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UNITED NATIONS JOINT STAFF PENSION FUND

REVIEW OF THE PROVISIONAL REGULATIONS SUBMITTED BY THE STAFF BENEFIT COMMITTEE ACTING AS THE JOINT BENEFIT COMMITTEE SEPTEMBER 1947

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REVIEW OF THE PROVISIONAL REGULATIONS

I. INTRODUCTION

Proposals for a staff pension scheme were placed before the Assembly at its last session as part of document A/90. That was a comprehensive document covering the whole range of social security schemes proposed for the Secretariat of the Organization. It was the report of a Working Party convened by the Secretary-General in May 1946 to propose schemes to give effect to the resolutions of the first part of the first session of the General Assembly relating to Staff Retirement and Insurance Funds (resolution 13 (I) of 13 February 1946). These resolutions were based on the recommendations of the Advisory Group of Experts on Administrative, Personnel and Budgetary Questions appointed by the Executive Secretary of the Preparatory Commission.

In one of the schemes proposed by the Working Party entitled "United Nations Joint Staff Pension Scheme", proposals for a staff retirement scheme, disability benefits and benefits to widows and orphans were set out. During the second part of the first session of the General Assembly this scheme was examined in detail, amended in the Sub-Committee of the Fifth and Sixth Committees, and approved as the "Provisional Regulations" in a final discussion in the Fifth Committee.

In the course of these discussions the view most frequently expressed by representatives about this scheme was that the total joint contribution of 21 per cent of salaries (14 per cent from United Nations and 7 per cent from participants) appeared high in relation to the proposed benefits; that the Scheme should be explored more fully before being adopted on a permanent basis; and that this work would require the collaboration of two or three qualified experts. Finally, in its report to the Assembly, the Fifth Committee recommended the adoption of the Scheme only "on condition that the Scheme should be regarded as provisional during its first year and should be open to complete review in the light of experience". It also added: "A number of delegates expressed the view that the contributions from United Nations and from the contributors were high in relation to the benefits proposed and considered that this point, in particular, should be thoroughly examined on the review of the Scheme".

At the time of adopting the Scheme the General Assembly appointed three representatives to the Staff Benefit Committee, which is the body charged with the administration of the Scheme. Later, the Secretary-General appointed his three representatives, and the participants in the Scheme elected their three representatives thus completing the constitution of the Committee. The Committee appointed its Chairman, and the Secretary-General appointed a Secretary and a Deputy Secretary on the recommendation of the Committee. The Scheme was inaugurated on 27 January 1947 and a detailed account of its operations up to 31 August 1947 is contained in the annual report of the Committee as a separate report to the Assembly (document A/397).

The Staff Benefit Committee gave effect to the directives of the General Assembly by having an actuarial verification of the whole basis of the provisional Scheme carried out along the lines laid down for periodic Actuarial Valuations in section 31 of the Provisional Regulations. That section requires the Joint Benefit Committee, after obtaining a report from qualified Actuaries, to "make proposals to the General Assembly as to any action to be taken as a result thereof". The Staff Benefit Committee of United Nations, acting pro tempore as the Joint Benefit Committee, has taken action along these lines and now submits its proposals to the General Assembly.

The first step taken by the Staff Benefit Committee was to appoint a special Sub-Committee to review the entire regulations, exploring alternative benefits and examining suggested improvements which had been invited from participants.

The Committee after consultation with the Secretary-General also took steps to convene a Commission of internationally representative Actuaries. Two Actuaries from overseas agreed to accept membership on the Commission, namely, Dr. Hans Wyss, (Swiss), formerly the Consulting Actuary of the Pension Fund of the League of Nations, and Senhor Pinto de Moura, (Brazilian). These Actuaries were joined by Dr. Rainard B. Robbins, (United States of America), who was the Consulting Actuary to the original Working Party, and Mr. George B. Buck, (United States), a well-known Actuary practising in United States. The report of the special Sub-Committee was discussed in the full Committee with the Actuaries present.

At the close of these discussions the Actuaries were asked:

1. To submit for the actuarial basis of the Fund a set of tables of mortality, incidence of disability, etc. which they had agreed as being suitable for application to a body of men and women like the Secretariat drawn from all parts of the globe.

2. To submit a general report on the cost of the benefits included in the original Scheme and on the alternative benefits and other suggestions put forward in the discussions in Committee, advising the Committee as to the relative cost of the alternative benefits, and also as to the range of benefits usually included in schemes of this kind which were considered to be representative of the best modern practice.

/The Actuaries

The Actuaries duly submitted an agreed set of basic tables as requested in (1) above, and the general report called for in (2) above. These were discussed at length in the full Committee. The report did not, however, contain detail statements of the cost of the different benefits. The Actuaries informed the Committee that the detailed calculations would require some weeks' time, but that the work of calculating the costs was purely straight-forward mathematical work once the basic tables had been established. They therefore suggested that Mr. George B. Buck, whose offices are in New York, should complete the calculations and submit them to the Committee, giving such explanations and advice as the Committee might require to make a final selection of benefits to be provided under the Scheme. This suggestion was adopted and the Commission of Actuaries disbanded at that point.

Mr. Buck later submitted a preliminary report showing the cost of the original Scheme and of the various alternative benefit proposals for consideration by the Committee.

II. RESULTS OF THE ACTUARIAL SURVEY

The results of this survey showed that the cost of the benefits provided in the original Scheme, instead of 21 per cent as tentatively estimated therein, would be as follows:

(a) Without the increased rate of benefits provided for participants over 40 at entry	24.51%
(b) Including the increased rate of benefits provided for participants over 40 at entry (See section 19)	29.13%

The costs of each benefit making up these total cost figures are shown in the following table:

TABLE NO. 1 SHOWING COST OF BENEFITS PROVIDED IN THE ORIGINAL SCHEME

RETIREMENT AGE 60 YEARS

BENEFIT	ON 7% PARTICIPANT CONTRIBUTION BASIS	ON INCREASED CONTRIBUTION BASIS OVER AGE 40 (SECTION 19)
Service Retirement (Basis of 1/60)........	13.09%	15.93%
Disability Retirement (Minimum of 33-1/3%)	3.23	3.83
Withdrawal Benefits:		
Within first 5 years of service.........	.06	.06
After completion of 5 years of service..	.53	.53
Death Benefits in active service:		
To Widows...............................	2.32	2.56
To Dependants...........................	1.57	1.66
Death Benefits after service retirement:		
To Widows...............................	1.59	2.03
To Dependants...........................	1.35	1.59
Death Benefits after disability retirement:		
To Widows...............................	.31	.39
To Dependants...........................	.46	.55
Total Cost of Benefits....................	24.51%	29.13%
Members' Contribution.....................	7.00%	8.17%
Cost to Organization......................	17.51%	20.96%

(The contributions to be paid by the United Nations under the Provisional Regulations are stated in sections 16, 17, and 19 of the printed Regulations).

III. PRESENT DAY CONDITIONS AFFECTING PENSION FUNDS

The necessity for a complete actuarial review of the Scheme was raised in the General Assembly. The high cost of the original Scheme which this review revealed may surprise the Assembly as it surprised the Committee. It is pointed out, however, that the original Working Party was fully aware of the limitations under which they had to work and indicated that the cost of the Scheme might be higher than the figure of 21 percent which they estimated. On page 53 of document A/90 the Working Party stated:

> "In view of the uncertain and inadequate data on which the financial calculations in respect of the Pension Fund have had to be made, it is essential that a complete actuarial valuation of the Fund should take place at an early date. We recommend that there should be such a valuation at the end of the first year of the operation of the Pension Fund, when the opportunity should be taken to review the working of the Regulations."

With regard to the general impression that a total contribution of 21 per cent on payroll represents a rather high cost it must be remembered that during the last twenty years many factors have arisen to increase the cost of

/any social

any social insurance project, especially those which include retirement benefits. The more far-reaching of these considerations is the cheap money policy which prevails in the financial markets of the world today and which has had the effect of greatly reducing the yield obtainable on gilt-edged securities of the type in which investments of Pension Funds must be made. The Pension Fund of the League of Nations which was established about 1930 was based on an assumed rate of earning of 4 1/4 per cent per annum. Before many years it became apparent that this rate of earning could not continue to be realized. In 1945 a report on the condition of the Fund of the League was submitted by the Consulting Actuary, Dr. Hans Wyss, in which a rate of 2 1/2 per cent was recommended for use in the future. Dr. Wyss gave a further recommendation to the League to the effect that the total rate of contribution which would be necessary to maintain the Fund in sound condition from that time onwards would be 21.3 per cent in respect of people aged 30, which was considerably under the average age of the Secretariat of the League at that time.

The second factor is the advance of medical knowledge and the improvement of health services which have produced greater longevity in the world today. This directly increases the cost of retirement pensions.

IV. REVISED BENEFITS PROPOSED BY THE JOINT BENEFIT COMMITTEE

In view of the results of the actuarial survey the Committee has based its recommendations to the General Assembly on the following assumptions:

In the discussions in the Assembly it was never suggested at any point that the proposed benefits were excessive. It was stated repeatedly that the rate of contribution of 21 per cent was considered by the Assembly to be high in relation to the benefits proposed. There were also clear indications that 21 per cent was felt to be high as an absolute figure. The Committee concluded that 21 per cent of salaries approximately represented the maximum amount which the General Assembly would willingly authorize for the purposes of the Scheme. The Committee therefore devoted itself to selecting the most socially defensible set of benefits which could be obtained at that cost and which could be regarded as the minimum which would fulfil the Assembly's original directives. It should be remembered in this connection that the members of the Secretariat cannot generally avail themselves of the benefits of their own national schemes of social security.

The detailed cost of the benefits recommended for the new Scheme, which have a total cost of 21 per cent, are given in the following table:

/TABLE NO. 2

TABLE NO. 2 SHOWING COST OF REVISED BENEFITS
UNDER FIRST REVISED SCHEME

The Costs Shown in this table are based on retirement taking place at 65 years of age instead of at 60 years

BENEFITS	COST
Pension on retirement Basis of 1/50 of final average remuneration instead of 1/60	9.82%
Pension during disability Same as retirement pension, with minimum of 1/3 of final average remuneration	4.95%
Pension to Widows Pension to widow of a participant who dies before retirement begins, equal to ½ of disability pension	2.83%
Note: Pension to widow of a participant who dies after disability or during retirement may be arranged by the participant exercising one or the other of the following options: He may arrange to reduce his own retirement pension in order to provide a pension for his wife after his death which can be either the same amount as paid during his life time, or one-half of that amount.	
Benefit payable to any designated Beneficiaries Return of 7% contributions, plus interest, up to a maximum of one year's salary. This benefit will be paid to any beneficiaries registered with the Pension Fund, on the death of a participant during active service, when no widow benefit is payable.	0.59%
Withdrawal Benefits Within first five years of service Return of cash contributions at credit of participant	0.05%
After completion of five years' service	2.68%
(a) On withdrawal prior to age 60 the actuarial equivalent will be given in cash, or an annuity may be given when the age of the participant, plus his years of service, equals sixty-five years.	
(b) On withdrawal after age 60:	
(1) Actuarial equivalent will be given in cash	
(2) If taken as a pension, the actuarial equivalent will be given but subject to a minimum of 83-1/3% of the pension due at age 65. This brings the pension up to the same amount as would have been obtained under the original Scheme of retirement at age 60.	
Total	20.92%

/Annex 1

Annex 1 presents the complete re-draft of the Regulations now submitted for approval as a permanent Pension Scheme. It is based on the above table showing cost of revised benefits. It also contains comments on the changes introduced section by section.

Annex 2 reproduces all relevant parts of the report of the Working Actuary which confirm the results of his actuarial calculations as quoted in this report. There is also reproduced two Tables giving examples of the amounts of the principal benefits which would be provided under the original Scheme and the two revised Schemes, in two representative individual cases. To enable individual calculations of the major benefits to be made, a few Tables showing annuity values and actuarial equivalents have also been added.

In the following paragraphs a general account is given of the principal changes made in the Regulations and particularly of the adjustments made in the benefits and conditions affecting them, to enable the cost of the Scheme to be kept at the level desired by the General Assembly.

V. COMMENTARY ON THE REVISED SCHEME

1. The age of retirement

The Committee had been apprized that the Secretary-General proposed to recommend to the General Assembly that the age of retirement laid down in the Staff Regulations be changed from sixty years to sixty-five years. The Actuaries were asked what the effect would be of this change on the costs of the various benefits under consideration for inclusion in a revised Scheme. Their reply was that it would enable increased retirement pensions to be paid at the same cost. This increase in the retirement pension would affect the rates of other benefits such as disability and widow benefits, which are calculated in reference to it. On the other hand, withdrawal benefits especially up to the age of sixty years would be reduced. In view of the fact that the General Assembly would be asked to consider the Secretary-General's proposal to change the retirement age from sixty years to sixty-five years, the Committee decided to submit two alternative revisions of the original Scheme. The first revision based on a retirement age of sixty-five years is presented in the foregoing Table No. 2. The second revision based on a retirement age of sixty years is presented, later in this report, in Table No. 3.

2. Pension on retirement

The view had been expressed on behalf of the participants that a pension of one-half of retiring salary should be obtainable in return for a working life of twenty-five years. It will be noticed from the description of

/benefits

benefits in the revised Table No. 2 that this objective has been achieved. On the new basis a participant will earn the right to a retirement pension of 1/50 of his final remuneration for each year of contributory service as compared with 1/60 for each year under the original Scheme. It was found necessary to impose a maximum limit on the pension obtainable in order to make the basis of fiftieths possible. This was set at 60 per cent of the pensionable remuneration. This maximum is obtainable on completion of thirty years' service. The amount of retirement pension can be increased thereafter by improvements in salary obtained up to the age of retirement.

3. Pension during disability

The pension payable during disability is the same as the pension payable at retirement except that the disability pension shall not be less than one-third of the final average remuneration, or the pension which would be payable upon normal retirement, whichever is the less. It will be realized from this definition that any improvement in the scale of retirement pensions makes a corresponding improvement in the scale of disability pensions.

4. Pensions to widows and dependants

In the course of re-arranging benefits, within the limits of cost available, a drastic revision of the benefits originally proposed for widows and dependants had to be made. A pension of one-half the rate payable to a participant on retirement will still be payable to the widow of a participant dying during active service. No other pensions will be payable to widows or other dependants except in so far as they are provided by the deliberate act of the participant during his life time when arranging the conditions under which his retirement pension is to be paid to him. Every participant will have the option of taking a full pension terminating with his own life or a pension of a lesser amount, which will be payable also during the life of any beneficiary nominated by him, for instance, his widow or other dependant. He has the option also to arrange for a pension to be paid to any one elected beneficiary after his own death of one-half the amount paid during his own life time. These are new variations of benefits which are now made optional in the revised Scheme.

It will be realized that the increased retirement pension payable on the basis of 1/50 for each year of contributory service not only increases the widow's pension but also makes it more possible for a participant to share his retirement pension as provided for under these options.

5. Benefit payable to a designated beneficiary (or beneficiaries)

Included in the revised Scheme is a benefit payable as a lump sum payment to a beneficiary, or beneficiaries, designated by a participant who dies while in active service and no widow benefit is claimable. This lump sum is the

/equivalent

equivalent of the participant's own contribution plus interest, or one year's salary, whichever is the lesser. The Committee felt that this new benefit was justified as a social measure. There is also a strong argument in favour of such a payment on the grounds of equity as this payment will in most cases represent the only benefit obtained under the Scheme by those who receive it. It increases the value of the Pension Scheme to those participants who may have dependants other than those specifically covered elsewhere in the Scheme.

6. Withdrawal benefits

The conditions attached to the payment of withdrawal benefits have been extensively modified. In the course of administering the Provisional Regulations considerable difficulty was encountered in applying the proviso that a participant on withdrawal during the first five years should receive the whole of "his own contributions" plus interest. The participant contended that "his own contributions" meant the whole of the money, including the United Nations contribution, transferred from the Provident Fund to the Pension Fund on his account. The Provisional Regulations did not furnish a clear answer to this question. In the revised draft it has been made clear that a withdrawing participant is entitled to received "the whole amount in his account that was transferred to the Pension Fund from the Provident Fund, without interest."

A serious weakness in the Provisional Scheme from the social point of view was the fact that a withdrawal benefit could only be paid in cash until the participant reached the age of fifty-five years and had served for ten years. The Committee felt that it was a much better policy, socially at least, to give a withdrawing participant the option to take his benefit in the form of an immediate or deferred annuity at as early a stage as this could reasonably be done. The rule finally adopted was that a withdrawing participant could elect to take an immediate annuity provided his age at withdrawal plus his years of service were equal to the age of retirement, that is, sixty-five years. In other words, when the participant had served one half of the time between his age on joining and the age of retirement.

It will be noticed at the end of Table No. 2 that a special minimum rule has been applied to the amount of the retirement pension which can be obtained from the age of sixty years onward. The purpose of this minimum rule was to ensure that participants who preferred to retire at the compulsory retirement age of sixty years laid down in the original Scheme should receive a pension under the revised Scheme, at least equal to the pension which they would have received under the original Scheme at that age.

It should be stated that the withdrawal benefits obtainable under the revised Scheme after five years, and prior to the age of retirement, are

/smaller

smaller if taken in cash than those payable under the original Scheme. However, the primary object of the Scheme is to provide retirement pensions and widow benefits. In any case, the withdrawal benefit payable is always the full actuarial value of the rights acquired at the time of withdrawal.

7. Increased coverage of Scheme

In the course of the Assembly discussion last year the view was expressed that the coverage of the Pension Scheme should be made as wide as possible. The revised Regulations are designed to meet this requirement as follows:

> Members of the Secretariat who are engaged on indeterminate contracts, or on fixed term contracts for one year or more, are included in the Pension Fund on acceptance of contract. This was the rule included in the original Scheme. An additional proviso has been included in the revised Regulations to the effect that staff members engaged on a temporary basis shall be included as soon as they have completed one year of service.*

These provisions are designed to meet all long term social security obligations of the Organization toward the staff member as soon as they can reasonably be held to have arisen.

8. Rates of interest

The treatment of interest was found to be inconsistent in the Provisional Regulations. In the revised draft, interest, whether charged against a participant or allowed in his favour is always computed at 2-1/2 per cent per annum and compounded annually.

9. Older age entrants

Under section 19 of the Provisional Regulations in the original Scheme it was made possible for entrants to the service after the age of forty years to acquire a minimum pension of one-third of retiring salary. During the past year while the Scheme has only been provisional the Secretary-General decided not to put this section into effect.

The information received from the Actuaries with regard to the cost, under the original Scheme, of providing accelerated credits for contributory service to members of the staff entering the service after forty years of age, showed this provision to be too costly for inclusion in a general contributory Scheme. In the event of a retirement age of sixty-five years being accepted by the Assembly, the enhanced rates of pension which staff

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* The representatives of the participants expressed the view that staff members engaged on a temporary basis who are members of the Provident Fund, should not be automatically included in the Pension Fund at the completion of one year's service, but should be given the option to remain in the Provident Fund.

/members

members in that age group would then enjoy as the result of the substitution of fiftieths for sixtieths in calculating retirement pensions would diminish the need for special provision of the kind given in section 19. The addition of five years to the permitted working life would also mitigate the difficulties with which that section of the staff is faced. The Committee therefore decided not to submit section 19 as part of the revised Scheme. However, it wishes to give the following information to the General Assembly.

According to the report of the Actuaries the effect of including section 19 in the original Scheme would have been to increase the cost of that Scheme from 24.51 per cent to 29.13 per cent. It was in the face of that statement that the Committee felt it could not ask for the inclusion of section 19 in the first instance. The position with regard to cost, however, is greatly changed under the Scheme now presented which is based on a retirement age of sixty-five years. To acquire a minimum pension of one-third of retiring salary is made possible under the revised Scheme for people entering the service up to the age of forty-eight years, without the assistance of section 19. To achieve the same purpose as the original section 19, all that is now required is to enable entrants from the age of forty-eight years up to fifty-five years to acquire the minimum pension of one-third of retiring salary. The Actuaries report that the cost of including an article in the Regulations which would have that effect would increase the cost of the revised Scheme from 20.92 per cent to 22.29 per cent.

The Committee felt that the Assembly might wish to consider allowing this additional cost in respect of older age entrants during the first phase of recruitment of the Secretariat. The Assembly will remember that it was contemplated by the Preparatory Commission, as stated in its report, that during the first recruitment of the Secretariat it would be necessary to engage mature and experienced staff of older ages than would be recruited normally once the Secretariat had been established for several years. The provisions of section 19 should not be mandatory but should be available to those staff members who are qualified and who make application for them. It is pointed out that applicants for the benefits of these provisions have to increase their own contributions up to a maximum of 14 per cent of salary according to age under the retirement age 60 plan, and up to 11.9 per cent under the retirement age 65 plan.

If the Assembly wishes to give effect to the suggestions contained in these paragraphs, the draft article for this purpose may be found in Part 3 of Annex 1 to this report. The inclusion of that draft article in the age 65 year plan would enable entrants of ages from 48 years to 55 years to acquire a retirement pension equal to one-third of retiring salary. The Committee felt that the period during which this provision should be available to older age

/entrants

entrants should be the first three or four years of the life of the Organization.

10. Service in unhealthy areas

The Committee considered the type of case dealt with in section 18 of the Provisional Regulations covering service in unhealthy areas. It was felt that exceptional damage to health suffered as a direct result of duty with the Organization was in the same class as accidents suffered while travelling by air, or by any other means of transport in the course of duty, or while travelling in politically unsettled areas. The view taken by the Committee was that it was the business of the Pension Fund to cover normal long term social security obligations and not special risks while in the pursuit of special duties. The normal benefits claimable out of the Pension Fund by participants suffering such accidents would, for a long period of time, be quite inadequate. It was also held to be the clearly expressed intention of the Working Party who considered schemes of insurance generally that there was to be a distinct fund set up for such purposes. It was therefore decided to remove this section from the Pension Scheme entirely.

11. Continuance of children's allowances to orphan children

It will be recalled that the Joint Sub-Committee of the Fifth and Sixth Committees asked in its report to the Fifth Committee, during the last session, that the question of paying children's allowances to children of retired, disabled, and deceased participants out of the Pension Fund, instead of from the general budget as at present, should be examined. This question was thoroughly discussed with the Actuaries who were unanimous in advising the Committee not to undertake the administration of these payments. It is noted that the authors of the original Scheme in document A/90 also expressed the same view. It is clear from the Table of the Costs of Benefits that there is no possibility of providing for the continuance of children's allowances out of the total contribution of 21 per cent of salaries without further severe reduction of benefits. In order to come within that figure many benefits which the Committee would have liked to maintain have already been withdrawn and others have been substantially reduced. The cost would have to be paid by the Organization. The question at issue therefore is only one of who shall administer these allowances not who shall provide them, and the argument of the Actuaries was that these payments should continue to be made by that bureau of the Secretariat whose function it is to consider and accept applications for these allowances.

If, however, the Assembly decides that the payment of children's allowances which are continued after the retirement or death of the participant through whom they are claimed, should be made by the Pension Fund, an additional amount of money would have to be provided to the Pension Fund for

/this purpose.

this purpose.

It should not be forgotten that there are some means provided in the revised Scheme by which participants can make provision for children after their decease.* For example, under the optional arrangements which can now be made with regard to the payment of retirement and disability pensions, where there is no widow the pension might be shared with a child. Children can likewise be named as beneficiaries under the benefit for designated beneficiaries.

12. Administration of the Pension Fund

Article 21 of the revised Regulations changes the composition of the Joint Benefit Committee. It is now proposed that the representation should be nine members appointed by United Nations and three members appointed by each Member Organization. It was felt that this would result in a more realistically representative Committee.

13. Preservation of pension rights

The Committee has been informed that a canvass has been made of the members of the Secretariat inviting those who were formerly in the national service of their home countries to give details as to the arrangements entered into with regard to any pension rights which they had acquired in that service. When the results have been collated, further steps will be taken by the Secretary-General in accordance with the resolution of the Assembly relating to this matter.

14. Appeals against decisions on benefit claims

Attention was called during the last Assembly to the omission from the Regulations of any provision for appeals against decisions taken regarding the award of benefits under the Scheme. The view of the Committee, subject to a reservation by the Secretary-General's representatives, is that the Pension Scheme once approved is constructively included in the contract for service of each qualified member of the Secretariat, and that any appeal arising under the application of the Regulations could therefore be taken before the Appeals Board which has been set up by the Secretary-General to deal with cases relating to conditions of service and fulfilment of contracts.

15. Special recommendations

In the report of the original Working Party in document A/90, page 29, reference was made to two matters of importance to which the Committee wishes to draw the attention of the General Assembly. They are as follows:

* The representatives on the Committee of the participants in the Scheme requested that it should be placed on record that they consider that the present children's allowances, particularly in the case of orphan children, are inadequate.

/1. While

1. While a pension for a Secretary-General has been provided outside of the Pension Fund no provision has been made for the widow of a Secretary-General.

2. There are special considerations connected with the conditions of tenure of the offices of Assistant Secretary-General and Top Ranking Director which, in the opinion of the Committee, may require special treatment outside of the Pension Fund.

The Committee has been informed that an appropriate recommendation to the General Assembly on these matters will be made.

16. Provisions for amending the Regulations

When the recommendation was made to the General Assembly that the original Scheme should be accepted as a provisional Scheme for one year only, section 37 of that Scheme was re-drafted to emphasize the fact that the Provisional Regulations were subject to amendment at the end of that year and that acquired rights would be modified in accordance therewith, with the exception of benefits payable to widows and to other beneficiaries.

It is hoped that the Scheme which will be adopted by the Assembly on this occasion will be adopted as a permanent Scheme. The Committee therefore felt that greater protection could be given in the permanent Regulations to the acquired rights of participants. The revised Article 37 therefore contains provision for the Joint Staff Pension Board to propose amendments of the regulations to the Assembly, and to make observations with regard to any amendments submitted to the Assembly from any other source.

17. Name of Fund

The name of the Fund and the designations of the administrative bodies responsible for it were considered. The Committee suggests that the following names as used in the revised draft be adopted:

The United Nations Joint Staff Pension Fund
The United Nations Joint Staff Pension Board
The United Nations Staff Pension Committee
Regulations of the United Nations Joint Staff Pension Fund

VI. ALTERNATE SCHEME BASED ON AN AGE OF RETIREMENT OF 60 YEARS

It was explained earlier in this report that, in view of the proposal which is being put forward by the Secretary-General that the compulsory age of retirement in the Organization should be raised to sixty-five years, the Committee decided to present first a revised Scheme based on a retirement age of sixty-five years. That Scheme has already been fully discussed.

In the following Table No. 3 the Committee presents a second revised Scheme, the adoption of which might be considered by the Assembly, if it should decide to retain a retiring age of sixty years as a matter of employment policy.

/TABLE No. 3

TABLE NO. 3 SHOWING COSTS OF REVISED BENEFITS
UNDER SECOND REVISED SCHEME

The Costs shown in this table are based on retirement taking place at 60 years of age instead of 65 years

BENEFITS	COST
Pension on retirement Basis of 1/60 of final average remuneration as in the original Scheme	13.09%
Pension during disability Same as retirement pension, with minimum of 1/3 of final average remuneration	3.23%
Pensions to Widows Pension to widow of a participant who dies before retirement begins; 3/7 of disability pension	1.99%
Pension to widow of a participant who dies after retirement begins; 3/7 of participant's retirement pension	1.36%
Pension to widow of a participant who dies during disability; 3/7 of participant's disability pension	.27%
Benefit payable to any designated Beneficiaries Return of 7% contributions, plus interest, up to a maximum of one year's salary. This benefit will be paid to any beneficiaries registered with the Pension Fund, on the death of a participant during active service, when no widow benefit is payable.	.42%
Withdrawal Benefits Within first five years of service Return in cash of contributions at credit of participant	.06%
After completion of first five years' service (1) Actuarial equivalent will be given in cash	.53%
(2) When the age of the participant, plus his years service equals 60 years, an annuity equal in value to the actuarial equivalent may be given.	
Total	20.95%

/This Scheme

This Scheme presents a very close parallel to the original Scheme, with certain benefits omitted and certain other benefits scaled down to reduce the total cost to the required level of 21 per cent of salaries. It will be noted in comparison with the Table No. 1 on page 4 in this report that the original Scheme provided pensions for widows of participants who die during service, after retirement, and during disability in the amount of one-half of the pension payable to the participant himself during his life-time. Similar pensions are provided in the Scheme set out above but at the reduced rate of three-sevenths of the participant's pension.

The original Scheme also provided for certain benefits to be paid to dependants where a widow's pension was not payable. It has been found impossible to provide any benefits of this nature in the revised Scheme. Partly with a view to replacing these dependant benefits a new benefit has been established, which shall be payable in the form of a lump sum to any designated beneficiaries of a participant who dies during active service when no widow benefit is payable. This lump sum shall be equal to the total of the participant's own contributions up to a maximum amount of one year's salary, and can be paid to any person, or persons, designated by the participant.

In the second revised Scheme (retirement age, 60 years), retirement and disability pensions are calculated on the basis of one-sixtieth of retiring salary for each year of active service as compared with one-fiftieth of retiring salary for each year of active service provided in the first revised Scheme (retirement at age 65 years).

As pointed out earlier in the report (and as will be noticed from the examples of benefits given in Annex 2), the cash withdrawal benefits payable under this Scheme are higher than those in the first revised Scheme. On the other hand, the rates of retirement pension under the first Scheme at 65 years are substantially higher than those obtainable under this Scheme at the retirement age of 60 years.

A considerable number of the explanatory paragraphs given in connection with the age 65 year plan in the earlier part of this report are applicable also to the age 60 year plan.

In Annex 1, Part II, page 33 there will be found the drafts of alternate Articles which apply exclusively to the age 60 year plan.

/ANNEX 1

ANNEX 1

DRAFT OF THE REVISED REGULATIONS

NOTE: Part I of this Annex contains the entire set of regulations proposed as a permanent scheme on the basis of a retiring age of sixty-five years. Part II contains the modified form of each article which requires to be altered on the basis of a retiring age of sixty years. Part III provides two alternative articles suitably drafted for inclusion in the two plans to give effect (if the Assembly so decides) to the proposals with regard to older age entrants (see page 10 of report).

The articles of the regulations are given on the right side and the comments thereon on the left side.

PART I

UNITED NATIONS JOINT STAFF PENSION FUND

REGULATIONS

ARTICLE 1

DEFINITIONS

Drafting changes.	(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 27 of these regulations.
"Age of retirement" has been changed from sixty to sixty-five years.	(b) "Age of retirement" means the end of the month in which the participant reaches the age of sixty-five years.
The changes in this paragraph are purely drafting changes.	(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.

Pensionable remuneration has now been defined by reference to a year instead of a month. There is no change in substance.

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

Drafting changes only.

(e) "Contributory service" means the actual time spent in continuous employment with the United Nations or a member organization or with two or more of these bodies, for which contributions have been paid on the pensionable remuneration; and periods of non-pensionable service counted for this purpose under Article 3. Intervals of not more than thirty calendar days in the period of service shall not be considered as breaking the continuity of service. These intervals shall not be included in the period of contributory service.

ARTICLE 2

PARTICIPATION

This paragraph relates to the United Nations only and widens the field of coverage. Participation is no longer limited to holders of contracts for one year or more.

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-five years of age and that his participation is not excluded in his contract of employment.

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

Member organizations are left free to determine the conditions under which their full-time officials under sixty-five years of age shall become participants in the Fund.

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

Participation shall cease upon withdrawal from service in the United Nations, in the International Court of Justice, or in a member organization.

ARTICLE 3

RECKONING OF NON-PENSIONABLE SERVICE

An addition has been made to this article to allow participants to make good past contributions by means of deferred payments. Drafting changes have also been made.

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 if he pays into the Pension Fund, in a manner acceptable to the Joint Staff Pension Board, an amount equal to the contributions

/which he

which he would have paid had he been subject to these regulations throughout this period, plus 2 1/2 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. These intervals shall not be included in the period of contributory service.

ARTICLE 4

RETIREMENT BENEFITS

The new features introduced are: Retirement age is raised to sixty-five years.

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

Basis of retirement benefit is increased to one-fiftieth of final average remuneration, subject to a maximum of sixty per cent.

A participant may, prior to the date 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 accordingly.

ARTICLE 5

DISABILITY BENEFITS

Drafting changes only.

A participant who, before reaching the age of retirement, becomes unable to perform his duties satisfactorily due to physical or mental impairment, shall be entitled, subject to Article 8, while such disability continues, to a disability benefit calculated in the same manner as a retirement benefit. This disability benefit shall be either:
(a) one-third of the final average remuneration, or
(b) the retirement benefit to which he would have been entitled if he had remained in service until he had reached the age of retirement and his final average remuneration had remained unchanged;
whichever is the less.

ARTICLE 6

COMMENCEMENT OF DISABILITY BENEFITS

Drafting changes only.

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 disability benefit. The participant shall not,

/however,

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.

Until the recipient of a disability benefit reaches the age of retirement, 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.

ARTICLE 7

DEATH BENEFITS

There has been added paragraph (b) which limits the widow benefit to the value of the benefit payable in respect of a widow not more than twenty years younger than her husband.

(a) If a married male participant dies while in service, his widow shall be entitled, subject to Article 8, to a widow benefit amounting, except as provided in paragraph (b) 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.

Benefits to widows of beneficiaries who die during disability or after retirement are not provided under this Scheme. (See options made available under Article 9).

(b) If a widow eligible for a benefit under paragraph (a) is younger than the deceased by more than twenty years, the annual amount of the benefit shall be reduced so that the actuarial value of the benefit shall be the same as that of the benefit of a widow twenty years younger than the deceased.

No change.

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

The benefit to a designated beneficiary or beneficiaries is a new feature.

(d) Upon the death in service of a female participant, or of a male participant who leaves no widow, there shall be paid to any person who had been designated to the Joint Staff Pension Board by the participant as the beneficiary a sum equal to: (1) his own contributions to the Pension Fund with compound interest at 2 1/2 per cent per annum, plus (2) such amount as may have been transferred on his account to the Pension Fund from the Provident Fund, without interest, the total amount not to exceed one year's salary at the time of death.

(e) Participants referred to in paragraph (d) shall be entitled to designate more than one beneficiary in which case they shall determine the proportion of the benefit to be paid to each of them.

/ARTICLE 8

ARTICLE 8

ELIGIBILITY FOR DISABILITY AND DEATH BENEFITS

Drafting changes only.

The Joint Staff Pension Board shall require every entrant, before admission to 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 decided 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' contributory service.

If a participant who has been declared by the Joint Staff Pension Board not to be eligible for the benefits provided in Articles 5 and 7, ceases to be employed by the United Nations or by a member organization, prior to reaching the age of retirement, as the result of disability or death, he or his designated beneficiary shall be paid a sum equal to (1) his own contributions to the Pension Fund with compound interest at 2 1/2 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 9

OPTIONAL RETIREMENT AND DISABILITY BENEFITS

These optional retirement and disability benefits are new features. Examples of the amounts relative to these options are found in Annex 2.

A participant may, by filing written notice with the Joint Staff Pension Board, prior to the date the first payment of his benefit becomes due, elect to convert his retirement benefit under Article 4, or his disability benefit under Article 5, into a retirement or disability benefit of equivalent actuarial value according to one of the options described below:

Option 1. A reduced retirement or disability benefit payable during the retired participant's life, with the provision that after his death it shall be paid to, and during the life of, the person nominated by him by written designation and filed with the Joint Staff Pension Board, if such person survives him; or

/Option 2.

Option 2. A reduced retirement or disability benefit payable during the retired participant's life, with the provision that after his death a retirement benefit at one-half the rate of his reduced retirement benefit shall be paid to, and during the life of, the person nominated by him by written designation and filed with the Joint Staff Pension Board, if such person survives him.

ARTICLE 10

WITHDRAWAL BENEFITS

Drafting changes only.

If a participant leaves the service of the United Nations, or of a member organization, prior to reaching the age of retirement, 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:

No change.

(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 2 1/2 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.

The period of continuing coverage after withdrawal has been reduced from one month for each year of service to a fixed period of four months.

(b) If the participant has five or more years of contributory service he shall be entitled, four months after his service ceased, to a lump sum payment which shall be the actuarial equivalent at the date his service ceased of the retirement benefit which would have been payable to him had he reached the age of retirement, calculated on the basis of his contributory service and final average remuneration. 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 a widow benefit will be payable only if his widow was his wife at the time his service ceased. The lump sum shall not be payable if he dies during this period of four months and a death benefit becomes payable under Article 7.

No change.

(c) At the request of a participant the Joint Staff Pension Board may pay the lump sum due under (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.

/The effect

The effect of this new paragraph is to give a participant the option at withdrawal to take a pension instead of a lump sum, provided he has been in the service of the organization for one-half of the time between the date of entering the service and the date he is due to retire. The pension obtainable at sixty is adjusted to be the same as in the provisional Scheme.

(d) Any participant whose years of contributory service when added to his age at withdrawal equal sixty-five years may elect to receive, in lieu of the lump sum, his withdrawal benefit in the form of a retirement benefit of equivalent value always provided that the retirement benefit payable to any participant who has attained the age of sixty years shall be not less than five-sixths of the retirement benefit which would have been payable to him had he remained in service until he had reached the age of retirement and his final average remuneration had remained unchanged.

ARTICLE 11

SUMMARY DISMISSAL FOR SERIOUS MISCONDUCT

No change.

No withdrawal benefit shall be paid to a participant who has been summarily dismissed for serious misconduct as defined in the Staff Regulations. However, on the recommendation of the Secretary-General of the United Nations, or the competent authority of the member organization concerned, the Joint Staff Pension Board shall, to the extent so recommended, grant to such participant a lump sum equal to either the whole or a part 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

The changes here have been made purely for the purposes of actuarial precision. Deferred payment facilities for repayments have been introduced.

If a person who has ceased to be employed by the United Nations, or a member organization, becomes a participant on a new appointment, the following provisions shall apply, subject to Article 8:

(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 an amount equivalent, at the date participation begins after re-employment, to the withdrawal benefit received, with compound interest at 2 1/2 per cent per annum.

(2) when this repayment has been made he shall be entitled to a prospective

/retirement

ARTICLE 18

DEFICIENCY PAYMENTS

Drafting changes only.

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 19

UNITED NATIONS STAFF PENSION COMMITTEE

Drafting changes only.

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, elected for three years by the 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 20

STAFF PENSION COMMITTEES OF MEMBER ORGANIZATIONS

Drafting changes only.

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 21

JOINT STAFF PENSION BOARD

The number of the representatives of the United Nations has been increased from three to nine members.

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

A standing committee of the Board may be appointed to which the powers of the Board may be delegated.

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

ARTICLE 22

SECRETARY OF THE JOINT STAFF PENSION BOARD

Drafting changes only.

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 23

POWER OF DELEGATION

The powers which may be delegated by the Joint Staff Pension Board to the Staff Pension Committees have been expanded to include admission of participants.

Subject to Article 22, 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 24

INVESTMENT OF THE ASSETS OF THE FUND

Drafting changes only.

Subject to the complete separation to be maintained between the assets of the Fund and other 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 and the general administration of the assets of the Fund. 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 25

STAFF

Provision has been made for the appointment of Consulting Actuaries.

Subject to Article 22 the Secretary-General shall provide the staff required by the Joint Staff Pension Board and by the Staff Pension Committee of the United Nations, including the staff necessary for the keeping of the 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 26

ADMINISTRATIVE EXPENSES

Drafting changes only.

Expenses incurred in the administration of these regulations by the Joint Staff Pension Board and by the Staff Pension Committee of the United Nations 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 27

ADMISSION OF SPECIALIZED AGENCIES

Drafting changes only.

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 other transitional arrangements that may be necessary, including the extent to which these regulations are to be applicable to existing employees of the specialized agency.

/Any agreement

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 28

ADOPTION OF BASIC TABLES

The substance of this article remains unchanged. It has been expanded for the sake of clarity.

The Joint Staff Pension Board upon advice of a qualified Actuary, or Actuaries, shall adopt from time to time service and mortality tables and the rate of regular interest which shall be used in all actuarial calculations required in connection with the Pension Fund, including the determination of actuarial equivalents. Unless and until changed by the Joint Staff Pension Board, a rate of 2 1/2 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 29

CURRENCY

No change.

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 30

ACTUARIAL VALUATIONS

No change.

The Joint Staff Pension Board shall have an actuarial valuation of the Pension Fund made not later than one year after the appointed date 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.

/Upon

Upon the receipt of the actuarial report, the Joint Staff Pension Board shall make proposals to the General Assembly and to member organizations as to 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 31

NON-ASSIGNABILITY OF RIGHTS

No change.

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

ARTICLE 32

DEBTS OWED TO THE FUND

No change.

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 a first charge upon the benefit and be deductible from it.

ARTICLE 33

DOCUMENTARY EVIDENCE

No change.

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

ARTICLE 34

ANNUAL REPORT

No change.

The Joint Staff Pension Board will 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 will inform each member organization of any action taken by the General Assembly upon the report.

ARTICLE 35

ADMINISTRATIVE RULES

No change.

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 member organizations.

/ARTICLE 36

ARTICLE 36

AMENDMENTS

The right of the Board to make recommendations to the Assembly with regard to amendments has been confirmed.

The Joint Staff Pension Board may recommend to the General Assembly amendments to these regulations. The General Assembly may 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 the acquired rights of participants or beneficiaries.

ARTICLE 37

APPOINTED DATE

No change.

These regulations, including the following transitional provisions, shall come into force on 27 January 1947.

TRANSITIONAL PROVISIONS RELATING TO THE UNITED NATIONS

PROVISION A

TRANSFER OF BALANCE

No change.

The credit of a participant in the Staff Provident Fund shall be transferred to the Pension Fund on the date on which he becomes a participant in the Pension Fund.

PROVISION B

UNITED NATIONS PAYMENT

No change.

The United Nations shall pay into the Pension Fund a sum equal to 75 per cent of the amounts transferred under Provision A.

PROVISION C

TRANSFER OF CONTRIBUTORY SERVICE

No change.

For the purpose of these regulations, the period in respect of which a participant contributed to the Staff Provident Fund shall be counted as contributory service.

PROVISION D

ADMINISTRATION OF THE FUND

No change.

Until such time as a member organization is admitted to the United Nations Joint Staff Pension Fund under Article 27, the United Nations Staff

Pension Committee shall exercise the powers and perform the functions of the Joint Staff Pension Board, and the secretary of the United Nations Staff Pension Committee, appointed on the recommendation of the Committee by the Secretary-General, shall exercise the powers and perform the functions of the secretary of the Joint Staff Pension Board.

PROVISION E

ELECTION OF MEMBERS OF THE STAFF PENSION COMMITTEE

No change.

Notwithstanding the provisions of Article 19, the first election of the three members of the United Nations Staff Pension Committee, and their alternates, elected by the participants, shall be for a one-year term, and the second election shall be for a two-year term.

NOTE: Section D of the Transitional Provisions in the Provisional Regulations of the Provisional Scheme has been deleted, as the substance of that provision has been included in Article 8 of the revised regulations.

/PART II

PART II

UNITED NATIONS JOINT STAFF PENSION FUND
APPLICABLE TO THE SECOND REVISED SCHEME WHICH IS BASED ON A RETIREMENT
AGE OF SIXTY YEARS

NOTE: All articles in the second revised Scheme are the same as those in the first revised Scheme (Part I) with the exception of those articles given below.

REGULATIONS

ARTICLE 1

(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 27 of these regulations.
(b) "Age of retirement" means 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 applicable to the participant concerned for the termination of appointment by retirement.
(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 five years of contributory service before the termination of employment. Where the participant has less than five 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 Nations, or a member organization, or with two or more of these bodies, for which contributions have been paid on the pensionable remuneration; and periods of non-pensionable service counted for this purpose under Article 3. Intervals of not more than thirty calendar days in the period of service shall not be considered as breaking the continuity of service. These intervals shall not be included in the period of contributory service.

/ARTICLE 2

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 and that his participation is not excluded in 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 be subject to these regulations under conditions determined by the competent authority of the member organization.

Participation shall cease upon withdrawal from service in the United Nations, in the International Court of Justice, or in a member organization.

ARTICLE 4

RETIREMENT BENEFITS

Upon retirement after attaining the age of sixty years 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.

A participant may, prior to the date 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 accordingly.

ARTICLE 7

DEATH BENEFITS

(a) If a married male participant dies while in service, his widow shall be entitled, subject to Article 8, to a widow benefit amounting, except as provided in paragraph (c) below, to three-sevenths 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) If a married male beneficiary in receipt of a retirement or disability benefit under Article 4 or 5 dies, his widow, provided she was his wife at the time of cessation of his service, shall be entitled, subject to Article 8, to a widow benefit amounting, except as provided in paragraph (c) below, to three sevenths of the benefit being paid to the deceased at the time of his death.

/This benefit

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 amount of the annual benefit shall be reduced so that the actuarial value of the benefit shall be the same as that of the benefit of a widow twenty years younger than the deceased.

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

(e) Upon the death in service of a female participant, or of a male participant who leaves no widow, there shall be paid to any person who had been designated to the Joint Staff Pension Board by the participant as the beneficiary a sum equal to: (1) his own contributions to the Pension Fund with compound interest at two and one-half per cent per annum, plus (2) such amount as may have been transferred on his account to the Pension Fund from the Provident Fund, without interest, the total amount not to exceed one year's salary at the time of death.

(f) Participants referred to in paragraph (e) shall be entitled to designate more than one beneficiary in which case they shall determine the proportion of the amount to be paid to each of them.

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 retirement, 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 two and one-half 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 ceased, to a lump sum payment which shall be the actuarial equivalent at the date his service ceased of the retirement benefit which would have been payable to him had he reached the age of retirement, calculated on the basis of his contributory service and final average remuneration. During that period of four months he shall be eligible for a death benefit based on his contributory service

/at the

at the date he ceased to be employed by the United Nations or by a member organization, but a widow benefit will be payable only if his widow was his wife at the time his service ceased. The lump sum shall not be payable if he dies during this period of four months and a death benefit becomes payable under Article 7.

(c) At the request of a participant the Joint Staff Pension Board may pay the lump sum due under (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, his withdrawal benefit in the form of a retirement benefit of equivalent value.

/PART III

PART III

DRAFT ARTICLE FOR THE REVISED SCHEME BASED ON A RETIREMENT AGE OF SIXTY-FIVE YEARS

The following is an article suitably drafted for inclusion in the sixty-five year retirement plan if the General Assembly decides to give effect to the proposals discussed under "Older Age Entrants" on page 10 of the report of the Committee. The effect of these proposals is to enable members of the Secretariat who join the Fund after age forty-eight to acquire a retirement pension equal to one-third of their retiring salary.

DRAFT ARTICLE

Any person eligible for participation in the Fund who enters the service of the United Nations or of a member organization after the age of forty-eight may, for the purpose of calculating the amount of any disability or retirement benefit and actuarial equivalents thereof, have his number of months of contributory service multiplied by the factor stated in the second column of the following table. The participant concerned must, however, agree to pay, in lieu of the contribution provided for in Article 16, the contribution as stated in the third column corresponding to the factor mentioned above. No such person, however, shall be authorized to choose an age stated in column (1) higher than his actual age on the date of his appointment.

CHOSEN AGE	FACTOR TO APPLY TO MONTHS OF CONTRIBUTORY SERVICE IN CALCULATING BENEFITS	PERCENTAGE CONTRIBUTION TO BE DEDUCTED FROM PARTICIPANT'S PENSIONABLE REMUNERATION
		%
48	1.00	7.00
49	1.06	7.42
50	1.13	7.91
51	1.21	8.47
52	1.31	9.17
53	1.42	9.94
54	1.55	10.85
55	1.70	11.90

DRAFT ARTICLE FOR THE REVISED SCHEME BASED ON A RETIREMENT AGE OF SIXTY YEARS

The following is an Article suitably drafted for inclusion in the sixty year retirement plan if the Assembly decides to give effect to the proposals discussed under "Older Age Entrants" on page 10 of the report of the Committee. In the case of the **sixty** year plan the age range of older entrants who will require the assistance of this Article to achieve a pension of one-third of their salary at retirement begins at age forty years.

DRAFT ARTICLE

Any person eligible for participation in the Fund who enters the service of the United Nations or of a member organization after the age of forty may, for the purpose of calculating the amount of any disability or retirement benefit and actuarial equivalents thereof, have his number of months of contributory service multiplied by the factor stated in the second column of the following table. The participant concerned must, however, agree to pay, in lieu of the contribution provided for in Article 16, the contribution as stated in the third column corresponding to the factor mentioned above. No such person, however, shall be authorized to choose an age stated in column (1) higher than his actual age on the date of his appointment.

CHOSEN AGE	FACTOR TO APPLY TO MONTHS OF CONTRIBUTORY SERVICE IN CALCULATING BENEFITS	PERCENTAGE CONTRIBUTION TO BE DEDUCTED FROM PARTICIPANT'S PENSIONALBLE REMUNERATION
		%
40	1.00	7.00
41	1.05	7.35
42	1.11	7.77
43	1.18	8.26
44	1.25	8.75
45	1.33	9.31
46	1.43	10.01
47	1.54	10.78
48	1.67	11.69
49	1.82	12.74
50	2.00	14.00

/ANNEX 2

ANNEX 2

EXCERPTS FROM THE REPORT OF THE WORKING ACTUARY

In this annex there are reproduced all relevant parts of the report of the Working Actuary confirming the statistical information and general recommendations attributed to the Actuary in the report of the Committee.

ACTUARY'S REPORT ON THE COST OF THE UNITED NATIONS JOINT STAFF PENSION SCHEME

"This report presents, first, the results of an actuarial valuation of the United Nations Joint Staff Pension Scheme as now provided under the provisional Regulations adopted by the General Assembly at the second part of the first session, 1946 and, second, the costs of two alternative schemes developed as a result of the review conducted by the Staff Benefit Committee in accordance with the recommendations contained in the report of the Fifth Committee on the Provisional Scheme for Staff Retirement and Insurance Funds and Related Benefits.

"In order to accomplish a complete review, as recommended, the Secretary-General appointed a group of four Actuaries, consisting of Dr. Rainard B. Robbins of the United States of America, Consulting Actuary to the Working Party; Dr. Hans Wyss of Switzerland, Consulting Actuary to the former League of Nations Pension Fund; Mr. Gastao Pinto de Moura of Brazil; and Mr. George B. Buck of the United States of America, to advise the Staff Benefit Committee. This group of Actuaries organized themselves as a Commission and elected Dr. Robbins as Chairman. Due to the availability of Mr. Buck's office and staff in New York, it was decided that he should conduct the necessary detailed calculations and, accordingly, he was elected Working Actuary of the Commission. Unfortunately, Mr. de Moura was prevented from being present due to the unforeseen requirements of his own government. Mr. de Moura's report on the pension scheme was made available to the other Actuaries, however, so that his views could be taken into consideration in the decisions of the Commission.

"The first step in the work of the Commission of Actuaries was the selection of a set of basic mortality and service separation rates and salary scales by means of which the cost calculations of the Working Actuary would be produced. It was felt that once these basic assumptions were determined representing the judgment of the four Actuaries, the Working Actuary could proceed with the development of the cost figures in accordance with recognized actuarial methods thereby reducing the remaining work to pure mathematical calculations. This course permitted the members of the Commission to return to their respective homes after their review of the other questions presented to them without the necessity of all the Actuaries remaining until the calculations were completed.

"The rates agreed upon were submitted in a previous report to the Staff Benefit Committee and certain tables derived from them are appended to this report.

"The second step in the work of the Commission of Actuaries was the consideration of certain specific questions presented to them by the Staff Benefit Committee and an overall review of the provisional Regulations. The results of these deliberations were presented in a separate report to the Staff Benefit Committee.

"While it must be understood that the discussion and suggestions contained herein are those of the Working Actuary, he has, wherever such opinions were expressed, striven to follow the unanimous opinions of the Commission of Actuaries.

....

PROSPECTIVE MEMBERSHIP OF THE PENSION SCHEME

"... The following Table shows the number and annual pensionable remuneration of employees upon whom the calculations were based. This represents the present group of employees who are either now participants or who will be eligible to become participants if the proposed regulations regarding membership are adopted.

TABLE

NUMBER AND ANNUAL PENSIONABLE REMUNERATION OF EMPLOYEES INCLUDED IN THE VALUATION

GROUP	EMPLOYEES UNDER AGE 60		EMPLOYEES AGE 60 AND OVER BUT UNDER AGE 65*		TOTAL	
	Number	Annual Pensionable Remuneration	Number	Annual Pensionable Remuneration	Number	Annual Pensionable Remuneration
Men......	1 421	$ 6 581 431	11	$ 62 006	1 432	$ 6 643 437
Women....	1 228	3 671 430	1	6 370	1 229	3 677 800
Total	2 649	$10 252 861	12	$ 68 376	2 661	$10 321 237

* Included only for Retirement Age 65 Plan as regulations exclude those above retirement age from entrance.

/COST

COST OF OPERATING THE PRESENT PENSION SCHEME

"...The results of the detailed calculations based on the actual statistics of the Secretariat show that the normal contribution necessary to support the benefits provided by the provisional regulations amounts to 24.51 per cent of pensionable remuneration.

"...Table 4 shows the total contribution rate for the average entrance age of the present staff analyzed into the component benefits which make up the total cost and therefore indicates the relative cost of the various benefits."

NOTE: The Table referred to by the Actuaries as Table No. 4 is Table No. 1 in the report of the Committee (page 4).

ALTERNATIVES TO PRESENT PROVISIONAL SCHEME

"...In arriving at the schemes hereafter set forth the Staff Benefit Committee and the Working Actuary were guided not only by the opinions expressed by the participants and the available cost calculations but also by the suggestions and opinions expressed by the Working Party, the last General Assembly the Fifth and Sixth Committees of the General Assembly, and the Commission of Actuaries appointed by the Secretary-General......

"The original Working Party warned that the administration of the benefits to dependants other than widows might prove to be difficult inasmuch as the Staff Benefit Committee would be faced with not only the payment but also the validity and degree of dependency of beneficiaries in distant parts of the world. To eliminate this difficulty the idea of allowing the retiring participant himself to decide on the existence and degree of dependency was introduced and in the alternative plans optional allowances are provided which permit the participant (in the light of his own financial position, personal life insurance programme, and the financial position of his dependant) to elect to receive somewhat less during his own lifetime and provide for the continuance of his retirement benefit in full or at one half the amount to any designated beneficiary. Since the optional benefits are of equivalent actuarial value to the regular retirement benefit this causes a saving to the Fund as contrasted with the rather expensive dependants' benefits now provided.

"The Secretary-General indicated a preference for a normal retirement age of 65 rather than 60 as a matter of personnel policy.

"Since the normal retirement age is a basic consideration in the formulation of any pension scheme and since the desire of the General Assembly on this point was not known, it was decided to submit two alternative plans, one based on retirement at age 65 and the other based on retirement at age 60.

"The important difference in the two plans is that under the age 65 plan, the pensions paid to members on retirement after the attainment of age 60 or disability are generally higher than under the age 60 plan. The benefits payable to those who withdraw from service before age 60 are generally lower than those payable under the age 60 plan.

/"There is

"There is also some difference in the widow benefits. The widow benefit in the case of a widow of a participant dying while in active service is higher under the age 65 plan than under the age 60 plan. However, there is a widow benefit payable after disability or retirement in the age 60 plan while there is none in the age 65 plan. The reason for this is that with the generally higher retirement benefits under the age 65 plan the retiring participant could provide for his widow through the selection of one of the two following optional benefits:.......

"Option 1. A reduced retirement benefit with the provision that after his death such reduced benefit shall be continued throughout the life of the beneficiary nominated by him at the time of his retirement; or

"Option 2. A reduced retirement benefit with the provision that after his death one-half of such reduced benefit shall be continued throughout the life of the beneficiary nominated by him at the time of his retirement........"

COST OF OPERATING PROPOSED ALTERNATIVE SCHEMES

"...Table 6 shows the total contribution rate for the average entrance age of the present eligible Secretariat broken down into the component benefits which make up the total cost, for the age 65 plan. Table 7 shows corresponding figures for the age 60 plan......."

NOTE: The Table referred to by the Actuaries as Table 6 is Table No. 2 (page 6) in the report of the Committee. Table 7 is Table No. 3, (page 15).

"As may be seen from Tables 6 and 7 preceding, the normal contribution rate required under the two alternate schemes, corresponding to the rate of 24.51 per cent which is required under the present scheme, is 20.92 per cent of pensionable remuneration for the age 65 plan and 20.95 per cent of pensionable remuneration for the age 60 plan. Since it is proposed to keep the participants' contributions at the present rate of 7 per cent, the normal contribution required from the United Nations under the proposed age 65 plan is 13.92 per cent of pensionable remuneration and under the proposed age 60 plan is 13.95 per cent of pensionable remuneration as contrasted with 17.51 per cent required under the present scheme......"

EXAMPLES OF BENEFITS

"In order to illustrate the relative benefits provided at various lengths of service and after the attainment of certain ages, the two following tables of examples have been prepared. In the first table, the case of a man entering service at age 35 on an entrance salary of $3,210 is taken, the salary assumed at each age given, in accordance with the salary scale selected by

/the Actuaries,

the Actuaries, is shown, together with the amount of any benefit which might become payable if the pension provisions were those under the proposed age 65 plan, the proposed age 60 plan and lastly the benefits under the existing plan. The second set of examples gives the corresponding information where the assumed entrance salary is $5,450. These entrance salaries were those selected by the Secretary to the Staff Benefit Committee as those for which examples were desired."

/TABLE

TABLE

EXAMPLES OF BENEFITS

(Male Staff Members Entering at Age 35 with $3,210 Pensionable Remuneration and Receiving Salary Increases Conforming to Salary Scale Selected by Commission of Actuaries)

FINAL AVERAGE REMUNERATION	BENEFIT	RETIREMENT AGE 65	RETIREMENT AGE 60	EXISTING PLAN
	Lump sum Withdrawal Value:			
$3429	When service totals 4 years, 11 months	$ 1 221	$ 1 221	$ 1 204
3429	When service totals 5 years	1 574	1 955	1 955
4143	When service totals 15 years	7 863	9 750	9 750
4428	When service totals 20 years	13 350	16 552	16 552
3813	Disability Retirement after 10 Years' Service:			
	Full pension (no option)	1 271	1 271	1 271
	Reduced pension under Option 1	916	916	-
	Reduced pension under Option 2	1 065	1 065	-
4428	Disability Retirement after 20 Years' Service:			
	Full pension (no option)	1 771	1 476	1 476
	Reduced pension under Option 1	1 152	960	-
	Reduced pension under Option 2	1 396	1 164	-
4659	Disability Retirement after 25 Years' Service:			
	Full pension (no option)	2 330	-	-
	Reduced pension under Option 1	1 413	-	-
	Reduced pension under Option 2	1 759	-	-
4659	Retirement at age 60:			
	Full pension (no option)	1 941	1 941	1 941
	Reduced pension under Option 1	1 426	1 426	-
	Reduced pension under Option 2	1 644	1 644	-
4886	Retirement at Age 65:			
	Full pension (no option)	2 932	-	-
	Reduced pension under Option 1	2 087	-	-
	Reduced pension under Option 2	2 439	-	-
4428	Widow Benefit on Death in Active Service: after 20 Years' Service	886	633	738
4659 (Retirement Age 60)	Widow Benefit on Death after Service Retirement:	-	832	971
4428	Widow Benefit on Death After Disability Retirement after 10 Years' Service	-	545	636

TABLE

EXAMPLES OF BENEFITS

(Male Staff Members Entering at Age 35 with $5,450 Pensionable Remuneration and Receiving Salary Increases Conforming to Salary Scale Selected by Commission of Actuaries)

FINAL AVERAGE REMUNERATION	BENEFIT	RETIREMENT AGE 65	RETIREMENT AGE 60	EXISTING PLAN
	Lump sum Withdrawal Value:			
$5822	When service totals 4 years, 11 months......	$ 2 074	$ 2 074	$ 2 044
5822	When service totals 5 years................	2 672	3 319	3 319
7034	When service totals 15 years................	13 350	16 553	16 553
7518	When service totals 20 years................	22 665	28 102	28 102
6474	Disability Retirement after 10 Years' Service:			
	Full pension (no option)....................	2 158	2 158	2 158
	Reduced pension under Option 1..............	1 556	1 556	-
	Reduced pension under Option 2..............	1 808	1 808	-
7518	Disability Retirement after 20 Years' Service:			
	Full pension (no option)....................	3 007	2 506	2 506
	Reduced pension under Option 1..............	1 956	1 630	-
	Reduced pension under Option 2..............	2 371	1 976	-
7910	Disability Retirement after 25 Years' Service:			
	Full pension (no option)....................	3 955	-	-
	Reduced pension under Option 1..............	2 399	-	-
	Reduced pension under Option 2..............	2 986	-	-
7910	Retirement at Age 60:			
	Full pension (no option)....................	3 296	3 296	3 296
	Reduced pension under Option 1..............	2 421	2 421	-
	Reduced pension under Option 2..............	2 792	2 792	-
8295	Retirement at Age 65:			
	Full pension (no option)....................	4 977	-	-
	Reduced pension under Option 1..............	3 544	-	-
	Reduced pension under Option 2..............	4 141	-	-
7518	Widow Benefit on Death in Actice Service after 20 Years' Service....................	1 504	1 074	1 253
7910 (Retirement Age 60)	Widow Benefit on Death after Service Retirement	-	1 413	1 648
7518	Widow Benefit on Death After Disability Retirement after 10 Years' service..........	-	925	1 079

/CHILDREN'S BENEFITS

CHILDREN'S BENEFITS

"The suggestion was made that children's allowances now being paid on account of children of present staff members might be paid from the Pension Fund after the death of the staff member. The cost of paying children's allowances to children of deceased participants was not included in the contribution rate of 21 per cent estimated by the Working Party which developed the existing provisional benefits. The Commission of Actuaries expressed the opinion that transfer of the responsibility for the payment of children's allowances from the Bureau of Personnel, which makes such payments during the life of the staff member, to the Pension Fund upon the death of a participant in the Pension Fund would not be a wise administrative procedure.

"Naturally, the payment of children's benefits could not be provided from the Pension Fund unless a greater contribution was made to it than is contemplated under the existing and proposed rules. If such benefits are to be included, provision to this effect may be made in the proposed rules with an adjustment in the regular 14 per cent contribution of the Organization to cover the additional cost of the children's benefits."

CONCLUSIONS

"The preceding figures are designed to permit the Assembly to gauge the relative costs and importance of the various benefits provided. After weighing the relative advantages of each proposed plan, together with the recommendations of the Secretary-General regarding his personnel policy, it is hoped that a decision may be reached as to the best plan to adopt. There are, of course, an indefinite number of possible combinations of benefits which might be developed on the basis of the figures and many of these were explored by the Staff Benefit Committee. The two Schemes submitted represent the result of many trials to meet the conditions specified by the various interested groups, i.e., the General Assembly, the Secretary-General and the Secretariat. It is the opinion of the Actuary that either plan proposed may be adopted with the knowledge that it is actuarially sound and may be expected to operate successfully in providing the specified benefits. In the event that either of the proposed Schemes heretofore presented is adopted, it is recommended that the normal contribution for participants of 7 per cent and for the United Nations of 14 per cent, as now provided, be continued."

APPENDIX TO ACTUARY'S REPORT

The following are excerpts from the Appendix to the Actuary's report

/which is

which is entitled: "Actuarial Basis employed in preparation of Cost Figures."

"Summaries of the main benefit and contribution provisions of the various schemes have been presented to the Committee. The contributions required to provide any group of employees and their dependants with these benefits depend upon the number of employees who will remain in service long enough to receive the benefits provided, their remuneration upon which the benefit will be based, and upon the length of time they will live after the benefit becomes payable. A measurement of the liabilities of the United Nations, therefore, depends upon a measurement of the future rates of withdrawal, death, salary increase and disability among the members of the system and their dependants. The best basis for obtaining a measurement of these rates would be an analysis of their operation in the past. Obviously, in the case of the United Nations, such an investigation would have been of little value due to the short period of its existence. The Commission of Actuaries, therefore, selected rates of withdrawal, death, salary increase and disability derived from the service and mortality experience of other similar groups. In addition to these rates used to measure the probable future experience of the participants themselves the Actuaries also selected tables expressing the proportion of male employees who may be expected to leave widows and the relative ages of such widows.

"The Actuary suggests that the periodic checking of the rates of separation and salary increase of participants and the mortality of retired participants and their dependants be provided for in the future. If proper records were installed, periodic actuarial investigations can be undertaken, and any necessary financial adjustments in the system made. If this is done and the Fund is established on a conservative basis at the outset, no risk is taken in adopting assumptions based upon the experience of other similar groups of employees".

ANNUITY VALUES AND ACTUARIAL EQUIVALENT FACTORS

"The following tables give the annuity values and actuarial equivalent factors based upon the adopted mortality tables and an interest rate of 2-1/2 per cent. The annuity values show the cost of an annuity of $1 a year beginning at the various ages shown and payable in equal monthly installments throughout life. The actuarial equivalent factors are factors which when applied to the amount of retirement benefit payable at age 60 or 65 produces the equivalent amount of benefit which would be payable at the ages shown. Thus, a participant withdrawing at age 45 would multiply the accrued benefit which would have been payable had he reached

/the retirement

the retirement age by the actuarial equivalent factor for age 45 and the result would be the amount of benefit payable immediately. If he elected to receive a lump sum instead of an annuity payable for life, the amount of the lump sum would be obtained by multiplying the result obtained above by the annuity value at age 45."

Note: To enable typical calculations of the major benefits to be made the following Tables have been selected for reproduction from this section of the appendix to the Actuary's report.

TABLE - ANNUITY VALUES FOR SERVICE PENSIONERS AND BENEFICIARIES UNDER OPTIONS (MEN)

TABLE - ANNUITY VALUES FOR SERVICE PENSIONERS AND BENEFICIARIES UNDER OPTIONS (WOMEN)

TABLE - ACTUARIAL EQUIVALENT FACTORS FOR RETIREMENT AGE 60 (MEN AND WOMEN)

TABLE - ACTUARIAL EQUIVALENT FACTORS FOR RETIREMENT AGE 65 (MEN AND WOMEN)

TABLE

ANNUITY VALUES FOR SERVICE PENSIONERS AND BENEFICIARIES UNDER OPTIONS

MEN

AGE	ANNUITY VALUE	AGE	ANNUITY VALUE
13	28.668	60	13.658
14	28.478	61	13.234
15	28.283	62	12.809
16	28.082	63	12.385
17	27.877	64	11.963
18	27.666	65	11.542
19	27.450	66	11.124
20	27.229	67	10.708
21	27.002	68	10.297
22	26.770	69	9.889
23	26.531	70	9.487
24	26.287	71	9.089
25	26.038	72	8.698
26	25.782	73	8.313
27	25.520	74	7.935
28	25.253	75	7.565
29	24.979	76	7.203
30	24.699	77	6.849
31	24.413	78	6.504
32	24.120	79	6.169
33	23.821	80	5.843
34	23.516	81	5.527
35	23.205	82	5.222
36	22.887	83	4.927
37	22.563	84	4.642
38	22.233	85	4.369
39	21.897	86	4.107
40	21.554	87	3.856
41	21.205	88	3.616
42	20.851	89	3.387
43	20.490	90	3.169
44	20.124	91	2.962
45	19.752	92	2.766
46	19.374	93	2.580
47	18.992	94	2.405
48	18.604	95	2.240
49	18.211	96	2.085
50	17.814	97	1.939
51	17.412	98	1.802
52	17.006	99	1.675
53	16.597	100	1.556
54	16.184	101	1.446
55	15.768	102	1.344
56	15.350	103	1.247
57	14.929	104	1.161
58	14.507	105	1.067
59	14.083		

TABLE

ANNUITY VALUES FOR SERVICE PENSIONERS AND BENEFICIARIES UNDER OPTIONS

WOMEN

AGE	ANNUITY VALUE	AGE	ANNUITY VALUE
13	29.382	62	14.507
14	29.210	63	14.083
15	29.034	64	13.658
16	28.854	65	13.234
17	28.668	66	12.809
18	28.478	67	12.385
19	28.283	68	11.963
20	28.082	69	11.542
21	27.877	70	11.124
22	27.666	71	10.708
23	27.450	72	10.297
24	27.229	73	9.889
25	27.002	74	9.487
26	26.770	75	9.089
27	26.531	76	8.698
28	26.287	77	8.313
29	26.038	78	7.935
30	25.782	79	7.565
31	25.520	80	7.203
32	25.253	81	6.849
33	24.979	82	6.504
34	24.699	83	6.169
35	24.413	84	5.843
36	24.120	85	5.527
37	23.821	86	5.222
38	23.516	87	4.927
39	23.205	88	4.642
40	22.887	89	4.369
41	22.563	90	4.107
42	22.233	91	3.856
43	21.897	92	3.616
44	21.554	93	3.387
45	21.205	94	3.169
46	20.851	95	2.962
47	20.490	96	2.766
48	20.124	97	2.580
49	19.752	98	2.405
50	19.374	99	2.240
51	18.992	100	2.085
52	18.604	101	1.939
53	18.211	102	1.802
54	17.814	103	1.675
55	17.412	104	1.556
56	17.006	105	1.446
57	16.597	106	1.344
58	16.184	107	1.247
59	15.768	108	1.161
60	15.350	109	1.067
61	14.929		

/ACTUARIAL

TABLE

ACTUARIAL EQUIVALENT FACTORS FOR RETIREMENT AGE 60

AGE	MEN	WOMEN
20	.140339	.160055
21	.145612	.165880
22	.151130	.171962
23	.156909	.178317
24	.162964	.184960
25	.169314	.191909
26	.175977	.199182
27	.182973	.206798
28	.190325	.214779
29	.198056	.223148
30	.206193	.231929
31	.214764	.241150
32	.223799	.250839
33	.233334	.261028
34	.243404	.271752
35	.254050	.283048
36	.265317	.294957
37	.277253	.307523
38	.289913	.320795
39	.303355	.334826
40	.317645	.349675
41	.332856	.365406
42	.349069	.382091
43	.366372	.399807
44	.384867	.418641
45	.404663	.438688
46	.425888	.460056
47	.448680	.482861
48	.473197	.507236
49	.499617	.533327
50	.528141	.561300
51	.558997	.591338
52	.592445	.623651
53	.628780	.658471
54	.668341	.696064
55	.711516	.736731
56	.758753	.780814
57	.810569	.828702
58	.867563	.880841
59	.930435	.937744
60	1.000000	1.000000

/ACTUARIAL EQUIVALENT

TABLE

ACTUARIAL EQUIVALENT FACTORS FOR RETIREMENT AGE 65

AGE	MEN	WOMEN
20	.094275	.112737
21	.097817	.116840
22	.101524	.121124
23	.105406	.125600
24	.109474	.130279
25	.113739	.135174
26	.118215	.140296
27	.122915	.145661
28	.127854	.151283
29	.133047	.157177
30	.138513	.163363
31	.144271	.169857
32	.150341	.176682
33	.156746	.183859
34	.163510	.191413
35	.170662	.199369
36	.178231	.207757
37	.186249	.216608
38	.194754	.225956
39	.203784	.235839
40	.213383	.246298
41	.223602	.257379
42	.234493	.269131
43	.246116	.281610
44	.258540	.294876
45	.271839	.308996
46	.286097	.324047
47	.301408	.340110
48	.317878	.357278
49	.335626	.375656
50	.354787	.395359
51	.375515	.416517
52	.397985	.439277
53	.422393	.463803
54	.448969	.490283
55	.477973	.518927
56	.509705	.549977
57	.544513	.583708
58	.582800	.620433
59	.625035	.660513
60	.671766	.704364
61	.723638	.752465
62	.781410	.805374
63	.845979	.863739
64	.918416	.928318
65	1.000000	1.000000