

**UNITED**



**NATIONS**

**UNITED NATIONS JOINT STAFF PENSION FUND**  
**ANNUAL REPORT OF THE**  
**UNITED NATIONS JOINT STAFF PENSION BOARD**  
**for the year ended 31 December 1950**  
**and**  
**SUPPLEMENTARY REPORT**  
**as of 31 May 1951**

**GENERAL ASSEMBLY**  
**OFFICIAL RECORDS : SIXTH SESSION**  
**SUPPLEMENT No. 8 (A/1846)**

( 17 p. )

NEW YORK, 1951



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**UNITED NATIONS**  
**JOINT STAFF PENSION FUND**





**ANNUAL REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD FOR THE YEAR  
ENDED 31 DECEMBER 1950**

**I. First session of the Joint Staff Pension Board**

1. The General Assembly of the United Nations in 1946, when planning a pension scheme for its own Secretariat, made provision for the specialized agencies to become member organizations in that Scheme and to share in its administration. By October 1950 three specialized agencies had become member organizations in the Fund, thus establishing a Joint Fund, and the first session of the joint administrative body, the Joint Staff Pension Board, was held.

2. This Board convened in New York from 18 to 25 October 1950. In accordance with article 22 of the Regulations, its membership consisted of representatives of the World Health Organization, the Food and Agriculture Organization, the International Labour Organisation, and the United Nations. These representatives had been elected or appointed by the Governing Bodies, the Chief Executives and the Secretariats of these organizations.

3. This first session of the Board dealt with a long agenda of policy and procedural matters which had been referred to it by its member organizations.

*(a) FIRST ACTUARIAL VALUATION OF THE FUND*

4. The Board received the report of the actuaries on the first actuarial valuation of the Fund.

5. In accordance with article 31 of the Regulations, this valuation was made at 31 December 1949 by Mr. George Buck of New York, with the collaboration of Dr. Hans Wyss, of Zurich, Switzerland.

6. The report of the actuaries stated that the valuation had shown the Fund to be in sound condition and they recommended that the rates of contribution to the Fund should continue unchanged.

7. The Joint Staff Pension Board therefore proposes to the General Assembly of the United Nations and to the member organizations that no action be taken as a result of the report of the actuaries.

*(b) ADMINISTRATIVE RULES*

8. To carry out the Regulations of the Joint Staff Pension Fund as it is now constituted, the provisional Administrative Rules previously reported to the General Assembly were re-examined and the Administrative Rules which appear in annex II to this report were adopted and are hereby reported to the General Assembly as required in Article 36 of the Regulations.

*(c) ADOPTION OF MEDICAL STANDARDS AND PROCEDURES*

9. Medical examinations are required for the purpose of determining eligibility for disability and death

benefits. Experience had shown that the provisional medical standards adopted four years ago required re-examination. A sub-committee of the Board was therefore appointed, consisting mainly of the Medical Officers of the member organizations, to make a revision of the standards and procedures.

10. On the report of this sub-committee, revised medical standards were adopted.

*(d) APPOINTMENT OF AUDITORS OF THE FUND*

11. In its review of financial procedures, the Joint Staff Pension Board noted that the Regulations made no provision for an audit of the Fund and considered an amendment to the Regulations for this purpose. As an interim arrangement, the United Nations Secretary-General was requested to ask the Board of Auditors of the United Nations to audit the accounts for the period ending 31 December 1950.

*(e) DELEGATIONS TO THE FIRST SESSION OF THE JOINT STAFF PENSION BOARD*

12. The members of the Board in attendance at its first session were:

*Chairman:* Mr. R. T. CRISTOBAL

<i>Delegation of the United Nations</i>	<i>Representing</i>
Mr. R. T. Cristobal	General Assembly
Mr. N. I. Klimov	General Assembly
Miss Carol Laise	General Assembly
M. Georges Palthey	Secretary-General
Miss Elisabeth Scheltema	Secretary-General
Mr. Laurence Michelmoré	Secretary-General
Mr. W. P. Barrett	Secretary-General
Mr. Marc Schreiber	Participants
Mr. R. M. Trachtenberg	Participants
Mr. David Vaughan	Participants
M. Georges Rabinovitch	Participants
M. François Eyriey	Participants

*Delegation of the World Health Organization*

Dr. H. van Zile Hyde	Governing Body
Mr. Milton P. Siegel	Director-General
Miss Bernice Newton	Director-General
Mr. Frank Gutteridge	Participants

*Delegation of the Food and Agriculture Organization*

Mr. Frank Weisl	Pension Committee of FAO
Mr. D. Richards	Pension Committee of FAO
Mr. Irving Posner	Pension Committee of FAO

*Delegation of the International Labour Organisation*

Mr. Charles R. McCord	Governing Body
Mr. R. A. Metall	Director-General
Mr. J. Lemoine	Director-General
Mr. A. Zelenka	Participants

during the year. This increase was largely due to the admission of the three member organizations mentioned above. The total number of members who have entered the Fund since its inception in 1947 is 6,536, and the number of withdrawals for the same period, 1,046.

**II. Operations of the Fund**

(a) FINANCIAL STATEMENTS

13. The financial statements of the Fund for the year 1950, duly certified by the Board of Auditors, are appended to this report as annex I.

(b) MEMBERSHIP

14. On 31 December 1950 the active membership of the Fund was 5,490, an increase of 1,949 members

(c) PAYMENT OF BENEFITS

15. Under the Regulations, the following types of benefits are payable: retirement benefits, widows' benefits, children's benefits, disability benefits, and withdrawal benefits. The number and value of the benefits of each type authorized during 1950 and since the inception of the Fund are given in the following tables:

BENEFITS AUTHORIZED IN 1950					
<i>Details</i>	<i>Retirement</i>	<i>Widows' benefits</i>	<i>Children's benefits</i>	<i>Disability</i>	<i>Withdrawal</i>
Number of benefits authorized in 1950 .....	8	1	2	2	607
Annual value of benefits authorized in 1950 which are currently payable .....	\$2,021.98	\$828.48	\$600.00	\$2,271.02	
Lump-sum payments made on commutation of benefits in 1950 .....	\$7,961.24				
Total amount of withdrawal benefits paid in 1950 .....					\$213,183.36

  

BENEFITS AUTHORIZED FROM 1947 TO 1950					
<i>Details</i>	<i>Retirement</i>	<i>Widows' benefits</i>	<i>Children's benefits</i>	<i>Disability</i>	<i>Withdrawal</i>
Number of benefits authorized from 1947 to 1950 .....	24	6	6	4	1,046
Less: Benefits commuted in full or discontinued .....	9	1	2	1	
Number of benefits currently payable .....	15	5	4	3	
Annual value of benefits authorized from 1947 to 1950 which are currently payable .....	\$3,447.06	\$3,809.48	\$1,200.00	\$4,290.02	
Lump-sum payments made on commutation of benefits from 1947 to 1950 .....	\$22,042.47				
Total amount of withdrawal benefits paid 1947 to 1950...					\$464,237.01

(d) STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR 1950

16. The financial statements show the excess of income over expenditure for the year 1950 at \$6,165,527. That figure includes non-recurring income of approximately \$1,300,000, representing the accumulated contributions of the staff of the new member organizations for their years of service prior to entering the Fund.

17. Income from investments amounted to \$252,577.

18. The total value of benefits paid during the year was \$235,265, of which withdrawal benefits accounted for \$213,183. Up to 31 December 1950, withdrawal benefits represented simply the return of the member's own contributions. From 1 March 1951 onward, in a steadily growing number of cases, the withdrawal benefits payable will be the actuarial equivalent in cash of the acquired retirement benefit rights.

(e) BALANCE SHEET AT 31 DECEMBER 1950

19. The amount of uninvested cash on hand at \$214,083 contains \$137,882 earmarked for the payment of securities which were in the course of delivery at the date of the balance sheet. The true uninvested cash balance was therefore \$76,201.

20. Contributions receivable in the amount of \$369,832 are made up of the contributions due at the close of the year from member organizations. They have since been collected in full.

21. Investments at book value amounted to \$13,579,826 at the end of 1950. As will be seen from schedule A of the financial statements, these investments consisted of United States Federal Government paper and highly-graded United States corporate paper, mostly of railways and utilities.

22. The accounts payable at \$139,382 are almost entirely made up of the amount of \$137,882 payable for investments in transit at 31 December 1950, as already referred to in connexion with the cash balance.

23. The principal of the Fund at the beginning of 1950 was .....	\$ 7,920,213
To that figure has to be added the excess of income over expenditure for the year .....	6,165,527
Making a total Fund at 31 December 1950 of .....	\$14,225,122

24. In view of the large accession of new members to the Fund during 1950 of whom full details had not been received at 31 December 1950, it was not possible to present an actuarial statement of the assets and liabilities of the Fund as at that date.

25. The financial balance sheet of the Fund was certified by the United Nations Board of Auditors without reservation.

(f) INVESTMENTS

26. The investments of the Fund have been made by the Secretary-General of the United Nations in accordance with the policy laid down by the Investments Committee appointed as provided in Article 25 of the Regulations. The Board recorded its approval of the conservative policy followed so far in the investments of the Fund. The rate of yield of the present investments is a little in excess of 2½ per cent per annum, which was the rate of interest assumed for the actuarial basis of the Fund. A statement of the investments of the Fund at 31 December 1950 is attached as schedule A to the financial statements.

27. The members of the Investments Committee are:

Mr. Ivar Rooth, Mr. Jacques Rueff, and Mr. L. R. Rounds.

**SUPPLEMENTARY REPORT AS OF 31 MAY 1951**

1. In view of the long interval between 31 December 1950, the date as of which the foregoing report was written, and the date of the next session of the General Assembly, at which it will be presented, the following supplementary information as to developments up to 31 May 1951 has been added.

**I. New member organizations**

2. Since 31 December 1950 two more specialized agencies have become member organizations in the United Nations Joint Staff Pension Fund. These are the United Nations Educational, Scientific and Cultural Organization, which entered the Fund as at 1 January 1951, and the International Civil Aviation Organization, which entered the Fund as at 1 March 1951.

3. With the admission of these two organizations, the five major specialized agencies have now become member organizations in the United Nations Joint Staff Pension Fund. When the admission of these organizations has been completed the membership of the Fund will approach seven thousand. It is hoped to have the records of these seven thousand members completed for 31 December 1951, so that the actuarial valuation to be carried out as at that date will cover the United Nations and the five major specialized agencies. Thereafter an actuarial balance sheet of the Fund will be submitted each year along with the financial statements.

**II. Financial position at 31 May 1951**

4. During the first five months of 1951 the Fund increased by \$2,199,978, showing a total Fund at 31 May 1951 of \$16,285,718.

5. Benefits paid during these five months amounted to \$211,924 as follows:

Withdrawal benefits (return of members' contributions) .....	\$200,130
Substantive benefits (retirement, disability, etc.) ..	11,794
Total benefits paid in the five months ended 31 May 1951 .....	\$211,924

**III. Second session of the Joint Staff Pension Board**

6. The second session of the Joint Staff Pension Board was held in Geneva in April 1951, and was presided over by Mr. G. A. Johnston of the International Labour Office.

(a) GENERAL

7. At this session, the Joint Board, *inter alia*:

(i) Received and approved the financial statements of the Fund for the year 1950 (attached hereto as annex I);

(ii) Received the report of the Board of Auditors of the United Nations on the financial statements;

(iii) Received and approved the report of the Standing Committee of the Board;

(iv) Approved the annual report of the Board for presentation to the General Assembly of the United Nations and to the member organizations;

(v) Reviewed a statement of the investments of the Fund;

(vi) Reviewed the medical standards and adopted amendments thereto;

(vii) Reviewed the Administrative Rules and adopted amendments thereto;

(viii) Adopted financial and general reporting procedures for the conduct of the business of the Fund;

(ix) Elected a Secretary to the Board and a Deputy Secretary and made recommendations with regard to the appointment of a Medical Consultant to the Board.

(b) AMENDMENTS TO THE REGULATIONS OF THE PENSION FUND

8. Many proposals were submitted to the Board by the Pension Committees of member organizations for amendments to the Regulations having for their object:

(i) Clarification of the Regulations;

(ii) Modifications of the rates of benefit;

(iii) Changes in the administrative and financial organization of the Fund;

(iv) Changes in the Regulations relating to currencies in which contributions and benefits may be paid.

9. After examining all these proposals in detail, the Board reached the view that amendments to the Regulations should not be made frequently, and only after complete enquiry and with actuarial advice. Administrative practices related to the operation of the Pension Fund had not yet had time to crystallize, especially in the recently-admitted organizations. The Board therefore decided that it would not submit any proposals for amendment of the Regulations to the 1951 session of the General Assembly. It further decided to refer all such proposals for full examination to two working parties, one to meet in Geneva and one to meet in New York, the two working parties also to arrange joint meetings and to report back to the Board at its third session.

10. The Board's general views on the various proposals submitted and its directives to the working parties are contained in the summary records of its second session, and in a series of resolutions passed at that session.

(c) REPORT OF INTERPRETIVE DECISION TAKEN BY THE  
JOINT BOARD

11. The Board wishes to report to the General Assembly the following interpretive decision which it had to take as a matter of emergency. The Regulations provide that the widow of a deceased participant shall cease to draw her widow's pension on her remarriage. The Regulations do not say whether an allowance payable to a child of a deceased participant shall also cease on the remarriage of the widow.

12. The Board decided that as the child had acquired the right to the allowance through the membership of his father in the Pension Fund, the remarriage of the widow had no bearing on the right of the child to receive his allowance.

(d) DELEGATIONS TO THE SECOND SESSION OF THE  
JOINT STAFF PENSION BOARD

13. The following delegations from the six organizations participating in the Joint Fund were in attendance during the session:

*United Nations*

	<i>Representing</i>
Mr. R. T. Cristobal	General Assembly
Miss Carol Laise	General Assembly
Mr. H. C. Andersen	Secretary-General
Mr. G. Palthey	Secretary-General
Miss Elisabeth Scheltema	Secretary-General
Mr. Marc Schreiber	Participants
Mr. R. Trachienberg	Participants
Mr. D. Vaughan	Participants

*World Health Organisation*

Dr. A. J. Höjer	Assembly
Mr. Milton P. Siegel	Director-General
Mr. H. C. Grant and Miss B. Newton (Al- ternates)	
Mr. F. Gutteridge and Mr. C. H. Moore (Alternate)	Participants

*International Labour Organisation*

Professor W. Rappard	Conference
Mr. G. A. Johnston	Director-General
Mr. H. Reymond (Al- ternate)	Participants
Mr. A. Zelenka	Participants

*Food and Agriculture Organisation*

Miss Carol Laise	Conference
Mr. Irving Posner and Mrs. M. Dillon (Alter- nates for Dr. Finn)	Director-General

*United Nations Educational, Scientific and Cultural  
Organisation*

Mr. G. Ladreit de Lacharrière	General Conference
Mr. R. Harper-Smith	Director-General
Mr. L. Lind	Participants

*International Civil Aviation Organisation*

Mr. C. S. Booth	Assembly
Mr. W. S. Chaney	Secretary-General
Mr. R. J. Moulton	Participants

## ANNEX I

## UNITED NATIONS JOINT STAFF PENSION FUND

## Financial statements for the year ended 31 December 1950

## BALANCE SHEET AS AT 31 DECEMBER 1950

*Assets*

Cash at bank .....	\$ 214,083
Contributions receivable .....	369,832
Interest accrued on investments .....	61,381
Investments, at cost, adjusted for amortization of premiums and dis- counts, per schedule A (market value, \$13,454,546) .....	13,579,826
	<u>14,225,122</u>

*Liabilities and principal of Fund*

Accounts payable .....	139,382
Principal of Fund:	
Balance as at 1 January 1950 .....	\$7,920,213
Add: Excess of income over expenditure for the year ended 31 De- cember 1950, per statement of income and expenditure .....	<u>6,165,527</u>
	<u>14,085,740</u>
	<u>\$14,225,122</u>

*Certified correct*

(Signed) Bannerman CLARK  
Secretary

United Nations Joint Staff Pension Board

*Approved*

(Signed) Marc SCHREIBER  
(Signed) L. MICHELMORE  
Members,

United Nations Joint Staff Pension Board

## AUDIT CERTIFICATE

The financial statements of the United Nations Joint Staff Pension Fund for the financial year ended 31 December 1950 have been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as the result of the audit, that, in our opinion, the above balance sheet and the related statement of income and expenditure are correct.

(Signed) Watson SELLAR, Canada  
A. CEBALLOS, Colombia  
Otto F. REMKE, Denmark

## STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1950

*Income*

Contributions by staff members of participating organizations:	
Regular 7% of pensionable remuneration .....	\$1,591,398
Transfers from Provident Funds .....	759,489
Voluntary contributions to make past service pensionable .....	21,660
Voluntary contributions for purchase of additional benefits .....	<u>2,880</u>
	\$2,375,427
Contributions by participating organizations:	
Regular 14% of pensionable remuneration .....	3,182,795
Payments to complement staff members' balances transferred from Provident Funds .....	546,672
Contributions to make past service pensionable .....	<u>43,321</u>
	3,772,788
Income from investments, etc. ....	<u>252,577</u>
	6,400,792

*Expenditure*

Benefits paid:	
Withdrawal .....	\$213,183
Retirement .....	13,308
Disability .....	4,093
Widows .....	3,424
Children and orphans .....	1,257

235,265

*Excess of income over expenditure*

\$6,165,527

*Note:* Administrative expenses are borne by the United Nations, in accordance with Article 27 of the Regulations for the Fund approved by the General Assembly.

**Schedule A**

UNITED NATIONS JOINT STAFF PENSION FUND

INVESTMENTS AS AT 31 DECEMBER 1950

<i>Security</i>	<i>Cost<sup>a</sup> \$</i>	<i>Security</i>	<i>Cost<sup>a</sup> \$</i>
United States of America Savings Bonds, Series F, dated 1/11/1946, due 1/11/1958 .....	111,015	Monongahela Railway Company Guaranteed First Mortgage, Series B, 3¼%, due 1/2/1966 .....	73,194
United States of America Savings Bonds, Series F, dated 1/1/1947, due 1/1/1959 .....	110,550	United States of America Treasury Bonds of 1962-67, 2½%, due 15/6/1962-67 .....	203,833
United States of America Savings Bonds, Series F, dated 1/12/1947, due 1/12/1959 .....	92,046	Philadelphia Electric Company First and Refunding Mortgage, 2¾%, due 1/11/1967 .....	254,184
United States of America Savings Bonds, Series F, dated 1/4/1948, due 1/4/1960 .....	214,276	Consolidated Natural Gas Company Debenture, 2¾%, due 1/4/1968 .....	153,371
United States of America Savings Bonds, Series F, dated 1/7/1948, due 1/7/1960 .....	1,523,930	Public Service Electric and Gas Company First and Refunding Mortgage, 3¼%, due 1/7/1968..	11,644
United States of America Savings Bonds, Series F, dated 1/1/1949, due 1/1/1961 .....	105,139	Ohio Power Company First Mortgage, 3¼%, due 1/10/1968 .....	210,931
American Telephone and Telegraph Company Convertible Debenture, 2¾%, due 15/12/1961 ....	209,060	United States of America Treasury Bonds of 1963-68, 2½%, due 15/12/1963-68 .....	203,133
United States of America Savings Bonds, Series F, dated 1/1/1950, due 1/1/1962 .....	102,533	United States of America Treasury Bonds of 1964-69, 2½%, due 15/6/1964-69 .....	305,440
United States of America Savings Bonds, Series F, dated 1/4/1950, due 1/4/1962 .....	101,894	United States of America Treasury Bonds of 1965-70, 2½%, due 15/3/1965-70 .....	305,240
United States of America Treasury Bonds of 1959-62, 2¼%, due 15/6/1959-62 .....	704,458	Cleveland Electric Illuminating Company First Mortgage, 3%, due 1/7/1970 .....	146,426
United States of America Savings Bonds, Series F, dated 1/10/1950, due 1/10/1962 .....	1,006,312	Boston Edison Company First Mortgage, Series A, 2¾%, due 1/12/1970 .....	120,883
Chicago Union Station Company First Mortgage, Series F, Guaranteed 3½%, due 1/7/1963 ....	170,816	Detroit Edison Company General and Refunding Mortgage, Series H, 3%, due 1/12/1970 .....	139,600
Erie Railroad Company Equipment Trust of 1950, dated 15/7/1950, Guaranteed 2¾%, due 15/1/1964 .....	72,952	United States of America Treasury Bonds of 1966-71, 2½%, due 15/3/1971 .....	311,145
Quaker Oats Company Debenture, 2½%, due 1/7/1964 .....	59,987	Standard Oil Company of New Jersey Debenture, 2¾%, due 15/5/1971 .....	241,822
Erie Railroad Company Equipment Trust of 1950, dated 15/7/1950, Guaranteed 2¾%, due 15/7/1964 .....	72,886	Consolidated Edison Company of New York Incorporated First and Refunding Mortgage, Series C, 2¾%, due 1/6/1972 .....	210,682
Great Northern Railway Equipment Trust Certificates of 1950, Guaranteed 2¾%, due 1/2/1965..	145,627	United States of America Treasury Bonds of 1967-72, 2½%, due 15/6/1972 .....	406,057
National Steel Corporation First Collateral Mortgage 3%, due 1/4/1965 .....	124,451	United States of America Treasury Bonds of 1967-72, 2½%, due 15/12/1972 .....	355,634
Chesapeake and Ohio Railway Company Fourth Equipment Trust of 1950, Guaranteed 2½%, due 15/5/1965 .....	125,682	Pacific Gas and Electric Company First and Refunding Mortgage, Series 1, 3%, due 1/6/1974	258,940
Texas Corporation Debenture 3%, due 15/5/1965	125,682	Cincinnati Union Terminal Company Guaranteed First Mortgage, Series C, 2¾%, due 1/8/1974	239,095
Southern California Edison Company Limited First and Refunding Mortgage, 3%, due 1/9/1965 ..	239,406	Government of Canada Bonds of 1953-74, 2¾%, due 1/9/1974 .....	526,437
Chesapeake and Ohio Railway Company Fourth Equipment Trust of 1950, Guaranteed 2½%, due 15/11/1965 .....	98,168	Kansas City Terminal Railway Company First Mortgage, 2¾%, due 1/10/1974 .....	51,540
Atlantic Refining Company Debenture, 2½%, due 15/1/1966 .....	161,165	Virginia Electric and Power Company First and Refunding Mortgage, Series E, 2¾%, due 1/3/1975 .....	126,594

<sup>a</sup> Adjusted for amortization of premiums and discounts.

<i>Security</i>	<i>Cost<sup>a</sup></i> \$
Consumers Power Company First Mortgage, 2 $\frac{7}{8}$ %, due 1/9/1975 .....	229,124
American Telephone and Telegraph Company Debenture, 2 $\frac{3}{4}$ %, due 1/10/1975 .....	94,694
Cincinnati Gas and Electric Company First Mortgage, 2 $\frac{3}{4}$ %, due 1/10/1975 .....	147,992
Northern States Power Company First Mortgage, 2 $\frac{3}{4}$ %, due 1/10/1975 .....	243,287
Buffalo Niagara Electric Corporation First Mortgage, 2 $\frac{3}{4}$ %, due 1/11/1975 .....	250,674
Union Pacific Railroad Company Debenture, 2 $\frac{7}{8}$ %, due 1/2/1976 .....	255,949
Socony Vacuum Oil Company Incorporated Debenture, 2 $\frac{1}{2}$ %, due 1/6/1976 .....	245,659
Tampa Electric Company First Mortgage, 2 $\frac{3}{8}$ %, due 1/8/1976 .....	246,563

<i>Security</i>	<i>Cost<sup>a</sup></i> \$
Commonwealth Edison Company First Mortgage, Series L, 3%, due 1/2/1977 .....	105,538
Pacific Telephone and Telegraph Debenture, 3 $\frac{1}{4}$ %, due 1/3/1978 .....	138,623
Commonwealth Edison Company First Mortgage, Series N, 3%, due 1/6/1978 .....	157,639
Illinois Bell Telephone Company First Mortgage, Series B, 3%, due 1/6/1978 .....	137,839
Duke Power Company First and Refunding Mortgage, 2 $\frac{7}{8}$ %, due 1/2/1979 .....	145,077
Delaware Power and Light Company First and Collateral Trust, 2 $\frac{7}{8}$ %, due 1/7/1979 .....	259,216
Public Service Electric and Gas Company First and Refunding Mortgage, 2 $\frac{3}{4}$ %, due 1/5/1980..	233,609
Atlantic City Electric Company First Mortgage, Series A, 2 $\frac{7}{8}$ %, due 1/11/1980 .....	255,610
	<u>\$13,579,826</u>

## ANNEX II

### UNITED NATIONS JOINT STAFF PENSION FUND

#### Administrative Rules

(as revised by the Joint Pension Board—April 1951)

#### SECTION I

##### *Definitions*

1.1. For the purpose of these Administrative Rules:

(a) "Participating organization" means the United Nations and any specialized agency referred to in Article 57, paragraph 2, of the Charter which has been admitted to the Fund under article 28 of the Regulations;

(b) "Board" means the United Nations Joint Staff Pension Board;

(c) "Committee" means a Staff Pension Committee of a participating organization;

(d) "Regulations" means the Regulations of the Fund;

(e) "Fund" means the United Nations Joint Staff Pension Fund;

(f) "Competent authority" means the executive heads of participating organizations, or a person duly designated by them for the purpose of these rules;

(g) "Medical standards" means the medical standards adopted by the Board.

#### SECTION II

##### *Admission of participants*

2.1. Each competent authority shall notify to the Secretaries of their respective Committees the appointment of every staff member entitled to participate in the Fund.

2.2. Each participant on entry into the Fund shall complete in duplicate the Entrant's Declaration Form (Form UN/P/133 a), on which shall be stated the name or names of the beneficiary or beneficiaries designated under article 7 (3) (e) of the Regulations.

2.3. When completing the Entrant's Declaration Form under 2.2 above, each participant shall submit proof of his age, and in the case of a married male staff member, proof of marriage and of the age of his wife and of any children under 18 years of age, and in the case of a female staff member, of the age of any dependent children under 18 years of age. Each participant shall similarly report any alterations in these particulars (marriage, death of wife, divorce, re-

marriage, birth of children or death of children under the age of 18.

2.4. (a) One copy of each Entrant's Declaration Form shall be kept as the office file copy of the participating organization and the other copy stamped and returned to the participant.

(b) The participant's "History Record Card" shall be completed either by the competent authority of the participating organization or by the Secretary of the Committee concerned, recording information from:

- (i) Entrant's Declaration Form
- (ii) Entrant's "personnel" file
- (iii) Earnings records
- (iv) Provident Fund records

(c) The "History Record Card" shall be forwarded when completed to the Secretary of the Board.

(d) A schedule giving names and current salaries of new entrants having qualified for entry during each month shall be sent to the Secretary of the Board at the end of each month.

(e) Changes in marital and family status shall be reported to the Secretary of the Board by each participating organization in a manner to be determined by the organization, but not later than at the date of submission of the annual list of pensionable earnings provided for in paragraph 3 of section IX of these rules.

2.5. Each participant shall be held responsible for the accuracy of the information given by him in execution of the preceding rules. The Fund and its organs shall be entitled to rely on this information, and no liability shall be incurred by the Fund in consequence of any action taken, or authorized, in reliance upon the accuracy of such information.

2.6. The competent authority of each participating organization shall certify that information given by participants agrees with the records in his possession or produced before him.

#### SECTION III

##### *Medical procedures*

3.1. (a) The medical standards approved by the Board shall be applied in a uniform manner by the medical officers of the participating organizations.

(b) Medical examinations shall be carried out for the staff of a participating organization by the medical officer appointed by that organization. In the case of a



staff member at a location where a medical officer appointed by his organization is not available, his medical examination may be carried out by a physician approved by the medical officer of that organization. In such cases the medical report of the physician shall be addressed to the medical officer of the organization for review before action is taken.

(c) The medical officer shall perform an examination necessary to supply the information called for in the form entitled "Joint Staff Pension Fund Physical Examinations". Reports of medical examinations held for employment purposes prior to the admission of a staff member into the Fund may be used for the purposes of the Pension Fund at the discretion of the medical officer.

(d) The medical officer shall apply the medical standards adopted by the Board in the light of his over-all clinical evaluation of the individual.

3.2. (a) Participants shall be classified by the medical officer in one of the three following classes:

*Class 1*—Absence of any significant physical or mental defect which might involve increased risk as to death or long-term disability.

*Class 2*—Presence of a correctible defect which involves increased risk as to death or long-term disability.

*Class 3*—Presence of a defect which cannot be corrected and which involves increased risk as to death or long-term disability.

(b) The medical officer, before presenting his report to the Committee, as laid down in rule 3.3, shall inform the participant classified under Class 2 or 3 of his conclusions.

(c) A participant who is classified under Class 2 or Class 3 may authorize the medical officer in writing to release such information to the Committee as to enable it to review the case with knowledge of the grounds on which the classification is based.

3.3. Medical officers shall present a report on each medical examination to the Committee of their organization. The Committee shall declare on the basis of the medical report whether or not the participant shall be entitled immediately to the benefits provided under articles 5 and 7 of the Regulations. The decision taken by the Committee shall be recorded and forwarded immediately to the Secretary of the Board. Within fourteen days of the decision the Secretary of the Committee shall notify the participant in writing.

3.4. A participant whose classification is approved by the Committee as Class 1 under the medical standards shall be declared to be entitled immediately to the benefits provided under articles 5 and 7 of the Regulations. A participant whose classification is approved by the Committee as Class 2 or Class 3 under the medical standards shall be declared not to be entitled to the benefits provided under articles 5 and 7 of the Regulations until he has five years of contributory service.

3.5. A participant who is classified by the Committee under Class 2 may have his classification reconsidered when his defect has been satisfactorily corrected. When making the initial report the medical officer shall in-

form the Committee of the time at which re-examination has been recommended to the applicant. The medical officer shall submit a report to the Committee upon the re-examination.

3.6. A participant who refuses to undergo a medical examination in accordance with paragraph 3.1 above shall be declared not to be entitled to the benefits provided under articles 5 and 7 of the Regulations until he has five years of contributory service.

3.7. In the case of re-employment of a participant who was in receipt of a disability benefit in accordance with article 12, paragraph (c) of the Regulations, the findings of the medical examination undergone by this participant on his initial entry into the Fund may be accepted by the Committee when applying article 9 of the Regulations.

3.8. A participant who has been notified of a decision by the Committee that he has been declared not to be entitled to the benefits provided under articles 5 and 7 of the regulations until he has five years of contributory service may, within thirty days of receiving notice, request the Committee to reconsider his case. In this event, a medical board shall be set up consisting of:

- (i) A qualified physician selected by the participant;
- (ii) The medical officer of the organization or a physician designated by him;
- (iii) A third qualified physician who shall be selected by the first two and who shall not be a medical officer of a participating organization.

The decision of the Committee taken after considering the report of the medical board shall be final.

If the Committee after receiving the report of the medical board reverses its original decision, the participating organization concerned shall bear the medical fees and incidental expenses; if the original decision is sustained, the participant shall bear the medical fees and the incidental expenses of the physician whom he selected and half of the medical fees and expenses of the third physician on the medical board. The portion of the fees and of the expenses not borne by the participant shall be paid by the participating organization concerned.

A copy of the report of the medical board, together with the decision of the Committee, shall be communicated to the Medical Consultant. The decision of the Committee shall be communicated to the Secretary.

3.9 (a) The Board shall appoint a medical consultant to assist in the implementation of the Regulations and these rules.

(b) In order to ensure uniform application of the medical standards, the Medical Consultant to the Board and the medical officers of the participating organizations will maintain a continuous and regular contact. The medical officers of the participating organizations may be invited by the Medical Consultant to furnish information on the manner in which the approved medical standards are being applied by them.

(c) With regard to disability cases, the medical officers of the participating organizations shall furnish to the Medical Consultant all necessary medical information.

(d) The Medical Consultant shall report to the Board, at the request of the Board, on the manner in which the medical standards are being applied.

#### SECTION IV

##### *Organization of Committees*

4.1. In accordance with articles 20 and 21 of the Regulations, each participating organization shall establish a Committee.

4.2. Upon the recommendation of the Committee, the competent authority shall appoint a Secretary to the Committee.

4.3. The Committee shall hold regular meetings at such dates as may be determined by the Committee.

4.4. Special meetings shall be held whenever the Chairman thinks it necessary or at the request in writing of one-third of the members of the Committee, or at the request of the competent authority, or at the request of the Board. When a special meeting is requested by the Board, the latter shall be entitled to be represented at that meeting by the Chairman of the Board or a member designated by him.

4.5. A simple majority of the members entitled to be present shall constitute a quorum, provided that the three groups comprising the Committee under the provisions of articles 20 and 21 of the Regulations are represented.

4.6. The Committee shall take decisions by a majority of the members present and voting.

4.7. Each Committee may appoint a standing committee to transact current business when the Committee is not in session. Each of the three groups comprising the Committee shall be represented on the Standing Committee. Any action taken by the Standing Committee shall be reported to the Committee at its following session.

4.8. The minutes of the meetings of the Committee shall be prepared by the Secretary and approved by the Committee. A copy thereof shall be communicated to the Secretary of the Board. The records and all correspondence of the Committee shall be private and kept in the care of the Secretary of the Committee.

4.9. The annual report of the Board shall be made available to all participants by each Committee.

4.10. Subject to the provisions of the Regulations and these rules, each Committee shall regulate its own procedures.

#### SECTION V

##### *Organization of the Joint Staff Pension Board*

5.1. The Board shall be established in accordance with article 22 of the Regulations. The Secretaries of Committees shall notify to the Secretary of the Board the names of the persons appointed to attend the Board under article 22 of the Regulations.

5.2. The Board shall meet in regular annual session at a time and place to be decided by the Board or its standing committee.

5.3. At the first meeting of its regular session in each year the Board shall elect a chairman and two vice-chairmen who shall preside at the meetings of the Board until their successors are elected.

5.4. Special sessions shall be held whenever the Chairman thinks it necessary or at the request in writing of at least six members of the Board. Such a request shall be communicated to the Secretary of the Board, together with a statement of the reasons for calling a special session, for transmission to the Chairman of the Board.

5.5. Meetings shall be convened in writing by the Chairman. A draft agenda accompanied by the necessary documents shall be communicated to each member of the Board and to the Chairmen and Secretaries of Committees at least one month in advance of the date of a regular session, or fourteen days in advance of a special session.

5.6. Items proposed by any member of the Board shall be placed on the agenda. Additional items may be added to the agenda during any session if the Board so decides.

5.7. A majority of the members entitled to be present at the Board shall constitute a quorum, provided that not less than two members from each of the three following groups are present:

(a) That comprising representatives of the General Assembly or the corresponding body of a participating organization;

(b) That comprising representatives of the competent authorities of participating organizations.

(c) That comprising representatives of the participants.

5.8. Decisions of the Board shall be taken by a majority of the members present and voting.

5.9. Minutes of all meetings of the Board and its Standing Committee shall be kept and distributed promptly to all members of the Board and to the Chairman and Secretaries of Committees.

5.10. The Standing Committee shall consist of all members of the Board. Five members shall constitute a quorum, provided that there are present three members representing the United Nations and at least one member representing a participating organization other than the United Nations, and that among those present there is a representative from each of the three groups mentioned in paragraph 5.7 above.

5.11. The Standing Committee shall exercise on behalf of the Board the powers vested in the Board except in regard to recommendations for the amendment of the Regulations under article 37 and the amendment of these rules, and except in so far as those powers have been delegated to the Committees under article 24 of the Regulations and the provisions of these rules.

5.12. Subject to the provisions of the Regulations and these rules, the Board shall regulate its own procedure.

5.13. The Secretary of the Board shall keep the Secretaries of the Committees informed by issuing periodic reports.

5.14. Communications between participants and the Secretary of the Board shall normally be made through the Secretaries of Committees. Nevertheless in special circumstances any participant may communicate directly with the Secretary of the Board, who shall inform the Secretary of the Committee if necessary.

## SECTION VI

### *Contributions of participants*

6.1. The regular contributions of participants under article 16 shall be withheld from salary payments by each participating organization.

6.2. Payments to the Fund under article 3 of the Regulations in order to have non-pensionable service treated as contributory service shall be made as follows:

(a) In a lump sum, as final payment for the total period for which contributory service may be purchased; or

(b) In amounts sufficient to purchase contributory service for periods of not less than one month.

(c) Compound interest shall be assessed and paid on such payment at  $2\frac{1}{2}$  per cent *per annum*.

6.3. Payments under (a) and (b) of paragraph 6.2 above shall be commenced within twelve months from the date that the participant becomes subject to the Regulations and these rules and shall be completed within a period equivalent to that to which the participant is entitled to have treated as contributory service.

6.4. Deposits or contributions by a participant under article 18 of the Regulations shall be made as follows:

(a) By a single lump-sum payment or lump-sum payments in multiples of \$100; and/or

(b) By an increased rate of contribution not changeable until the beginning of each next following calendar year and not more often than once during each calendar year thereafter.

6.5. Repayments of lump-sum withdrawal benefits by a participant under article 12 (a) (1) of the Regulations shall be made over a period not longer than the period of his previous contributory service.

## SECTION VII

### *Applications of article 18 of the Regulations*

7.1. Voluntary deposits made by a participant under the provisions of article 18 of the Regulations and section VI of these rules shall be entered on the individual account of the participant. They shall bear compound interest at the rate of  $2\frac{1}{2}$  per cent *per annum*.

7.2. In order to determine the maximum amount of such voluntary deposits the final average remuneration shall be calculated at the date of the request on the basis of the current salary together with the within-grade increments due to the participant under the Staff Regulations and rules applicable.

7.3. The maximum amount of the voluntary deposit shall be determined taking into consideration the family status of the participant at the date of the request.

7.4. The term "regular benefit" under paragraph (b) of article 18 shall be deemed to include retirement benefit, disability benefit, widows' and orphans' benefits, withdrawal benefits and death benefits under paragraph (e) of article 7 of the Regulations.

7.5. The additional benefit in case of withdrawal when the regular benefit is taken in a lump sum, or in case of death under paragraph (e) of article 7 of the Regulations, shall be the sum credited in the individual account of the participant at the time that the benefit becomes payable together with compound interest.

7.6. The Secretary of a Committee shall consult with the Secretary of the Board when questions concerning voluntary deposits under article 18 arise.

7.7. The right to approve applications under article 18 of the Regulations shall rest with the Board or its Standing Committee.

## SECTION VIII

### *Benefits*

8.1. By virtue of article 24 (b) of the Regulations, the Board delegates to each Committee its discretionary powers relating to the granting of benefits other than disability benefits under the Regulations.

8.2. When a person becomes eligible for any benefit, the Secretary of the Committee concerned shall notify the Secretary of the Board who shall certify payment of the benefit.

8.3. The Secretary of the Board shall ensure that the amounts of benefits have been subject to verification or review, either on behalf of the Board or a committee before he certifies payment of such benefits.

8.4. With respect to the processing of withdrawal benefits the competent authority of a participating organization shall notify to the Secretary of the Committee, on a withdrawal notification form, the date of the last day of contributory service.

8.5. The payment of withdrawal benefits to participants in the Fund on separation from service with the participating organization shall be made only after the last date of contributory service as notified under 8.4 above.

8.6. With respect to the processing of disability benefits the competent authority of a participating organization shall notify the Secretary of the Committee when a participant is likely to become entitled to such benefit, together with medical evidence and other necessary information. The Board may request an independent medical examination and the cost of such examination shall be deemed to be an administrative expense within the meaning of article 27 of the Regulations. The Secretary of the Board shall inform the Secretary of the Committee of the date from which a disability benefit is to be awarded.

8.7. Fractions of contributory service and, in calculating the actuarial equivalent, fractions of age shall be taken into account as follows:

(a) Each month shall be considered as equal to one-twelfth of a year; and

(b) Fifteen days or more shall be considered as a month, no regard being taken of shorter periods.

8.8. A benefit payable otherwise than in a lump sum shall be paid monthly in advance on the first day of each calendar month, or if desired by the participant, it shall be paid quarterly or half-yearly in arrear. In such cases interest shall not be credited, nor shall interest be credited on any arrears of benefits accumulated in the Fund.

8.9. Benefits shall normally be paid directly to the recipient or through normal banking channels and in the currency in which his pensionable remuneration was fixed, or subject to the approval of the Board in another currency if designated by the recipient.

8.10. It shall be certified on a prescribed form that the recipient was alive on the date on which payment was made. In the case of a benefit payable to the widow of a participant she shall declare on a prescribed form that she has not remarried.

## SECTION IX

### *General financial procedures*

9.1. The fiscal year of the Fund shall be the calendar year.

9.2. Each participating organization shall maintain an individual record for each participant in the Fund on which shall be recorded deductions made from the participant's earnings on each payroll. The individual earnings record normally maintained by a payroll division shall meet the requirement.

9.3. Each participating organization shall furnish to the Fund after 31 December of each year a list of all those who have been participants during any part of that year, showing total pensionable remuneration earned and total of the deductions made therefrom during the year.

9.4. (a) Each participating organization shall forward within fourteen days after the end of each month a statement showing:

- (i) Total contributions deducted from the salaries of participants paid during that month;
- (ii) Total contributions payable by the participating organization corresponding to the participants' contributions.

(b) Together with this statement the participating organization shall forward a cheque covering the contributions as in (i) and (ii) of paragraph 9.4 (a) above.

9.5. In addition to the statements called for in 9.4 (a) above each participating organization shall submit a year-end reconciliation of the total deductions made from participants with the total value of the cheques remitted to the Fund under 9.4 (b) during the year. This reconciliation statement shall be accompanied by a cheque covering any additional amount which the reconciliation statement may show to be due in respect of the year's operations.

9.6. Changes in salary shall be reported by the participating organizations to the Secretary of the Board either by forwarding each month copies of any form issued by the participating organization for the initiating of such changes or by a monthly schedule of such changes or by showing such changes opposite each name on the annual list of pensionable earnings provided for in paragraph 9.3 above.

## SECTION X

### *General provisions*

10.1. The forms prescribed by these rules shall be approved by the Board which may amend them from time to time. Where required they shall be supplied to participants or recipients by the Secretaries of Committees.

10.2. All questions regarding the interpretation and application of the Regulations and these rules shall be referred to the Board for decision.

10.3. These rules may not be amended by the Board unless one month's notice of the proposal has been given to all members of the Board and to the Chairmen and Secretaries of Committees or the amendment is unanimously adopted by the Board.

10.4. In accordance with article 36 of the Regulations the Secretary of the Board shall communicate a copy of these rules or any amendment thereto to the General Assembly of the United Nations and to the corresponding body of each participating organization.