



Twenty-first session
Agenda item 82

REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

Report of the Fifth Committee

Rapporteur: Mr. David SILVEIRA da MOTA (Brazil)

1. At its 1163rd and 1164th meetings, on 8 and 9 December 1966, the Fifth Committee considered the annual report of the United Nations Joint Staff Pension Board to the General Assembly of the United Nations and to member organizations of the Fund.^{1/} In connexion with this item the Committee also had before it the following documents:

- (a) Fifth report of the Advisory Committee on Administrative and Budgetary Questions, 1966 (A/6580);
- (b) Twentieth report of the Advisory Committee on Administrative and Budgetary Questions, 1966 (A/6537);
- (c) Note by the Secretary-General on the financial implications of the draft resolution contained in annex IV of document A/6308 (A/C.5/1078).

The Chairman, in opening the discussion, drew attention to the estimated additional appropriation of \$200,000 for 1967 implied in the adoption of the resolution proposed by the Joint Staff Pension Board.

2. Introducing the two reports of the Advisory Committee, the Chairman of that Committee referred to the principal recommendation of the Board, which was the abolition of the present scheme of associate participation in the Fund and its replacement by a form of modified full participation, which would apply uniformly to all staff employed by the United Nations and the other member organizations.

1/ Official Records of the General Assembly, Twenty-first Session, Supplement No. 8 (A/6308).

Experience over the eight years of its operation had shown the associate participation scheme to have become a serious and increasing drain on the finances of the Fund, which had reached a point at which it might soon produce an actuarial imbalance requiring to be made good by deficiency payments from the member organizations. The modification recommended by the Board, one of several remedial measures which had been considered, was supported by the Advisory Committee, as were the further proposals related to medical classifications and continuation of the cost-of-living adjustments to pensions and annuities in payment. The need for the reconciliation of certain financial statements in the accounts of the Fund, referred to by the Board of Auditors, was a separate issue which was receiving attention from the Secretary-General and would be studied further by the Advisory Committee.

3. In the discussion which followed, some delegations questioned whether the financial consequences of the measures proposed justified their adoption and whether the possible alternatives to abolition of the associate participation scheme had been adequately considered. These delegations wished the matter to be postponed for further examination by the Board and report to the General Assembly at its next session. Some of them drew attention to the fact that the alternative solution providing for additional payments to be made only where associate participants became full participants and either validated previous service or not might be preferable because it would allow the costs to be kept down for those staff members who were genuinely intended to be and in fact remained in service only for a relatively short period. One delegation expressed the view that since the actuarial deficit had been attributed to the cost of validating prior non-pensionable service, a possible solution might have been to include in the validation payment the interest which the Fund would have earned thereon had it been paid in the form of contributions during the validated years. It was pointed out in reply by other delegations that the current shortfall in the contributions made on behalf of associate participants who validated their non-pensionable service was sufficiently serious to justify early corrective action, and that the various alternative courses open had been studied at considerable length, and with close attention to their financial implications, by both the Board and its expert actuarial advisers. It was emphasized by these delegations also that a high degree of budgetary and administrative co-ordination had been achieved in the area of pensions, and that joint recommendations made for action by the General Assembly on behalf of all the member organizations of the Fund could not be lightly disregarded.

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4. At the request of the representative of the Union of Soviet Socialist Republics the Committee voted first on section II of the draft resolution proposed by the United Nations Joint Staff Pension Board, which was adopted by 62 votes to 10. The draft resolution as a whole was then adopted by a vote of 63 to none, with 10 abstentions.

RECOMMENDATION OF THE FIFTH COMMITTEE

5. The Fifth Committee therefore recommends to the General Assembly the adoption of the following draft resolution:

United Nations Joint Staff Pension Fund

The General Assembly,

Having considered the report of the United Nations Joint Staff Pension Board for 1966^{2/} and the related reports of the Secretary-General^{3/} and the Advisory Committee on Administrative and Budgetary Questions;^{4/}

I

Adjustment of benefits in respect of cost-of-living changes

Decides to continue until 31 December 1969 the system of adjustment of pensions, annuities and deferred annuities contained in General Assembly resolution 2122 (XX) of 21 December 1965;

II

Amendments to the regulations of the Fund

Resolves that the regulations of the United Nations Joint Staff Pension Fund shall be amended, with effect from 1 January 1967, in accordance with annex V to the report of the Joint Staff Pension Board to the General Assembly and to the member organizations of the Fund for 1966.

2/ Official Records of the General Assembly, Twenty-first Session, Supplement No. 8 (A/6308).

3/ A/C.5/1078.

4/ A/6380, A/6537.