnote 1/ under paragraph 3 (c).