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REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

Report of the Fifth Committee

Rapporteur: Mr. Gregor WOSCHNAGG (Austria)

1. At its 1336th and 1338th meetings, held on 26 November and 1 December 1969, the Fifth Committee considered the annual report of the United Nations Joint Staff Pension Board for 1969,<sup>1/</sup> including the report of the Board of Auditors on the accounts of the United Nations Joint Staff Pension Fund for the year ended 30 September 1968. The related report of the Advisory Committee on Administrative and Budgetary Questions (A/7791 and Corr.1) was also before the Committee.
2. In an oral statement introducing the report of the Advisory Committee, the Chairman of that Committee drew attention to three recommendations made to the General Assembly by the Joint Staff Pension Board affecting the level of benefits paid by the Fund. The first was a recommendation to increase the standard rate of accumulation of pensions from 1/55 of final average remuneration per year of service to 1/50, the second to alter the formula used for computing the minimum rate for pensions in such a way as to increase these by 20 per cent, and the third to extend the existing system of adjustment of benefits in respect of cost-of-living changes for a further three years until 31 December 1972. The recommendations had been based on an actuarial valuation, which showed that the additional costs could be met from the Fund's own resources and would not require additional contributions from Member Governments. The Advisory Committee had no objection to

1/ Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 9 (A/7609).

these changes. The Board was also recommending the approval of a revised set of regulations for the Fund - with which the Advisory Committee agreed - subject to one minor amendment - and a new form of presentation of the annual estimates of administrative expenses. The Advisory Committee recommended certain improvements in the details of the presentation, but had no objection to the estimates submitted in the net amount of \$612,020 for 1970. Finally, the Advisory Committee noted the full examination of the investment policy carried out by the Board in 1969 and its satisfaction with the yield being obtained.

3. In the discussion which followed, one delegation questioned whether the contributions payable by the employing organizations out of resources furnished by Member Governments were not too high in view of the accumulated assets of the Fund and its current rates of income and expenditure. It also questioned whether sufficient study had been given by the Board, in justification of the improvements proposed, to the comparability of the United Nations retirement scheme in general with those prevailing elsewhere and whether in any event proper account had been taken of the fact that certain Member States themselves provided full social security for their citizens upon retirement. This delegation wished the matter to be postponed for examination by the International Civil Service Advisory Board and report to the General Assembly at its next session.

4. In reply, another delegation pointed out that the Joint Staff Pension Board had in fact devoted considerable study to the two principal factors underlying its recommendations to improve pension benefits. Detailed comparisons had been made, on the one hand, with the retirement conditions in a number of national civil services and other international and intergovernmental organizations, which showed these for the most part to be superior to conditions in the United Nations, and, on the other, a careful investigation of the Fund's actuarial position had been carried out, with expert assistance in the investment of actuarial fields, which showed its resources to be sufficient to meet the additional expenditure to be incurred, in both static and inflationary economic conditions, with an adequate margin for future contingencies. While the rates of contribution needed to be kept under review, there was no reason at present to suggest that these were too high. Furthermore, reference to the International Civil Service Advisory Board would not serve to provide the Committee with any greater expertise than had already been brought to bear on the matter by the Joint Staff Pension Board.

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5. The Committee agreed to two amendments to the draft Regulations of the Fund proposed by the Advisory Committee and the representative of the United Kingdom, respectively, under which the phrase "which shall be provided with a copy of the actuarial report" would be added at the end of article 12 (c), and the phrase "except as may specifically be provided in the Administrative Rules" would be deleted from article 45.

6. The draft resolution as a whole was thereupon adopted by a vote of 63 to none, with 7 abstentions (see paragraph 7 below).

RECOMMENDATION OF THE FIFTH COMMITTEE

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

Report of the United Nations Joint Staff Pension Board

The General Assembly,

Having considered the report of the United Nations Joint Staff Pension Board to the General Assembly and to the member organizations of the United Nations Joint Staff Pension Fund for 1969,<sup>2/</sup> and the related report of the Advisory Committee on Administrative and Budgetary Questions,<sup>3/</sup>

I

Rate of accumulation of benefits

Decides that, with effect from 1 January 1970:

(a) The standard annual rate for a retirement benefit shall be obtained by multiplying the years of the participant's contributory service, not exceeding thirty, by 1/50 of his final average remuneration;

(b) The minimum rate for a retirement benefit shall be obtained by multiplying the years of the participant's contributory service, not exceeding ten, by the smaller of \$180 or 1/30 of this final average remuneration;

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<sup>2/</sup> Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 9 (A/7609).

<sup>3/</sup> A/7791 and Corr.1.

(c) Benefits which accrued before 1 January 1970 shall be recalculated in accordance with (a) and (b) above and shall accrue in such recalculated amounts with effect from that date, save that no additional entitlement shall accrue in respect of any benefit, a part or the whole of which was commuted into a lump sum except in so far as a part remains which is payable in the form of a periodic benefit, and in respect of that part in the proportion which it bears to the benefit as originally calculated;

II

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

Decides to continue until 31 December 1972 the system of adjustment of benefits contained in its resolution 2122 (XX) of 21 December 1965;

III

Amendments to the Regulations of the United Nations  
Joint Staff Pension Fund

Decides that the Regulations of the United Nations Joint Staff Pension Fund shall be amended, with effect from 1 January 1970, as set forth in annex V to the report of the United Nations Joint Staff Pension Board for 1969 and paragraph 5 of the report of the Fifth Committee;<sup>4/</sup>

IV

Administrative expenses

Approves expenses totalling \$612,020 for the administration of the United Nations Joint Staff Pension Fund, as estimated for 1970 in annex VII to the report of the United Nations Joint Staff Pension Board for 1969.

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<sup>4/</sup> A/7824.