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Agenda item 97

JOINT INSPECTION UNIT

Question of the continuation of the Joint Inspection Unit

Pension coverage for members of the Joint Inspection Unit

Report of the Advisory Committee on Administrative and  
Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the question of pension coverage for members of the Joint Inspection Unit.
2. The Committee recalled that at its 2442nd plenary meeting, on 16 December 1975, the General Assembly decided, inter alia, to defer consideration of that question to its current session.
3. The documentation before the General Assembly at its thirtieth session had included a report of the Secretary-General (A/C.5/1697) which discussed five possible alternative methods of providing pension coverage to members of the Unit. They were:
  - (a) Inclusion of Inspectors as participants in the United Nations Joint Staff Pension Fund;
  - (b) A separate scheme patterned on the existing scheme for the Judges of the International Court of Justice;
  - (c) Contributions to an Inspector's national retirement scheme;
  - (d) Purchase of a group annuity;
  - (e) Creation of a provident fund.
4. In its related report the Advisory Committee concluded that it was premature at that stage to take a position on the relative merits of those alternatives. The Committee recommended that the question of pension coverage should be considered

in the broader context of the evaluation of the work of the Unit at the thirty-first session of the General Assembly (A/10374, para. 6).

5. The documentation on the question before the General Assembly at its current session includes, in addition to the report of the Secretary-General in document A/C.5/1697, a further report of the Secretary-General (A/C.5/31/30), the observations of the Unit on the question of pensions for Inspectors (A/31/89/Add.1) and paragraphs 89-91 of the report of the United Nations Joint Staff Pension Board at its twenty-first session. 1/

6. In its consideration of the question of pension coverage for Inspectors, the Advisory Committee recalled the recommendation before the General Assembly at its current session that the Joint Inspection Unit be continued after 1 January 1978. In the draft statute of the Unit annexed to its report on the question of the continuation of the Unit, the Advisory Committee has included an article providing for post-retirement benefits for Inspectors in a manner to be determined by the General Assembly (A/31/325, annex, article 14, para. 3).

7. Having reviewed the various alternatives, the Advisory Committee concluded that, inasmuch as it was not intended that Inspectors be staff members, it would be undesirable to assimilate their conditions of service too closely with those of staff. For that reason alternative (a) (inclusion of Inspectors as participants in the United Nations Joint Staff Pension Fund) did not commend itself to the Advisory Committee. On the other hand, such special arrangements as would be made would have to recognize the fact that if the statute of the Unit were to set a maximum limit on the duration of an Inspector's assignment to the Unit, he could, on ceasing to be an Inspector, still be below pensionable age in which case he would most likely return to his national service until the age of retirement; in other words, it is not essential that the benefit which he would receive from the United Nations on leaving the Unit take the form of a pension.

8. In all circumstances, the Advisory Committee recommends that the terms of employment of Inspectors who will be appointed after 1 January 1978 (should the General Assembly decide to continue the Unit) should include provision for a post-retirement benefit, as follows:

A fund will be established into which the organizations and each Inspector will pay monthly for the account of that Inspector contributions equal to 14 per cent and 7 per cent, respectively, of the pensionable remuneration of a staff member at level D-2, step IV, for the month in question. At time of retirement of an Inspector these contributions, together with interest thereon at the statutory rate established under article 11 C of the Regulations of the United Nations Joint Staff Pension Fund, will be paid over to him as a lump sum or, at his discretion, will be used to purchase for him an annuity with or without survivors' benefits.

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1/ Official Records of the General Assembly, Thirty-first Session, Supplement No. 9 (A/31/9).

9. The terms of employment of the present Inspectors do not specify any after-service benefits, other than the death and disability coverage approved by the General Assembly at its thirtieth session (decision (c) taken at the 2442nd plenary meeting, on 16 December 1975, on the agenda item entitled "United Nations pension system"). 2/ As an exceptional measure, in the interest of equity, the Committee is prepared to recommend that a modified version of the arrangements described in the preceding paragraph be applied to the present Inspectors and to any Inspectors who may be appointed under the present mandate of the Unit (i.e., those whose contracts will expire on 31 December 1977), namely that on 1 January 1977 the organizations pay into a fund, for the account of each Inspector, a sum equal to 14 per cent of the pensionable remuneration of a staff member at level D-2, step IV, corresponding to each year of service or portion thereof, without accrued interest, and monthly thereafter 14 per cent of that month's pensionable remuneration. On 31 December 1977 or the date of retirement, if earlier, these amounts, together with interest since 1 January 1977 at the statutory rate established under article 11 C of the Regulations of the United Nations Joint Staff Pension Fund, would be paid over to the Inspectors as lump sums or, at each Inspector's discretion, would be used to purchase an annuity for him with or without survivors' benefits.

10. The financial implications for the organizations in 1977, to be divided among them in accordance with the agreed formula, would be:

For the period 1968-1976 . . . . .	\$257,000
For 1977 . . . . .	64,000
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	\$321,000

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2/ Ibid., Thirtieth Session, Supplement No. 34 (A/10034), p. 148, item 106.