

UNITED NATIONS JOINT STAFF PENSION FUND

**REPORT
OF THE
UNITED NATIONS
JOINT STAFF PENSION BOARD**

GENERAL ASSEMBLY

OFFICIAL RECORDS: THIRTY-EIGHTH SESSION

SUPPLEMENT No. 9 (A/38/9)



UNITED NATIONS

New York, 1983

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

[6 October 1983]

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 7	1
II. SUMMARY OF THE OPERATION OF THE FUND DURING THE YEAR ENDED 31 DECEMBER 1982	8 - 11	3
III. MATTERS CONSIDERED BY THE BOARD, INCLUDING RECOMMENDATIONS TO THE GENERAL ASSEMBLY	12 - 94	4
A. Actuarial valuation of the Fund as at 31 December 1982 ..	12 - 30	4
B. Age of statutory separation and age of retirement	31 - 64	7
C. Investments of the Fund	35 - 45	8
D. Special index for pensioners	46 - 50	11
E. Financial obligations of pensioners to their spouses or former spouses	51 - 56	12
F. Elimination of the possibility of excluding or preventing staff members from participation in the Fund	57 - 61	13
G. ILO complementary pension scheme	62 - 64	14
H. Emergency Fund	65 - 67	15
I. Financial statements of the Fund and report of the Board of Auditors	68 - 70	16
J. Administrative expenses	71 - 93	16
K. Implementation of changes in the regulations of the Fund and in the pension adjustment system introduced with effect from 1 January 1983	94	19

ANNEXES

I. STATISTICS ON THE OPERATION OF THE FUND FOR THE YEAR ENDED 31 DECEMBER 1982	20
<u>Table 1.</u> Number of participants	20
<u>Table 2.</u> Benefits awarded to participants or their beneficiaries	21
<u>Table 3.</u> Analysis of periodic benefits	22

CONTENTS (continued)

	<u>Page</u>
II. AUDIT OPINION, FINANCIAL STATEMENTS AND SCHEDULES FOR THE YEAR ENDED 31 DECEMBER 1982	23
Audit opinion	23
Note on the financial statements	24
<u>Statement I.</u> Assets and liabilities	25
<u>Statement II.</u> Source and applications of funds	26
<u>Statement III.</u> Emergency Fund	28
<u>Schedule 1.</u> Administrative expenses	29
<u>Schedule 2.</u> Summary statement of investments	30
<u>Schedule 3.</u> Comparison of cost value and market value of investments	31
<u>Schedule 4.</u> Summary of outstanding tax refunds	32
III. REPORT OF THE BOARD OF AUDITORS	33
IV. ADMINISTRATIVE EXPENSES	38
<u>Table 1.</u> Revised budget estimates for 1983	38
<u>Table 2.</u> Budget estimates for 1984	39
<u>Table 3.</u> Staffing table for 1984	41
V. MEMBER ORGANIZATIONS OF THE FUND	43
VI. MEMBERSHIP OF THE BOARD AND ATTENDANCE AT ITS THIRTY-FIRST SESSION ..	44
VII. MEMBERSHIP OF THE STANDING COMMITTEE	48
VIII. MEMBERSHIP OF THE COMMITTEE OF ACTUARIES	49
IX. RECOMMENDATIONS TO THE GENERAL ASSEMBLY FOR THE ADMENDMENT OF THE REGULATIONS OF THE UNITED NATIONS JOINT STAFF PENSION FUND	50
X. DRAFT RESOLUTION	52

I. INTRODUCTION

1. The United Nations Joint Staff Pension Fund was established in 1949, by a resolution of the General Assembly, to provide retirement, death, disability and related benefits for staff upon cessation of their services with the United Nations, under Regulations which since then have been amended at various times.
2. The Fund is administered through the United Nations Joint Staff Pension Board, consisting of 21 members, representing the member organizations which are listed in annex V. One third of the Board members are chosen by the General Assembly and the corresponding legislative bodies of the organizations, one third by the executive heads, and one third by participants. The Board reports annually to the General Assembly on the operation of the Fund and the investment of its assets and, when necessary, recommends to it amendments to the Regulations which govern, inter alia, the rates of contribution by the participants (7 per cent of their pensionable remuneration) and by the organizations (14 per cent), the conditions of eligibility for participation and the various benefits to which staff and their dependants may become entitled. Expenses incurred by the Board in the administration of the Fund - principally the cost of its central secretariat at the United Nations Headquarters in New York and the management expenses for its investments - are met by the Fund. A summary of the operations of the Fund during the year ended 31 December 1982 is contained in section II below.
3. The present report is submitted by the Board following its thirty-first session, held in July 1983 at the headquarters of the International Maritime Organization (IMO), London. A list of the members and alternates accredited to that session is contained in annex VI. Section III of the report contains an account of matters considered by the Board, including recommendations for action by the General Assembly.
4. The major item dealt with by the Board was the actuarial balance of the Fund disclosed by the actuarial valuation of the Fund as at 31 December 1982. That balance reflects the impact of the measures approved by the General Assembly in resolution 37/131. Basing itself thereon, the Board has recommended further measures to improve the actuarial balance of the Fund.
5. The Board also devoted considerable attention to the management of the investments of the Fund. It took up various other matters referred to it by the General Assembly for study and recommendation, including the special index for pensioners, financial obligations of pensioners to their spouses or former spouses and elimination of the possibility of excluding or preventing staff members from participation in the Fund.
6. The Board, in accordance with article 4 of the Regulations, appointed a Standing Committee to act on behalf of the Board when it is not in session. Its membership is given in annex VII. The Board requested the Standing Committee to study the question whether there was need for transitional arrangements and/or greater clarity in the relevant texts with regard to the implementation of the changes in the Regulations of the Fund and in the pension adjustment system

introduced with effect from 1 January 1983. Should the Standing Committee conclude that there is need for action by the General Assembly, appropriate recommendations will be submitted to the Assembly in an addendum to this report (see para. 94 below).

7. The membership of the Committee of Actuaries, established under article 9 of the Regulations, is given in annex VIII.

II. SUMMARY OF THE OPERATION OF THE FUND DURING THE YEAR
ENDED 31 DECEMBER 1982

8. The number of participants in the Fund changed during the year from 51,048 to 50,966.
9. During the same period the principal of the Fund increased from \$2,458,365,968 to \$2,763,185,751 (see annex II).
10. The income of the Fund from interest and dividends during that year, less investment management costs, was \$188,727,000. A summary of the investments at 31 December 1982 and a comparison of their book and market values are contained in annex II, schedules 2 and 3.
11. On 31 December 1982 the Fund was paying 6,458 retirement benefits, 6,407 early and deferred retirement benefits, 2,213 widows' and widowers' benefits, 3,467 children's benefits, 417 disability benefits and 36 secondary dependants' benefits. In the course of the year it also paid 4,055 lump-sum withdrawal and other settlements (see annex I).

III. MATTERS CONSIDERED BY THE BOARD, INCLUDING RECOMMENDATIONS
TO THE GENERAL ASSEMBLY

A. Actuarial valuation of the Fund as at 31 December 1982

12. Article 12, paragraph (a), of the Fund's Regulations states that "the Board shall have an actuarial valuation made of the Fund at least once every three years by the consulting actuary". The practice of the Board has been to have actuarial valuations - the primary purpose of which is to determine whether the present and estimated future assets of the Fund will be adequate to meet its liabilities - carried out every two years.
13. The report of the Consulting Actuary on the seventeenth actuarial valuation of the Fund as at 31 December 1982 was presented to the Board at its thirty-first session. The Consulting Actuary had made calculations based on the seven different sets of economic assumptions approved by the Board at its thirtieth session in 1982. Each basis utilizes assumptions regarding (a) salary inflation over and above the static rate of salary increases; (b) interest rate; and (c) inflation rate for pensions after award. The difference between (b) and (c) is the assumed real rate of return on investments over price inflation. In the seven bases used, the salary inflation rate ranged from 3.5 to 7.5 per cent a year, and the real rate of return from 1.5 to 4.5 per cent a year. The Board and the Committee of Actuaries designated the 6.5/9/6 basis (6.5 per cent inflation over the static rate of salary increases; interest rate of 9 per cent; and an inflation rate of 6 per cent for increases in pensions after award) as the regular basis (see para. 24 below). The 6.5/9/6 basis had also been used in 1982 in calculating the impact of the package of economy measures which the Board had recommended to the General Assembly at its thirteenth session.
14. The assumptions with regard to the number of active participants were the same as in the previous valuation (as at 31 December 1980), namely, that for the first 20 years after the valuation date the number of Professional staff would increase by 1 per cent a year, and that of General Service staff by 2.6 per cent a year, and that thereafter the numbers would remain constant.
15. The valuation reflects the changes in the separation, mortality and disability rates recommended by the Committee of Actuaries and approved by the Board in 1982. These demographic changes (particularly with regard to the greater life expectancy of female participants) have led to an increase in the actuarial imbalance by 0.5 per cent of pensionable remuneration.
16. In comparing the results of the valuation as at 31 December 1982 with those of the previous valuation, account must be taken of the economy measures approved by the General Assembly at its thirty-seventh session with effect from 1 January 1983.
17. For the regular valuation basis (6.5/9/6) the results of the actuarial valuation may be summarized as follows:

<u>Valuation date</u>	<u>Contribution rate required (as a percentage of pensionable remuneration)</u>	
	<u>Total required</u>	<u>Imbalance a/</u>
31 December 1980		
before demographic changes	27.82	6.82
after demographic changes	28.32	7.32
31 December 1982		
before 1 January 1983 changes	29.41	8.41
after 1 January 1983 changes	25.79	4.79

a/ Excess over the contribution rate of 21 per cent.

18. The above table shows that, had it not been for the economy measures introduced as of 1 January 1983, the actuarial imbalance would have increased by 1.09 per cent of pensionable remuneration. Most of that increase (0.85 per cent) is due to interest accumulating on the 1980 imbalance. The remaining 0.24 per cent is attributable to experience variations during the two years between the two valuations.

19. The economy measures introduced with effect from 1 January 1983 have resulted in a reduction of the imbalance by 3.62 per cent. It will be recalled in this connection that, in its report to the General Assembly at its thirty-seventh session, the Board had expected that the adoption, in their totality, of the proposals formulated by the Board would reduce the actuarial imbalance by 3.8 per cent of pensionable remuneration (of which 0.35 per cent related to the proposal - which the General Assembly did not act upon - to raise the statutory age of separation to 62). 1/

20. As can be seen from the table in paragraph 17 above, the imbalance on the 6.5/9/6 basis (which assumes a 3 per cent a year rate of return after inflation) is estimated at 4.79 per cent of pensionable remuneration. The remaining six valuations also showed that the present rate of contribution - 21 per cent of pensionable remuneration - would be insufficient to meet the obligations of the Fund in the long run. The imbalance revealed by those other valuations ranged from 0.68 per cent of pensionable remuneration, assuming a 4.5 per cent a year real rate of return after inflation, to 10.2 per cent (if the real rate of return is assumed to be 1.5 per cent).

21. The Consulting Actuary also made calculations of the amount of assets which the Fund would have to have on hand in order to meet its obligations (i.e. the liabilities of the Fund for the benefits which have already been earned by present and retired participants) as of the valuation date. The Fund's liability for these accrued benefits (some of which are deferred a number of years into the future) will be very much influenced by the rate of interest used to discount future benefit payments to the valuation date and by the rate at which pensions will be assumed to increase after award (if a system of adjustment of pensions continues to exist indefinitely). The analysis showed that the Fund was in a reasonably strong funded position with respect to its liabilities if future increases in pensions were ignored. The funding ratios on that basis ranged from 80.2 to 89.5 per cent

(as against 89 to 100 per cent at 31 December 1980 for assumed interest rates of 7.5 and 9.0 per cent respectively). 2/ The position deteriorated considerably, however, if account was taken of the system of pension adjustments; the funding ratios then ranged from 39.6 to 59.0 per cent for assumed real rates of return of 1.5 and 4.5 per cent respectively (as against 49 to 62 per cent at 31 December 1980 for assumed real rates of return of 3.0 and 4.5 per cent respectively).

22. The Consulting Actuary also prepared eight 30-year projections of future annual contributions and benefit payments (seven of them correspond to the seven valuation bases referred to in paragraph 13 above, while the eighth illustrates the effect of different rates of investment return in a constant inflation rate environment). In all cases the Fund would still be growing after 30 years; in other words, the sum of the annual contributions and the net investment income (at the rate assumed) for the thirtieth year would exceed the lump-sum and periodic payments expected to be made in that year.

23. The projections also show that for the regular valuation basis (6.5/9/6), beginning in 1995, total benefits payable in any one year will exceed total contributions for that year; in other words, thereafter growth would come solely from investment income.

24. The Committee of Actuaries, in its review of the seventeenth actuarial valuation, agreed that the 6.5/9/6 valuation basis should be designated as the 31 December 1982 regular valuation basis. The Committee noted that the actuarial and financial status of the Fund, as shown by the valuation, had been substantially improved as a result of the measures introduced with effect from 1 January 1983. None the less the Committee believed that it would be prudent to take further action as soon as feasible so as to strengthen further the financial basis of the scheme. The Committee recommended that

(a) the total rate of contribution be gradually increased to 24 per cent of pensionable remuneration;

(b) the statutory age of separation be raised to an age higher than 60; and

(c) consideration be given to increasing the reduction factor for early retirement.

25. The seventeenth actuarial valuation and the related recommendations of the Committee of Actuaries were discussed in detail by the Board. The Board noted that the regular valuation basis (6.5/9/6) assumed a real rate of return of 3 per cent a year over inflation, which was considerably better than actual experience; the question of the appropriate assumptions to be used in the valuation as at 31 December 1984 would be considered by the Board at its 1984 session.

26. With regard to the recommendation by the Committee of Actuaries that the total rate of contribution be gradually increased to 24 per cent of pensionable remuneration, the Board was informed by the Rapporteur of the Committee of Actuaries that the contribution rate for the World Bank pension scheme was 24.15 per cent of gross remuneration (of which the employer contributed 17.15 per cent); for the International Monetary Fund scheme 36.5 per cent of gross remuneration (29.5 per cent contributed by the employer); and for the Inter-American Development Bank 41.26 per cent of net remuneration (employer contribution 31.26 per cent). 3/ The Board was also informed that, since the

21 per cent rate of contribution was established for the Fund, life expectancy had risen considerably; that the changes in mortality projections for female participants, already approved by the Board on the recommendation of the Committee of Actuaries (see para. 15 above), increased the imbalance by 0.5 per cent of pensionable remuneration; and that it was estimated that updating those projections and applying them to both male and female participants would increase the imbalance by a further 0.9 per cent. In the discussion, reference was also made to the fact that an increase in the rate of contribution (which would be shared by the organizations and the participants) constituted an alternative to invoking - if need be - article 26 of the Regulations, which would put the entire burden on the member organizations and consequently on Governments. Furthermore, any imbalance that is left uncorrected tends to grow from year to year (see para. 18 above).

27. The Board decided to recommend to the General Assembly that it should approve an increase in the total rate of contribution from 21 to 24 per cent, and that the increase should be implemented gradually, beginning with an increase of 0.75 per cent (0.5 per cent by member organizations and 0.25 per cent by participants) with effect from 1 January 1984. Further increases of 0.75 per cent could be made effective as from 1 January 1986, 1 January 1988 and 1 January 1990. The relevant amendment to the Fund's Regulations is contained in annex IX.

28. In that connection the Board noted that the Consulting Actuary, in his report, gave the figure of \$1,730 million for the total annual pensionable remuneration for the 50,966 participants in the Fund. Consequently the organizations' share of the increase recommended for 1 January 1984 (0.5 per cent) would be approximately \$8.6 million a year for all the organizations taken together, and the participants' share of the increase (0.25 per cent of pensionable remuneration) would be approximately \$4.3 million a year.

29. With regard to the recommendation by the Committee of Actuaries that the statutory age of separation be raised to an age higher than 60, the Board recalled that a proposal to raise the statutory age of separation to 62 had already been made by the Board to the General Assembly at its thirty-seventh session as part of the package of measures to alleviate the actuarial imbalance of the Fund. The Board decided to reaffirm that recommendation.

30. As for the recommendation by the Committee of Actuaries that consideration be given to increasing the reduction factors for early retirement, the Board was informed that the correct actuarial reduction for a retirement benefit awarded prior to age 60 would be of the order of 6.5 per cent for each year below 60 (e.g. the early retirement benefit at age 55 should be equal to approximately 67.5 per cent of the full benefit). Yet participants with 30 years of service may now retire with only 1 per cent per year reduction in their benefits, and those with 25 years of service with a reduction of 2 per cent per year. The current early retirement provisions are thus a drain on the Fund's resources. Recalling the advantages which the Fund's liberal early retirement provisions have for the member organizations and the participants alike, the Board decided not to endorse the recommendation of the Committee of Actuaries.

B. Age of statutory separation and age of retirement

31. In its report to the General Assembly at its thirty-seventh session the Board proposed that the mandatory age of separation be raised to 62, and that entitlements

to rights currently existing under the Fund's Regulations on separation from service before that age would continue to be maintained in their present form. The reasons for the proposal were set out in paragraphs 17-21 of the Board's report. 4/

32. In its resolution 37/131 on the United Nations Pension System the General Assembly requested the International Civil Service Commission (ICSC), in co-operation with the Pension Board,

"to undertake the study of the age of separation and of retirement in all member organizations, bearing in mind all the relevant resolutions of the General Assembly together with the views expressed in the Fifth Committee, and to submit proposals based thereon to the General Assembly at its thirty-eighth session".

33. A study prepared by the secretariat of the Commission in co-operation with the secretariat of the Pension Board was submitted to the Commission at its eighteenth session in July/August 1983. The secretariat study contained the recommendation that the Staff Regulations be amended to bring the mandatory age of separation from 60 to 62 subject to the following provisions:

(a) Implementation for non-project staff should be introduced gradually over a three-year period in those organizations where existing recruitment programmes or human resources development plans demand a measured approach. In such organizations, the mandatory age of separation might be deferred to 60.5 effective 1 January 1984, and be increased by an additional six months at the beginning of each consecutive year until the age limit of 62 is reached effective 1 January 1987;

(b) Implementation for non-project staff should be effective as of 1 January 1984 in all other organizations;

(c) Implementation should be effective as of 1 January 1984 for project personnel in all organizations.

The secretariat study was made available to the Pension Board at its thirty-first session.

34. The views of the Commission are contained in the report of that body to the General Assembly at its thirty-eighth session. 5/ The Commission decided by a majority not to recommend any change at this stage in the existing mandatory age of separation. As stated in paragraph 29 above, the Board decided to reaffirm the recommendation it had made to the General Assembly at its thirty-seventh session that the age of mandatory separation should be raised to 62, while maintaining at 60 the age of retirement in the Regulations (i.e., the age at which a pension becomes payable at its full value).

C. Investments of the Fund

1. Management of the investments

35. The Board's review of the management of the investments of the Fund was based on two reports and accompanying statistical data provided by the Secretary-General. One report reviewed the performance of the Fund during the

12-month period which ended on 31 March 1983. The other provided an overview of the policies and practices followed by the Secretary-General in the exercise of the responsibilities for the investment of the assets of the Fund entrusted to him pursuant to article 19 of the Regulations of the Fund. In addition to reviewing the written material the Board also heard statements by the representative of the Secretary-General and the members of the Investments Committee who attended the Board's session and responded to questions from the Board.

36. The market value of the Fund's investments on 31 March 1983 stood at \$3,138 million, \$348 million more than the book value and \$745 million more than the market value on 31 March 1982. As in the past, in addition to the dividend and interest income received, the realized and unrealized capital gains and losses were also included in computing the investment return; the impact of the timing of the flow of new money into the Fund throughout the year was also taken into account. This "time-weighted" methodology accords with the standards used by most pension funds in measuring their investment returns. On that basis the return for the year ended 31 March 1983 was a record 27.05 per cent. The total return over the past four years has been as follows:

<u>Year ended 31 March</u>		<u>Percentage return</u>
1983		27.05
1982	minus	7.85
1981		26.60
1980	minus	0.39

37. The Board noted that these widely fluctuating results, which were attributable to short-term fluctuations in market and currency values, demonstrated the importance of looking at the Fund's investment returns over reasonable time-spans in order to arrive at balanced assessments, particularly since pension planning and investing are very long-term propositions. Over the five years to 31 March 1983 the Fund had achieved a total return averaging 11.18 per cent a year in monetary terms (i.e. without allowance for inflation); the corresponding average for the past 23 years has been 6.91 per cent a year. Over the 23-year period equities generated a higher rate of return than bonds (7.99 per cent a year as against 6.19 per cent). The Board was informed that equities were expected to outstrip bonds in the future as well.

38. The Board studied the investments, bearing in mind that there was general agreement that diversification was a sound criterion of investment management. The proportion allocated to fixed-income securities remained at 39 per cent, the highest since 1969 and considerably above the low of 22 per cent in 1973 and 1975, and reflected the judgement that the exceptionally high nominal and "real" (inflation-adjusted) interest rates which still prevailed provided an optimum balance of possible risks against expected returns. The proportion of 52 per cent of the Fund's assets invested in equities compared with 47 per cent at 31 March 1982. The investment in real estate was just under 7 per cent compared with a high of just over 8 per cent a year earlier. Short-term investments declined to 2 per cent from 5 per cent in the previous year.

39. As at 31 March 1983, \$1,602 million or 52 per cent of the long-term investments of the Fund were invested outside the United States, as compared

with 60 per cent a year earlier. The Fund had investments in 47 countries, including 22 developing countries. It also had sizeable investments in the major international development banks. Investments were held in 20 currencies and in 18 equity markets, of which five were in developing countries. The proportion invested in currencies other than United States dollars was 38 per cent compared with 40 per cent in the prior two years; this was largely attributable to the strength of the United States dollar in relation to other currencies. The continuing policy of the Secretary-General to maintain an appropriate diversification of the assets of the Fund by type, geographical location and currency was endorsed by the Board.

40. The implementation of the resolutions of the General Assembly requesting that a larger proportion of the Fund's resources be invested in developing countries was reviewed by the Board. Investments made directly in developing countries, taken as a whole, decreased slightly to \$138.6 million. However, investments in Africa increased by 45 per cent to \$40.1 million from \$27.6 million. Investments in development-related securities as at 31 March 1983 amounted to \$504.6 million at cost, an increase of 9 per cent over the \$462.3 million a year earlier. Close liaison continued with the World Bank and the International Monetary Fund, the African Development Bank and private sources, in order to ensure that the Fund remained alert to any opportunities which might appear in the region. The Board noted the continuing efforts of the Secretary-General to locate suitable investments in developing countries and the fact that those investments met the basic investment criteria.

41. The Board's attention was drawn to the fact that, whereas the average total rate of return over the past 23 years was 6.91 per cent a year in monetary terms (see para. 37 above), it was only 1.3 per cent a year if inflation, as measured by the United States consumer price index (CPI), was taken into account. That was clearly less than the "real" rate of return of 3 per cent assumed for purposes of the regular-basis valuation (see para. 13 above). While the inflation-adjusted total rate of return might be better in the forthcoming decade than in the past one, it was premature and, perhaps, imprudent to count on that and therefore defer necessary action in expectation of such improvement. The Board bore that consideration in mind when it decided to recommend a gradual increase in the rate of contribution to the Fund (see para. 27 above).

42. In his report on the policies and practices of investment decision-making the Secretary-General, after describing and explaining existing arrangements, pointed out that the purpose of the investments of the United Nations Joint Staff Pension Fund was to secure the pension entitlements of the participants. It was the responsibility of the Secretary-General to ensure that those investments were managed in a manner that would preserve the capital of the Fund and would generate an optimum rate of investment return without, on the one hand, jeopardizing the capital of the Fund by taking excessive risks or, on the other, being unduly conservative. In the opinion of the Secretary-General the investments of the Fund continued to perform in line with market indices, and there was no assurance or evidence that drastic changes in the investment-management procedures would increase the investment return or lower the cost of management.

43. Members of the Board raised a number of specific questions relating to investment return, geographical diversification, investments in developing countries - in particular in Africa, types of fixed-income investments and the security of the Fund's assets. Members of the Investments Committee responded to

those questions. Particular emphasis was placed on diversification as a means of ensuring the integrity of the assets and on the requirement that all investments should meet strict criteria.

44. At the conclusion of the debate, the Board expressed its appreciation for the participation of the Investments Committee. It also appreciated the explanations given by the representative of the Secretary-General and the comprehensive documentation provided.

2. Membership of the Investments Committee

45. The Secretary-General, in accordance with article 20 of the Regulations, conveyed to the Board a list of names of persons whom he would propose, after consultation with the Advisory Committee on Administrative and Budgetary Questions (ACABQ), to the General Assembly at its thirty-eighth session for appointment or reappointment as members of the Investments Committee. The Board noted and endorsed the Secretary-General's proposal.

D. Special index for pensioners

46. In section I, paragraph 1 of resolution 37/126 of 17 December 1982 the General Assembly

"Approves the procedure for adjusting cost-of-living differential factors applicable to retirees from the Professional and higher categories where those factors are applied and where the rates of taxation are zero or lower than those implicit in the amounts of base pensions provided under the United Nations staff pension scheme". 6/

47. The procedure referred to in the preceding paragraph relates to the "first phase" of the study undertaken by ICSC, in co-operation with the Board, pursuant to General Assembly decision 35/447, to elaborate a special index for pensioners, including the impact of national taxation. Work on the second phase of the study, i.e. that relating to the development of a comprehensive special index for pensioners reflecting expenditure patterns of retirees, continued in 1983.

48. In this connection, the ICSC secretariat prepared case studies of four countries with relatively high post adjustments compared with that for New York. The case studies were considered by the Advisory Committee on Post Adjustment Questions (ACPAQ) at its eighth session in May-June 1983. A report on the discussion in ACPAQ, which was before the Commission at its eighteenth session, was also made available to the Pension Board at its thirty-first session. ACPAQ expressed the view that more case studies were needed. The report before the Commission indicated that the special index for pensioners could be used in two possible ways:

(a) A special index for pensioners, excluding in the first instance the impact of national taxation, could be developed and used in place of the post adjustment index which was currently being utilized for the determination of cost-of-living differential factors under the scheme approved by the General Assembly at its thirty-fifth session. A comparison of the rates of national taxation with those applicable at the base of the system (New York) would be

undertaken only for countries where the application of the special index resulted in an increase in the pensions of retirees in those countries under the currently applicable scheme. In instances where pensions of retirees from the United Nations system were not taxed or were taxed at rates substantially lower than those applicable at the base of the system, downward adjustments to the cost-of-living differential factors would be made. That procedure would be precisely the same as that approved by the General Assembly at its thirty-seventh session, except that special indices for pensioners rather than post adjustment indices would be used for the determination of cost-of-living differential factors.

(b) Alternatively, a special index for pensioners based on a comparison of all items of expenditure, including taxes applicable on pensions, might be constructed and used for the determination of cost-of-living differential factors. This would be a single-phase approach whereby differences in costs relating to consumables, housing, medical services, taxes, etc. would be compared and taken into account together. It was pointed out in the report that the application of alternative (b) could result in retirees in more countries than under alternative (a) becoming eligible to receive pension adjustments.

49. Having considered the report, the Board agreed that, if a choice had to be made between alternatives (a) and (b) above, the former appeared preferable. Before a final decision was taken more case studies should be conducted by the ICSC secretariat, as suggested by ACPAQ.

50. ICSC, which considered the question after the Board, likewise opted for alternative (a). In paragraph 16 of its report to the General Assembly at its thirty-eighth session, the Commission states that it

"agreed to maintain the current procedure, which would not involve additional costs, whereby comparison of the rates of national taxation with those applicable at the base of the system would be undertaken only in instances where the application of a special index for pensioners, arrived at by comparison of all elements of expenditure with the exception of taxes, resulted in upward adjustments to pensions. In those cases the impact of zero or lower rates of taxation would be taken into account by making appropriate downward adjustments to cost-of-living differential factors applied under the Washington formula." 7/

E. Financial obligations of pensioners to their spouses or former spouses

51. The General Assembly, in section V of resolution 37/131 of 17 December 1982, took note of the "absence of effective measures for dealing with the financial obligations of a pensioner to his or her spouse or former spouse which, in some cases, might give rise to serious hardship" and requested the Board "to pursue the search for such measures along the lines indicated in paragraph 84 of its report 8/ or by any other methods and to report thereon to the General Assembly at its thirty-eighth session". In the same section of resolution 37/131 the Assembly also requested the Board to examine the effects of the dissolution of a marriage on survivors' entitlements, together with the possibility of granting such benefits to spouses whose marriage was contracted after the service of a participant had ceased, and to report thereon to the General Assembly not later than at its thirty-ninth session. Both requests were subject to the proviso that the proposals to be formulated by the Board should have no financial implications for the Fund.

52. In its consideration of this question the Board recalled that it had been reluctant to deal with family relationships in the past. Some of the difficulties involved were pointed out in paragraphs 81 to 83 of its report to the General Assembly at its thirty-seventh session. 9/

53. The Board noted that, if the United Nations Administrative Tribunal was to play a role in such matters, the General Assembly would have to extend the jurisdiction of the Tribunal and, in addition, specify criteria on the basis of which decisions were to be taken; even then, to assign to the Tribunal the task of taking decisions rather than reviewing those taken by another organ would change its character.

54. While the social urgency of the problem, in some instances, could not be denied, the problem was more restricted than might appear at first sight. It arose only in situations where there was a conflict between spouses or ex-spouses or where there were rival claims arising from the breakdown or dissolution of a marriage. Such situations often led to judicial proceedings before national jurisdictions. Where only one jurisdiction was involved to which both spouses or former spouses were subject, they should pursue their remedies through judicial and other methods available under that jurisdiction. The resultant judgement could be enforced by attachment of the assets, including pension payments once they had been made. Even in cases where the pensioner was not subject to the jurisdiction whence the judgement emanated, agreements often existed between States for the reciprocal enforcement of judgements. Thus, in practice, problems would arise only in situations where a spouse was unable to bring an action within the jurisdiction to which the pensioner was subject, or where the pensioner's whereabouts were unknown to that spouse. However, where two jurisdictions were involved, the courts might hand down two conflicting judgements in the same case. Was the Fund, or some other organ of the General Assembly, expected to adjudicate between the two?

55. Reference was also made to situations where there was no court order but where a spouse claimed to be suffering hardship because the pensioner refused to make contributions for his or her maintenance. Any involvement by the Fund in such situations would be interference in matters governed by national jurisdictions. Such interference would be all the more unthinkable as the Fund was an organ of the General Assembly immune from any national jurisdiction by virtue of the privileges and immunities of the United Nations.

56. For the foregoing reasons the Board stressed that, in its view, the question of the financial obligations of pensioners to their spouses or former spouses should be left to the competent national tribunals, where it properly belonged, and that it saw no need for any changes in the Regulations or Administrative Rules of the Fund for dealing with the question.

F. Elimination of the possibility of excluding or preventing staff members from participation in the Fund

57. Article 21, paragraph (a), of the Regulations of the Fund, as amended by the General Assembly at its thirty-seventh session states that

"(a) Every full-time member of the staff of each member organization shall, subject to article 51, become a participant in the Fund:

- (i) Upon commencing employment under an appointment for six months or longer or upon accepting such an appointment while in employment, or,
- (ii) Upon completing, in the same or more than one member organization, six months of service without an interruption of more than thirty days,

whichever is earlier, provided that participation is not expressly excluded by the terms of his appointment."

58. In the light of the views expressed by the Board in paragraphs 24 and 25 of its report to the General Assembly at its thirty-seventh session, 10/ the General Assembly, in section VI of resolution 37/131, requested the member organizations of the Fund to furnish to the Board, without delay, information regarding exclusions of members of their staff from participation in the Fund, and requested the Board, in the light of such information, to submit proposals to the General Assembly at its thirty-eighth session for removing the exclusion provision from article 21 of the Regulations of the Fund.

59. The information provided to the Board by the member organizations showed that there was an element of confusion between express exclusion, under the terms of their appointment, of staff from participation in the Fund (the problem addressed by the General Assembly), and non-eligibility for participation (either because the contracts of employment of the persons concerned were for periods of less than six months, or because they were not staff members of the member organizations, e.g. consultants and experts employed under special service agreements, individuals on loan from Governments or institutions who retain their status of officials of the donor, Operational Assistance (OPAS) experts). Once those who are not eligible for participation are left out of account, the member organizations employ comparatively few individuals who are expressly excluded from participation under the terms of their appointment. In this connection the Board noted that the United Nations Relief and Works Agency (UNRWA), area staff (who are not participants in the United Nations Joint Staff Pension Fund), have conditions of service that do not conform to the common system.

60. The Board was informed that, in the few cases where the exclusion provisions (within the meaning of article 21) were applied, the principal reasons were to avoid duplicate pension coverage and allow continuation of existing pension rights under various national schemes, and to make it possible to implement special agreements entered into with the host countries on social security matters.

61. The Board agreed that article 21 of the Regulations in its present form, including provisions for exclusion, should not be changed. When enough experience had been gathered on the effects of changing the qualifying period from one year to six months, and in the light of the actuarial situation then prevailing, the Board might look further into the consequences of implementing article 21 as amended with effect from 1 January 1983.

G. ILO complementary pension scheme

62. The Director-General of ILO has submitted to its Governing Body a proposal for a complementary pension scheme for officials in the Professional and higher categories. The Governing Body has been invited to take a decision on the proposal

at its session in November 1983. The Director-General provided details of his proposal to the Pension Board for its information. The complementary scheme would be financed by way of contributions from the ILO budget and from the staff who would be covered under the scheme; as its name implies, it would be additional to the coverage provided through the United Nations Joint Staff Pension Fund.

63. The discussion in the Board focused on whether the benefits payable by the Fund were adequate for participants retiring in high-cost countries, whether the proposed scheme would be consistent with the pension adjustment system as approved by the General Assembly, and whether it would have an adverse impact on the volume of technical co-operation projects which ILO could deliver with the resources made available to it by the United Nations Development Programme. The Board was aware that the question as to whether or not the proposed scheme was consistent with the common system of salaries and allowances was under consideration in ICSC which has primary responsibility for the application of the common system; 11/ accordingly, the Board did not deal with that aspect in any detail.

64. The balance of opinion in the Board was that the Board could not support the proposed ILO complementary pension scheme for several reasons, primarily because nothing should be done that might jeopardize the efforts to improve the actuarial situation of the Joint Staff Pension Fund.

H. Emergency Fund

65. The Emergency Fund, initially established by the Board in 1973 from voluntary contributions of member organizations, staff associations and individual contributors to alleviate the distress of recipients of small pensions caused by currency fluctuations and cost-of-living increases, has been used instead, since the introduction of the pension adjustment system in 1975, to relieve hardship by providing aid in individual cases of proven emergency due to illness, infirmity or similar causes.

66. Since then the General Assembly has authorized the Board to supplement voluntary contributions to the Emergency Fund by an amount of up to \$100,000 a year. The bulk of the money spent has been used to assist in the payment of medical expenses, including hospitalization, and related expenses not reimbursable from other sources. In all cases involving claims for medical expenses not covered by the medical insurance schemes of the member organizations concerned, the advice of the Medical Consultant was obtained before any payment was made from the Emergency Fund. Also payments have been and are being made on a continuing basis to help meet the cost of at-home nursing or domestic help required by pensioners or their spouses because of illness and debility. In some instances payments were made to help cover funeral expenses. The total amount of payments made from 1975 to June 1983 is about \$239,000. Expenditures in the calendar year 1982 amounted to \$55,600 as against \$47,400 in 1981.

67. The Board believes that there is a continuing need for the Emergency Fund. Accordingly it recommends that its authority to contribute up to \$100,000 a year to the Emergency Fund be continued in 1984.

I. Financial statements of the Fund and report of the Board of Auditors

68. The Board examined and approved the financial statements of the Fund and related schedules for the year ended 31 December 1982 (annex II).

69. The Board took note of the report of the Board of Auditors (annex III). With reference to paragraphs 19 to 21 of the report, the Board examined the procedures and experience relating to the certificates of entitlement which provide evidence that beneficiaries are still alive. While the Board was satisfied that the existing arrangement was adequate for the time being, it requested the Secretary to keep the matter under review so that improvements could be instituted as and when required.

70. With regard to paragraphs 30 to 32 of the report of the Board of Auditors, the Pension Board approved the proposal that appropriate provisions be inserted in the Administration Manual of the Fund.

J. Administrative expenses

1. Introduction

71. Article 15 of the Regulations of the Fund provides that

"(a) Expenses incurred by the Board in the administration of these Regulations shall be met by the Fund.

(b) Estimates of the expenses to be incurred under (a) above shall be submitted annually to the General Assembly, during the preceding year, for approval.

(c) Expenses incurred in the administration of these Regulations by a member organization shall be met by that organization."

72. Pursuant to article 15, paragraph (b), the Board submits revised estimates for 1983 amounting to \$5,973,000 (annex IV, table 1) and estimates of expenses for 1984 in the amount of \$6,723,100 (annex IV, tables 2 and 3). These expenses are a charge entirely on the Fund and do not in any way involve the budget of the United Nations or that of any other member organization.

73. The 1984 estimates of administrative costs (as distinct from investment costs) amount to 0.13 per cent of the estimated 1984 pensionable remuneration and are thus within the 0.14 per cent limit laid down by the Pension Review Group.

2. Revised estimates of expenses for 1983

74. The revised estimates for 1983, in the amount of \$5,973,000, are \$17,700 higher than the approved appropriations. As can be seen from annex IV, table 1, the increase is attributable to additional requirements of \$112,500 for investment costs, partly offset by savings of \$94,800 under administrative costs.

75. The savings under administrative costs are due to staff vacancies which have reduced requirements for established posts and related staff costs by a total of \$160,000. These savings are offset in part by the need to employ a pension and management specialist on a consultancy basis in connection with an ongoing study of the further computerization of the operations of the Fund and improved co-ordination with the member organizations (\$40,000). Additional requirements of \$35,000 have also arisen in connection with the actuarial valuation of the Fund as at 31 December 1982 and other services rendered by the Consulting Actuary.

76. Of the total additional requirements of \$112,500 for investment costs, \$20,900 relates to temporary assistance (including related common staff costs) which had been budgeted for in 1982. However, because of delays in processing the necessary personnel actions, the expenses were not charged to the 1982 budget by the time the accounts were closed. As a result, the 1982 appropriation was not utilized, and it has become necessary to seek reappropriation of the funds in 1983.

77. The bulk of the balance of the extra resources being requested under investment costs relates to fees for special studies, and for access to computerized data services required to strengthen the analytical capabilities of the in-house investment staff, and for improving the Investment Management Section's communication and data-processing capacity.

3. Estimates of expenses in 1984

78. The estimates for 1984 amount to \$6,723,100, which is \$767,800 more than the initial appropriations of \$5,955,300 for 1983. Of that total increase, \$88,400 is accounted for by inflation and \$679,400 is resource growth at 1983 rates - of which \$550,000 relates to advisory and custodial fees (see para. 89 below).

79. The overall estimates of expenses for 1984 comprise \$2,437,100 for administrative costs and \$4,286,000 for investment costs.

80. The 1984 administrative cost estimates are \$18,800 higher than the initial 1983 appropriation of \$2,418,300. There is a negative resource growth of \$58,600 at 1983 rates, but this decrease is more than offset by estimated inflation in the amount of \$77,400.

81. As can be seen from annex IV, table 3, the staffing table proposed for the secretariat of the Fund in 1984 consists of 84 posts (26 Professional and above and 58 General Service) as against 79 posts (25 Professional and above and 54 General Service) approved for 1983. The five proposed new established posts (1 P-3, 1 G-5 and 3 G-4/1), are conversions of temporary assistance posts which were first created during the three-year period 1978-1980 and have been needed ever since.

82. Three reclassifications are being requested in the Professional category: one P-3 to P-4 (post of the Chief, General Accounts Section) and two P-2 to P-3 (one Accountant post and one Auditor post). The three posts have been classified at the higher levels following review by the Classification Section of the Office of Personnel Services.

83. Bearing in mind the continuing delays in the introduction of the seven-level structure for the General Service category at Headquarters, three reclassifications are requested to the Principal (G-5) level: for an Administrative Assistant in the

Executive Office; a Principal Accounting Clerk in the General Accounts Section; and a Principal Auditing Clerk in the Benefits Section.

84. The lower requirements for actuarial consulting services result from the fact that no actuarial valuation of the Fund will be carried out in 1984.

85. As part of the overall plan for increased electronic data-processing, it is proposed to upgrade the current word-processing equipment to a combination word-processing/data-processing system at a cost of \$80,000 for the purchase of the required system; given the period of time for which it is proposed to use the equipment, purchasing is more economical than leasing or renting.

86. Investment costs in 1984 are estimated at \$4,286,000 compared with initial appropriations of \$3,537,000 in 1983. The increase of \$749,000 comprises \$738,000 in resource growth and \$11,000 in inflation.

87. The staffing table proposed for 1984 consists of 11 posts (five Professional and six General Service) as against 10 posts in 1983. The changes proposed for 1984 are the addition of one G-5 post for a supervisor in the area of data collection and management information (there are currently no G-5 posts in the Investments Management Section) and the reclassification of one P-2 post to the P-3 level for an officer who would be responsible for accounting and management information; the post has been classified at the higher level following review by the Classification Section of the Office of Personnel Services.

88. The increase in the estimate for travel of staff from \$10,700 initially approved for 1983, to \$27,600 in 1984 is requested to enable investment officers to travel to security markets in the United States other than New York and to visit various countries in order to explore non-United States investment opportunities.

89. The advisory and custodial fees are linked contractually to the market value of the Fund's portfolio. The estimate of \$3.5 million in 1984 (as against \$2,950,000 in 1983) assumes that the market value of the portfolio will be higher than at present.

90. It is proposed that the appropriation for investment consultants in 1984 should be roughly equal to the cost of one P-5 post, namely \$70,000 (an increase by \$42,700 in real terms over the initial 1983 appropriation of \$27,300). These consultants will be used for special studies on various aspects of the Fund's management. Since the nature of these studies will vary, it is considered more effective to employ outside consultants than to rely on in-house expertise.

91. The request for \$26,400 for investment reference services (as against an initial appropriation of \$2,100 for 1983) reflects the view that, instead of relying solely on periodicals and other printed material as hitherto, the investment staff should have access to computerized data services which, for an annual subscription fee, provide statistical information on companies, industries, interest and exchange rates, the prices of securities, etc.

92. The estimate for communications services shows real growth of \$22,000 at 1983 rates, of which \$2,000 relates to extra telephone costs, primarily for access to the computerized data services referred to in the preceding paragraph, and \$20,000 to the rental of Telex and facsimile facilities to speed up the receipt of

data from investment houses and the Fund's custodians. The facilities are to be rented on an experimental basis.

93. The request for \$38,000 for data-processing is for the rental of word-processing and data-processing equipment.

K. Implementation of changes in the Regulations of the Fund and in the pension adjustment system introduced with effect from 1 January 1983

94. The General Assembly, upon the recommendation of the Board, approved at its thirty-seventh session several changes in the Regulations of the Fund and in the pension adjustment system with effect from 1 January 1983. The implementation of those changes showed that in some cases there was need for transitional arrangements and/or greater clarity in the relevant texts. The Board requested its Standing Committee to consider that question in detail and, if need be, to submit recommendations to the Assembly at its thirty-eighth session. If that proves necessary, the recommendations will be set out in an addendum to this report.

Notes

1/ Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 9 (A/37/9 and Corr. 1-3), paras. 45-47.

2/ Ibid., Thirty-sixth Session, Supplement No. 9 (A/36/9), para. 41.

3/ The current total contribution rate of the Asian Development Bank Staff Retirement Plan is 28 per cent of remuneration (of which the Bank's share is 18 2/3 per cent); the Bank also pays all administrative expenses of the Plan (Annual Report for 1982).

4/ Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 9 (A/37/9 and Corr. 1-3).

5/ Ibid., Thirty-eighth Session, Supplement No. 30 (A/38/30), paras. 164-168.

6/ Ibid., Thirty-seventh Session, Supplement No. 9 (A/37/9 and Corr.1-3), annex X.

7/ Ibid., Thirty-eighth Session, Supplement No. 30 (A/38/30).

8/ Ibid., Thirty-seventh Session, Supplement No. 9 (A/37/9 and Corr.1-3).

9/ Ibid.

10/ Ibid., Thirty-seventh Session, Supplement No. 9 (A/37/9 and Corr.1-3).

11/ Ibid., Thirty-eighth Session, Supplement No. 30 (A/38/30), paras. 181-188.

Statistics on the operation of the Fund for the year ended 31 December 1982Table 1Number of participants as at 31 December 1982

Member organization	Participants as at 31 December 1981	New entrants	Transfers in	Transfers out	Separations	Participants as at 31 December 1982
United Nations	26 257	2 995	84	83	2 654	26 599
ILO	3 150	421	20	26	495	3 070
FAO	7 513	776	46	47	1 050	7 238
UNESCO	3 612	371	15	16	401	3 581
WHO	5 463	440	11	9	468	5 437
ICAO	1 292	153	4	7	200	1 242
WMO	418	64	4	1	65	420
ICITO	315	19	3	3	20	314
IAEA	1 302	177	8	5	142	1 340
IMO	288	46	1	1	31	303
ITU	989	122	6	3	143	971
WIPO	273	30	2	2	29	274
IFAD	152	22	5	6	20	153
ICCROM	24	4	-	-	4	24
Totals	<u>51 048</u>	<u>5 640</u>	<u>209</u>	<u>209</u>	<u>5 722</u>	<u>50,966</u>

Table 2

Benefits awarded to participants or their beneficiaries during
the year ended 31 December 1982

Member organization	Retirement benefit	Early retirement benefit	Deferred retirement benefit	Withdrawal settlement		Child's benefit	Widow's and widower's benefit	Other death benefit	Disability benefit	Secondary dependant's benefit	Transfer to other funds	Total
				under 5 years	over 5 years							
United Nations	276	155	109	1 456	351	405	48	15	24	3	200	3 042
ILO	67	25	49	298	26	26	4	3	-	-	21	519
FAO	142	75	115	613	70	148	9	2	15	-	6	1 195
UNESCO	71	33	46	200	29	70	6	1	2	-	8	466
WHO	101	45	23	183	73	139	13	3	8	1	16	605
ICAO	23	15	9	126	13	14	2	1	-	1	10	214
WMO	10	4	4	31	6	8	3	-	-	-	7	73
ICITO	1	1	2	13	3	-	-	-	-	-	-	20
IAEA	16	6	9	69	10	6	-	-	2	-	29	147
IMO	8	-	2	18	1	-	1	1	-	-	-	31
ITU	22	8	11	87	10	3	-	-	3	-	2	146
WIPO	2	1	4	19	-	4	-	-	1	-	2	33
IFAD	-	-	1	19	-	-	-	-	-	-	-	20
ICCR0M	-	-	-	4	-	-	-	-	-	-	-	4
Totals	739	368	384	3 136	592	823	86	26	55	5	301	6 515

Table 3

Analysis of periodic benefits as at 31 December 1982

Participants or their beneficiaries

<u>Type of benefit</u>	<u>As at 31 Dec.1981</u>	<u>New</u>	<u>Terminations resulting in survivor's benefits</u>	<u>All other terminations</u>	<u>As at 31 Dec.1982</u>
Retirement	5 874	739	(89)	(66)	6 458
Early retirement	2 077	369	(20)	(18)	2 408
Deferred retirement	3 708	386	(10)	(85)	3 999
Widow	1 962	82	123	(26)	2 141
Widower	64	6	6	(4)	72
Disability	382	56	(11)	(10)	417
Child	3 257	824	--	(434)	3 647
Secondary dependant	33	5	1	(3)	36
Totals	<u>17 357</u>	<u>2 467</u>	<u>--</u>	<u>(646)</u>	<u>19 178</u>

ANNEX II

Audit opinion, financial statements and schedules for the year
ended 31 December 1982

AUDIT OPINION

We have examined the following appended financial statements, numbered I to III, properly identified, and relevant schedules of the United Nations Joint Staff Pension Fund for the year ended 31 December 1982. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances. As a result of our examination we are of the opinion that the financial statements properly reflect the recorded financial transactions for the year, which transactions were in accordance with the Financial Regulations and legislative authority, and present fairly the financial position as at 31 December 1982.

(Signed) H. VREBOS
Senior President of the Court of
Accounts of Belgium

(Signed) A. K. Azizul HUQ
Comptroller and Auditor General
of Bangladesh

(Signed) R. T. NELSON
Auditor General of Ghana

22 June 1983

UNITED NATIONS JOINT STAFF PENSION FUND

Note on the financial statements for
the year ended 31 December 1982

Summary of significant accounting policies

The following are some of the significant accounting policies of the United Nations Joint Staff Pension Fund.

1. Investments

Investments are recorded at cost. Interest income is recorded on an accrual basis; dividends are included in income on a cash basis; realized profits and losses are shown on a net basis. Refunds on foreign taxes withheld are recorded as income in the year in which they are received.

2. Contributions

Contributions received from participants, member organizations and other funds are recorded on an accrual basis.

Contributions refunded to member organizations are recorded on a cash basis.

3. Benefits

Payment of benefits including withdrawal settlements are recorded on an accrual basis.

4. Principal of the Fund

The principal of the Fund represents the active participants' contributions plus interests together with the balance of equity of the Fund.

UNITED NATIONS JOINT STAFF PENSION FUND

Statement of assets and liabilities as at 31 December 1982
with comparative figures as at 31 December 1981

(United States dollars)

<u>Assets</u>	<u>1982</u>	<u>1981</u>
Contributions receivable from member organizations	24 593 055	21 549 624
Accounts receivable	220 251	244 104
Accrued and receivable income from investments	41 584 547	39 486 232
Receivable from investments sold	546 734	-
Investments (schedules 2, 3 and 4)		
Bonds - at cost		
(market value: 1 360 264 491)	1 369 963 266	
Convertible bonds - at cost		
(market value: 58 352 187)	54 839 054	
Stocks - at cost		
(market value: 1 352 905 728)	1 108 265 837	
Real estate and related securities - at cost		
(market value: 203 594 626)	<u>177 789 795</u>	
Prepaid benefits	2 710 857 952	2 407 745 981
	<u>12 609 728</u>	<u>10 961 657</u>
	<u>2 790 412 267</u>	<u>2 479 987 598</u>

Liabilities and principal of the Fund

Benefits payable	12 403 864	5 962 823
Held in trust	130 000	130 000
Payable for securities purchased	2 569 153	4 740 336
Other accounts payable	7 032 872	3 482 471
Bank overdraft	851 845	2 987 431
Mortgages payable	4 238 782	4 318 569
Principal of the Fund	<u>2 763 185 751</u>	<u>2 458 365 968</u>
	<u>2 790 412 267</u>	<u>2 479 987 598</u>

Certified correct:

(Signed)

J. Richard FORAN
 Controller
 United Nations

(for cash balances and investments of
 the Fund only)

29 April 1983

(Signed)

Anthony MANGO
 Secretary

United Nations Joint Staff Pension Board

UNITED NATIONS JOINT STAFF PENSION FUND

Statement of source and application of funds for the
year ended 31 December 1982 with comparative figures
for the year ended 31 December 1981

(United States dollars)

<u>Source of funds</u>	<u>1982</u>	<u>1981</u>
Contributions by participants		
7 per cent of pensionable remuneration	114 759 741	109 085 503
Additional contributions with interest to validate prior non-contributory service	817 946	854 094
Repayment of benefits with interest to restore prior contributory service	2 129 934	1 993 367
Voluntary deposits	1 869	2 153
14 per cent of pensionable remuneration with interest to make periods of leave without pay contributory service	252 749	274 905
	<u>117 962 239</u>	<u>112 210 022</u>
Contributions by member organizations		
14 per cent of pensionable remuneration	229 519 482	218 171 006
Additional contributions with interest to make prior service contributory	1 954 952	2 146 681
	<u>231 474 434</u>	<u>220 317 687</u>
Contributions with interest received from non-member organizations for participants transferred under agreements	<u>377 007</u>	<u>474 007</u>
Receipts of excess actuarial cost over regular contributions with interest to make prior service contributory	<u>2 008</u>	<u>19 488</u>
Prior year Emergency Fund balance	<u>52 556</u>	<u>56 947</u>
Investment income		
Interest earned	130 957 806	111 826 674
Dividends	48 948 659	46 090 750
Real estate and related securities	11 688 120	11 466 566
Profit (net) on sales of investments	36 782 604	19 483 363
	<u>228 377 189</u>	<u>188 867 353</u>
Total	<u>578 245 433</u>	<u>521 945 504</u>

<u>Application of funds</u>	<u>1982</u>	<u>1981</u>
Payment of benefits		
Withdrawal settlements and full commutation of benefits	22 674 684	15 601 964
Retirement benefits	136 840 084	112 403 342
Early and deferred retirement benefits	65 668 630	50 776 063
Disability benefits	5 459 302	4 885 806
Death benefits (other than to children)	16 162 369	14 014 405
Children's benefits	4 523 405	4 152 915
Loss or gain on exchange	(472 588)	(131 195)
	<u>250 855 886</u>	<u>201 703 300</u>
Contributions with interest remitted to non-member organizations for participants transferred under agreements	<u>6 048 567</u>	<u>2 308 359</u>
Contributions refunded to member organizations	<u>11 912 639</u>	<u>9 342 211</u>
Administrative expenses		
Administrative costs	1 801 969	1 838 732
Investment costs chargeable to gross income from investments	2 867 185	2 700 185
Emergency Fund	<u>100 000</u>	<u>100 000</u>
	<u>4 769 154</u>	<u>4 638 917</u>
Adjustments to prior year benefits (net)	<u>(160 596)</u>	<u>187 673</u>
Transferred to principal of the Fund	<u>304 819 783</u>	<u>303 765 044</u>
Totals	<u>578 245 433</u>	<u>521 945 504</u>

Certified correct: (Signed)

Anthony MANGO

Secretary

United Nations Joint Staff Pension Board

29 April 1983

UNITED NATIONS JOINT STAFF PENSION FUND

Emergency Fund as at 31 December 1982

(United States dollars)

Assets and balanceAssets

Cash in banks		490
Due from Pension Fund		<u>43 903</u>
	Total	<u>44 393</u>

Balance

	Total	<u>44 393</u>
--	-------	---------------

Source and application of fundsSource of funds

Contributions from Pension Fund		100 000
---------------------------------	--	---------

Application of funds

Payments	55 517	
Miscellaneous charges and adjustments	<u>90</u>	<u>55 607</u>
	Total	<u>44 393</u>

Certified correct: (Signed)

Anthony MANGO

Secretary

United Nations Joint Staff Pension Board

29 April 1983

Schedule of administrative expenses

(United States dollars)

	<u>Administrative costs</u>	<u>Investment costs</u>
Established posts	1 124 009	275 192
Overtime and temporary assistance	89 954	4 870
Common staff costs	294 677	87 432
Custodial services and investment counsel	-	2 314 216
Actuarial consulting services	115 245	-
Consultants	-	76 850
Travel of staff	27 597	10 759
Investments Committee	-	84 951
Committee of Actuaries	19 707	-
Data-processing costs	86 675	-
External audit	8 100	-
Computer services rendered by the United Nations	20 000	-
Communications services	5 000	8 105
Hospitality	3 457	3 113
Miscellaneous charges	7 548	1 697
	<hr/>	<hr/>
Totals	<u><u>1 801 969</u></u>	<u><u>2 867 185</u></u>

Summary statement of investments as at 31 December 1982
(Thousands of United States dollars)

	<u>Balance 1 January 1982 cost</u>	<u>Profit or (loss) on sales</u>	<u>Balance 31 December 1982 cost</u>	<u>Income 1982</u>
Bonds (United States \$)	580 502	4 904	737 983	78 903
Convertible bonds (United States \$)	17 619	-	17 619	893
Stocks (United States \$)	600 659	14 304	693 686	32 752
Bonds (other currencies)	481 814	(139)	546 230	35 579
Convertible bonds (other currencies)	36 799	175	37 220	2 154
Stocks (other currencies)	418 075	18 310	414 580	16 196
Real estate and related securities	165 574 <u>a/</u>	(476)	177 790 <u>a/</u>	11 688
Temporary investments (United States \$)	99 562	-	85 750	13 281
Temporary investments (other currencies)	<u>7 142</u>	<u>(295)</u>	<u>-</u>	<u>148</u>
TOTAL PORTFOLIO	<u><u>2 407 746</u></u>	<u><u>36 783</u></u>	<u><u>2 710 858</u></u>	<u><u>191 594</u></u>

a/ This figure includes mortgage payable amounting to \$4 318 569 as at 31 December 1981 and \$4 238 782 as at 31 December 1982.

Comparison of cost value and market value of investments as at
31 December 1981 and 31 December 1982
 (Thousands of United States dollars)

	31 December 1981		Percentage of market value to cost		31 December 1982		Percentage of market value to cost	
	Cost	Percentage of total	Market value	of market value to cost	Market value	Percentage of total	Market value	of market value to cost
Bonds (United States \$)	580 502	24.1	502 297	86.5	737 983	27.2	760 087	103.0
Convertible bonds (United States \$)	17 619	0.7	12 730	72.2	17 619	0.6	14 687	83.4
Stocks (United States \$)	600 659	24.9	682 065	113.6	693 686	25.6	839 476	121.0
Bonds (other currencies)	481 814	20.0	435 472	90.4	546 230	20.1	514 427	94.2
Convertible bonds (other currencies)	36 799	1.5	36 570	99.4	37 220	1.4	43 665	117.3
Stocks (other currencies)	418 075	17.5	572 379	136.9	414 580	15.3	513 430	123.8
Real estate and related securities	165 574	6.9	202 012	122.0	177 790	6.6	203 595	114.5
Temporary investments (United States \$)	99 562	4.1	99 562	100.0	85 750	3.2	85 750	100.0
Temporary investments (other currencies)	7 142	0.3	7 142	100.0	-	-	-	-
TOTAL PORTFOLIO	2 407 746	100.0	2 550 229	105.9	2 710 858	100.0	2 975 117	109.7

Summary of outstanding tax refunds as at 31 December 1982

<u>Source</u>	<u>Local currency</u>	<u>Exchange rate in effect as at 31/12/82</u>	<u>Equivalent in United States dollars</u>
Germany Federal Republic of	DM 52 002.00	2.38	21 849
Japan	¥ 19 681 594.00	234.15	84 055
Malaysia	\$M 242 981.38	2.33	104 283
Mexico	\$Mex 14 359 310.77	160.00	89 745
Singapore	\$S 602 377.84	2.10	286 846
Switzerland	SwF 281 731.80	2.01	140 165
United Kingdom	£ 29 351.95	0.61	48 117
France	FF 73 000.00	6.74	10 830
Philippines	P 662 812.50	9.16	72 359
Papua New Guinea	\$A 9 079.25	0.82	11 072
Spain	Ptas. 4 316 375.00	125.55	34 379
Netherlands	f 370 152.16	2.63	<u>140 742</u>
			<u><u>1 044 442</u></u>

ANNEX III

Report of the Board of Auditors to the General Assembly on the accounts of the United Nations Joint Staff Pension Fund for the year ended 31 December 1982

Introduction

1. In accordance with article 14 of the Regulations of the United Nations Joint Staff Pension Fund (UNJSPF) the Board of Auditors has audited the accounts of the Fund for the year ended 31 December 1982 in a manner agreed between the Board of Auditors and the United Nations Joint Staff Pension Board.
2. The examination was made in accordance with article XII of the Financial Regulations of the United Nations and the annex thereto and with the common auditing standards adopted by the Panel of External Auditors of the United Nations, the Specialized Agencies and the International Atomic Energy Agency. Our examination was conducted at the secretariat of the Pension Board and the Office of Financial Services of the United Nations in New York.
3. The following are the most significant matters arising from our 1982 audit and are intended to assist the Administration in considering and introducing further improvements in the financial management and control system of the Pension Fund. We have discussed these matters with the Administration whose reactions have been incorporated where appropriate.

Summary of findings

4. Our review of the bank reconciliation function disclosed the need for further improvement in the existing procedures to ensure prompt and effective follow-up action on settlement of outstanding bank transactions.
5. Our examination also disclosed that, although significant improvement has been made in the timely remittance of contributions from member organizations, delays still occurred in crediting the Fund with monies received by the Custodian of the Fund.
6. We also noted the need for further improvement in the control procedures for verification of continued entitlement to benefit payments.
7. In addition, given the size and complexity of the UNJSPF investments portfolio, we noted the need for the Administration to make maximum use of the latest techniques and technology for portfolio analysis in order to ensure that investment management and decision-making are carried out with the greatest efficiency possible.
8. Furthermore, we noted, inter alia, the need for the Administration to obtain exemption of the Fund's transactions from stamp duty, and for a re-examination of the Fund's policy with regard to the grace for period for the receipt of interest income from overseas custodians.

9. Our examination also indicated the necessity for the Administration to ensure that adequate insurance coverages are provided by the Custodian of the Fund on all the Fund's investments.
10. We further observed that the Regulations and Rules of the Fund do not provide for coverage of the accounts of the Fund by the internal audit of the United Nations.
11. Furthermore, our review also indicated that an appreciable effort has been made by the Administration to implement recommendations made in the previous report of the Board. However, the recovery of tax refunds has not been satisfactorily effected.

Cash management

Bank reconciliation procedures

12. We observed that the existing procedures for effecting monthly bank reconciliation involve cumbersome and time-consuming processes before the computerized programme can perform the required services. Consequently little time is allowed for effective and prompt follow-up action on unusual items.
13. In order to ensure improvement and efficiency in the procedures and in line with the objectives of the Pension Board to computerize as many of the activities of the Fund's secretariat as practicable, we recommended that the Administration should continue negotiations with the appropriate banks to obtain necessary data on tape to enable a direct input of bank statement information into the computerized bank reconciliation system. Furthermore, the existing computer programmes for bank reconciliation should be revised and updated to accommodate the direct transfer of information from other applicable computerized Pension Fund/United Nations systems into the computerized bank reconciliation system.
14. The Administration accepted our recommendations and informed us that improvement of the existing bank reconciliation procedures has commenced and that it will diligently pursue the development of systems as recommended.

Remittance of contributions

15. In our review of remittance of contributions during 1982 we noted that although some remittances continued to be received late, there was significant improvement over the situation in 1981.
16. In this regard our examination disclosed that funds received by the custodians are sometimes not credited to the Fund until the next working day. In this connection, we considered that significant earnings could be realized if all remittances to the Fund were credited in the first place to an interest-bearing account immediately on receipt by the bank. The Custodian on its part would monitor the status of that account with the bank and invest available funds as appropriate.
17. In addition, we recommended that consideration should be given to expanding the use of fixed monthly contributions by the member organizations according to a

predetermined schedule in relation to current levels of contributions. These fixed monthly contributions could be adjusted every six months.

18. The adoption of the above two arrangements would, in our opinion, maximize the availability of funds to ensure timely and opportune investment. The Administration has accepted our recommendations.

Certificate of entitlement

19. The purpose of this certificate is to provide evidence that a beneficiary is still entitled to the benefit, in the main, that he is still alive. The data on the certificate are not considered adequate enough to provide the needed evidence since a signature could be forged.

20. In order to prevent possible payments to non-existent beneficiaries through misrepresentation, we recommended that the Administration should enhance the reliability of evidence of beneficiaries' continued eligibility status.

21. The Administration informed us that the introduction of the new proof-of-residence form (PENS E/10(1-82)-E) in countries which require annual proof of tax liability for residence will also provide further evidence of entitlement.

Investments

Investment portfolio

22. Our examination of the financial statements of the Fund as of 31 December 1982 indicated that the total market value of investments of \$2,975 million represents \$265 million over the book value. We noted from our examination that since 1950 the Fund has been growing at an annual compound rate of about 20 per cent with the total cost of its assets standing at \$2,710 million as at 31 December 1982.

23. Given the size and complexity of the portfolio, we suggested that the Administration should make maximum possible use of the latest techniques and technology available for portfolio analysis. The Administration took note of our recommendation and has indicated that funds have been requested in the Fund's budget for consultancy services and computer software.

24. In our review and discussions with the Administration we have made recommendations concerning exemption of the Fund's transactions from stamp duty; the confirmation of the appropriateness of charges levied by sub-custodians on gross dividends collected by them; the verification of dividends received; and the need for a re-examination of the Fund's policy with regard to the grace period for the receipt of interest income from overseas custodians. The Administration has responded positively to our recommendations.

Insurance cover

25. In accordance with paragraph 3 of the contract agreements between the Custodian and the Fund, the Custodian shall:

"Provide safekeeping of all securities, cash and other property under a dual control system and maintain insurance on all property of the United Nations including securities held by overseas custodians, in accordance with standard insurance practices."

26. Our review, however, indicated that the Custodian carries an annual bankers' blanket bond coverage of \$100 million to provide insurance protection against loss of property through any dishonest or fraudulent act of any of its employees, damage, destruction or disappearance, forgery or alteration and counterfeited or raised securities. In addition, the sub-custodians maintain insurance coverage which is inspected periodically by the Custodian.

27. We noted, however, that the Administration does not possess copies of policies on the insurance coverage and has not carried out an evaluation of the adequacy of insurance coverage provided by the custodians. In this respect, we considered that the guarantee of the adequacy of the various insurance coverages provided by the Custodian for the investments of the Fund is not completely ensured.

28. Under the circumstances, we recommended a review and an evaluation with expert assistance of the insurance coverages in effect of both the custodians and the sub-custodians of the Fund's investments.

29. The Administration agreed to review the insurance coverages occasionally and indicated that the adequacy thereof is monitored by the Federal Deposit Insurance Corporation, the New York Banking Department and the external auditors of the custodians of the Fund's investments.

Internal audit

30. Our review disclosed that the Regulations and Rules of the Fund do not provide for the auditing of the accounts of the Fund by the Internal Audit Service of the United Nations. As a result, internal audit coverage has been limited to the investment management of the Fund's assets for which the Secretary-General is responsible. Apparently, the examination of the investments is carried out by the Internal Audit Division as part of its audit of the United Nations under rule 111.12 of the United Nations Financial Regulations and Rules. We also noted that an informal arrangement exists as outlined in document JSPB/R.25 of 21 March 1957, whereby the Pension Board gives authority to the Internal Audit Division to carry out an audit of the Fund. We considered that the existing arrangement does not provide a clear mandate to the Division for the audit of all operations of the secretariat of the Fund.

31. The Administration in its response expressed satisfaction with the existing arrangements which are considered to have provided the Fund over the past decades with a very useful service. Nevertheless, the Administration would be prepared to make appropriate provisions in the Fund's Administrative Manual should the Pension Board consider that formal arrangements are still necessary in this area.

32. We nevertheless emphasize that a clear mandate should be provided in the Manual to ensure that an internal audit coverage embraces all the operational and financial aspects of the Fund.

Comments on matters dealt with in the 1981 report

33. The Administration's action on matters raised in the 1981 report a/ of the Board of Auditors was generally satisfactory. We noted, however, that delays in tax refunds involving \$1,044,442 persisted, resulting in a loss of potential income to the Fund as of 31 December 1982. Noting that most of these delays are due to individual governmental policies, we again urged the Administration to continue to review and follow up the delayed refund of the taxes through the respective Permanent Missions to the United Nations.

Acknowledgement

34. The Board of Auditors wishes to express its appreciation for the co-operation and assistance extended by the Secretary of the United Nations Joint Staff Pension Board and the Assistant Secretary-General for Financial Services, their officers and members of staff.

(Signed) H. VREBOS
Senior President of the Court of
Accounts of Belgium

(Signed) A. K. Azizul HUQ
Comptroller and Auditor General
of Bangladesh

(Signed) R. T. NELSON
Auditor General of Ghana

a/ Official Records of the General Assembly, Thirty-seventh Session,
Supplement No. 9 (A/37/9).

ANNEX IV

Administrative expensesTable 1Revised budget estimates for 1983

(Thousands of United States dollars)

Object of Expenditure	Appropriations for 1983	Increase or (decrease)	Revised appropriations requested for 1983
A. ADMINISTRATIVE COSTS	\$	\$	\$
Established posts	1 374.5	(120.0)	1 254.5
Common staff costs	422.1	(40.0)	382.1
Temporary assistance	141.0	-	141.0
Common staff costs	42.3	-	42.3
Overtime	39.5	-	39.5
Travel of staff			
To meetings	29.1	-	29.1
On official business	11.0	-	11.0
Actuarial consulting services	165.0	35.0	200.0
Committee of Actuaries	28.5	-	28.5
Data-processing costs			
Services rendered by United Nations	20.0	-	20.0
Acquisition and maintenance of equipment	77.0	(12.8)	64.2
Contractual services	17.7	-	17.7
Consultants	-	40.0	40.0
Supplies and materials	25.6	-	25.6
External audit	8.1	-	8.1
Communications services	5.0	-	5.0
Hospitality	3.5	-	3.5
Miscellaneous supplies and services	8.4	-	3.5
Total administrative costs	2 418.3	(94.8)	2 323.5
B. INVESTMENT COSTS			
Established posts	315.1	-	315.1
Common staff costs	100.6	-	100.6
Temporary assistance	12.1	18.4	30.5
Common staff costs	3.9	2.5	6.4
Overtime	5.4	-	5.4
Travel of staff	10.7	5.3	16.0
Advisory and custodial fees	2 950.0	-	2 950.0
Investment consultants	27.3	29.3	56.6
Investments Committee	95.2	4.8	100.0
Investment reference services	2.1	10.0	12.1
Communications services	9.0	14.5	23.5
Data Processing	-	27.7	27.7
Hospitality	3.5	-	3.5
Miscellaneous supplies and services	2.1	-	2.1
Total investment costs	3 537.0	112.5	3 649.5
GRAND TOTAL	5 955.3	17.7	5 973.0

Table 2

UNJSPF budget estimates for 1984
(Thousands of United States dollars)

Object of expenditure	Approved appropriations for 1983	Estimated additional requirements			1984 Estimates
		Resource growth (at 1983 rates)	Inflation in 1984	Total Increase	
	\$	\$	\$	\$	\$
A. ADMINISTRATIVE COSTS					
Established posts	1,374.5	103.8	13.0	116.8	1,491.3
Common staff costs	422.1	34.0	45.5	79.5	501.6
Temporary assistance	141.0	(117.0)	1.0	(116.0)	25.0
Common staff costs	42.3	(34.6)	0.8	(33.8)	8.5
Overtime	39.5	-	2.2	2.2	41.7
Travel of staff					
To meetings	29.1	-	1.6	1.6	30.7
On official business	11.0	-	0.6	0.6	11.6
Actuarial consulting services	165.0	(115.0)	-	(115.0)	50.0
Committee of Actuaries	28.5	-	1.6	1.6	30.1
Data-processing costs					
Services rendered by United Nations	20.0	-	-	-	20.0
Rental and maintenance of equipment	77.0	(12.8)	3.5	(9.3)	67.7
Acquisition of equipment					
Contractual services	17.7	80.0	4.4	84.4	84.4
Supplies and materials	25.6	-	1.0	1.0	18.7
External audit	8.1	-	1.4	1.4	27.0
Communications services	5.0	-	-	-	8.1
Hospitality	3.5	-	0.2	0.2	5.0
Miscellaneous supplies and services	8.4	3.0	0.6	3.6	3.7
Total administrative costs	2,418.3	(58.6)	77.4	18.8	2,437.1

Table 2 (continued)

UNJSPF budget estimates for 1984
(Thousands of United States dollars)

Object of expenditure	Approved appropriations for 1983	Estimated additional requirements			1984 Estimates
		Resource growth (at 1983 rates)	Inflation in 1984	Total Increase	
	\$	\$	\$	\$	\$
B. INVESTMENT COSTS					
Established posts	315.1	30.3	(7.5)	22.8	337.9
Common staff costs	100.6	10.3	4.1	14.4	115.0
Temporary assistance	12.1	(5.0)	0.9	(4.1)	8.0
Common staff costs	3.9	(1.5)	0.3	(1.2)	2.7
Overtime	5.4	-	0.3	0.3	5.7
Travel of staff	10.7	15.5	1.4	16.9	27.6
Advisory and custodial fees	2,950.0	550.0	-	550.0	3,500.0
Investment consultants	27.3	42.7	-	42.7	70.0
Investments Committee	95.2	14.8	6.1	20.9	116.1
Investment reference services	2.1	22.9	1.4	24.3	26.4
Communications services	9.0	22.0	1.7	23.7	32.7
Data-processing	-	36.0	2.0	38.0	38.0
Hospitality	3.5	-	0.2	0.2	3.7
Miscellaneous supplies and services	2.1	-	0.1	0.1	2.2
Total investment costs	3,537.0	738.0	11.0	749.0	4,286.0
GRAND TOTAL	5,955.3	679.4	88.4	767.8	6,723.1

Table 3

Staffing table for 1984

Secretariat of the Pension Fund

	1983		1984
	Established posts	Temporary assistance	Established posts
<u>Professional category and above</u>			
D-2	1	-	1
D-1	1	-	1
P-5	4	-	4
P-4	3	-	4 <u>a/</u>
P-3	10	1	12 <u>b/</u>
P-2/1	6	-	4
Total	25	1	26
<u>General Service category</u>			
Principal level	10	1	14 <u>c/</u>
Other levels	44	3	44 <u>c/</u>
Total	54	4	58
GRAND TOTAL	79	5	84

a/ One P-3 classified to P-4.

b/ Two P-2 posts classified to P-3. One P-3 converted from temporary assistance.

c/ Four additional General Service (Principal level) posts consist of three reclassifications and one conversion from temporary assistance.

Table 3 (continued)

Staffing table for 1984

Investment management staff

	Established posts	
	1983	1984
<u>Professional category and above</u>		
D-1	1	1
P-5	1	1
P-4	1	1
P-3	1	2 a/
P-2/1	1	-
Total	5	5
<u>General Service category</u>		
Principal level	-	1 b/
Other levels	5	5
Total	5	6
GRAND TOTAL	10	11

a/ One I-2 reclassified to P-3.

b/ One new General Service Principal level post requested.

ANNEX V

Member organizations of the Fund

The member organizations of the Fund are the United Nations and the following:

European and Mediterranean Plant Protection Organization (EPPO)
Food and Agriculture Organization of the United Nations (FAO)
Interim Commission for the International Trade Organization (ICITO)
International Atomic Energy Agency (IAEA)
International Centre for the Study of the Preservation and the
Restoration of Cultural Property (ICCROM)
International Civil Aviation Organization (ICAO)
International Fund for Agricultural Development (IFAD)
International Labour Organisation (ILO)
International Maritime Organization (IMO)
International Telecommunication Union (ITU)
United Nations Educational, Scientific and Cultural Organization (UNESCO)
World Health Organization (WHO)
World Intellectual Property Organization (WIPO)
World Meteorological Organization (WMO)

ANNEX VI

Membership of the Board and attendance at its thirty-first session

1. The following members and alternates were accredited by the staff pension committees of the member organizations of the Fund in accordance with the rules of procedure:

<u>Members</u>	<u>Alternates</u>	<u>Representing</u>
<u>United Nations</u>		
Mr. M. Majoli (Italy)	Mr. S. Kuttner (United States of America)	General Assembly
Mr. M. Okeyo (Kenya)	Mr. J. Holborn (Federal Republic of Germany)	General Assembly
	*Mr. Y. Takasu (Japan)	General Assembly
	Mr. E. Anon Noceti (Uruguay)	General Assembly
Mr. J. R. Foran (Canada)	Mr. C. Timbrell (United States of America)	Secretary-General
Mr. L. P. Nègre (Mali)	Mr. R. Gieri (United States of America)	Secretary-General
	Mr. S. Y. Huang (People's Republic of China)	Secretary-General
	Mr. P. Szasz (United States of America)	Secretary-General
Ms. S. Johnston (United States of America)	Mr. B. Hillis (Canada)	Participants
Mrs. M. Vicien-Milburn (Argentina)	Mr. G. Fulcheri (Italy)	Participants
	Mr. S. Zampetti (Italy)	Participants
	Mr. A. Tholle (Denmark)	Participants
<u>International Labour Organisation</u>		
Mr. G. F. Starr (Canada)	Mr. E. Ryser (Switzerland)	Participants
	Mrs. H. Leydier (France)	Participants
<u>World Health Organization</u>		
** Dr. A. Sauter (Switzerland)	Dr. A. Tanaka (Japan)	Governing Body
	Mrs. G. Thomas (Seychelles)	Governing Body
	Dr. N. Jogezei (Pakistan)	Governing Body
	Mr. A. Narasingha (Nepal)	Governing Body
	Dr. H. Rodriguez Castells (Argentina)	Governing Body
Mr. G. Dazin (France)	Mr. R. L. Rai (India)	Participants
	Dr. A. Vessereau (France)	Participants
	Mr. A. Piel (United States of America)	Participants
	Dr. D. Ray (India)	Participants
	Mr. V. Babinelli (United States of America)	Participants

* Rapporteur.

** Chairman.

<u>Members</u>	<u>Alternates</u>	<u>Representing</u>
<u>Food and Agriculture Organization of the United Nations</u>		
Mr. M. Bel Fadj Amor (Tunisia)	Ms. M. G. Iuri (Italy)	Executive Head
***Mr. A. Marcucci (Italy)	Mr. M. Arrigo (Italy)	Participants
<u>United Nations Educational, Scientific and Cultural Organization</u>		
Mr. G. V. Rao (India)	Mr. R. Brulard (Belgium)	Governing Body
Mr. W. Zyss (Israel)	Mr. E. S. Solomon (United States of America)	Participants
<u>International Civil Aviation Organization</u>		
Mr. O. Ogunbiyi (Nigeria)	Mr. A. Boyd (Canada)	Governing Body
<u>International Atomic Energy Agency</u>		
Mr. M. Ugalde (Chile)		Governing Body
<u>World Meteorological Organization</u>		
Mr. B. Ziese (Federal Republic of Germany)		Governing Body
<u>International Maritime Organization</u>		
Mr. M. Landey (Canada)	Mr. K. Stangeland (Norway)	Executive Head
	****Mr. D. G. Aitken (United Kingdom of Great Britain and Northern Ireland)	Executive Head
<u>International Telecommunication Union</u>		
Mr. C. Glinz (Switzerland)	Mr. J. Bacaly (France)	Participants
<u>Interim Commission for the International Trade Organization/General Agreement on Tariffs and Trade</u>		
Mr. C. F. Johnson (United Kingdom of Great Britain and Northern Ireland)	Mr. R. Blackhurst (United States of America)	Executive Head
<u>World Intellectual Property Organization</u>		
Mr. T. A. J. Keefer (Canada)		Executive Head
<u>International Fund for Agricultural Development</u>		
Mr. T. Myrvang (Norway)		Executive Head

*** First Vice-Chairman.

**** Second Vice-Chairman.

2. Also present during the discussion of relevant items on the agenda were Mr. B. K. Nehru, Chairman of the Investments Committee, Mr. A. Faria, Mr. J. Guyot, Mr. G. Johnston, Mr. M. Matsukawa, The Honourable David Montagu, Mr. Y. Oltramare, Mr. E. N. Omaboe and Professor S. Raczkowski, members of the Investments Committee, Mr. R. J. Myers, Rapporteur of the Committee of Actuaries and Dr. M. Irwin, Medical Consultant. The Board was assisted, in addition, by Mrs. M. H. Adams and Mr. D. C. Borton, representing George B. Buck Consulting Actuaries, Inc. (Consulting Actuary to the Board), Mr. L. Thomas, Vice Chairman, Fiduciary Trust Company of New York, and Mr. P. Vermilye, Senior Vice-President, Citicorp, the Fund's investment advisers, and Mr. R. M. Leblond (Consultant, The Wyatt Company). Mr. A. Mango and Mr. S. K. Chow attended as Secretary and Deputy Secretary, respectively, of the Board.

3. The following attended the session of the Board as observers for member organizations or other bodies, or as secretaries of staff pension committees:

<u>Observer</u>	<u>Secretary</u>	<u>Staff Pension Committee</u>
Mr. W. Yoffee Mr. A. Ali (Alt. Mr. N. MacCabe Mr. J. P. Picard)	Mr. A. Busca	ILO
Mr. W. Furth	Mr. J. Duriez	WHO
Mr. H. Mends	Ms. C. Gross Mrs. C. Bianchini Mrs. J. Montalto-Dubery	FAO
Mr. G. De Leiris	Mr. K. M. Angelides	UNESCO
Mr. S. E. Jayasekera Mr. F. X. Byrne		ICAO
Mr. L. Alonso de Huarte Mr. W. E. Price	Mr. D. Goethel	IAEA
Mr. M. Husain	Mr. E. Renlund	WMO
Mr. G. S. Santa Cruz Mr. F. Frere van Tongerlooy (Alt. Mr. A. P. Ray)	Mr. F. Andersson Miss B. Harris	IMO
Mr. J. P. Baré	Mr. E. Augsburg	ITU
Mrs. E. Michaud Mr. P. Williams	Mr. H. Glanzmann	ICITO
Mr. G. Frammery		WIPO
Mr. P. Pegazzano		ICCROM
Dr. I. M. Smith		EPPO

4. Certain other bodies or organizations were represented during the whole or part of the session as follows:

<u>Organization</u>	<u>Representative</u>
International Civil Service Commission (ICSC)	Mr. D. Smith Mr. P. Ranadive
Consultative Committee on Administrative Questions (CCAQ)	Mr. J. Tassin
Federation of Associations of Former International Civil Servants (FAFICS)	Mr. S. Grabe Mr. R. L. Smith Mr. P. Montanaro
Federation of International Civil Servants' Associations (FICSA)	Mr. M. Trajtenberg Mr. B. W. Taylor Mr. A. Garofalo Mr. S. E. Felding
Co-ordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA)	Mr. M. Habib-Makar
International Bank for Reconstruction and Development (IBRD)	Mr. R. A. Hamamo

ANNEX VII

Membership of the Standing Committee

The Board appointed the following members and alternate members of the Standing Committee, under rule B.1 of the rules of procedure, from among the members and alternate members of the Board and of staff pension committees:

<u>Members</u>	<u>Alternates</u>	<u>Representing</u>
<u>United Nations (Group I)</u>		
Mr. M. Majoli	Mr. M. Okeyo	General Assembly
	Mr. S. Kuttner	General Assembly
	Mr. J. Holborn	General Assembly
	Mr. Y. Takasu	General Assembly
	Mr. E. Anon Noceti	General Assembly
Mr. J. R. Foran	Mr. L. P. Nègre	Secretary-General
	Mr. C. Timbrell	Secretary-General
	Mr. R. Gieri	Secretary-General
	Mr. V. Elissejev	Secretary-General
	Mr. P. Szasz	Secretary-General
Ms. S. Johnston	Mrs. M. Vicien-Milburn	Participants
	Mr. B. Hillis	Participants
	Mr. G. Fulcheri	Participants
	Mr. S. Zampetti	Participants
	Mr. A. Tholle	Participants
<u>Specialized agencies (Group II)</u>		
Dr. A. Sauter (WHO)	Dr. A. Tanaka (WHO)	Governing Body
	Mrs. G. Thomas (WHO)	Governing Body
	Dr. N. Jomezai (WHO)	Governing Body
	Mr. A. Narasingha (WHO)	Governing Body
	Dr. H. Rodriguez Castells (WHO)	Governing Body
Mr. M. Fellague (WMO)	Mr. M. Bardoux (ITU)	Executive Head
	Mr. L. Alonso de Huarte (IAEA)	Executive Head
	Mr. D. G. Aitken (IMO)	Executive Head
Mr. E. Ryser (ILO)	Mr. G. F. Starr (ILO)	Participants
<u>Specialized agencies (Group III)</u>		
Mr. G. Rao (UNESCO)	Mr. R. Brulard (UNESCO)	Governing Body
Mr. S. Jayasekera (ICAO)	Mr. T. Myrvang (IFAD)	Executive Head
	Mr. C. F. Johnson (ICITO)	Executive Head
	Mr. T. A. J. Keefer (WIPO)	Executive Head
Mr. A. Marcucci (FAO)	Mr. M. Arrigo (FAO)	Participants
	Mr. C. Cherubini (FAO)	Participants
	Mr. E. Paardekooper (FAO)	Participants
	Mr. P. E. Buttinelli (FAO)	Participants

Membership of the Committee of Actuaries

The membership of the Committee is as follows:

Mr. A. C. Ogunshola (Nigeria) - Region I (African States)

Mr. K. Takeuchi (Japan) - Region II (Asian States)

Mr. E. M. Chetyrkin (Union of Soviet Socialist Republics) - Region III (Eastern European States)

Dr. G. Arroba (Ecuador) - Region IV (Latin American States)

Mr. R. J. Myers (United States of America) - Region V (Western European and other States)

Recommendations to the General Assembly for the amendment of the Regulations
of the United Nations Joint Staff Pension Fund

Existing text	Proposed text	Comments
---------------	---------------	----------

Article 1(n)
Definitions

(n) "Own contributions" shall mean the contributions, not exceeding 7 per cent of his pensionable remuneration, made to the Fund by or on behalf of a participant in respect of contributory service under article 22, with interest, provided that, in respect of service in a member organization prior to its admission to membership in the Fund, which has been recognized as contributory, it shall mean:

(i) and (ii) no change.

Article 25
Contributions

(a) Contributions at the rate of 7 per cent of his pensionable remuneration by the participant and at the rate of 14 per cent of his pensionable remuneration by the employing member organization shall be payable to the Fund concurrently with the accrual of contributory service under article 22 (a).

Article 1(n)
Definitions

(n) "Own contributions" shall mean the contributions, not exceeding the percentage of his pensionable remuneration specified in column B in article 25 (a), made to the Fund by or on behalf of a participant in respect of contributory service under article 22, with interest, provided that, in respect of service in a member organization prior to its admission to membership in the Fund, which has been recognized as contributory, it shall mean:

(i) and (ii) no change.

Article 25
Contributions

(a) Contributions by the participant and by the employing member organization shall be payable to the Fund concurrently with the accrual of contributory service under article 22 (a), at the percentage rates of pensionable remuneration specified below:

A For periods of contributory service	B		C By employing member organization %
	By partici- pants	%	
Before 1984	7.00	14.00	
during 1984 and 1985	7.25	14.50	
during 1986 and 1987	7.50	15.00	
during 1988 and 1989	7.75	15.50	
after 1989	8.00	16.00	

The Board is recommending that the rate of contribution be raised from 21 per cent (7 per cent by the participant and 14 per cent by the employing organization) to 24 per cent (8 per cent by the participating organization and 16 per cent by the employing organization) in four steps of 0.75 per cent each on 1 January 1984, 1 January 1986, 1 January 1988 and 1 January 1990.

Existing text	Proposed text	Comments
<p>Article 25 <u>Contributions</u> (continued)</p> <p>(b) (i) Contributions for the purpose of article 22 (b) in respect of a period of leave without pay shall be at the rate of 21 per cent of the pensionable remuneration of the participant payable concurrently with such leave, by the participant in full or by the organization in full, or in part by the participant and in part by the organization;</p>	<p>Article 25 <u>Contributions</u> (continued)</p> <p>(b) (i) Contributions for the purpose of article 22 (b) in respect of a period of leave without pay shall be at a percentage rate of the pensionable remuneration of the participant equal to the applicable rates specified in (a) above payable by the participant and by the employing member organization, combined. Such contributions shall be payable concurrently with such leave, by the participant in full or by the organization in full, or in part by the participant and in part by the organization;</p>	<p>A consequential change resulting from the proposed amendment of article 25 (a).</p>
<p>(ii) No change</p> <p>(c) Contributions for the purpose of validation under article 23 shall be payable, with interest, by the participant and the organization in the amounts which would have been payable respectively by each, had service during the period been contributory, except that in respect of a period of associate participation the amount payable by the organization shall be calculated on the basis of a contribution rate of 9.5 per cent.</p>	<p>(ii) No change</p> <p>(c) Contributions for the purpose of validation under article 23 shall be payable, with interest, by the participant and the organization in the amounts which would have been payable respectively by each, had service during the period been contributory.</p>	<p>Consequential change resulting from discontinuance of associate participation and the limitation on the periods of prior service that may be validated as of 1 January 1983.</p>
<p>(d) and (e) no change.</p>	<p>(d) and (e) no change.</p>	

Draft resolution proposed for adoption by the General Assembly

REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

The General Assembly,

Having considered the report of the United Nations Joint Staff Pension Board for 1983 to the General Assembly and to the member organizations of the United Nations Joint Staff Pension Fund a/, and the related report of the Advisory Committee on Administrative and Budgetary Questions,

I

Amendment of the Regulations of the United Nations
Joint Staff Pension Fund

Amends, with effect from 1 January 1984, the Regulations of the United Nations Joint Staff Pension Fund, without retroactive effect, as set forth in annex IX to the report of the Board;

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 \$6,723,100 (net) for 1984 and additional expenses of \$17,700 (net) for 1983 for the administration of the Fund.

a/ Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 9 (A/38/9).

كيفية الحصول على منشورات الأمم المتحدة
يمكن الحصول على منشورات الأمم المتحدة من المكتبات ودور التوزيع في جميع أنحاء العالم. استعلم عنها من المكتبة التي تتعامل معها
أو اكتب إلى : الأمم المتحدة، قسم البيع في نيويورك أو في جنيف .

如何购取联合国出版物

联合国出版物在全世界各地的书店和经售处均有发售。请向书店询问或写信到纽约或日内瓦的联合国销售组。

HOW TO OBTAIN UNITED NATIONS PUBLICATIONS

United Nations publications may be obtained from bookstores and distributors throughout the world. Consult your bookstore or write to: United Nations, Sales Section, New York or Geneva.

COMMENT SE PROCURER LES PUBLICATIONS DES NATIONS UNIES

Les publications des Nations Unies sont en vente dans les librairies et les agences dépositaires du monde entier. Informez-vous auprès de votre libraire ou adressez-vous à : Nations Unies, Section des ventes, New York ou Genève.

КАК ПОЛУЧИТЬ ИЗДАНИЯ ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ

Издания Организации Объединенных Наций можно купить в книжных магазинах и агентствах во всех районах мира. Наводите справки об изданиях в вашем книжном магазине или пишите по адресу: Организация Объединенных Наций, Секция по продаже изданий, Нью-Йорк или Женева.

COMO CONSEGUIR PUBLICACIONES DE LAS NACIONES UNIDAS

Las publicaciones de las Naciones Unidas están en venta en librerías y casas distribuidoras en todas partes del mundo. Consulte a su librero o diríjase a: Naciones Unidas, Sección de Ventas, Nueva York o Ginebra.
