

**STAFF UNION BULLETIN**  
**BULLETIN DU SYNDICAT**  
**BOLETIN DEL SINDICATO**



3 June 2003

**SAFEGUARD OUR CONTRIBUTIONS FOR RETIREMENT**

**Information and awareness-raising meeting**  
**United Nations Pensions Fund**

Participants' representatives and Staff Associations/Unions of Geneva-based organizations from the United Nations family invite you to participate on

**Friday 6 June at 10 am, ILO Building, Room V**

in an information and awareness-raising meeting with  
Mr. Bernard Cochemé, Secretary of the Fund

**Items to be discussed:**

- Attempts by the UN General Assembly to misuse its powers concerning the utilization of accumulated contributions
- The future of the Fund:
  - Financing
  - Benefits
  - Retirement age
  - Membership
  - Management ...

French-English interpretation will be provided.

**SHOW UP IN NUMBERS**

**APPEAL to all participants and beneficiaries of the UNJSPF  
(United Nations Joint Staff Pension Fund)**

**PENSIONS: CONTRIBUTIONS ARE OURS  
Yet another breach of commitments made?**

**The Pension Board, which is the only joint body in the United Nations common system where staff representatives are present with a right to effectively take part in decisions affecting their conditions of employment, should not be transformed into a mere rubber stamp for decisions made.**

We were surprised and concerned at a January 2003 UN General Assembly Resolution which indefinitely postponed the implementation of decisions made by the Board concerning benefits, moved the goalposts with regard to what the Board had decided regarding its own structure, and washed its hands of the situation of our former colleagues from the ex-USSR.

**In other words, instead of being content with its supervisory role, the General Assembly overrode the will of the Board, disavowed its representatives, and instead decided to impose its own choices on the use of contributions that do not belong to it.**

**SUCH A PRECEDENT IS EXTREMELY SERIOUS**

In the absence of immediate and strong reaction, the tripartite management of our Fund may very soon be a thing of the past. This abuse of power comes at a time when the finances of the Fund are in excellent shape. Just imagine what could happen in difficult periods, even of short duration.

On the basis of political majorities and mutual back scratching, the General Assembly might well take it upon itself to decide any issue as it sees fit, with no regard for the people directly concerned – participants and beneficiaries – and leaving the Agencies without a say.

In which case, nothing would be immune: increases in contributory requirements, decreases in contributions, increases in the share of participants' contributions, limits placed on lump sum commutation, changes in the method for computation of benefits, entire categories left without protection, indexing mechanisms placed in doubt, rights of the most vulnerable jeopardized... anything would be possible – as legislation in individual nations has unfortunately shown.

Of course, one might appeal to the courts – and we are currently considering the legal consequences of the situation. But the judiciary within the UN is what it is, i.e. not fully reliable, not always logical, not truly independent (those are euphemisms).

**Prevention is better than cure, and mobilizing to protect oneself is a lot easier than having to fight to regain what was lost.**

We therefore call upon your vigilance. We ask you to support your participants' representatives on the Pensions Committees and on the Joint Pension Board. We call on you to alert your administrations, to alert Member States, in order to safeguard what makes the quality and the effectiveness of our Pension Fund:

**ITS DEMOCRATIC MANAGEMENT**

*Participants' representatives and Staff Associations/Unions of Geneva-based Organizations of the United Nations, May 2003.*

## **BACKGROUND:**

*“The assets shall be the property of the Fund and shall be acquired, deposited and held in the name of the United Nations, separately from the assets of the United Nations, on behalf of the participants and beneficiaries of the Fund.” (Art.18 of UNJSPF Rules)*

Fully convinced of the above, generations of participants’ representatives have struggled throughout the decades in favour of generations of participants and beneficiaries of the United Nations Joint Staff Pension Fund (UNJSPF), even in those times, not so long ago, when a questionable and badly monitored financial management brought negative results.

This fight for participants’ and beneficiaries’ interests is first of all taking place in the various Staff Pensions Committees of the member organizations, as well as on the Pension Board where they all gather. These bodies, composed on an equal footing of representatives of member States, Participants and Administrations (and thus known as tripartite and joint bodies) are to “administer the Fund” (art. 14 of the Rules).

In performing this task, the Board is subject to the oversight of the United Nations General Assembly, in charge of ensuring the legality of decisions made by the Board, approving them or, where there is reasonable doubt about a decision, sending the matter back to the Board for review.

This very General Assembly is itself well represented on the Board, where it holds 4 out of 11 seats attributed to Member States (compared with 7 for the 12 other Agencies represented on the Board).

One has to admit that the system performed relatively well over the past 40 or so years, at the price of frequent and tense negotiations, with some bitter disappointments and some acceptable progress. In such negotiations, representatives of the UN General Assembly never fail to show their own strength, or to build upon their key position to facilitate a positive decision from the controlling organ.

This key position indeed has meant that, until now, the UN General Assembly approved unanimous recommendations from the Board without too many difficulties. There was no reason to expect a change in 2002.

The long-term financial situation of the Fund (known as “actuarial equilibrium”), checked every second year by independent specialists, had been quite satisfactory since 1999. The Board therefore decided to create a (tripartite and joint) working group to review the future in the light of this positive evolution.

The Group completed its work in 2002, and submitted its results to the Board. The report of the Working Group recommended, including in the name of the UN General Assembly representative member of the Working Group, a significant number of positive reforms in favour of participants and representatives, endorsed by the Committee of Actuaries of the Fund. This package would have largely made good the cuts in benefits brought about, at the beginning of the 1980s, by a fairly calamitous management of the Fund’s assets.

Meanwhile, between 1999 and 2002, the financial markets encountered some difficulties, and the surplus had decreased – but a surplus remained for the fourth consecutive year. After hours of passionate discussions, the Board agreed unanimously – including of course representatives of the UN General Assembly – on a package, albeit minimal, of measures to be implemented immediately.

For the record, the package consisted of allowing for adjustment for inflation from age 50 of entitlements to deferred retirement benefits, extending the opportunities to buy back previous service for those with an interruption in service who had then rejoined the United Nations family, plus – provided the end-2003 financial situation remained sound – returning to full adjustment for inflation of benefits in payment. Other recommendations would continue to be subject to feasibility studies, such as the introduction of voluntary contributions for a limited number of years at the beginning or at the end of a career.

Nothing really revolutionary – for a cost of 0.54% of pensionable remuneration, taken from an actuarial surplus of a magnitude of 3%.

This well represented package was submitted as usual to the General Assembly, with some additional decisions concerning the future composition of the Board to better take into account the respective weights of member organizations (the UN did not lose: on the contrary) or the need to play a more active role in the quest for solutions concerning our former colleagues from the ex-USSR deprived, as we all know, of their rights to a pension because of the exhaustion of their UN contributions during the collapse of the Soviet bureaucracy.  
Just business as usual.

Except that following the decisions made by consensus in the Pension Board, the United Nations General Assembly's response – namely open-ended deferment of some decisions, substantial changes to others, and total denial of responsibility towards former colleagues from the ex-USSR – if it were accepted by the Standing Committee of the Board, which is to review the situation at its July 2003 session, would rapidly result in a loss of credibility of the Pension Board as a tripartite and decision-making body.

**DON'T ALLOW  
THE ONLY PLACE FOR SOCIAL DIALOGUE  
IN THE COMMON SYSTEM  
TO BE DISMANTLED**

Geneva, 22 May 2003.