



UNITED NATIONS JOINT STAFF PENSION FUND

ANNUAL REPORT OF THE

UNITED NATIONS

JOINT STAFF PENSION BOARD

GENERAL ASSEMBLY
OFFICIAL RECORDS : TWENTIETH SESSION
SUPPLEMENT No. 8 (A/6008)

UNITED NATIONS

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UNITED NATIONS
New York, 1965

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.

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United Nations Joint Staff Pension Fund

ANNUAL REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD TO THE GENERAL ASSEMBLY OF THE UNITED NATIONS AND TO MEMBER ORGANIZATIONS OF THE FUND

I. Introduction

1. The present report is submitted to the General Assembly of the United Nations and to member organizations of the United Nations Joint Staff Pension Fund in accordance with the Regulations of the Fund.

2. In the absence of a session of the Joint Staff Pension Board in 1965, the report is presented on behalf of the Board by its Standing Committee.

3. The report includes, pursuant to articles XXXV and XXXIX of the Regulations, financial statements

and schedules for the year ended 30 September 1964 (annex I), the report of the Board of Auditors of the United Nations on the annual audit of the Fund (annex II) and statistics on the operation of the Fund for the year ended 30 September 1964 (annex III). It also includes a summary of action taken by the Standing Committee on behalf of the Board since the latter's last session (July 1964), together with a draft resolution for consideration by the General Assembly (annex IV).

II. Member organizations

4. The following eleven organizations are members of the Fund:

United Nations;
International Labour Organisation;
Food and Agriculture Organization of the United Nations;
United Nations Educational, Scientific and Cultural Organization;
World Health Organization;
International Civil Aviation Organization;
World Meteorological Organization;
Interim Commission for the International Trade Organization;
International Atomic Energy Agency;
Inter-Governmental Maritime Consultative Organization;
International Telecommunication Union.

III. Operation of the Fund during the year ended 30 September 1964

5. During the year ended 30 September 1964, the number of participants in the Fund increased from 13,688 to 14,589 and the number of associate participants from 6,796 to 7,387. A breakdown of the figures by member organization and by medical classification will be found in tables 1-6 of annex III.

6. During the year, the principal of the Fund increased from \$165,464,039 to \$191,572,332. Details of the Fund's accounts will be found in statements 1 and 2 and schedules 1, 2 and 3 of annex I.

7. The effective yield on the investment of the Fund's assets was at the annual rate of 4.10 per cent, this being 0.85 per cent above the statutory rate of 3.25 per cent and 0.05 per cent higher than the previous year. Of this earned yield, 0.85 per cent has been credited to the contingency reserve and 3.25 per cent has been

taken into income for the period in question. A summary of investments as at 30 September 1964 and a comparison of their book and market values are to be found in schedules 4 and 5 of annex I. Details concerning the contingency reserve are given in schedule 2 of annex I.

8. As at 30 September 1964, the Fund was paying 694 retirement benefits, 134 withdrawal settlements in the form of life annuities, 254 widow's benefits, 395 children's benefits, 60 disability benefits and 10 secondary dependant's benefits. In the course of the year, it paid 812 lump-sum withdrawal and other settlements, 529 of which were to participants with less than five years' service. Further details concerning benefits are to be found in tables 7-10 of annex III.

IV. Action taken by the Standing Committee, on behalf of the Board, since the twelfth session of the Board (July 1964)

9. At its twelfth session, the Board elected the following as members of its Standing Committee, to serve until the thirteenth session of the Board in July 1966:

<i>Members</i>	<i>Alternates</i>	<i>Representing</i>
<i>United Nations (Group I)</i>		
Mr. J. Gibson	Mr. A. F. Bender	General Assembly
Mr. W. McCaw	Mr. W. Cox	Secretary-General
Mr. M. Schreiber	Mr. A. Landau	Participants
<i>Specialized agencies (Group II)</i>		
Mr. A. Zelenka (ILO)	Mr. L. Segovia (ILO)	Participants
Dr. B. D. B. Layton (WHO)	To be designated (WHO)	Governing Body
Mr. M. Khan (IAEA)	Mr. J. R. Rivet (WMO)	Director-General
<i>Specialized agencies (Group III)</i>		
Mr. E. S. Abensour (FAO)	Mr. O. Fugalli (FAO)	Participants
Mme. G. Lion-Levie (UNESCO)	Mr. W. Ketrzynski (UNESCO)	Governing Body
Mr. J. Berrier (ICAO)	Dr. R. Coigney (WHO)	Director-General

10. The following officers were elected by the Standing Committee:

Chairman: Mr. M. Schreiber (United Nations)

Vice-Chairman: Dr. B. D. B. Layton (WHO)

11. The Secretariat of the Committee consists of Mr. A. C. Liveran and Mr. B. W. Pringle, Secretary and Deputy-Secretary, respectively, of the Board. The Committee is advised on medical questions by Dr. Szeming Sze, Director of the United Nations Health Service and Medical Consultant to the Board.

12. In terms of article XXII of the Regulations of the Fund, the Standing Committee, between sessions of the Board, exercises control over the operations of the Fund and, in general, acts on behalf of the Board. In the course of eight meetings held in New York between July 1964 and July 1965, it dealt with two appeals by former participants against decisions by Staff Pension Committees of member organizations with regard to their entitlements from the Fund, ruled on a number of points on which the Regulations required interpretation, examined various financial and other statements and reports, and reviewed the recommendations made to the General Assembly by the Board in 1964 on which action was not taken during the Assembly's nineteenth session.

13. In considering the financial statements of the Fund for the year ended 30 September 1964, the Committee noted two comments appearing in paragraphs 2 and 5 of the report of the Board of Auditors (annex II). In regard to the first, the Committee observes that the late submission of the 1964 accounts for audit was due once again to delays by certain member organizations in transmitting necessary year-end information timeously to the central office for consolidation by the Secretary. It has already drawn the attention of organizations to their obligations under the Administrative Rules of the Fund in this respect and will continue its efforts to ensure compliance. In regard to the second, the Committee believes that the discrep-

ancies referred to in the investment statements are, with the exception of certain minor clerical errors, apparent rather than real, the respective statements of the Fund and the Fiduciary Trust Company having been developed to serve different purposes. In its considered opinion no real advantage, but on the contrary unnecessary extra expense, would result from attempting to reconcile the two statements.

14. The Standing Committee authorized, for submission to the General Assembly in terms of article XXVII of the Regulations of the Fund, estimates of administrative expenses to be met by the Fund for 1966 in the amount of \$319,680, and supplementary expenses for 1965 in the amount of \$15,280. Details of these expenses appear under various headings in the budget of the United Nations for 1966 presented by the Secretary-General.

15. In reviewing the reports of the Investments Committee and the Committee of Actuaries,¹ note was taken of a method, developed in a joint session of these two committees at the suggestion of the Board in 1964, of recognizing in the assets of the Fund the unrealized excess of market values over the book values of the investments. The method proposed is, in essence, that of reflecting, both in the accounts and in actuarial valuations of the Fund, such percentage of capital appreciation of the stock section of the portfolio above its original cost as can fairly be regarded as invulnerable to further market fluctuation. The Standing Committee agreed, subject to further consideration of the matter by the Board in 1966, that an excess amounting to not more than the difference between cost and 70 per cent of current market value (i.e. allowing for a possible downward market fluctuation of 30 per cent) could reasonably be so included and directed that the accounts for the fiscal year ended

¹ Committees appointed as expert advisory bodies by the Secretary-General under articles XXV and XXIX of the Regulations of the Fund.

30 September 1965, together with the actuarial valuations to be carried out by the Consulting Actuary as of that date, be prepared on this basis. The question of whether or to what extent the reserve so created should be utilized to improve benefits would similarly be considered by the Board in 1966.

16. In regard to the recommendations made to the General Assembly by the Board in 1964, the Standing Committee would invite reference to the report of the Board to the Assembly at its nineteenth session² and recall that sections I and II of the draft resolution therein submitted,³ dealing with the pensionable remuneration of the staff and the application of a revised basis of such remuneration to future and current benefits payable by the Fund, were adopted as resolution 2007 (XIX), subject to a change in the proposed operative date from 1 January 1965 to 1 March 1965. The remaining sections of the original draft resolution, III and IV, dealing with the adjustment of benefits in respect of cost-of-living changes and with certain amendments to the Regulations of the Fund, were not considered by the General Assembly during the nineteenth session and these are now re-submitted on behalf of the Board in a further draft resolution, set forth in annex IV hereto, in which the operative dates have been altered to coincide with that of resolution 2007 (XIX) and one drafting change introduced for the sake of greater clarity.

² *Official Records of the General Assembly, Nineteenth Session, Supplement No. 8 (A/5808)*.

³ *Ibid.*, annex IV.

ANNEXES

ANNEX I

Financial statements and schedules for the year ended 30 September 1964

STATEMENT 1

ASSETS AND LIABILITIES^a

<i>Assets</i>	\$	\$
Cash in banks.....		962,755.23
Contributions receivable from member organizations.....		1,475,457.55
Accrued income from investments.....		1,782,224.42
Investments:		
Bonds—at cost after adjustment for amortization of premium and discounts (market value—\$142,558,667.00).....	147,893,863.00	
Stocks—at cost (market value—\$73,432,563.00).....	46,913,050.90	194,806,913.90
Prepaid benefits.....		115,735.97
		199,143,087.07
<i>Liabilities and principal of the Fund</i>		
Benefits payable—former full participants:		
Withdrawal settlements—lump sum.....	719,674.73	
Withdrawal settlements—annuities.....	22,573.38	
Retirement benefits.....	146,664.29	
Disability benefits.....	15,763.44	
Death benefits (other than to children).....	17,379.18	
Children's benefits.....	6,462.10	928,517.12
Benefits payable—former associate participants:		
Disability benefits.....	1,580.15	
Death benefits.....	846.13	
Children's benefits.....	1,065.14	3,491.42
Held in trust:		
Deposits from member organizations.....	143,000.00	
Prepaid contributions.....	391,839.53	534,839.53
Other accounts payable:		
Payments made by the United Nations on behalf of the Fund.....	296,959.42	
Payments for participants transferred to other Funds.....	2,463.80	299,423.22
Reserve for contingencies established under Pension Board resolution 2 (XI) (see schedule 2).....		5,804,483.55
<i>Balance carried forward:</i>		7,570,754.84

^a The Fund's assets in Canadian dollars are expressed at their equivalent in United States dollars, as are benefits payable on account of participants by or on behalf of whom contributions are paid in Canadian dollars.

STATEMENT 1 (continued)

ASSETS AND LIABILITIES (*continued*)^a

	\$	\$
<i>Balance brought forward:</i>		7,570,754.84
Principal of the Fund:		
Balance at 1 October 1963	165,464,039.28	
Excess of income over expense for the year ended 30 September 1964.....	26,108,292.95	191,572,332.23
		199,143,087.07

CERTIFIED CORRECT:

(Signed) B. R. TURNER,
Controller, United Nations
 (For the cash balances and the
 investments of the Fund)

(Signed) ARTHUR C. LIVERAN,
Secretary,
United Nations Joint Staff Pension Board
 15 April 1965

AUDIT CERTIFICATE

The above statement of assets and liabilities as at 30 September 1964 has been examined in accordance with our directions. We have obtained all the information and explanations that we have required, and we certify, as a result of the audit, that, in our opinion the above statement is correct, subject to the observations in our report.

(Signed) L. GÖTZEN, *Netherlands*
 R. VÁSQUEZ, *Colombia*
 Mushtaq AHMAD, *Pakistan*

4 June 1965

STATEMENT 2

INCOME AND EXPENSE

Income

	\$	\$
Contributions by staff members of participating organizations—full participants:		
7 per cent of pensionable remuneration.....	6,665,368.94	
Additional contributions to make past service pensionable.....	898,385.39	
Refund of benefits to restore previous pensionable service.....	52,183.03	
Voluntary deposits for purchases of additional benefits.....	52,492.73	
14 per cent of pensionable remuneration for periods of leave without pay.....	13,568.56	7,681,998.65
Contributions by participating organizations on behalf of full participants:		
14 per cent of pensionable remuneration.....	13,330,737.88	
Additional contributions to make past service pensionable.....	1,926,166.59	15,256,904.47
Contributions by participating organizations on behalf of associate participants...		1,718,264.20
Investment income corresponding to the actuarial yield of the Fund (for details see Schedule 2).....		5,912,676.60
Interest received from participants and participating organizations on retroactive contributions and refund of benefits.....		138,740.92
Transfer from reserve for future adjustments of pensions in payment to the Pension Reserve account as approved by the United Nations Joint Staff Pension Board at its twelfth session.....		447,897.69
Other income:		
Adjustments to prior year benefits (net).....		24,140.63
<i>Balance carried forward:</i>		31,180,623.16

INCOME AND EXPENSE (continued)

	\$	\$	\$
<i>Balance brought forward:</i>			31,180,623.16
<i>Expense</i>			
Operating expenses:			
Benefits—former full participants:			
Final cash settlements (including commutation of annuities) . .	2,665,672.38		
Retirement benefits	1,466,831.87		
Death benefits (other than to children)	294,791.02		
Children's benefits	171,285.99		
Disability benefits	74,996.34		
Annuities	127,971.01	4,801,548.61	
Benefits—former associate participants:			
Death benefits (other than to children)	48,369.64		
Children's benefits	33,009.32		
Disability benefits	12,164.79	93,543.75	
Interest on withdrawal benefits held by the Fund		254.76	
Contributions with interest remitted to non-member organizations for participants transferred under agreements with other Funds		25,479.08	
Administrative expenses:			
Total administrative cost for the year	252,106.07		
Less investment costs charged to gross income from investments	100,602.06	151,504.01	5,072,330.21
Excess of income over expense for the year ended 30 September 1964			26,108,292.95

CERTIFIED CORRECT:

(Signed) ARTHUR C. LIVERAN, *Secretary,*
United Nations Joint Staff Pension Board

15 April 1965

PRINCIPAL OF THE FUND

	\$	\$	\$
<i>Pension reserve—former full participants:</i>			
Balance as at 1 October 1963.....	17,533,069.81		
Prior year adjustments:			
Cancellation and correction of benefits set up prior to 30 September 1963.....	63,084.54		
Adjusted balance as at 1 October 1963.....		17,596,154.35	
Capital value of pensions authorized.....	6,243,785.58		
Capital value of annuities restored to participants' and accumulation accounts upon re-employment	(33,603.61)		
Transfer from Reserve for future adjustments of pensions as approved by the Pension Board at its twelfth session.....	424,710.91		
Interest credited (at the rate of 3.25 per cent per annum).....	637,151.66		
Pension payments.....	(2,108,642.55)	5,163,401.99	
Balance as at 30 September 1964			22,759,556.34
<i>Pension reserve—former associate participants:</i>			
Balance as at 1 October 1963.....		1,028,121.67	
Capital value of pensions authorized.....	353,980.20		
Transfer from Reserve for future adjustments of pensions as approved by the Pension Board at its twelfth session....	23,186.78		
Interest credited (at rate of 3.25 per cent per annum).....	36,374.04		
Pension payments.....	(93,543.75)	319,997.27	1,348,118.94
Balance as at 30 September 1964.....			24,107,675.28
<i>Participants' account (full participants only):</i>			
Balance as at 1 October 1963.....		43,889,028.00	
Received from participants:			
7 per cent of pensionable remuneration	6,665,368.94		
Additional contributions to make past service pensionable.....	898,385.39		
Refund of benefits to restore previous pensionable service.....	40,024.34		
Voluntary deposits for purchase of additional benefits.....	52,492.73		
Interest on validations of past service..	59,859.37	7,716,130.77	
Interest credited on participants' contributions		1,470,491.11	
Transfer from reserve (annuities) upon re-employment		23,200.88	
Balance carried forward:		53,098,850.76	24,107,675.28

PRINCIPAL OF THE FUND (continued)

	\$	\$	\$	\$
<i>Balance brought forward:</i>			53,098,850.76	24,107,675.28
Applied to benefits:				
Withdrawal settlements—over five years	1,056,196.11			
Withdrawal settlements—less than five years	324,090.26			
Death benefits to designated beneficiaries . . .	27,233.68	1,407,520.05		
Applied to capital value of pensions:				
Retirement benefits	968,199.66			
Widows' and secondary dependants' benefits	137,176.77			
Children's benefits	2,645.93			
Annuities	341,935.28			
Disability benefits	58,951.82	1,508,909.46		
Remitted to non-member organization upon transfer of participants under agreements with other Funds		8,345.78		
Prior year adjustments:				
Adjustments to contributions (net)		(20,133.37)	2,904,641.92	
Balance as at 30 September 1964				50,194,208.84
<i>Accumulation account—full participants:</i>				
Balance as at 1 October 1963			98,415,714.81	
Received from participating organizations:				
14 per cent of pensionable remuneration . .		13,330,737.88		
Additional contributions to make past service pensionable		1,799,623.78		
Interest on additional contributions		77,470.88	15,207,832.54	
Received from participants:				
14 per cent contributed under article XVI		13,568.56		
Refund of benefits to restore previous pen- sionable service		12,158.69		
Interest on refunds		1,410.67	27,137.92	
Investment income corresponding to the actuarial yield of the Fund (for details see schedule 2)			5,912,676.60	
Transfer from Reserve (annuities) upon re-employment			39,662.05	
Applied to capital value of pensions:				
Retirement benefits	3,125,685.88			
Widows' and secondary dependants' bene- fits	381,278.48			
Disability benefits	254,296.02			
Annuities	782,856.97			
Children's benefits	266,791.61	4,810,908.96		
<i>Balance carried forward:</i>		4,810,908.96	119,603,023.92	74,301,884.12

PRINCIPAL OF THE FUND (continued)

	\$	\$	\$	\$
<i>Balance brought forward:</i>		4,810,908.96	119,603,023.92	74,301,884.12
Applied to withdrawal settlements—over five years		1,285,386.01		
Interest transferred to:				
Participants' accounts.....	1,470,491.11			
Pension reserve.....	637,151.66			
Benefits held by the Fund.....	254.76	2,107,897.53		
Administrative costs.....		151,504.01		
Remitted to non-member organization upon transfer of participants under agreement with other Funds.....		17,133.30		
Prior year adjustments:				
Adjustments to pension reserve, benefits and contributions (net).....		216,128.18	8,588,957.99	
			111,014,065.93	
Organizations' contributions for validations of past associate participation held in suspense pending completion of participants' payments.....			332,948.56	
Balance as at 30 September 1964.....				111,347,014.49
<i>Accumulation account—associate participants:</i>				
Balance as at 1 October 1963.....			4,598,104.99	
Received from participating organizations: 4½ per cent of pensionable remuneration		2,358,703.95		
Transfer of 4½ per cent contributions to accounts of full participants for validations of periods of associate participation.....		(640,439.75)	1,718,264.20	
			6,316,369.19	
Applied to capital value of pensions:				
Disability benefits.....	22,760.31			
Widows' benefits and secondary dependants' benefits.....	222,056.10			
Children's benefits.....	109,163.79	353,980.20		
Interest transferred to pension reserve.....		36,374.04		
Prior year adjustments—net.....		2,581.33	392,935.57	
Balance as at 30 September 1964.....				5,923,433.62
Principal of the Fund as at 30 September 1964				191,572,332.23

Schedule 2

RESERVE FOR CONTINGENCIES

	\$	\$
As at 30 September 1963		4,839,760.33
Plus excess of investment income over actuarial yield credited to this reserve account, as detailed below:		1,548,984.92
Interest earned	5,484,983.58	
Accumulation of discount and amortization of premium	393,857.78	
Dividends received	1,683,422.22	
	<u>7,562,263.58</u>	
Less: Portion of administrative expenses applicable to the investment of the Fund.....	100,602.06	
Less: 3¼ per cent actuarial yield on average assets of the Fund.....	5,912,676.60	
	<u>1,548,984.92</u>	
Plus: Profit on sales of investments.....		100,190.09
Less: Loss on sales of investments.....		(183,416.25)
Less: Differences resulting from the valuation of the Fund's assets in Canadian dollars and benefits payable in that currency at their equivalent in United States dollars.....		(501,035.54)
		<u>5,804,483.55</u>

Schedule 3

ADMINISTRATIVE EXPENSES

	<i>Administrative costs</i>	<i>Investments costs</i>
	\$	\$
Established posts	92,992.04	
Consultants	29,974.54	83,901.90
Overtime and temporary assistance.....	4,636.02	
Common staff costs.....	19,383.34	
Travel of staff.....	4,457.44	
	<u>151,443.38</u>	<u>83,901.90</u>
Less staff assessment.....	(17,098.67)	
	<u>134,344.71</u>	<u>83,901.90</u>
Investment Committee		6,200.00
Committee of Actuaries.....	2,000.00	
External Audit	3,000.00	
Staff services rendered by United Nations.....	10,000.00	10,000.00
Communications	2,000.00	
Miscellaneous charges	159.30	500.16
	<u>151,504.01</u>	<u>100,602.06</u>

SUMMARY OF INVESTMENTS
(In thousands of United States dollars)

	Balance 1 October 1963		Purchases		Sales		Balance 30 September 1964			Average yield on book		
	Nominal value	Book value	Nominal value	Book value	Nominal value	Book value	Amortization	Sale of stock rights	Nominal value		Book value	Net income earned
United States dollars—Bond Section												
United States Government bonds.....	6,908	6,888	4,200	4,193	2,150	2,036	4		8,958	8,942	272	3.43
Other Government bonds.....	9,031	8,895	592	569	147	147	19		9,476	9,338	474	5.20
International monetary agencies.....	4,615	4,596	400	368	50	50	6		4,965	4,920	194	4.07
Corporate bonds:												
Railroads	3,888	3,812			150	148	8		3,738	3,671	128	3.42
Utilities	48,668	46,924	8,302	7,386	225	237	183		56,745	54,266	2,086	4.12
Industrial	54,322	53,399	13,275	12,920	5,164	5,078	155		62,433	61,382	2,480	4.32
Total, United States dollars—Bond Section	127,432	124,514	26,769	25,436	7,886	7,696	376		146,315	142,519	5,634	4.22
Canadian dollars—Bond Sections												
Canadian Government bonds.....	1,676	1,574	646	635			9		2,322	2,213	92	4.87
Provincial Government bonds.....	1,727	1,698	56	55			3		1,783	1,755	82	4.72
International Bank bonds.....	79	79	—	—			—		79	79	3	3.54
Corporate bonds	1,265	1,223	93	93			6		1,358	1,322	68	5.37
Total, Canadian dollars—Bond Section	4,747	4,574	795	783			18		5,542	5,375	245	4.92
Totals: Bond Sections		129,088		26,219		7,696	394			147,894	5,879	4.25
United States dollars—Stock Section												
Financial and insurance.....		2,718		667		64				3,287	82	2.74
Utilities		10,168		1,179		557		3		10,826	498	4.74
Consumer goods		6,478		2,391		94		—		8,782	288	3.78
Semi-capital		10,056		2,024		314		—		11,774	500	4.58
Capital		5,932		1,352		880		—		6,412	215	3.48
Preferred stock (Conv.).....		109		362		—		—		471	7	2.55
Total, United States dollars—Stock Section		35,461		7,974		1,909	28	3		41,551	1,590	4.13
European—Stock Section												
Financial and insurance.....		99		850		4				945	13	2.57
Utilities		—		412		—				412	9	4.43
Consumer goods		102		677		—				779	12	2.71
Semi-capital		199		799		—				998	9	1.43
Capital		98		861		—				959	9	1.72
Total, European—Stock Section		498		3,598		4				4,092	52	2.27

Canadian dollars—Bond Sections*

Canadian Government bonds.....	1,693,503 (1,574,766)	1.0	1,616,420 (1,503,087)	95.4	2,385,579 (2,218,318)	1.1	2,283,460 (2,123,358)	95.7
Provincial Government bonds.....	1,826,185 (1,698,145)	1.0	1,709,680 (1,589,808)	93.6	1,887,856 (1,755,492)	0.9	1,770,860 (1,646,699)	93.8
International bank bonds.....	84,922 (78,968)	0.1	79,050 (73,508)	93.1	84,951 (78,994)	0.1	79,900 (74,298)	94.1
Corporate bonds.....	1,314,691 (1,222,513)	0.7	1,273,780 (1,184,471)	96.9	1,421,614 (1,321,940)	0.7	1,388,300 (1,290,962)	97.7
<i>Total, Canadian dollars—Bond Section</i>	4,919,301 (4,574,392)	2.8	4,678,930 (4,350,874)	95.1	5,780,000 (5,374,744)	2.8	5,522,520 (5,135,317)	95.5
<i>Totals: Bond Sections</i>	129,088,373	77.8	124,790,674	96.7	147,893,862	75.9	142,558,667	96.4

United States dollars—Stock Section

Financial and insurance.....	2,718,343	1.6	4,428,785	162.9	3,286,759	1.7	5,132,181	156.1
Utilities.....	10,167,795	6.1	15,456,029	152.0	10,825,530	5.6	18,273,169	168.8
Consumer goods.....	6,478,118	3.9	11,549,856	178.3	8,782,484	4.5	15,498,274	176.5
Semi-capital.....	10,055,524	6.1	13,986,410	139.1	11,773,730	6.0	18,686,188	158.7
Capital.....	5,932,096	3.5	7,547,250	127.2	6,411,598	3.3	9,451,115	147.4
Preferred stock (Conv.).....	108,919	0.1	106,400	97.7	471,145	0.2	520,650	110.5
<i>Total, United States dollars—Stock Section</i>	35,460,795	21.3	53,074,730	149.7	41,551,246	21.3	67,561,577	162.6

European—Stock Section

Financial and insurance.....	99,342	0.1	101,200	101.9	944,650	0.5	915,510	96.9
Utilities.....	—	—	—	—	412,242	0.2	432,000	104.8
Consumer goods.....	102,027	0.1	103,000	101.0	778,740	0.4	806,000	103.5
Semi-capital.....	198,720	0.1	193,938	97.6	997,711	0.5	969,978	97.2
Capital.....	98,058	0.0	96,560	98.5	958,742	0.5	923,693	96.3
<i>Total, European—Stock Section</i>	498,147	0.3	494,698	99.3	4,092,085	2.1	4,047,181	98.9

Canadian dollars—Stock Section*

Utilities.....	149,034 (138,585)	0.1	146,000 (135,764)	98.0	201,186 (187,080)	0.1	235,920 (219,379)	117.3
Consumer goods.....	501,638 (466,466)	0.3	542,300 (504,277)	108.1	719,442 (668,999)	0.3	974,000 (905,709)	135.4
Semi-capital.....	191,278 (177,867)	0.1	210,000 (195,276)	109.8	242,910 (225,879)	0.2	291,400 (270,969)	120.0
Capital.....	201,920 (187,762)	0.1	335,000 (311,512)	166.9	201,920 (187,763)	0.1	460,000 (427,748)	227.8
<i>Total, Canadian dollars—Stock Section</i>	1,043,869 (970,680)	0.6	1,233,300 (1,146,829)	118.1	1,365,458 (1,269,721)	0.7	1,961,320 (1,823,805)	143.6
<i>Totals: Stock Sections</i>	36,929,622	22.2	54,716,257	148.2	46,913,052	24.1	73,432,563	156.5
GRAND TOTAL IN UNITED STATES DOLLARS	166,017,995	100.0	179,506,931	108.1	194,806,914	100.0	215,991,230	110.9

* United States dollar equivalents based on exchange rates prevailing on 30 September 1964 are shown in parentheses.

ANNEX II

Report of the Board of Auditors on the accounts of the Fund for the year ended 30 September 1964

1. The Secretary of the Joint Staff Pension Fund submitted for audit and certification the following statements:

- I. Statement of assets and liabilities as at 30 September 1964;
- II. Statement of income and expenses for the year ended 30 September 1964;

with relevant schedules.

2. Notwithstanding the Board of Auditors' comments on the late submission of the year-end accounts, made in its report for the year ended 30 September 1963, this year's accounts were submitted only at the end of April 1965. Should the same situation prevail in the future, it would become very difficult for the Board to certify the financial statements of the following year.

3. In relation to the question of currency of payments and contributions by ICAO (Canadian or United States dollars),

this matter will be discussed in the coming ICAO Assembly, scheduled to convene in the months of June and July 1965.

4. Differences resulting from the valuation of the Fund's assets in Canadian dollars and benefits payable in that currency at their equivalent in United States dollars have been reflected in the statements as a charge against the Reserve for contingencies in the amount of \$501,035.54.

5. Last year several discrepancies were found between the investment statements of the Joint Staff Pension Fund and those of the Fiduciary Trust Company as at 30 September 1963, and the Board stressed the need for the Pension Fund itself to make a reconciliation of the investments account. The Board regrets having to put on record that during the year under consideration no improvement has been made in this respect.

(Signed) L. GÖTZEN, *Netherlands*

R. VÁSQUEZ, *Colombia*

Mushtaq AHMAD, *Pakistan*

4 June 1965

ANNEX III

Statistics on the operation of the Fund for the year ended 30 September 1964

TABLE 1. NUMBER OF FULL PARTICIPANTS

Member organizations	Full participants as at 30 September 1963	Admissions			Total	Separations	Transfers out	Full participants as at 30 September 1964
		Direct	From associate participants	Transfers in				
United Nations.....	6,490	548	325	18	7,381	562	25	6,794
ILO	1,065	34	69	6	1,174	57	6	1,111
FAO	2,045	322	137	6	2,510	158	5	2,347
UNESCO	1,073	4	145	15	1,237	84	5	1,148
WHO	1,773	9	222	5	2,009	132	7	1,870
ICAO	497	60	6	1	564	49	3	512
WMO	69	9	5	3	86	8	2	76
ICITO	85	6	8	1	100	2	0	98
IAEA	294	4	27	1	326	17	5	304
IMCO	29	12	2	0	43	5	1	37
ITU	268	13	15	3	299	7	0	292
	<u>13,688</u>	<u>1,021</u>	<u>961</u>	<u>59</u>	<u>15,729</u>	<u>1,081</u>	<u>59</u>	<u>14,589</u>

TABLE 2. NUMBER OF ASSOCIATE PARTICIPANTS

Member organizations	Associate participants as at 30 September 1963	Admissions	Transfers in	Total	Separations	Transfers out	Associate participants as at 30 September 1964
ILO	568	377	3	948	256	0	692
FAO	966	511	5	1,482	398	3	1,081
UNESCO	991	552	4	1,547	387	4	1,156
WHO	1,184	533	0	1,717	463	0	1,254
ICAO	181	64	0	245	71	0	174
WMO	26	26	0	52	8	0	44
ICITO	21	21	0	42	13	0	29
IAEA	274	162	0	436	105	0	331
IMCO	4	9	0	13	3	0	10
ITU	88	86	0	174	31	0	143
	<u>6,796</u>	<u>3,453</u>	<u>17</u>	<u>10,266</u>	<u>2,862</u>	<u>17</u>	<u>7,387</u>

TABLE 3. MEDICAL CLASSIFICATION OF FULL PARTICIPANTS

Member organizations	Class 1	Class 2			Total as at 30 September 1964	Percentage not entitled to death or disability benefits ^a
		5 years contributory service or longer	Less than 5 years contributory service	Pending classification		
United Nations.....	6,705	74	2	13	6,794	0.0
ILO	1,099	10	2	0	1,111	0.2
FAO	2,293	17	0	37	2,347	0.0
UNESCO	1,110	33	4	1	1,148	0.3
WHO	1,847	19	1	3	1,870	0.1
ICAO	501	10	0	1	512	0.0
WMO	76	0	0	0	76	0.0
ICITO	97	1	0	0	98	0.0
IAEA	298	6	0	0	304	0.0
IMCO	36	0	1	0	37	2.7
ITU	289	1	2	0	292	0.7
	<u>14,351</u>	<u>171</u>	<u>12</u>	<u>55</u>	<u>14,589</u>	<u>0.1</u>

^a Class 2 participants with less than 5 years contributory service.

TABLE 4. PERCENTAGE OF FULL PARTICIPANTS IN CLASS 2 WITH LESS THAN FIVE YEARS CONTRIBUTORY SERVICE, AS COMPARED WITH PREVIOUS FOUR YEARS

Fiscal year ended	United Nations	ILO	FAO	UNESCO	WHO	ICAO	WMO	ICITO	IAEA	IMCO	ITU	Total
30 September 1960...	0.3	0.4	0.1	0.7	0.2	0.7	0.0	0.0	3.2	0.0	0.0	0.4
30 September 1961...	0.2	0.4	0.0	0.4	0.0	0.9	0.0	0.0	2.7	0.0	0.0	0.3
30 September 1962...	0.1	0.3	0.0	0.5	0.0	0.4	0.0	0.0	1.1	7.4	0.4	0.2
30 September 1963...	0.0	0.4	0.0	0.8	0.1	0.2	0.0	0.0	0.7	7.7	1.1	0.2
30 September 1964...	0.0	0.2	0.0	0.3	0.1	0.0	0.0	0.0	0.0	2.7	0.7	0.1

TABLE 5. MEDICAL CLASSIFICATION OF ASSOCIATE PARTICIPANTS

Member organizations	Class 1	Class 2	Pending classification	Total as at 30 September 1964	Percentage not entitled to death or disability benefits ^a
United Nations	2,401	26	46	2,473	1.1
ILO	676	12	4	692	1.7
FAO	1,058	0	23	1,081	0.0
UNESCO	981	30	145	1,156	2.6
WHO	1,187	3	64	1,254	0.2
ICAO	168	0	6	174	0.0
WMO	41	2	1	44	4.5
ICITO	28	0	1	29	0.0
IAEA	318	6	7	331	1.8
IMCO	10	0	0	10	0.0
ITU	138	2	3	143	1.4
	<u>7,006</u>	<u>81</u>	<u>300</u>	<u>7,387</u>	<u>1.1</u>

^a Class 2 participants.

TABLE 6. PERCENTAGE OF ASSOCIATE PARTICIPANTS IN CLASS 2, AS COMPARED WITH PREVIOUS FOUR YEARS

Fiscal year ended	United Nations	ILO	FAO	UNESCO	WHO	ICAO	WMO	ICITO	IAEA	IMCO	ITU	Total
30 September 1960...	2.1	1.0	0.0	1.5	0.6	1.8	0.0	0.0	1.3	0.0	0.0	1.1
30 September 1961...	1.2	2.1	0.3	1.8	0.4	0.0	0.0	6.3	2.6	0.0	3.1	1.1
30 September 1962...	1.0	1.4	0.2	2.3	0.5	0.0	0.0	0.0	2.4	0.0	2.2	1.1
30 September 1963...	1.1	1.6	0.0	3.8	0.4	0.0	0.0	0.0	2.2	0.0	1.1	1.3
30 September 1964...	1.1	1.7	0.0	2.6	0.2	0.0	4.5	0.0	1.8	0.0	1.4	1.1

TABLE 7. BENEFITS PAID TO FULL PARTICIPANTS OR THEIR BENEFICIARIES DURING THE YEAR ENDED 30 SEPTEMBER 1964

	Retire- ments benefit	Withdrawal settlements				Child- ren's benefits	Widows' benefits	Other death benefits	Dis- ability benefits	Sec- ondary de- pendants' benefits	Transfer to other funds	Total
		Annuities		Lump sum								
		Imme- diate	De- ferred	Less than 5 years	Over 5 years							
United Nations	51	12	12	305	137	48	12	5	6	0	2	590
ILO	14	0	3	23	11	2	2	1	2	1	0	59
FAO	9	0	8	87	31	15	7	0	2	0	0	159
UNESCO	26	3	7	17	21	12	5	3	0	1	0	95
WHO	20	1	9	47	48	15	1	0	4	0	0	145
ICAO	3	1	4	28	12	1	0	0	0	0	0	49
WMO	1	0	0	4	3	0	0	0	0	0	0	8
ICITO	0	0	0	0	2	0	0	0	0	0	0	2
IAEA	0	0	3	7	6	2	1	0	0	0	0	19
IMCO	0	0	0	5	0	0	0	0	0	0	0	5
ITU	0	0	0	6	1	0	0	0	0	0	0	7
	124	17	46	529	272	95	28	9	14	2	2	1,138

TABLE 8. BENEFITS PAID TO ASSOCIATE PARTICIPANTS OR THEIR BENEFICIARIES DURING THE YEAR ENDED 30 SEPTEMBER 1964

	Widows' benefits	Children's benefits	Disability benefits	Secondary dependants' benefits	Total
United Nations	4	9	0	0	13
ILO	1	2	0	0	3
FAO	2	4	0	0	6
UNESCO	0	0	0	0	0
WHO	1	5	0	2	8
ICAO	0	0	1	0	1
WMO	0	0	0	0	0
ICITO	0	0	0	0	0
IAEA	1	3	0	0	4
IMCO	0	0	0	0	0
ITU	0	0	0	0	0
	9	23	1	2	35

TABLE 9. ANALYSIS OF PERIODIC BENEFITS IN PAYMENT ON 30 SEPTEMBER 1964—FULL PARTICIPANTS OR THEIR BENEFICIARIES

Type of entitlement	In payment as at 30 September 1963	New	Transfer to survivor	Total	Discontinued	In payment as at 30 September 1964
Retirement benefits	593	124	(16)	701	(7)	694
Withdrawal settlements payable as life annuities	83	63		146	(12)	134
Widows' benefits	212	28	16	256	(2)	254
Disability benefits	48	14		62	(2)	60
Children's benefits	342	95		437	(42)	395
Secondary dependants' benefits	9	2		11	(1)	10
	<u>1,287</u>	<u>326</u>	<u>0</u>	<u>1,613</u>	<u>(66)</u>	<u>1,547</u>

TABLE 10. ANALYSIS OF PERIODIC BENEFITS IN PAYMENT ON 30 SEPTEMBER 1964—ASSOCIATE PARTICIPANTS OR THEIR BENEFICIARIES

Type of entitlement	In payment as at 30 September 1963	New	Transfer to survivor	Total	Discontinued	In payment as at 30 September 1964
Widows' benefits	40	9	1	50	(1)	49
Disability benefits	7	1	(1)	7		7
Children's benefits	61	23		84	(6)	78
Secondary dependants' benefits	2	2		4		4
	<u>110</u>	<u>35</u>	<u>0</u>	<u>145</u>	<u>(7)</u>	<u>138</u>

ANNEX IV

Draft resolution proposed for adoption by the General Assembly

United Nations Joint Staff Pension Fund

The General Assembly,

Having considered the reports of the United Nations Joint Staff Pension Board for 1964^a and 1965,^b

I

ADJUSTMENT OF BENEFITS IN RESPECT OF COST OF LIVING CHANGES

Decides that it is desirable to replace the temporary system of adjustment of pensions after their award provided in General Assembly resolution 1799 (XVII) of 11 December 1962 by a system under which variations in the cost of living shall be reflected in the level of pensions, annuities and deferred annuities to the same extent as they are reflected in the final average remuneration of serving staff; to this end, and in substitution for the measure contained in the above-mentioned resolution:

(a) Pensions, annuities in payment and deferred annuities, other than benefits resulting from voluntary contributions under article XVIII of the Regulations of the United Nations Joint Pension Fund, shall with effect from 1 March 1965 be adjusted in accordance with sub-paragraphs (b), (c) and (d) below, save that:

^a Official Records of the General Assembly, Nineteenth Session, Supplement No. 8 (A/5808).

^b Ibid., Twentieth Session, Supplement No. 8 (A/6008).

- (i) The maximum amounts of retirement benefits under article IV.1 (b) of the Regulations and of widows' or dependent widowers' benefits under article VII.4, or of benefits derived therefrom, shall be the amounts which would have been payable had such benefits been determined under articles IV.1 (b) (i) and VII.4 (a) respectively and had no adjustment been applied; where, however, a greater amount would be yielded after adjustment if such benefit were determined under articles IV.1 (a) or VII.1 or 2 as the case may be, the amount payable shall be such greater amount;
- (ii) The minimum and maximum amounts of children's benefits under article VIII, paragraphs 2 and 3, shall continue to apply;
- (b) Benefits to which this measure is applicable shall be adjusted on 1 March 1965 in accordance with the following schedule:

Date of separation	Adjustment in benefit
Prior to 1 January 1960.....	Plus 8 per cent
1 January-31 December 1960.....	Plus 7 per cent
1 January-31 December 1961.....	Plus 6 per cent
1 January-31 December 1962.....	Plus 5 per cent
1 January-31 December 1963.....	Plus 3 per cent
1 January-31 December 1964.....	Plus 1 per cent

(c) On 1 January of each year subsequent to 1965, benefits shall, subject to sub-paragraph (d) below, be further adjusted by a percentage corresponding to the increase or decrease, if any, during the preceding year, in a pension adjustment index consisting of the average of the index values at 1 January in each of the preceding five years of the post adjustment element in the pensionable remuneration of professional staff from 1 January 1956 onwards; all computations necessary to establish such percentage shall be carried out to the nearest integer;

(d) Benefits shall not, in terms of sub-paragraph (c) above, be decreased below the amounts established without the ap-

plication of this resolution, nor shall any increase which may become due on or after 1 January 1967 be applied without the prior approval of the General Assembly;

II

AMENDMENTS TO THE REGULATIONS OF THE FUND

Resolves that the Regulations of the United Nations Joint Staff Pension Fund shall be amended, with effect from 1 March 1965, in accordance with annex V to the report of the Joint Staff Pension Board to the General Assembly and to member organizations of the Fund for 1964.

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