



Seventeenth session
Agenda item 71

REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

Report of the Fifth Committee

Rapporteur: Mr. N.A. QUAO (Ghana)

1. The Fifth Committee considered, at its 941st meeting on 7 November 1962, the annual report of the United Nations Joint Staff Pension Board,^{1/} submitted to the General Assembly in accordance with article XXXV of the Regulations of the United Nations Joint Staff Pension Fund, and the related report of the Advisory Committee on Administrative and Budgetary Questions (A/5252).
2. The Fifth Committee took note of sections I to IV of the Board's report containing information on the operation of the Pension Fund during the year ended 30 September 1961, including financial statements for that year and the report of the Board of Auditors on those statements.
3. The Committee examined section V of the Board's report, containing a summary of the proceedings of the Board at its eleventh session, with particular reference to two recommendations which were submitted to the General Assembly for approval, the one concerning amendments to the Regulations of the Fund, and the other concerning an interim adjustment of pensions in payment.
4. With regard to the proposed amendments to the Regulations, the Committee noted that, by and large, their purpose was to eliminate a number of inconsistencies and anomalies which had come to light since the introduction of the revised system on 1 April 1961, and to give the text as a whole a more coherent pattern. In connexion with the comments made by the Advisory Committee

1/ Official Records of the General Assembly, Seventeenth Session, Supplement No. 8 (A/5208).

in paragraph 4 of its report (A/5252), the Fifth Committee wishes to endorse, in particular, the recommendation that member organizations standardize their procedures in order to ensure that action taken under the Staff Regulations to terminate the employment of a staff member for health reasons and action taken under the Regulations of the Pension Fund for the award of a disability benefit are based on the same medical evidence.

5. The Committee recommends that the General Assembly approve the amendments to the Regulations proposed by the Joint Staff Pension Board.

6. With regard to the adjustment of pensions in payment, the Committee noted that the Joint Staff Pension Board was not in a position, as yet, to propose a permanent system and, pending further consideration of the matter at its next session in 1964, had recommended an interim adjustment of 1 per cent per annum effective 1 January 1962, up to and including the year beginning 1 January 1964, the adjustment not to apply in the case of minimum or maximum benefits which were not calculated on pensionable remuneration. The proposed adjustment would be financed from funds set aside for this purpose in accordance with part III, paragraph 6, of General Assembly resolution 1561 (XV) of 18 December 1960.

7. The Committee also noted that, pending completion of the Joint Staff Pension Board's study of a permanent system for the adjustment of pensions in payment, the Advisory Committee saw no objection from the administrative or the budgetary point of view to the Board's interim proposal, and accordingly recommended that the General Assembly approve it.

Recommendation of the Fifth Committee

8. In the light of the foregoing, the Fifth Committee recommends to the General Assembly the adoption of the attached draft resolution.

ANNEX

Draft resolution

UNITED NATIONS JOINT STAFF PENSION FUND

The General Assembly

I

Operation of the Fund

1. Takes note of the report of the United Nations Joint Staff Pension Board on the operation of the United Nations Joint Staff Pension Fund for the year ended 30 September 1961 (A/5208);
2. Concurs in the observations thereon of the Advisory Committee on Administrative and Budgetary Questions as set forth in its tenth report to the General Assembly at its seventeenth session (A/5252).

II

Amendments to the Regulations of the Fund

Resolves that the Regulations of the United Nations Joint Staff Pension Fund shall, with effect from 1 January 1963, be amended as indicated in the Appendix to the present resolution.

III

Adjustment of Pensions

Recalling paragraph 6 of part III of its resolution 1561 (XV) of 18 December 1960 in which it requested the United Nations Joint Staff Pension Board to study, at its next session, methods by which any future adjustments in benefits, after their award, might be made,

Having noted that the United Nations Joint Staff Pension Board, after further considering the matter at its eleventh session, concluded that:

- (a) The formulation of a permanent system of adjustment required further detailed study;
- (b) Pending the adoption of such a system, an interim adjustment was desirable.

Resolves that, as a temporary measure, pensions and annuities in payment and deferred annuities awarded as of 31 December 1961, 1962 and 1963 be increased by 1 per cent on 1 January 1962, 1963 and 1964; this increase not to apply to the minimum amount of retirement benefits under article IV.1 (b) (i), of widows' (or disabled widowers') benefits under article VII.4 (a), or to the minimum and maximum amounts of children's benefits under article VIII.2 and 3.

APPENDIX

Amendments to the Regulations of the United Nations Joint Staff
Pension Fund, effective 1 January 1963

ARTICLE II

Participation

Replace the present text by the following:

"1. Every full-time member of the staff of each member organization shall become a participant in the United Nations Joint Staff Pension Fund if:

"(a) his initial appointment is a permanent appointment or an appointment certified by the member organization to lead normally to a permanent appointment; or

"(b) his initial appointment is for five years or more; or

"(c) having been initially appointed for less than five years, he subsequently receives:

(i) a permanent appointment, or an appointment certified by the member organization to lead normally to a permanent appointment, or

(ii) an appointment which will extend his period of employment to or beyond five years; or

"(d) having formerly been a participant by virtue of this article,

(i) he is reappointed for at least one year, or has completed one year's service since re-employment, and

(ii) he undertakes to restore his prior contributory service credit under the provisions of article XII;

provided that he is under sixty years of age at the time of entry or re-entry into the Fund and that his participation is not excluded by the terms of his appointment.

"2. For the purposes of paragraph 1 (c) (ii) of this article, separate periods of employment may be added together provided they are not broken by an interval or intervals totalling more than one year.

"3. For the purposes of paragraph 1 (d) (i) of this article, the period of completed service since re-employment must not have been broken by an interval or intervals any one of which exceeded thirty days.

"4. Participation shall cease when the payment of a benefit under these Regulations becomes due to a participant or on his account.

"5. The foregoing provisions shall apply to the Registrar and every full-time officer of the Registry of the International Court of Justice."

ARTICLE II bis

Associate participation

Add the following new article:

"1. Every full-time member of the staff of each member organization who is not eligible to become a participant under article II shall become an associate participant in the United Nations Joint Staff Pension Fund if:

"(a) his appointment is for one year or more; or

"(b) having been appointed for less than one year,

(i) he subsequently receives an appointment for one year or more, or

(ii) he has completed one year of employment;

provided that he is under sixty years of age and that his associate participation is not excluded by the terms of his appointment.

"2. For the purposes of paragraph 1 (b) (ii) of this article, the period of completed employment must not have been broken by an interval or intervals any one of which exceeded thirty days.

"3. Participation shall cease when an associate participant is separated from his organization, or when a benefit under these Regulations becomes payable to him or on his account, or when he reaches the age of sixty.

"4. An associate participant shall, subject to article IX, be eligible for a disability benefit under article V, his children for a child's benefit under article VIII and his survivors for a death benefit under articles VII and VII bis. He shall not be entitled to a retirement benefit under article IV nor to a withdrawal settlement under article X, and his survivors shall not be entitled to a death benefit under article VII ter.

"5. Each member organization shall pay monthly into the Fund, in respect of each associate participant, a contribution equal to 4 1/2 per cent of his pensionable remuneration, or such percentage contribution, not to exceed

6 per cent, as shall be determined from time to time by the Joint Staff Pension Board on the basis of actuarial valuation of the Fund.

"6. All other provisions of these Regulations consistent with this article shall be applicable to associate participants, mutatis mutandis, in the same manner as to participants."

ARTICLE III

Validation of non-pensionable service

Replace the present text by the following:

"1. When an associate participant or former associate participant becomes a participant under article II, he may, subject to the conditions set forth in paragraphs 4, 5 and 6 below, elect within one year, to have included in his contributory service:

"(a) the period of service during which he was an associate participant provided it was not interrupted by an interval or intervals totalling more than one year;

"(b) any period of service as a full-time staff member of a member organization prior to his entry into the Fund as an associate participant, during which he was not eligible under article II or II bis to become a participant or an associate participant because his appointment was for less than one year or because he had less than one year of service, provided such period of service was not interrupted by an interval or intervals no one of which exceeded thirty days;

provided that the interval between his ceasing to be an associate participant and becoming a participant does not exceed two years.

"2. When a full-time staff member who was not eligible for participation in the Fund because his appointment was for less than one year or because he had completed less than one year's service is given an appointment for one year or more or completes one year's service and thereby qualifies under article II bis to become an associate participant, he may have the period of service during which he was not admitted to the Fund counted in his contributory service only if and when he subsequently becomes a participant and in accordance with paragraph 1 above.

"3. When a full-time staff member who was not eligible for participation in the Fund because his appointment was for less than one year or because he had completed less than one year's service is given an appointment which entitles him, under article II, to become a participant, he may, subject to paragraphs 4, 5 and 6 below, elect within one year to have the period during which he was not admitted to the Fund counted in his contributory service provided such period was not interrupted by an interval or intervals no one of which exceeded thirty days.

"4. Exercise of any of the options in paragraphs 1, 2 and 3 above shall be subject to the participant paying into the Fund a sum or sums equal to the contributions he would have paid for the period or periods concerned as a participant, plus compound interest at the rate designated in article XXIX. Payment into the Fund of amounts sufficient to meet its obligations resulting from the inclusion of such additional contributory service which are not to be met by payments made by the participant shall be made by the member organization designated for that purpose in accordance with arrangements concluded by the member organizations.

"5. Notwithstanding the provisions of paragraphs 1, 2 and 3 above, a participant may not have included in his contributory service a period during which the terms of his appointment excluded his participation in the Fund.

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

ARTICLE IV

Retirement benefits

Replace the present text of paragraph 2 by the following:

"2. A participant, other than a participant whose retirement benefit under paragraph 1 (a) above is increased as a result of the application of paragraph 1 (b), may, with the consent of the Joint Staff Pension Board, prior to the date on which the first payment of his retirement benefit becomes due, elect to receive a lump sum not exceeding whichever is the larger of one third of the actuarial equivalent of the retirement benefit payable to him or the

amount payable under paragraph 1 of article VII ter, and his retirement benefit shall be reduced in the proportion that such lump sum bears to the actuarial equivalent of his retirement benefit prior to reduction."

ARTICLE V

Disability benefits

Replace the present text by the following:

"Subject to the provisions of article XVI, a participant who, before reaching the age of sixty, has, in the opinion of the Board, become incapacitated for further service owing to serious physical or mental impairment of a permanent or long-term character, shall, subject to article IX, be entitled, so long as such disability continues, to a disability benefit, payable monthly, equal to one fifty-fifth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years, but not less than the smaller of:

"(a) one third of his final average remuneration; or

"(b) the pension to which he would have been entitled if he had served as a participant until he had reached the age of sixty and his final average remuneration had remained unchanged."

ARTICLE VI

Commencement, suspension and discontinuance of disability benefits

Replace the present text by the following:

"1. The Board shall determine, in accordance with article V above and the procedures laid down in the Administrative Rules made under article XXXVI, when a participant qualified for a disability benefit. A participant shall not, however, be entitled to a disability benefit so long as, under the Staff Regulations and Rules applicable to him, sick or special leave on full or on half pay is available to him.

"2. The recipient of a disability benefit shall, at such intervals and in such manner as is required by the Board, submit evidence of the continuance of disability and the Board shall review his eligibility for a benefit in the light of such evidence.

"3. If the recipient of a disability benefit fails to submit evidence of the continuance of disability when required to do so under paragraph 2 of this article, the Board shall suspend payment of the benefit.

"4. If the Board decides that the evidence of continuing disability is inconclusive, it may suspend payment of the benefit pending receipt of further evidence.

"5. If, after such interval as the Board may determine, satisfactory evidence as required under paragraph 2 has not been submitted, the Board may discontinue the benefit.

"6. If the Board decides that disability has ceased, it shall, after giving such notice as it considers appropriate, discontinue the disability benefit.

"7. When the disability benefit is discontinued and the recipient is not re-employed by a member organization, the recipient shall be entitled to a withdrawal settlement as though he had withdrawn under the provisions of article X at the date disability benefit began except that the amount of the withdrawal settlement which would have been awarded under article X shall be reduced by the amount of the disability payments made to him.

"8. The Joint Staff Pension Board may make rules regarding the extent and the circumstances in which a disability benefit may be reduced when the recipient, although remaining disabled in accordance with the provisions of article V, is nevertheless in paid employment."

ARTICLE VII

Widow's (or disabled widower's) benefit

Add a new paragraph 7 as follows:

"7. If a deceased male participant leaves more than one widow the benefit payable under this article shall be divided equally among the widows."

ARTICLE VIII

Child's benefit

Replace the present text of paragraph 4 by the following:

"4. Entitlement to a child's benefit is limited to dependent children existing at the time of eligibility for retirement or disability benefit /...

or at the time of the death of the participant, provided that, if the benefit on account of the participant is payable under article X.3 (d), the entitlement to a child's benefit shall not arise until the date on which the participant reaches the age of sixty. The Joint Staff Pension Board shall define 'dependent child', having regard to the provisions of the staff rules of the member organization."

ARTICLE IX

Eligibility for disability and death benefits

Replace the present text by the following:

"1. The Joint Staff Pension Board shall require every entrant or re-entrant, before admission to coverage by the benefits provided under articles V, VII.1, VII.6 and VII bis.1, to undergo a medical examination to be prescribed in the Administrative Rules made under these Regulations unless the Board decides to accept the findings of a medical examination previously undergone by the entrant.

"2. On the basis of the medical examination referred to in paragraph 1 above, the Joint Staff Pension Board shall decide whether the participant concerned shall be covered by the provisions of articles V, VII.1, VII.6 and VII bis.1 immediately, or shall not be covered by those provisions until he has completed five years of contributory service or, in the case of a re-entrant, until he has completed five years of contributory service subsequent to his re-entrance. However, no participant shall be excluded from the benefits provided under articles V, VII.1, VII.6 and VII bis.1, if the disability or death is the direct result of accident, or of damage to health arising from service in an unhealthy area, nor shall his survivor be excluded from the provisions of articles VII.1 or VII bis.1, if he has attained the age of sixty."

ARTICLE X

Withdrawal settlements

Replace paragraphs 3, 4 and 6, and add a new paragraph 7, as follows:

"3. If the participant has five or more years of contributory service he shall be entitled to elect, at the date his service ceases, to receive one of the following:

"(a) Subject to article XIII a life annuity, deferred to age sixty, equal to one fifty-fifth of his final average remuneration multiplied by the number of years of his contributory service not exceeding thirty years, with survivor benefits in accordance with paragraph 6 below:

"(b) Subject to article XII:

- (i) An amount in cash equal to the amounts in paragraphs 2 (a), 2 (b) and 2 (c) above; plus
- (ii) A life annuity, deferred to age sixty, equal in value to the difference between the amount he receives in cash and the actuarial equivalent, at the date his employment ceased, of the retirement benefit payable at the age of sixty calculated on the basis of his contributory service and final average remuneration;
- (iii) Notwithstanding (i) and (ii) above, when the amount of the deferred annuity payable under paragraph 3 (a) of this article is less than \$300 a year, a cash sum of equal actuarial value in lieu of the annuity, at the date his service ceases.

"(c) A final cash settlement, which shall extinguish all his entitlements under these Regulations, consisting of:

- (i) A sum in cash equal to the amounts in paragraph 2 above; plus
- (ii) For each year of service in excess of five, 10 per cent of the amount in paragraph 2 (a) above, subject to a maximum of the amount in paragraph 2 (a);

"(d) Where the participant withdraws from the Fund after having reached the age of fifty-five and before reaching the age of sixty, an immediate life annuity equal in actuarial value to the retirement benefit he would have received under article IV.1 (a), had he been sixty at the date his service ceased, together with all those survivorship benefits and options to which

under articles IV, IV bis, VII, VII bis, VII ter and VIII a recipient of a retirement benefit is entitled, except only that article IV.1 (b) and article IV.4 shall not apply.

"4. Notwithstanding the provisions of paragraph 3 (c) above, a participant in the Pension Fund on 31 March 1961 who subsequently becomes eligible for a final cash settlement under paragraph 3 (c) above shall be entitled to receive, in lieu of and if greater than the amount in paragraph 3 (c), the following:

"(a) If he withdraws on or before 31 December 1966:

- (i) The amount of the lump sum withdrawal benefit which he would have received had the Regulations, actuarial bases and other provisions in force at 31 March 1961 been still in force at the date his service ceased; together with
- (ii) The amount by which his own contribution to the Pension Fund after 1 April 1961 exceeds the amount he would have contributed under the Regulations, actuarial bases and other provisions in force at 31 March 1961, with compound interest on this excess at the rate designated under article XXIX;

"(b) If he withdraws on or after 1 January 1967:

- (i) The amount of the lump sum which he would have received under sub-paragraph (a) above had he withdrawn on 31 December 1966; plus
- (ii) The amount of his own contribution to the Pension Fund from 1 January 1967 until the date his service ceases, with compound interest at the rate designated under article XXIX, which amount shall be increased by 10 per cent for each of his years of contributory service in excess of five, whether before or after 1 January 1967, subject to a maximum increase of 100 per cent.

"6. On the death of a former participant who elected to receive a deferred annuity under paragraph 3 (a) above:

"(a) If he leaves a widow who was his wife at the time his service ceased, a widow's benefit shall be payable as from the date of his death, of an amount calculated as follows:

- (i) If death occurred after the commencement of the annuity, the widow's benefit shall be one-half of the amount of that annuity;
- (ii) If death occurred before the commencement of the annuity, the widow's benefit shall be one-half of the annuity which, had it been payable to the former participant from the date of his death, would have had the same actuarial value as the annuity he would have received at the age of sixty;

"(b) If he leaves no widow, but leaves a dependent mother or father who, at the time his service ceased, was recognized as a secondary dependent, a secondary dependent's benefit shall be payable, of an amount calculated as in sub-paragraph (a) (i) or (a) (ii) above, as may be appropriate;

"(c) A survivor's benefit payable under sub-paragraph (a) or (b) above shall be subject to the same conditions as if the benefit had been payable under article VII or VII bis except that paragraph 4 of article VII shall not apply;

"(d) If he dies before the commencement of the annuity and leaves no survivor entitled to a benefit under sub-paragraph (a) or (b) above, there shall be paid to his designated recipient an amount equal to the sums in paragraph 2 above as at the date his service ceased. If a designated recipient does not survive the former participant, or if no designation has been made, or if the designation has been revoked, such sum shall be paid to the former participant's estate.

"7. If a participant, at the time of separation, so requests, the payment of a benefit under paragraph 2, or the choice of a benefit under paragraph 3 of this article may be deferred for a period of six months. If a former participant dies before having exercised his choice under paragraph 3 of this article, he shall be deemed to have elected to receive a deferred annuity under (a) of paragraph 3."

ARTICLE XII

Re-employment

Replace the present text by the following:

"1. If a former participant again becomes a participant under article II, payments to him shall cease.

"2. The prior contributory service credit of such a participant shall be restored provided that all amounts received under article X are repaid with compound interest at the rate designated in article XXIX in a manner acceptable to the Joint Staff Pension Board.

"3. If repayment in accordance with paragraph 2 is not made, his prior contributory service credit shall not be restored, and

"(a) the lump sum which is the actuarial equivalent of any discontinued benefit at the date upon which payments were discontinued shall be credited as a voluntary deposit in accordance with the provisions of article XVIII, paragraphs 2 and 3; and

"(b) the total benefits paid or payable to him in respect of two or more periods of employment shall not exceed the benefits he would have received had all his employment been continuous."

ARTICLE XVIII

Voluntary deposits by participants

Replace the present text by the following:

"1. In addition to the contributions deducted from the remuneration of a participant as provided in article XVI, any participant may, subject to the approval of the Joint Staff Pension Board and under such conditions as the Board may prescribe, deposit in the Pension Fund, in a lump sum or sums and/or by an increased rate of contribution, an amount computed to be sufficient to purchase an additional retirement benefit which, together with his prospective regular retirement benefit as provided herein, will provide for him a total retirement benefit not to exceed 60 per cent of his final average remuneration at the age of retirement. Interest at such rates as may be set from time to time by the Board shall be allowed on such contributions.

"2. Such additional amounts, together with interest thereon, shall be credited to the participant's individual account in the Pension Fund and shall be used to provide him with an additional benefit, commencing at the same time as any regular benefit to which he may become entitled under these Regulations, or, upon his death prior to such commencement, to provide a benefit to a

survivor designated therefor by the participant. The additional benefit shall be payable in one of the following actuarial equivalent forms to be elected by the participant or, in the absence of such election, by the survivor so designated;

"(a) An amount equal to such additional deposits payable in a single sum or in instalments together with interest thereon to the date of payment.

"(b) An annuity payable for life with no further payments after death.

"(c) A reduced annuity payable for life, with a provision that upon the annuitant's death one half of such annuity shall be continued to, and during the life of, a survivor designated therefor by the annuitant at the time of the commencement of the annuity.

"(d) A reduced annuity payable for life, with a guarantee that the total benefits paid on account of such additional deposits shall not be less than the amount credited at the time of the commencement of the annuity.

In the event that the participant has made no designation of a survivor to receive such additional benefit, or if such person does not survive him, the lump sum provided under (a) above shall be paid to the participant's estate.

"3. Should a former participant whose annuity has commenced under the provision of this article be restored to participation, his annuity shall cease and the lump sum which is the actuarial equivalent of such discontinued annuity shall be credited to his individual account under this article, provided, however, that no value shall be included in such lump sum for the contingent annuity of a survivor designated under 2 (c) above unless the participant submits evidence of such person's survival in good health.

"4. A participant who elected, and had been authorized, to make voluntary deposits under this article may cease making such deposits at any time, but in no case shall sums once deposited be refunded to him before he has ceased to be a participant."

ARTICLE XXII

Joint Staff Pension Board

Replace the present text by the following:

"1. The Joint Staff Pension Board shall consist of twenty-one members: Six members appointed by the United Nations Staff Pension Committee, two from the members elected by the General Assembly, two from the members appointed by the Secretary-General, and two from the members elected by the participants; and

Fifteen members appointed by the staff pension committees of the other member organizations in accordance with a table fixed by the Administrative Rules of the Fund which shall provide for equal representation of the three groups referred to in article XX.

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

SUPPLEMENTARY ARTICLE B

Associate participation

Delete.

SUPPLEMENTARY ARTICLE C

The International Atomic Energy Agency

Present text becomes Supplementary article B.
