



UNITED NATIONS
GENERAL
ASSEMBLY



GENERAL

A/2203

25 September 1952

ORIGINAL: ENGLISH

Seventh Session

Amendments to the regulations of the United Nations Joint Pension Fund

REPORT OF
THE UNITED NATIONS JOINT STAFF PENSION BOARD

1. Following the admission of the specialized agencies to the Joint Staff Pension Fund, several proposals were received by the Joint Staff Pension Board to recommend to the General Assembly amendments to some of the articles of the regulations of the Fund. An account is included in the annual report of the Board (A/2189)¹ of the setting up by the Board of working parties to consider these amendments.

2. The working parties met as a Joint Working Party in Paris during the course of the sixth session of the General Assembly. Subsequently, a number of amendments proposed by the Joint Working Party were circulated to the staff pension committees of all the member organizations for their comments.

3. The amendments of the Joint Working Party, together with the comments of the staff pension committees of all the member organizations, were considered by the Joint Staff Pension Board at its third session, held in New York from 28 July to 8 August 1952.

4. The consulting actuary to the Joint Staff Pension Board, Mr. George B. Buck, was present throughout the discussions of the Joint Working Party in Paris and at the Board's discussions on the proposed amendments.

5. The Board decided to submit a number of amendments to the General Assembly. These amendments are set out in the attached schedule which shows in parallel columns: (1) the present regulations of the Fund; (2) the amended regulations recommended by the Joint Staff Pension Board with the changes underlined; (3)

explanatory comments on the purpose and effect of the amendments recommended.

6. The amendments do not seek to achieve any substantial change in the structure of the Fund or in the benefits payable. Most of the changes are editorial or are proposed for the purpose of clarifying the existing provisions. The only changes in benefits payable at present are contained in articles 7, 8, 11, 12 and 16.

7. Throughout, the Board kept in mind the actuarial implications of the proposed changes. The Board considers, on the basis of the opinions expressed by the actuary, that the changes in benefits which would result from the adoption of the amendments proposed would be absorbed by the contributions made at present to the Fund by the participants and the member organizations.

8. The Board discussed in detail the application of article 16 of the regulations (Contributions on account of participants), with particular reference to the question of participants on leave, without pay, for military service. The opinions expressed in the Board which motivated the proposal for amending article 16 are summarized in the annex to the present report.

9. The General Assembly will no doubt wish to decide a date from which any amendments which it approves should operate. The Board considered that a convenient date would be either 1 January 1953 or the first day of the month following the adoption of the amendments. The adoption of the amendments will, of course, be subject to the provision in article 37 which states that the amended regulations shall take effect "without prejudice to rights to benefits acquired through contributory service" accumulated prior to the coming into force of the amendments.

¹ See *Official Records of the General Assembly, Seventh Session, Supplement No. 8.*

AMENDMENTS TO THE REGULATIONS FOR THE UNITED NATIONS JOINT STAFF PENSION FUND

Present regulations of the Fund

ARTICLE 1 Definitions

(a) "Member organization" means a specialized agency referred to in Article 57, paragraph 2, of the Charter which has been admitted to the United Nations Joint Staff Pension Fund under article 28 of these regulations.

(b) "Age of retirement" means the age at the end of the month in which the participant reaches the age of sixty years or such later age as may be determined in the staff regulations applying to the participant concerned for the termination of appointment by retirement, or in his conditions of appointment.

(c) "Pensionable remuneration" means the basic remuneration of a participant stated in his terms of employment to be pensionable. It shall not include any special grants or allowances, such as children's allowances, education grants, expense allowances, cost-of-living allowances, payments for overtime, fees, honoraria, and payments for any expenses incurred in the service of the United Nations or of a member organization. If part or the whole of the basic pensionable remuneration is paid in kind, the value of such payments, if not stated in the terms of employment, shall be determined by the Joint Staff Pension Board.

(d) "Final average remuneration" means the average annual pensionable remuneration of the participant during the last ten years of contributory service before the termination of employment. Where the participant has less than ten years of contributory service, the final average remuneration shall mean the average pensionable remuneration during the actual period of contributory service.

(e) "Contributory service" means the actual time spent in continuous employment with the United Na-

Amended regulations as recommended by the Joint Staff Pension Board

(Note: Amendments are in italics.)

ARTICLE 1 Definitions

(a) "Member organization" means *the United Nations* or a specialized agency referred to in Article 57, paragraph 2, of the Charter which has been admitted to the United Nations Joint Staff Pension Fund under article 28 of these regulations.

(b) "Age of retirement" means the age at the end of the month in which the participant reaches the age of sixty years or such later age as may be determined *in accordance with* the staff regulations applying to the participant concerned for the termination of appointment by retirement.

(c) "Pensionable remuneration" means the remuneration of a participant *which is pensionable in accordance with his terms of employment*. It shall not include any special grants or allowances, such as children's allowances, education grants, expense allowances, cost-of-living allowances, payments for overtime, fees, honoraria, and payments for any expenses incurred in the service of a member organization. If part or the whole of the pensionable remuneration is paid in kind, the value of such payments, if not stated in the terms of employment, shall be determined by the Joint Staff Pension Board.

(d) "Final average remuneration" means the average annual pensionable remuneration of the participant during the last ten years of *his contributory service*. Where the participant has less than ten years of contributory service, the final average remuneration shall mean the average *annual* pensionable remuneration during the actual period of contributory service.

(e) "Contributory service" means the actual time spent in continuous employment, with a member or-

Explanatory comments

ARTICLE 1 Definitions

(a) The effect of the insertion of the words "the United Nations or" would be to make the expression "member organization" cover the United Nations as well as the other organizations participating in the Fund.

(b) The addition of the words "accordance with" is proposed because, although no general retiring age other than the normal one of sixty is laid down in the staff regulations of any member organization, a later age for retirement in individual cases can be determined in accordance with the staff regulations by the chief executive of each member organization.

(c) The word "basic" has been removed because "basic remuneration" is interpreted differently in the staff rules of the various member organizations.

The effective part of this definition now reads "remuneration . . . which is pensionable in accordance with his terms of employment" as compared with "remuneration . . . stated in his terms of employment to be pensionable". The reason for this change is that individual pensionable remuneration is not always specifically stated in the terms of employment, but is determined in accordance with the general body of regulations applying to the participant.

(d) The words "before the termination of employment" have been removed since they are now unnecessary in view of changes in other definitions.

The addition of the word "annual" is an editorial change required to repair an omission.

(e) The amendments involve no change in substance.

ARTICLE 1 (continued):

tions or a member organization or with two or more of these organizations, for which contributions have been paid on the pensionable remuneration in accordance with article 16, and such periods of non-pensionable service as may be treated as contributory service under article 3, and contributory service restored under article 12.

Intervals of not more than thirty calendar days in the period of service shall not be considered as breaking the continuity of service. The time covered by these intervals shall not be included in the period of contributory service.

(f) "Actuarial equivalent" means a benefit of equal value when determined on the basis of the mortality tables and the rate of interest last adopted by the United Nations Joint Staff Pension Board under article 29.

ARTICLE 2

Participation

Every full-time member of the staff of the United Nations shall be subject to these regulations if he enters employment under a contract for one year or more, or when he has completed one year of employment, provided that he is under sixty years of age at the time of entering such employment and that his participation is not excluded by his contract of employment.

The foregoing provision shall apply to the Registrar and every full-time officer of the International Court of Justice.

Every full-time member of the staff of each member organization who is under sixty years of age at the time of his appointment shall, under conditions determined by the competent authority of the member organization, be subject to these regulations.

ARTICLE 1 (continued):

ganization or with two or more of these organizations, for which contributions have been paid *in accordance with these regulations*.

(f) "Actuarial equivalent" means *the equivalent* determined on the basis of the mortality tables and the rate of interest last adopted by the United Nations Joint Staff Pension Board under article 29.

(g) "*Designated recipient*" means a person or persons, physical or corporate, designated by a participant to the Joint Staff Pension Board in accordance with a procedure determined by that Board, as the person or persons eligible to receive the benefits payable under these regulations to a designated recipient. Where more than one person is so designated, the participant shall determine the proportion of the benefit to be paid to each such person.

ARTICLE 2

Participation

(a) Every full-time member of the staff of *each member organization* shall become a participant in the United Nations Joint Staff Pension Fund if he enters employment under a contract for one year or more, or when he has completed one year of employment, provided that he is under sixty years of age at the time of entering such employment and that his participation is not excluded by his contract of employment.

(b) The foregoing provision shall apply to the Registrar and every full-time officer of the Registry of the International Court of Justice.

(c) *Participation of a participant shall cease when the payment of a benefit under these regulations becomes due to him or on his account.*

ARTICLE 1 (continued):

Amendments proposed to other articles make a more simplified form of wording preferable.

(f) Editorial change only.

(g) This new definition has been inserted to obviate the necessity for repetition in various substantive articles.

ARTICLE 2

Participation

The first and third paragraphs of the present article have been combined. The proposed amendment (paragraph (c)) makes clear when participation ceases.

ARTICLE 3

Reckoning of non-pensionable service

When a person who has been in the employment of the United Nations or of a member organization in a non-pensionable capacity becomes subject to these regulations, his period of service before he became subject to these regulations shall be treated as contributory service to the extent to which he pays into the Joint Staff Pension Fund a sum or sums equal to the contributions which he would have paid had he been subject to these regulations throughout this period, plus 2½ per cent compound interest, provided that there is continuity of service. For the purposes of this article, intervals of not more than thirty calendar days in the period of service shall not be considered as breaking the continuity of service. The time covered by these intervals shall not be included in the period of contributory service.

The earliest date from which employment with the United Nations can be reckoned is the first day of February 1946.

ARTICLE 4

Retirement benefits

Upon retirement on reaching the age of retirement, a participant shall be entitled during the remainder of his life to an annual retirement benefit, payable monthly, equal to one-sixtieth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years.

A participant may, with the consent of the Joint Staff Pension Board, prior to the date on which the first payment of his retirement benefit becomes due, elect to receive a lump sum not greater than one-third of the actuarial equivalent of the retirement benefit payable to him, and his retirement benefit shall be reduced in the proportion that such lump sum bears

ARTICLE 3

Validation of non-pensionable service

(a) A participant who has been in the employment of a member organization in a non-pensionable capacity may elect within one year of the commencement of his participation to have the period of such prior employment included in his contributory service to the extent to which he pays into the Pension Fund, in accordance with the administrative rules established for this purpose by the Joint Staff Pension Board, a sum or sums equal to the contributions which he would have paid had he been subject to these regulations throughout this period, with compound interest at 2½ per cent per annum, and provided that there has been continuity of employment. For the purposes of this article, intervals of not more than thirty calendar days in the period of employment shall not be considered as breaking the continuity of employment. The time covered by these intervals shall not be included in the period of contributory service.

(b) Payment into the Pension Fund of amounts equal to twice the amount of the payment so made by the participant shall be made by the member organization designated for that purpose in accordance with arrangements concluded by the member organizations.

(c) The earliest date from which employment with the United Nations can be validated is the first day of February 1946.

ARTICLE 4

Retirement benefits

(a) Subject to the provisions of article 16, a participant who reaches the age of sixty shall, upon retirement, be entitled during the remainder of his life to an annual retirement benefit, payable monthly, equal to one-sixtieth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years.

(b) A participant may, with the consent of the Joint Staff Pension Board, prior to the date on which the first payment of his retirement benefit becomes due, elect to receive a lump sum not greater than one-third of the actuarial equivalent of the retirement benefit payable to him, and his retirement benefit shall be reduced in the proportion that such lump sum

ARTICLE 3

Validation of non-pensionable service

The proposed amendments involve only one change in substance, i.e., they impose a time limit of one year within which an option to validate past service must be made. The amendments also make clear the obligation (previously appearing in article 17) of member organizations to match payments by participants for the validation of past service.

ARTICLE 4

Retirement benefits

(a) The proposed amendment makes it quite clear that the participant is entitled to a retirement benefit after having reached the age of sixty.

(b) No change in the text.

ARTICLE 4 (continued)

to the actuarial equivalent of his retirement benefit prior to reduction.

A participant who is entitled under this article to a benefit which is less than one hundred and twenty dollars per annum may at any time, with the consent of the Joint Staff Pension Board, receive the whole benefit payable to him in the form of a lump sum which is the actuarial equivalent of his benefit.

ARTICLE 5

Disability benefits

A participant who, before reaching the age of sixty, becomes unable to perform his duties satisfactorily due to serious physical or mental impairment, shall be entitled, subject to article 9, while such disability continues, to a disability benefit payable in the same manner as a retirement benefit and equal to nine-tenths of one-sixtieth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years. This disability benefit shall be not less than the smaller of:

(a) Three-tenths of the final average remuneration; or

(b) Nine-tenths of the retirement benefit to which he would have been entitled if he had remained in service until he had reached the age of sixty and his final average remuneration had remained unchanged.

ARTICLE 6

Commencement and discontinuance of disability benefit

The Joint Staff Pension Board shall determine, in accordance with article 5 and the procedure laid down in the administrative rules made under these regulations, when a participant qualifies for a disability benefit. The participant shall not, however, be entitled to a disability benefit so long as he is entitled to receive any larger payments under the staff regulations applying to him.

ARTICLE 4 (continued)

bears to the actuarial equivalent of his retirement benefit prior to reduction.

(c) A participant who is entitled under this article to a benefit which is less than one hundred and eighty dollars per annum may, prior to the date on which the first payment of his retirement benefit becomes due and with the consent of the Joint Staff Pension Board receive the whole benefit payable to him in the form of a lump sum which is the actuarial equivalent of his benefit.

ARTICLE 5

Disability benefits

Subject to the provisions of articles 10(a)(2) and 16, a participant who, before reaching the age of sixty has, in the opinion of the Joint Staff Pension Board, become unable to perform his duties owing to serious physical or mental impairment shall be entitled, subject to article 9, while such disability continues, to a disability benefit payable in the same manner as a retirement benefit and equal to nine-tenths of one-sixtieth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years. This disability benefit shall be not less than the smaller of:

(1) Three-tenths of the final average remuneration; or

(2) Nine-tenths of the retirement benefit to which he would have been entitled if he had remained in service until he had reached the age of sixty and his final average remuneration had remained unchanged.

ARTICLE 6

Commencement and discontinuance of disability benefit

(a) The Joint Staff Pension Board shall determine, in accordance with article 5 and the procedure laid down in the administrative rules made under these regulations, when a participant qualifies for a disability benefit. The participant shall not, however, be entitled to a disability benefit so long as he is entitled to receive any larger payments under the staff regulations applying to him other than payments

ARTICLE 4 (continued)

(c) It is proposed that the minimum annual pension which may be commuted for a lump sum should be increased from one hundred and twenty dollars to one hundred and eighty dollars to obviate the necessity for the Fund to pay a large number of small pensions. The amendment would oblige a participant who wants to elect to receive a lump sum payment under this paragraph to make that election before the first payment becomes due. The same principle is recognized in the second paragraph of the existing article.

ARTICLE 5

Disability benefits

The purpose of the amendment is to make it clear that the determination of eligibility for a disability benefit should be a matter for the Board, and that benefits should not be payable unless the Board is satisfied as to the existence of the disability.

ARTICLE 6

Commencement and discontinuance of disability benefit

(a) The effect of the proposed change is to make it clear that the receipt of payments under a system of compensation for service-incurred injuries (as distinct from salary, leave or other similar payments) would not preclude a participant from simultaneously drawing benefits from the Fund.

ARTICLE 6 (continued)

Until the recipient of a disability benefit reaches the age of sixty, the Joint Staff Pension Board may require evidence of the continuance of disability and review his eligibility to a disability benefit in the light of such evidence. Where the Board decides that the recipient is no longer eligible for a disability benefit, it shall, after giving such notice as it considers proper in each case, discontinue the disability benefit. Where the disability benefit is discontinued and the recipient is not re-employed by the United Nations or a member organization, the Board, after taking into consideration all the circumstances existing while the benefit was being paid and at the time the benefit was discontinued, may grant to the recipient a withdrawal benefit not exceeding the amount of the withdrawal benefit which he would have received under article 10 if he had become entitled to a withdrawal benefit at the time he began to receive the disability benefit.

ARTICLE 7

Death benefits

(a) If a married male participant dies while in service, his widow shall be entitled, subject to article 9, to a widow's benefit amounting, except as provided in paragraph (c) below, to half of the benefit which would have been paid to the participant had he qualified for a disability benefit at the time of his death. This benefit shall cease on the widow's remarriage.

(b) (1) If a married man who is a recipient of a retirement benefit as provided under article 4 dies, his widow, provided she was his wife at the time of the cessation of his service with the United Nations or member organization, shall be entitled, except as provided in paragraph (c) below, to a widow's benefit half as large as the benefit which was being paid to the deceased at the time of his death. However, if the deceased at the time of his retirement had received a

ARTICLE 6 (continued)

under a scheme of compensation for disability attributable to the performance of official duties on behalf of a member organization.

(b) Until the recipient of a disability benefit reaches the age of sixty, the Joint Staff Pension Board may require evidence of the continuance of disability and review his eligibility to a disability benefit in the light of such evidence. Where the Board decides that the recipient is no longer eligible for a disability benefit, it shall, after giving such notice as it considers proper in each case, discontinue the disability benefit. Where the disability benefit is discontinued and the recipient is not re-employed by a member organization, *the recipient shall be entitled to a withdrawal benefit equal to the amount by which the withdrawal benefit which he would have received under article 10 if he had become entitled to a withdrawal benefit at the time he began to receive the disability benefit exceeds the total amount of disability payments made to him.*

ARTICLE 7

Death benefits

(a) *Subject to the provisions of article 16, if a married male participant dies, his widow shall be entitled, subject to article 9, to a widow's benefit amounting, except as provided in paragraph (c) below, to half of the benefit which would have been paid to the participant had he qualified for a disability benefit at the time of his death or, if such deceased participant had attained the age of sixty, to one-half of the benefit which would have been paid to the participant had he retired under the provisions of article 4 at the time of his death.* This benefit shall cease on the widow's remarriage.

(b) (1) If a married man who is a recipient of a retirement benefit as provided under article 4 dies, his widow, provided she was his wife at the time of the cessation of his service with the member organization, shall be entitled, except as provided in paragraph (c) below, to a widow's benefit half as large as the benefit which was being paid to the deceased at the time of his death. However, if the deceased at the time of his retirement had received a lump sum as

ARTICLE 6 (continued)

(b) The effect of the proposed amendments would be: (1) to make the payment of a withdrawal benefit on the cessation of a disability benefit a matter of right; and (2) to fix the amount of such a withdrawal benefit as the excess (if any) of the withdrawal benefit which would have been payable at the commencement of disability over the total payments of disability benefit made.

ARTICLE 7

Death benefits

(a) The proposed amendment would make it clear that, if a participant dies after reaching the age of sixty, his widow would be entitled to half of his retirement benefit (and not half of his disability benefit).

(b) (1) Editorial changes only.

ARTICLE 7 (continued)

lump sum as provided in article 4, in lieu of part of the retirement benefit to which he was entitled, the widow's benefit shall be the half of the total retirement benefit to which the staff member was entitled at the cessation of his service. This benefit shall cease on the widow's remarriage.

(2) If a married man who is a recipient of a disability benefit dies, his widow, provided she was his wife six months before he qualified for a disability benefit, shall be entitled, except as provided in paragraph (c) below, to a widow's benefit half as large as the benefit being paid to the deceased at the time of his death. This benefit shall cease on the widow's remarriage.

(3) Notwithstanding article 7 (b) (2), when the disability of the deceased was the result of an accident or of damage to health arising from service in an unhealthy area, his widow, provided she was his wife at the time he qualified for the disability benefit, shall be entitled to a widow's benefit half as large as the benefit which was being paid to the deceased at the time of his death. This benefit shall cease on the widow's remarriage.

(c) If a widow eligible for a benefit under paragraph (a) or (b) is younger than the deceased by more than twenty years, the annual amount of the benefit shall be reduced so that the value of the benefit shall be the actuarial equivalent of the benefit which would have been payable to a widow twenty years younger than the deceased.

(d) Upon ceasing to be entitled to a widow's benefit by reason of remarriage, the widow shall be entitled to a lump-sum payment equal to twice the annual amount of her widow's benefit.

(e) Upon the death in service of a female participant who leaves no orphans entitled to an orphan's benefit, or of a male participant who leaves no widow entitled to a pension or orphan entitled to an orphan's benefit, there shall be paid to the person or persons who had been designated to the Joint Staff Pension Board by the participant as the beneficiary or beneficiaries a sum equal to:

(1) His own contributions to the Pension Fund, with compound interest at $2\frac{1}{2}$ per cent per annum, plus

ARTICLE 7 (continued)

provided in article 4, in lieu of part of the retirement benefit to which he was entitled, the widow's benefit shall be half of the total retirement benefit to which the staff member was entitled at the cessation of his service. This benefit shall cease on the widow's remarriage.

(2) If a married man who is a recipient of a disability benefit dies, his widow, provided she was his wife six months before he qualified for a disability benefit, shall be entitled, except as provided in paragraph (c) below, to a widow's benefit half as large as the benefit being paid to the deceased at the time of his death. This benefit shall cease on the widow's remarriage.

(3) Notwithstanding paragraph (2), when the disability of the deceased was the result of an accident or of damage to health arising from service in an unhealthy area, his widow, provided she was his wife at the time he qualified for the disability benefit, shall be entitled to a widow's benefit half as large as the benefit which was being paid to the deceased at the time of his death. This benefit shall cease on the widow's remarriage.

(c) If a widow eligible for a benefit under paragraph (a) or (b) is younger than the deceased by more than twenty years, the annual amount of the benefit shall be reduced so that the value of the benefit shall be the actuarial equivalent of the benefit which would have been payable to a widow twenty years younger than the deceased.

(d) Upon ceasing to be entitled to a widow's benefit by reason of remarriage, the widow shall be entitled to a lump-sum payment equal to twice the annual amount of her widow's benefit.

(e) Upon the death of a participant who does not leave a widow entitled to a widow's benefit, there shall be paid to his designated recipient a sum equal to:

(1) His own contributions to the Pension Fund, with compound interest at $2\frac{1}{2}$ per cent per annum, plus

ARTICLE 7 (continued)

(b) (2) No change in the text.

(b) (3) No change in the text.

(c) No change in the text.

(d) No change in the text.

(e) The effect of the proposed amendments would be to require payment to a designated recipient (or to an estate if there be no designated recipient) of the participant's own contributions in all cases of death except where a widow entitled to a widow's benefit survives the participant.

The object of the amendment is to eliminate inequities. Under the proposed amendment the situation would be that, in the event of the death of a partici-

ARTICLE 7 (continued)

(2) Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund at the time of his entry into the Pension Fund, without interest.

(f) Participants referred to in paragraph (e) shall be entitled to designate more than one beneficiary, in which case the participants shall determine the proportion of the benefit to be paid to each of the beneficiaries.

ARTICLE 8

Children's benefits and orphans' benefits

If a participant in receipt of a children's allowance dies while in service and does not leave a widow entitled to a widow's benefit, each child of such participant shall be entitled to an orphan's benefit amounting to six hundred dollars per annum, payable monthly from the date of the death of such participant until the end of the month in which the orphan shall reach the age of eighteen years.

A male recipient of a retirement benefit as provided under article 4 or of a disability benefit and a widow in receipt of a widow's benefit shall be entitled, while living, to a child's benefit amounting to three hundred dollars per annum in respect of each child of the recipient, payable monthly up to and including the month in which the child shall reach the age of eighteen years.

ARTICLE 7 (continued)

(2) Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund of a member organization at the time of his entry into the Pension Fund, without interest.

If a designated recipient does not survive a participant or if a participant has not made, or has revoked, a designation, such sum shall be paid to the participant's estate.

(f) NOTE: Paragraph (f) of present regulations is deleted.

(f) A widow whose annual benefit under this article is less than one hundred and twenty dollars may, prior to the first payment of such benefit and with the consent of the Joint Staff Pension Board, receive in lieu thereof a lump sum which is the actuarial equivalent of such benefit.

ARTICLE 8

Child's benefits

(a) *Each child of a participant on whose account a benefit becomes payable under articles 4, 5 or 7, shall be entitled to a child's benefit. The child's benefit shall be payable monthly up to and including the month in which the child shall attain the age of eighteen.*

(b) *The annual benefit on account of each child shall be six hundred dollars if there be no parent surviving or if the surviving parent be a widow who has not become entitled to a widow's benefit under these regulations or a widower who, in the opinion of the Board, is unable to support the ex-participant's children; otherwise it shall be three hundred dollars. However, the sum of children's benefits, plus any retirement benefit payable under article 4 (a) or disability benefit or widow's benefit, shall not exceed the final average remuneration of an ex-participant plus the children's allowances which were paid by a member organization at the cessation of his employment.*

ARTICLE 7 (continued)

parent leaving children, there would be payable a widow's benefit and children's benefits if he leaves a widow, or there would be payable a designated recipient's benefit and children's benefits if he leaves no widow. A child or guardian can of course be designated as recipient; and it is anticipated that, in the great majority of instances, the designated recipient's benefit under this regulation will be used for the children of participants. The amendment would involve no increased cost or risk to the Fund.

(f) This paragraph is now unnecessary. See article 1(g), definition of a "designated recipient".

(f) The amendment would enable a widow to commute a benefit of less than one hundred and twenty dollars a year for a lump sum.

ARTICLE 8

Child's benefits

In its report to the sixth session of the General Assembly, the Board indicated that it had been applying article 8 in such a way that a child's benefit did not cease on the remarriage of a widow. The Assembly endorsed that interpretation and the Board is now proposing that the regulation be amended to remove any possible source of ambiguity.

At present, the regulation makes the receipt of a child's benefit under the Pension Fund regulation dependent on entitlement to a children's allowance under the staff regulations. The staff regulations of member organizations are not uniform and the Board considered that entitlement to a child's benefit should be uniform and should be governed by a clear provision of the pension regulations.

ARTICLE 8 (continued)

A female recipient of a retirement benefit as provided under article 4 or of a disability benefit shall be entitled, while living, to a child's benefit amounting to three hundred dollars per annum in respect of each dependent child of such recipient, payable monthly up to and including the month in which the child shall reach the age of eighteen years.

Should a recipient of a retirement benefit as provided under article 4 or of a disability benefit and also of a child's benefit die and not leave a widow entitled to a widow's benefit, each child in respect of whom a child's benefit was being paid to such recipient shall be entitled to an orphan's benefit amounting to six hundred dollars per annum, payable monthly from the date of the death of such recipient until the end of the month in which the orphan shall reach the age of eighteen years.

Should a widow in receipt of a child's benefit die, each child in respect of whom a child's benefit was being paid to her shall be entitled to an orphan's benefit amounting to six hundred dollars per annum, payable monthly from the date of the death of such widow until the end of the month in which the orphan shall reach the age of eighteen years.

ARTICLE 9

Eligibility for disability and death benefits

The Joint Staff Pension Board shall require every entrant or re-entrant, before admission to coverage by the benefits provided under articles 5 and 7, to undergo a medical examination to be prescribed in the administrative rules made under these regulations unless the Board decides to accept the findings of a medical examination previously undergone by the entrant.

On the basis of the medical examinations referred to in the preceding paragraph, the Joint Staff Pension Board shall decide whether the participant concerned shall be entitled to the benefits provided under articles 5 and 7 immediately, or shall not be entitled to those benefits until he has five years of contributory service unless disability or death is the direct result of an accident; provided that, when a participant who has been declared by the Joint Staff Pension Board not to be entitled to the benefits provided in articles 5 and 7 until he has five years of contributory service ceases

ARTICLE 8 (continued)

(c) *Entitlement to a child's benefit is limited to children existing at the time of eligibility for retirement or disability benefit or at the time of the death of the ex-participant.*

(d) *Under no circumstances shall more than one child's benefit be payable in respect of any one child.*

ARTICLE 9

Eligibility for disability and death benefits

(a) The Joint Staff Pension Board shall require every entrant or re-entrant, before admission to coverage by the benefits provided under articles 5 and 7 (a), to undergo a medical examination to be prescribed in the administrative rules made under these regulations unless the Board decides to accept the findings of a medical examination previously undergone by the entrant.

(b) On the basis of the medical examinations referred to in the preceding paragraph, the Joint Staff Pension Board shall decide whether the participant concerned shall be covered by the provisions of articles 5 and 7 (a) immediately, or shall not be covered by those provisions until he has completed five years of contributory service or, in the case of a re-entrant, until he has completed five years of contributory service subsequent to his re-entrance. However, no participant shall be excluded from the benefits provided under articles 5 and 7 (a) if the disability or death

ARTICLE 8 (continued)

The adoption of the proposed amendments would also:

(1) Make it clear that children's benefits are payable to and only to children existing (i.e., conceived or born) at the date of the death, disability or retirement of the participant.

(2) Impose the limitation that children's benefits plus any retirement, disability, or widow's benefit shall not be greater than a participant's salary and children's allowance at the time of his retirement, death or disability.

ARTICLE 9

Eligibility for disability and death benefits

(a) Editorial change only.

(b) It is suggested that the proviso to the second paragraph of the present article 9 be deleted if the amendments to articles 7(e) and 10(a) are approved, since the proviso would not then be necessary.

The other changes are purely editorial.

ARTICLE 9 (continued)

to be employed by the United Nations or by a member organization, prior to his having five years of contributory service, as the result of disability or death not the direct result of an accident or of damage to health arising from service in an unhealthy area, he or his designated beneficiary or beneficiaries shall be paid a sum, equal to:

1. His own contributions to the Pension Fund, with compound interest at 2½ per cent per annum, plus
2. Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund at the time of his entry into the Pension Fund, without interest.

ARTICLE 10

Withdrawal benefits

If a participant leaves the service of the United Nations or of a member organization prior to reaching the age of sixty for reasons other than disability, death, or dismissal for serious misconduct, as defined in the staff regulations, he shall be entitled to the following withdrawal benefits:

(a) If the participant has less than five years of contributory service, he shall be paid a sum equal to:

(1) His own contributions to the Pension Fund, with compound interest at 2½ per cent per annum, plus

(2) Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund at the time of his entry into the Pension Fund, without interest.

(b) If the participant has five or more years of contributory service he shall be entitled, four months after his service ceases, to a lump-sum payment which shall be the actuarial equivalent, at the date his service ceased, of the retirement benefit payable at the age of sixty calculated on the basis of his contributory service and final average remuneration, provided that the amount to be received under this clause shall not be less than the amount receivable under paragraph (a) above. During that period of four months, he shall be eligible for a death benefit based on his contributory service at the date he ceased to be employed by the United Nations or by a member organization; but

ARTICLE 9 (continued)

is the direct result of an accident or of damage to health arising from service in an unhealthy area.

ARTICLE 10

Withdrawal benefits

(a) If a participant *ceases to be in the employment* of a member organization for reasons other than death *and is not eligible for a disability or retirement benefit*, he shall be entitled to the following withdrawal benefits:

(1) If the participant has less than five years of contributory service, he shall be paid a sum equal to:

(i) His own contributions to the Pension Fund, with compound interest at 2½ per cent per annum, plus

(ii) Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund *of a member organization* at the time of his entry into the Pension Fund, without interest.

(2) If the participant has five or more years of contributory service he shall be entitled, four months after his *employment* ceases, to a lump-sum payment which shall be the actuarial equivalent, at the date his *employment* ceased, of the retirement benefit payable at the age of sixty calculated on the basis of his contributory service and final average remuneration, provided that the amount to be received under this clause shall not be less than the amount receivable under paragraph (1) above. During that period of four months, he shall *not be eligible for a disability benefit but shall* be eligible for a death benefit based on his contributory service at the date he ceased to be

ARTICLE 9 (continued)

ARTICLE 10

Withdrawal benefits

(a) It is suggested that, if the proposal to delete article 11 is accepted, the words "or dismissal for serious misconduct, as defined in the staff regulations" be deleted from article 10. The other suggested changes are purely editorial.

(2) Editorial changes only.

ARTICLE 10 (continued)

a widow's benefit will be payable only if his widow was his wife at the time his service ceased. If he dies during this period of four months and a death benefit becomes payable under article 7, no further benefit shall be payable.

(c) At the request of a participant, the Joint Staff Pension Board may pay the lump sum due under paragraph (b) at a date earlier than that prescribed, but the participant shall cease to be eligible for death benefits on the date that such payment is made.

(d) Any participant whose years of contributory service when added to his age at withdrawal equal sixty years may elect to receive, in lieu of the lump sum due under paragraph (b), his withdrawal benefit in the form of, either

(1) A retirement benefit which is the actuarial equivalent of such lump sum; or

(2) One-half of the lump sum due under paragraph (b) and a retirement benefit deferred to age sixty which is the actuarial equivalent of one-half of such lump sum.

ARTICLE 11

Summary dismissal for serious misconduct

A participant who, in conformity with the staff regulations, has been summarily dismissed for serious misconduct shall receive:

1. His own contributions to the Pension Fund, with compound interest at 2½ per cent per annum, plus

2. Such amount as may have been transferred on his account to the Pension Fund from the Provident Fund at the time of his entry into the Pension Fund, without interest, provided that, on the recommendation of the Secretary-General of the United Nations, or of the competent authority of the member organization concerned, the Joint Staff Pension Board may, to the extent so recommended, grant to such participant a

ARTICLE 10 (continued)

employed by a member organization; *except that* a widow's benefit will be payable only if his widow was his wife at the time his *employment* ceased. If he dies during this period of four months and a death benefit becomes payable under article 7, no further benefit shall be payable.

(3) At the request of a participant the Joint Staff Pension Board *shall* pay the lump sum due under paragraph (2) at a date earlier than that prescribed, but the participant shall cease to be eligible for death benefits on the date that such payment is made.

(4) Any participant whose years of contributory service when added to his age at withdrawal equal sixty *or more* years may elect to receive, in lieu of the lump sum due under paragraph (2), his withdrawal benefit in the form of either:

(i) A retirement benefit, *either immediate or deferred to age sixty*, which is the actuarial equivalent of such lump sum; or

(ii) One-half of the lump sum due under paragraph (2) and a retirement benefit deferred to age sixty which is the actuarial equivalent of one-half of such lump sum.

(b) *At the request of a person entitled to a benefit under this article, the payment of the withdrawal benefit shall be postponed for a period not exceeding three years from the date when the benefit became due. During the period of such postponement compound interest at the rate of 2½ per cent per annum shall be added to the amount of such benefit.*

ARTICLE 11

Summary dismissal for serious misconduct

NOTE: It is recommended that this article be deleted.

ARTICLE 10 (continued)

(3) Editorial changes only.

(4) The proposals are self-explanatory.

(b) A participant separated from the service of a member organization often returns to another member organization as soon as the opportunity arises. This provision will enable persons in those or similar circumstances to leave their benefits in the Fund. The three-year period corresponds to the three-year period in article 12.

ARTICLE 11

Summary dismissal for serious misconduct

The Board, having been informed that similar provisions do not exist in many national or private pension schemes, proposes the deletion of article 11. Recognizing also that disciplinary measures are within the sole competence of the executive heads of the member organizations, it considers that the administration of the Fund should not become involved in such decisions. It feels, moreover, that as a general rule participants and their families should receive protection corresponding to payments made to the Fund in their behalf.

ARTICLE 11 (continued)

lump sum equal to either the whole or a part of the remainder of the benefit he would have been entitled to, under article 10, had he ceased to be employed for reasons other than summary dismissal for serious misconduct.

ARTICLE 12

Re-employment

If a person who has ceased to be employed by the United Nations or a member organization becomes a participant by virtue of a new appointment, the following provisions shall apply, subject to article 9:

(a) If the participant received a lump-sum withdrawal benefit:

(1) He shall pay into the Pension Fund in a manner acceptable to the Joint Staff Pension Board a sum or sums equivalent to the withdrawal benefit received, with compound interest at 2½ per cent per annum;

(2) The repayments so made shall be credited as additional contributions in accordance with the provisions of article 18.

(b) If the participant was in receipt of a withdrawal benefit under article 10 (d):

(1) Payment of that benefit shall cease;

ARTICLE 11 (continued)

ARTICLE 12

Re-employment

If a person who has ceased to be a participant becomes a participant again by virtue of a new appointment, the following provisions shall apply, subject to article 9:

(a) If the participant received a lump-sum withdrawal benefit, he may pay into the Pension Fund in a manner acceptable to the Joint Staff Pension Board a sum or sums equivalent to the withdrawal benefit received, with compound interest at 2½ per cent per annum. *If such repayments are made:*

(1) *If participation has been interrupted for a period of three calendar years or less, the participant's contributory service credit prior to separation shall be restored.*

(2) *If the participation has been interrupted for a period exceeding three calendar years, the repayments so made shall be credited as additional contributions in accordance with the provisions of article 18 (b) and (c).*

(b) If the participant was in receipt of a withdrawal benefit under article 10 (a) (4), payment of that benefit shall cease, and

(1) *If participation has been interrupted for a period of three calendar years or less and if the participant repays all payments of his benefit received with compound interest at 2½ per cent per annum, his contributory service credit prior to separation shall be restored. If the participant does not so repay the payments of his benefit received, then the lump sum which is the actuarial equivalent of the discontinued benefit at the date upon which payments were discontinued shall be credited as an additional contribution in accordance with the provisions of article 18 (b) and (c).*

ARTICLE 11 (continued)

ARTICLE 12

Re-employment

The proposed amended article envisages a system under which:

Person reappointed after receiving a withdrawal benefit under article 10. A distinction would be drawn between persons reappointed within three years and those reappointed after more than three years' absence. In the former case, contributory service prior to separation could be restored if repayment of benefits received were made with interest. In the latter case, the previous contributory service could not be restored and any repayments made would be treated as additional contributions under article 18 (b) and (c). The present regulation makes no provision for restoration of prior contributory service, but treats all repayments as additional contributions under article 18 (b) and (c). This period of grace is proposed because participants separated from the service of a member organization often return to another member organization as soon as the opportunity arises, and it is considered to be sound administrative policy to enable such participants to restore past contributory service if the period between appointments is not too long.

The amendments would make the repayment of lump-sum withdrawal benefits optional. Administrative difficulties have been encountered in applying it as a mandatory requirement. If repayment of a withdrawal benefit were not made, there would of course be no restoration of past service or additional credit under article 18.

The proposed amendments would not alter the present provision to the effect that the actuarial equivalents of discontinued benefits are to be credited as additional contributions under article 18 (b) and (c).

ARTICLE 12 (continued)

(2) The lump-sum which is the actuarial equivalent of such discontinued benefit at the date upon which payments were discontinued shall be credited as an additional contribution in accordance with the provisions of article 18.

(c) If the participant was in receipt of a disability benefit:

(1) Payment of that benefit shall cease;

(2) He shall re-enter the Pension Fund as a participant with credit for the contributory service which he had accumulated when his disability benefit began.

ARTICLE 13

Preservation of pension rights

Any agreement adjusting the provisions of these regulations which the Secretary-General proposes to conclude with a Member government, with a view to securing continuity of the pension and staff-benefit rights of participants, shall be communicated to the Joint Staff Pension Board by the representatives of the Secretary-General on that Board, for observations, prior to the submission of such an agreement to the General Assembly for approval.

ARTICLE 14

Establishment of a Pension Fund

A Fund shall be established to meet the liabilities resulting from these regulations. All moneys deposited with bankers, all securities and investments and all other assets which are the property of the Fund shall be deposited, acquired and held in the name of the United Nations. The Fund shall be administered sepa-

ARTICLE 12 (continued)

(2) *If participation has been interrupted for a period exceeding three calendar years, the lump sum which is the actuarial equivalent of the discontinued benefit at the date upon which payments were discontinued shall be credited as an additional contribution in accordance with the provisions of article 18 (b) and (c).*

(c) If the participant was in receipt of a disability benefit under article 5, payment of that benefit shall cease, and

(1) He shall re-enter the Pension Fund as a participant with credit for the contributory service which he had accumulated when his disability benefit began.

(2) *Any withdrawal benefit which may become payable to him within five years after his re-entry into the Fund may be reduced by the Board by the amount of the disability benefit payments made to him; and the amount of any retirement benefit which may become payable to him within one year after his re-entry into the Fund may be reduced by the Board to an amount not exceeding the sum of the disability benefit of which he had been in receipt and the retirement benefit earned during his period of contributory service since reappointment.*

ARTICLE 13

Preservation of pension rights

Any agreement adjusting the provisions of these regulations which the Secretary-General proposes to conclude with a Member government, *or with an inter-governmental organization*, with a view to securing continuity of the pension and staff benefit rights of participants, shall be communicated to the Joint Staff Pension Board by the representatives of the Secretary-General on that Board, for observations, prior to the submission of such an agreement to the General Assembly for approval.

ARTICLE 14

Establishment of a Pension Fund

A Fund shall be established to meet the liabilities resulting from these regulations *which shall be known as the United Nations Joint Staff Pension Fund*. All moneys deposited with bankers, all securities and investments and all other assets which are the property of the Fund shall be deposited, acquired and held in

ARTICLE 12 (continued)

Person reappointed after receiving a disability benefit under article 5

Both the present and the proposed provisions state that payment of benefits shall cease and that prior contributory service shall be restored. The proposed text adds, however, conditions which would empower the Board to reduce withdrawal benefits becoming payable within five years of re-entry and to reduce retirement benefits becoming payable within one year of re-entry.

ARTICLE 13

Preservation of pension rights

This amendment is proposed in order to ensure the participation of the Board in the consideration of agreements relating to the preservation of the pension rights which might be concluded by the Secretary-General with specialized agencies or other inter-governmental organizations.

ARTICLE 14

Establishment of a Pension Fund

The first amendment is self-explanatory.

The second amendment is to emphasize the exclusive interest of the participants and beneficiaries in the assets of the Fund.

ARTICLE 14 (continued)

rately from the assets of the United Nations by the Joint Staff Pension Board in accordance with these regulations, and shall be used solely for the purposes provided for in these regulations.

ARTICLE 15

Payments into the Fund

The Fund shall be maintained by:

- (a) The contributions of the participants;
- (b) The payments of the United Nations and of the member organizations;
- (c) The yield from the investments of the Fund;
- (d) Any other receipts appropriate to the purposes of the Fund.

ARTICLE 16

Contributions of participants

Seven per cent of the pensionable remuneration of each participant shall be deducted from his remuneration and paid each month to the Pension Fund.

During any period of sick leave on full or half pay, participants shall continue to contribute to the Pension Fund by deduction from such payments on the basis of their full pensionable remuneration.

During any period of authorized leave without pay or sick leave without pay, a participant may have such periods included in his contributory service by paying his own contribution and the contribution that would normally be payable, under article 17 of these regulations, by the United Nations or a member organization on the basis of his full pensionable remuneration. In cases approved by the Secretary-General in respect of the United Nations staff, or by the competent authority in respect of the staff of member organizations, the United Nations or the member organizations may continue to pay the contribution otherwise due under article 17 of these regulations notwithstanding that

ARTICLE 14 (continued)

the name of the United Nations *on behalf of all the participants and beneficiaries of the Fund*. The Fund shall be administered separately from the assets of the United Nations by the Joint Staff Pension Board in accordance with these regulations, and shall be used solely for the purposes provided for in these regulations.

ARTICLE 15

Payments into the Fund

The Fund shall be maintained by:

- (a) The contributions of the participants;
- (b) The *contributions* of the member organizations;
- (c) The yield from the investments of the Fund;
- (d) *Any deficiency payments under article 19*; and
- (e) Any other receipts.

ARTICLE 16

Contributions *on account* of participants

(a) Seven per cent of the pensionable remuneration of each participant shall be deducted from his remuneration and paid each month to the Pension Fund.

(b) During any period of sick leave on full or *partial* pay, a *participant* shall continue to contribute to the Pension Fund by deduction from such payments on the basis of *his* full pensionable remuneration, and *any benefit under these regulations to which he becomes entitled during such period shall be calculated on the basis of his full pensionable remuneration*.

(c) (1) *A participant on leave without pay granted for reasons other than the performance of military service shall be covered by the full benefits provided under these regulations if full contributions on his account are received on the dates on which they would normally become due.*

(2) *A participant on leave without pay granted for reasons other than the performance of military service on whose account full contributions are not so received shall be covered by the full benefits provided under these regulations for a period of four months or for such longer period as the Board, upon*

ARTICLE 14 (continued)

ARTICLE 15

Payments into the Fund

The object of the amendments is to provide a comprehensive statement of the receipts and income, actual and potential, by which the Fund is to be maintained.

ARTICLE 16

Contributions *on account* of participants

(a) No change in the text.

(b) The changes here are solely to make the article technically more complete.

(c) The proposed amendments would make the following provisions in relation to leave without pay:

(1) A distinction would be made between leave without pay for normal purposes and leave without pay for military service.

(2) During any period of leave without pay for normal purposes, full coverage would automatically continue without contributions for a period of four months or such longer period as the Board might determine upon application by the participant. The four-month period is suggested because the Board under-

ARTICLE 16 (continued)

the participant is not in receipt of pensionable remuneration; and in such cases the participant will pay only his own contribution.

ARTICLE 16 (continued)

the application of the participant, may allow; thereafter he shall be covered only by the benefits provided in paragraph (e) of this article.

(d) A participant on leave without pay granted for the performance of military service shall be covered only by the benefits provided in paragraph (e) of this article, and the Joint Staff Pension Board shall not accept contributions on his account during the period of such leave.

(e) A participant on leave without pay who is not covered by the full benefits provided under these regulations and who retires, becomes disabled or withdraws from the Fund shall become entitled to a withdrawal benefit under article 10; if such a participant dies his designated recipient shall become entitled to a benefit calculated in the same manner as a withdrawal benefit under article 10; provided that a benefit under this paragraph payable on account of the death or disability of a participant on leave without pay granted for the performance of military service shall not be less than the individual actuarial reserve of the said participant calculated at the time the death or disability occurred.

(f) A period of leave without pay shall not be included in a participant's contributory service unless full contributions are received during the currency of such leave or unless, within a period of twelve months from the participant's return to work, full contributions in respect of such period, with interest at the rate of 2½ per cent per annum, are received by the Fund.

(g) Payment of full contributions in accordance with the provisions of this article on behalf of a participant who is or has been on leave without pay may be made either (a) in full by the participant or (b) in full by the member organization or (c) by the participant and the member organization in such shares as they may determine.

(h) For the purposes of this article, "full contributions" means the sum of the contributions payable by a participant under paragraph (a) of this article, and the contributions payable by a member organization under article 17 in respect of his participation.

ARTICLE 16 (continued)

stands that leave without pay in most cases is granted for purposes of study, or on compassionate grounds or for similar reasons. On the assumption that the granting of leave without pay is in the interests of the organization as well as the individual, a short continuation of coverage was considered to be equitable.

(d) During any period of leave without pay for military service, a participant would not be covered for retirement, death or disability benefits. No contributions would be accepted.

(e) In the event of retirement, withdrawal, disability or death during a period of leave without pay for which there was no coverage, the participant would be eligible, irrespective of the reason for which leave was given, to a withdrawal benefit under article 10; provided that, in the case of the death or disability of a participant on leave without pay for military service, the amount of the benefit should be not less than the individual actuarial reserve of the said participant calculated at the time the death or disability occurred.

(f) On a participant's return to service from leave granted for either purpose, the period of leave can be added to contributory service if arrears of contributions are paid in full with interest.

(g) The period of leave can be added to contributory service if full contributions are paid to the Fund. The regulations envisage that, in such cases, full contributions would normally be paid by the participant, but that it is open to a member organization to pay its contributions under article 17. The amendments would make more flexible arrangements possible.

(h) This paragraph is self-explanatory.

*Present regulations
of the Fund*

ARTICLE 17

Payments by the United Nations
and each member organization

The United Nations and each member organization shall pay to the Pension Fund in respect of the participants employed by them:

(a) Each month a contribution of an amount equal to 14 per cent of the total monthly pensionable remuneration of these participants;

(b) Each month such additional contributions as are necessary to maintain the Fund in a position to meet the obligations in respect of participants to whom the provisions of article 3 apply.

ARTICLE 18

Voluntary deposits by participants

(a) In addition to the contributions deducted from the remuneration of a participant as provided in article 16, any participant may, subject to the approval of the Joint Staff Pension Board and under such conditions as the Board may prescribe, deposit in the Pension Fund, in a lump sum or sums and/or by an increased rate of contribution, an amount computed to be sufficient to purchase an additional retirement benefit which, together with his prospective regular retirement benefit as provided herein, will provide for him a total retirement benefit not to exceed one-third of his final average remuneration at the age of retirement. Interest at such rates as may be set from time to time by the Board shall be allowed on such contributions.

(b) Such additional contributions and/or amounts deposited under the provisions of article 12, together with the interest thereon, shall be credited to the participant's individual account in the Pension Fund and shall be used to provide an additional benefit, payable in the same form and at the same time as any regular benefit to which he may become entitled under these regulations; and such additional benefit shall be the actuarial equivalent of the amount so credited at the time such benefit becomes payable.

(c) Any married male participant who has contributed under the provisions of this article and who becomes entitled to a retirement or disability benefit may, prior to the commencement of payment of such

*Amended regulations as recommended
by the Joint Staff Pension Board*

ARTICLE 17

Normal contributions by member
organizations

Each member organization shall pay into the Pension Fund monthly a contribution equal to 14 per cent of the total monthly pensionable remuneration of the participants employed by it.

ARTICLE 18

Voluntary deposits by participants

(a) In addition to the contributions deducted from the remuneration of a participant as provided in article 16, any participant may, subject to the approval of the Joint Staff Pension Board and under such conditions as the Board may prescribe, deposit in the Pension Fund, in a lump sum or sums and/or by an increased rate of contribution, an amount computed to be sufficient to purchase an additional retirement benefit which, together with his prospective regular retirement benefit as provided herein, will provide for him a total retirement benefit not to exceed *one-half* of his final average remuneration at the age of retirement. Interest at such rates as may be set from time to time by the Board shall be allowed on such contributions.

(b) Such additional contributions and/or amounts deposited under the provisions of article 12, together with the interest thereon, shall be credited to the participant's individual account in the Pension Fund and shall be used to provide an additional benefit, payable in the same form and at the same time as any regular benefit to which he may become entitled under these regulations; and such additional benefit shall be the actuarial equivalent of the amount so credited at the time such benefit becomes payable.

(c) Any married male participant who has contributed under the provisions of this article and who becomes entitled to a retirement or disability benefit may, prior to the commencement of payment of such

Explanatory comments

ARTICLE 17

Normal contributions by member
organizations

It is proposed that the provision of the present article 17 (b) relating to payments of contributions for the purposes of article 3 be transferred to article 3.

ARTICLE 18

Voluntary deposits by participants

It is suggested that the limit on the amount of additional retirement benefit which may be purchased by voluntary payments into the Fund be raised to provide a possible total pension equal to *one-half* instead of *one-third* of final average remuneration. No other changes are proposed.

ARTICLE 18 (continued)

benefit, elect to receive, in lieu of the additional benefit payable in accordance with paragraph (b) of this article, a benefit payable only during his own lifetime which is the actuarial equivalent of the benefit, including the prospective widow's benefit, otherwise payable.

ARTICLE 19

Deficiency payments

If at any time an actuarial valuation shows that the assets of the Pension Fund may not be sufficient to meet the liabilities under the regulations, there shall be paid into the Fund by the United Nations and each member organization the sum necessary to make good the deficiency. The United Nations and each member organization shall contribute to this sum an amount proportionate to the total contributions which each paid under article 17 during the three years previous to the date of the actuarial valuation referred to above.

ARTICLE 20

United Nations Staff Pension Committee

The United Nations Staff Pension Committee shall consist of three members elected for three years by the General Assembly, three members appointed by the Secretary-General and three members, who must be participants and on the staff of the United Nations, elected for three years by such participants by secret ballot. Where questions directly affecting participants employed in the Registry of the International Court of Justice are under consideration, a member appointed by the Registrar shall be entitled to attend the meetings of the Staff Pension Committee. The Assembly and the participants shall each elect three alternate members for three years, and the Secretary-General shall appoint three alternate members.

The term of office of elected members of the United Nations Staff Pension Committee shall begin on 1 January following the election, and shall terminate on 31 December following the election of their successors. The elected members shall be eligible for re-election.

A secretary to the United Nations Staff Pension Committee shall be appointed by the Secretary-General upon the recommendation of the United Nations Staff Pension Committee. The Secretary of the Joint Staff Pension Board can be appointed to this office.

ARTICLE 18 (continued)

benefit, elect to receive, in lieu of the additional benefit payable in accordance with paragraph (b) of this article, a benefit payable only during his own lifetime which is the actuarial equivalent of the benefit, including the prospective widow's benefit, otherwise payable.

ARTICLE 19

Deficiency payments

If at any time an actuarial valuation shows that the assets of the Pension Fund may not be sufficient to meet the liabilities under the regulations, there shall be paid into the Fund by each member organization the sum necessary to make good the deficiency. Each member organization shall contribute to this sum an amount proportionate to the total contributions which each paid under article 17 during the three years previous to the date of the actuarial valuation referred to above.

ARTICLE 20

Staff pension committees of member organizations

Each member organization shall have a staff pension committee, which shall include members chosen by the body of the member organization corresponding to the General Assembly of the United Nations, by the chief executive officer, and by the participants.

ARTICLE 18 (continued)

ARTICLE 19

Deficiency payments

Editorial changes only.

ARTICLE 20

Staff pension committees of member organizations

This was formerly article 21.

There is no change in the text.

ARTICLE 21

Staff pension committees of member organizations

Each member organization shall have a staff pension committee, which shall include members chosen by the body of the member organization corresponding to the General Assembly of the United Nations, by the chief executive officer, and by the participants.

ARTICLE 22

Joint Staff Pension Board

The Joint Staff Pension Board shall consist of nine members appointed by the United Nations Staff Pension Committee, and three members appointed by each of the staff pension committees of the member organizations.

The Joint Staff Pension Board may appoint a standing committee, which will act on its behalf when the Board is not in session.

ARTICLE 21

United Nations Staff Pension Committee

(a) The United Nations Staff Pension Committee shall consist of three members elected for three years by the General Assembly, three members appointed by the Secretary-General and three members, who must be participants and on the staff of the United Nations, elected for three years by such participants by secret ballot. Where questions directly affecting participants employed in the Registry of the International Court of Justice are under consideration, a member appointed by the Registrar shall be entitled to attend the meetings of the Staff Pension Committee. The Assembly and the participants shall each elect three alternate members for three years, and the Secretary-General shall appoint three alternate members.

(b) The term of office of elected members of the United Nations Staff Pension Committee shall begin on 1 January following the election, and shall terminate on 31 December following the election of their successors. The elected members shall be eligible for re-election.

(c) A secretary to the United Nations Staff Pension Committee shall be appointed by the Secretary-General upon the recommendation of the United Nations Staff Pension Committee. The Secretary of the Joint Staff Pension Board can be appointed to this office.

ARTICLE 22

Joint Staff Pension Board

(a) The Joint Staff Pension Board shall consist of nine members appointed by the United Nations Staff Pension Committee, and three members appointed by each of the staff pension committees of the other member organizations. *Members of the Board shall be appointed by each staff pension committee in equal numbers from each of the three groups referred to in article 20.*

(b) The Joint Staff Pension Board may appoint a standing committee, which will act on its behalf when the Board is not in session.

ARTICLE 21

United Nations Staff Pension Committee

This was formerly article 20.

There is no change in the text.

In view of the fact that it is now proposed to include the United Nations in the general term "member organization", it was felt to be the logical order to state first the general principles on which the pension committees of all member organizations are to be composed, and then follow with the specific composition laid down for the Staff Pension Committee of the United Nations.

ARTICLE 22

Joint Staff Pension Board

Delegations of each staff pension committee to the Joint Staff Pension Board have in the past reflected the tripartite composition of the staff pension committees of member organizations. It is suggested that this arrangement should be confirmed in the regulations.

ARTICLE 23

Secretary of the Joint Staff Pension Board

Upon the recommendation of the Joint Staff Pension Board, the Secretary-General of the United Nations shall appoint a secretary and other officer or officers to act in the absence of the secretary. The secretary and the officer acting in his absence shall exercise their functions under the authority of the Board. The payment of all benefits under these regulations must be certified by the secretary or the officer authorized by the Board to act in his absence.

ARTICLE 24

Power of delegation

Subject to article 23, the Joint Staff Pension Board may delegate to the staff pension committees of the United Nations and of each member organization, in respect of the participants and beneficiaries in these bodies, some or all of its discretionary powers relating to:

- (a) Admission of participants;
- (b) The granting of benefits under these regulations.

ARTICLE 25

Investment of assets of the Fund

Subject to the complete separation to be maintained between the assets of the Fund and the assets of the United Nations as provided in article 14, the investment of the assets of the Fund shall be decided upon by the Secretary-General, after consultation with an Investments Committee and after having heard any observations or suggestions by the Joint Staff Pension Board concerning the investments policy. The Investments Committee shall consist of three members appointed by the Secretary-General after consultation with the Advisory Committee on Administrative and Budgetary Questions, subject to subsequent confirmation by the General Assembly.

ARTICLE 26

Staff

Subject to article 23, the Secretary-General shall provide the staff required by the Joint Staff Pension Board and by the United Nations Staff Pension Committee, including the staff necessary for keeping of the

ARTICLE 23

Secretary of the Joint Staff Pension Board

Upon the recommendation of the Joint Staff Pension Board, the Secretary-General of the United Nations shall appoint a secretary and other officer or officers to act in the absence of the secretary. The secretary and the officer acting in his absence shall exercise their functions under the authority of the Board. The payment of all benefits under these regulations must be certified by the secretary or the officer authorized by the Board to act in his absence.

ARTICLE 24

Power of delegation

Subject to article 23, the Joint Staff Pension Board may delegate to the staff pension committee of each member organization, in respect of the participants and beneficiaries in that body, some or all of its discretionary powers relating to:

- (1) Admission of participants;
- (2) The granting of benefits under these regulations.

ARTICLE 25

Investment of assets of the Fund

Subject to the complete separation to be maintained between the assets of the Fund and the assets of the United Nations as provided in article 14, the investment of the assets of the Fund shall be decided upon by the Secretary-General of the United Nations, after consultation with an Investments Committee and after having heard any observations or suggestions by the Joint Staff Pension Board concerning the investments policy. The Investments Committee shall consist of three members appointed by the Secretary-General after consultation with the Advisory Committee on Administrative and Budgetary Questions, subject to subsequent confirmation by the General Assembly.

ARTICLE 26

Staff

(a) Subject to article 23, the Secretary-General of the United Nations shall provide the staff required by the Joint Staff Pension Board and by the United Nations Staff Pension Committee, including the staff

ARTICLE 23

Secretary of the Joint Staff Pension Board

There is no change in the text.

ARTICLE 24

Power of delegation

Editorial change only.

ARTICLE 25

Investment of assets of the Fund

Editorial change only.

ARTICLE 26

Staff

Editorial change only.

*Present regulations
of the Fund*

ARTICLE 26 (continued)

accounts and records of the Fund, and the payment of benefits.

Consulting actuaries to the Joint Staff Pension Board shall be appointed by the Secretary-General on the recommendation of the Board.

ARTICLE 27

Administrative expenses

Expenses incurred in the administration of these regulations by the Joint Staff Pension Board and by the United Nations Staff Pension Committee shall be met out of the general budget of the United Nations.

Expenses incurred in the administration of these regulations by the staff pension committee of a member organization shall be met out of the general budget of that organization.

ARTICLE 28

Admission of specialized agencies

A specialized agency referred to in Article 57, paragraph 2, of the Charter shall become a member organization of the United Nations Joint Staff Pension Fund on its acceptance of these regulations, provided that agreement has been reached with the Secretary-General of the United Nations as to any payments necessary to be made by such specialized agency to the Pension Fund in respect of the new obligations incurred by the Fund through its admission, and as to the other transitional arrangements that may be necessary, including the extent to which these regulations are to be applicable to employees of the specialized agency at the time of admission to the Fund.

Any agreement which the Secretary-General proposes to conclude with a specialized agency shall be communicated to the Joint Staff Pension Board by the representatives of the Secretary-General on that Board, for observations, prior to its conclusion.

ARTICLE 29

Adoption of basic tables

The Joint Staff Pension Board, upon the advice of a qualified actuary or actuaries, shall adopt from time

*Amended regulations as recommended
by the Joint Staff Pension Board*

ARTICLE 26 (continued)

necessary for keeping of the accounts and records of the Fund, and the payment of benefits.

(b) Consulting actuaries to the Joint Staff Pension Board shall be appointed by the Secretary-General on the recommendation of the Board.

ARTICLE 27

Administrative expenses

(a) Expenses incurred in the administration of these regulations by the Joint Staff Pension Board shall be met out of the general budget of the United Nations. *Arrangements between the Secretary-General of the United Nations and the competent authorities of the other member organizations may, however, be concluded to provide for the sharing of such expenses.*

(b) Expenses incurred in the administration of these regulations by the staff pension committee of a member organization shall be met out of the general budget of that organization.

ARTICLE 28

Admission of specialized agencies

(a) A specialized agency referred to in Article 57, paragraph 2, of the Charter shall become a member organization of the United Nations Joint Staff Pension Fund on its acceptance of these regulations, provided that agreement has been reached with the Secretary-General of the United Nations as to any payments necessary to be made by such specialized agency to the Pension Fund in respect of the new obligations incurred by the Fund through its admission, and as to the other transitional arrangements that may be necessary, including the extent to which these regulations are to be applicable to employees of the specialized agency at the time of admission to the Fund.

(b) Any agreement which the Secretary-General proposes to conclude with a specialized agency shall be communicated to the Joint Staff Pension Board by the representatives of the Secretary-General on that Board, for observations, prior to its conclusion.

ARTICLE 29

Adoption of basic tables

The Joint Staff Pension Board, upon the advice of a qualified actuary or actuaries, shall adopt from time

Explanatory comments

ARTICLE 26 (continued)

ARTICLE 27

Administrative expenses

The purpose of this proposed amendment is to enable arrangements to be made for member organizations to share the costs of the Joint Staff Pension Board.

ARTICLE 28

Admission of specialized agencies

There is no change in the text.

ARTICLE 29

Adoption of basic tables

There is no change in the text.

ARTICLE 29 (continued)

to time service and mortality tables and the rate of regular interest which shall be used in all actuarial calculations required in connexion with the Pension Fund. Unless and until changed by the Joint Staff Pension Board, a rate of 2½ per cent per annum shall be the applicable rate of regular interest. Once in each five years following the establishment of the Pension Fund, the Board shall have an actuarial investigation made into the mortality, service, and compensation experience of the participants and beneficiaries of the Pension Fund; and taking into account the results of such investigation, the Board shall adopt such mortality, service and other tables as it shall deem appropriate.

ARTICLE 30

Currency

Contributions and benefits shall be calculated in the currency in which the pensionable remuneration is fixed by the terms of employment.

Payments of benefits may be made in the currency selected from time to time by the recipient at the rate of exchange prevailing at the date of payment.

ARTICLE 31

Actuarial valuations

The Joint Staff Pension Board shall have an actuarial valuation of the Pension Fund made not later than one year after the appointed date¹ by a qualified actuary or actuaries, and thereafter at least every three years. The actuarial report shall state the assumptions on which the calculations are based; it shall describe the method of valuation used; it shall state the results of the investigations as well as the recommendations, if any, for any appropriate action. The report shall be presented to the Joint Staff Pension Board, to the Secretary-General of the United Nations and to the competent authority of each member organization.

¹ See article 33.

ARTICLE 29 (continued)

to time service and mortality tables and the rate of regular interest which shall be used in all actuarial calculations required in connexion with the Pension Fund. Unless and until changed by the Joint Staff Pension Board, a rate of 2½ per cent per annum shall be the applicable rate of regular interest. Once in each five years following the establishment of the Pension Fund, the Board shall have an actuarial investigation made into the mortality, service, and compensation experience of the participants and beneficiaries of the Pension Fund; and taking into account the results of such investigation, the Board shall adopt such mortality, service and other tables as it shall deem appropriate.

ARTICLE 30

Currency

(a) Contributions to the Fund shall be calculated upon the pensionable remuneration fixed by the terms of employment and shall be remitted to the Fund in United States dollars or in such other currency as may be agreed between the Board and the member organization concerned.

(b) Benefits shall be calculated and paid in the currency in which contributions have been received by the Fund on the account of each participant, provided however that payment of benefits may be made in any other currency selected from time to time by the recipient, at the rate of exchange obtainable by the Fund at the date of payment.

ARTICLE 31

Actuarial valuations

(a) The Joint Staff Pension Board shall have an actuarial valuation of the Pension Fund made not later than one year after the appointed date¹ by a qualified actuary or actuaries, and thereafter at least every three years. The actuarial report shall state the assumptions on which the calculations are based; it shall describe the method of valuation used; it shall state the results of the investigations as well as the recommendations, if any, for any appropriate action. The report shall be presented to the Joint Staff Pension Board, and to the competent authority of each member organization.

¹ See article 40.

ARTICLE 29 (continued)

ARTICLE 30

Currency

The adoption of the amendments would:

(1) Enable the number of currencies in which the assets and liabilities of the Fund are computed to be kept to a minimum.

(2) Provide protection to participants by enabling the Board and member organizations to select currencies which they consider to be stable as those in which contributions are to be remitted to the Fund.

(3) Protect the Fund against losses due to currency fluctuations by providing that benefits shall be calculated in the currency in which contributions are received.

ARTICLE 31

Actuarial valuations

Editorial change only.

ARTICLE 31 (continued)

Upon the receipt of the actuarial report, the Joint Staff Pension Board shall make proposals to the General Assembly, and to member organizations, for any action to be taken as a result thereof. Copies of the actuarial report and of any such proposals shall be forwarded to the Advisory Committee on Administrative and Budgetary Questions.

ARTICLE 32

Non-assignability of rights

A participant or a beneficiary may not assign his rights under these regulations to another person.

ARTICLE 33

Debts owed to the Fund

Any payment due from a participant to the Pension Fund and unpaid at the date of his becoming entitled to any benefit under these regulations shall be deducted from the benefit in a manner to be determined by the Staff Pension Committee.

ARTICLE 34

Documentary evidence

Every participant and every beneficiary under these regulations shall furnish such documentary evidence as may be required under the administrative rules.

ARTICLE 35

Annual report

The Joint Staff Pension Board shall present annually to the General Assembly of the United Nations and to the member organizations a report, including a balance sheet, on the operation of these regulations. The Secretary-General shall inform each member organization of any action taken by the General Assembly upon the report.

ARTICLE 36

Administrative rules

The Joint Staff Pension Board shall make administrative rules necessary for the carrying out of these regulations. These administrative rules shall be reported to the General Assembly and to the competent organ of each member organization.

ARTICLE 31 (continued)

(b) Upon the receipt of the actuarial report, the Joint Staff Pension Board shall make proposals to the General Assembly of the United Nations, and to member organizations, for any action to be taken as a result thereof. Copies of the actuarial report and of any such proposals shall be forwarded to the Advisory Committee on Administrative and Budgetary Questions.

ARTICLE 32

Non-assignability of rights

A participant or a beneficiary may not assign his rights under these regulations to another person.

ARTICLE 33

Debts owed to the Fund

Any payment due from a participant to the Pension Fund and unpaid at the date of his becoming entitled to any benefit under these regulations shall be deducted from the benefit in a manner to be determined by the Joint Staff Pension Board.

ARTICLE 34

Documentary evidence

Every participant and every beneficiary under these regulations shall furnish such documentary evidence as may be required under the administrative rules.

ARTICLE 35

Annual report

The Joint Staff Pension Board shall present annually to the General Assembly of the United Nations and to the member organizations a report, including a balance-sheet, on the operation of these regulations. The Secretary-General shall inform each member organization of any action taken by the General Assembly upon the report.

ARTICLE 36

Administrative rules

The Joint Staff Pension Board shall make administrative rules necessary for the carrying out of these regulations. These administrative rules shall be reported to the General Assembly of the United Nations and to the competent organ of each member organization.

ARTICLE 31 (continued)

ARTICLE 32

Non-assignability of rights

There is no change in the text.

ARTICLE 33

Debts owed to the Fund

It is suggested that the Joint Staff Pension Board be substituted for the staff pension committee of a member organization as the authority to determine the manner in which payments due from a participant shall be deducted from benefits due to him.

ARTICLE 34

Documentary evidence

There is no change in the text.

ARTICLE 35

Annual report

There is no change in the text.

ARTICLE 36

Administrative rules

Editorial change only.

ARTICLE 37

Amendments

The Joint Staff Pension Board may recommend to the General Assembly amendments to these regulations. The General Assembly may, after the Joint Staff Pension Board has been consulted, amend these regulations; and the regulations so amended shall take effect in regard to the participants in the Fund, including those who were participants before the regulations were amended, as from the date specified by the General Assembly but without prejudice to rights to benefits acquired through contributory service accumulated prior to that date.

ARTICLE 38

Appointed date

These regulations, which supersede and replace the Provisional Regulations of the United Nations Joint Staff Pension Scheme, shall come into force on 23 January 1949.

ARTICLE 37

Amendments

The Joint Staff Pension Board may recommend to the General Assembly of the United Nations amendments to these regulations. The General Assembly may, after the Joint Staff Pension Board has been consulted, amend these regulations; and the regulations so amended shall take effect in regard to the participants in the Fund, including those who were participants before the regulations were amended, as from the date specified by the General Assembly but without prejudice to rights to benefits acquired through contributory service accumulated prior to that date.

ARTICLE 38

Termination of the membership of a member organization

(a) *Termination of membership in the Pension Fund of a member organization, whether as the result of an application by such member organization or as a result of continued default in the payment of contributions, shall be subject to approval by the General Assembly of the United Nations upon the recommendation of the United Nations Joint Staff Pension Board.*

(b) *In the event of termination of membership the following provisions shall apply: The proportionate share of each such former member organization in the total assets of the Pension Fund as of the date its membership terminated shall be determined by actuarial valuation. The share so determined shall be disposed of either by payment to the former organization or pursuant to such arrangement as may be mutually agreed between that organization and the Board, in either case on behalf of and for the exclusive benefit of its staff who were participants as of such date; provided, however, that no part of the assets of the Pension Fund which are in excess of the amount required to meet the liabilities under the regulations as of such date shall be included in determining such proportionate share.*

(c) *In the event of the dissolution of the Fund, the Board shall take such steps as are necessary to meet the obligations of the Fund to the beneficiaries and thereafter shall distribute the remaining assets to the*

ARTICLE 37

Amendments

Editorial change only.

ARTICLE 38

Termination of the membership of a member organization

NOTE: Article 38 of the present regulations becomes article 40.

The Board considers that a new article should be included in the regulations which would govern the termination of membership of a member organization and the dissolution of the Fund. Provisions appear in the agreements between the United Nations and other member organizations dealing with arrangements to be made in the event of temporary default in the remission of contributions under article 17. The Board considers that the regulations should contain provisions for the termination of the membership of a member organization which remains in default for a protracted period. The Governing Body of the International Labour Organisation expressed a keen interest in having included in the regulations provisions governing termination of membership and the dissolution of the Fund.

The proposed article would provide that termination of membership, whether as a result of a request by a member organization or of continued default, must be approved by the General Assembly upon the recommendation of the Joint Staff Pension Board.

Where membership is terminated, the share of the member withdrawing would be paid to that member or be otherwise disposed of as may be mutually agreed between the organization and the Board but, in any

ARTICLE 38 (Continued)

ARTICLE 38 (continued)

member organizations in accordance with the actuarial value of their respective interests in the Fund, and the assets so distributed to each member organization shall be used on behalf of and for the exclusive benefit of their respective staff members who were participants at the time of dissolution.

ARTICLE 39

External audit

The Joint Staff Pension Board shall arrange for an annual audit of the Fund to be made by the Board of Auditors of the United Nations. A copy of the report of the Board of Auditors shall be included as part of the annual report as prescribed under article 35.

ARTICLE 40

Appointed date

These regulations, which supersede and replace the Provisional Regulations of the United Nations Joint Staff Pension Scheme, shall come into force on 23 January 1949.

ARTICLE 38 (continued)

event, would have to be used for the exclusive benefit of those persons who were participants of the withdrawing organization at the time of withdrawal. The amount made available for the use of such participants would not exceed the actuarial equivalent of the liabilities arising out of their participation.

In the event of dissolution of the Fund, the Board would have to make provision to meet the obligations of the Fund to beneficiaries and to distribute the remaining assets to member organizations for the exclusive benefit of staff members who were participants at the time of dissolution.

ARTICLE 39

External audit

This new article is self-explanatory.

ARTICLE 40

Appointed date

This was article 38.

There is no change in the text.

ANNEX TO THE REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

ARTICLE 16 OF THE REGULATIONS

Contributions on account of participants

1. There are no words in the present regulations of the Fund which clearly distinguish between the rights of participants on leave, without pay, for military service and those on leave, without pay, for other reasons.

2. Some members of the Board considered that the absence of any such words clearly indicated that the Assembly intended to make no such distinction. Others considered that such a conclusion could not safely be drawn having regard to all the circumstances at the time the regulations were adopted.

3. Article 16 provides that a participant on leave without pay is covered by the regulations but within the limits only of his contributory service up to the date on which he went on such leave. The period of leave without pay can be added to his contributory service if the full contributions which should be received by the Fund in respect of his participation are paid as they become due. The existing provision was considered by the majority of the Board to be inadequate because:

(i) It extends the period during which a risk in respect of a participant is carried by the Fund without making provision for payments to the Fund to meet the added risk; and

(ii) It exposes the Fund to risks arising out of military service which, according to a statement made by the actuary, are not included in the actuarial tables on which the Fund is based.

4. Consequently, the Board decided to propose to the General Assembly amendments to the regulations the most important of which would provide:

(i) That a participant on leave, without pay, for military service would be covered only by an amount corresponding to a withdrawal benefit and not by retirement, death or disability benefits;

(ii) That a participant on leave, without pay, for other purposes would be covered by the full benefits of the regulations for a short time, after which he would cease to be covered by retirement, death and disability benefits, and would be covered only by an amount corresponding to a withdrawal benefit;

(iii) That in each case, benefits would be based on contributory service accumulated before leave commenced; and

(iv) That a person on leave, without pay, granted for reasons other than military service, should be eligible for full coverage during his absence if full contributions in respect of his participation are paid to the Fund, but that there should be no authority to extend the benefits of a participant on leave, without pay, for military service beyond those set out in (i) above.

5. The entitlement of participants on military service was discussed very fully by the Board and the decision finally reached was by no means unanimous. Possibilities discussed included, in addition to the scheme finally put forward, proposals:

(i) That whatever rules were finally proposed to govern leave without pay, no distinction should be made between participants on leave without pay granted for military service and those on leave without pay granted for other purposes;

(ii) That a distinction should be drawn between leave, without pay, for combat service and leave, without pay, for military training.

6. The Board thought that the problem it discussed involved far-reaching ethical and political considerations which should be put before the General Assembly.

7. The members of the Board who considered that no distinction should be drawn between participants on leave, without pay, for military service and those on leave, without pay, for other reasons, urged that any such distinction would be unethical in the present circumstances. Many national civil services and many international corporations accept war risks and pay benefits

without regard to any benefits their employees might receive for their military services from the governments concerned. The Board had made it clear that, in undertaking the revision of the regulations, it did not intend to increase or decrease substantially the benefits already provided; however, the proposed amendment would represent a significant diminution in benefits.

8. It was suggested that the financial risks from admitting participants on military service to the same benefits as other participants on leave without pay had been exaggerated. Under conditions of modern warfare, the Fund was likely to face at least as serious a risk from the coverage of United Nations civilian personnel as from the coverage extended to persons on leave without pay for military service. No claims have been received as a result of fighting in Korea. The League of Nations scheme extended to participants on military service and that coverage had not affected the stability of the Fund. The Joint Staff Pension Fund was likely to face bigger risks from factors such as currency fluctuations than it would from providing equal coverage to all participants on leave without pay. In any event, it was likely that the numbers of participants called up for military service would be comparatively small; and many of these called up would be ineligible for combat duty.

9. One member expressed the view that it was particularly important not to make distinctions between participants on various types of leave without pay and that, if necessary, coverage for all such participants should be reduced so that the resources of the Fund should not be exceeded.

10. It was further suggested that what national governments might or might not do for their nationals on military service was irrelevant. The Fund's obligations to its participants were independent of the obligations of other authorities. The benefits of national governments would certainly differ from country to country and in some instances might not be adequate. International organizations have always striven to achieve uniformity of treatment.

11. Those who thought that participants on military service should not be covered by the Fund stressed the responsibility of the government calling up the participant for military service to ensure adequate coverage of the participant because of the war risk. That government should not impose this responsibility on others; otherwise, the national government of a participant receiving benefits as a result of his military service would be contributing to two schemes from which the participant would be drawing benefits.

12. Extension of coverage to participants on military service would promote inequality instead of uniformity because such participants might benefit from two schemes in respect of one contingency while other participants on leave without pay would benefit only from the Joint Staff Pension Fund.

13. Political difficulties might arise from the possibility that a State might be asked to pay for benefits to participants who had engaged in hostilities against it.

14. The actuary quoted the results of investigations which showed that the death rates among all men called up for military service in the United States during the years 1941-1944 (and not those on combat duty only) were twice as high as the death rates appearing in the Board's tables. Those death rates in 1944 were 279 per cent of the rates appearing in the Board's tables. He said that the Fund would have to cover all normal risks to which its participants would be exposed, but he thought that the stability of the Fund might be threatened if participants were exposed to unusual dangers, whether those of war service or those of unusually hazardous civilian occupations. Although opinions might differ as to the extent of the risk because the number of

participants likely to be called up for military service would be few or the number likely to be exempt from combat duty would be great, he thought that the risk should not be undertaken since its scope could not be foreseen.

15. The proposal to draw a distinction between participants on leave for military training and those on leave for combat duty was made because the risks of extending coverage to participants

undergoing military training would be slight. Some members thought that the distinction might be difficult to observe in practice since a person called up for military training might be sent to a combat area. It was also suggested that periodic training, being of comparatively short duration, might be covered by annual or special leave. The proposal was not adopted by the Board.