

STAFF UNION BULLETIN BULLETIN DU SYNDICAT BOLETIN DEL SINDICATO



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U.N. PENSIONS - COMPREHENSIVE REVIEW ACTION BY THE UNITED NATIONS JOINT STAFF PENSION BOARD

The United Nations Joint Staff Pension Board (UNJSPB) meeting in Montreal from 13 to 23 July 2004 had to consider the terms of reference decided upon by the International Civil Service Commission (ICSC) for a review of pensionable remuneration which has been mandated by the UN General Assembly to be conducted between 2004 and 2006.

In view of the negative experience of the past with such reviews – which resulted in decreases in pensionable remuneration and subsequent pensions for Professional staff in the late 1980s, and for GS staff in the mid-1990s – ILO staff and indeed staff across the common system massively responded to the call from the ILO Staff Union, relayed by many other staff associations/unions, to engage in “preventive mobilization”.

This strategy proved to be effective. The UNJSPB – which is a tripartite body composed of representatives of the participants, the administrations and the members States – adopted the following text in Montreal, corresponding to all of the points raised in the petition signed by over 1,500 ILO staff members:

“Comprehensive review of pensionable remuneration

After extensive discussion, the Board decided to propose adding a number of items to the list of issues that the ICSC had already marked for analysis and study during the comprehensive review, and to propose specific modalities and a complete, detailed timetable for carrying out the work:

Possible addition to terms of reference for the comprehensive review

In addition to the issues identified by the ICSC at its 58th session, the Board decided to inform the Commission that the following matters should also be

covered during the current comprehensive review on pensionable remuneration:

- (a) non-pensionable components;
- (b) double taxation;
- (c) reverse application of the special index for pensioners (at high-tax locations);
and
- (d) impact of steep devaluation of local currency and/or high inflation.

The Board also noted that a number of important technical issues required close attention during the comprehensive review of pensionable remuneration, including e.g.:

- (a) monitoring of income replacement ratios;
- (b) comparability of UNJSPF (a defined-benefits pension plan) with the USA FERS plan, which was essentially a defined-contributions pension plan; and
- (c) the possible impact on pensionable remuneration and pensions of the ongoing pay and benefits review.”

The Board also decided to take an active role with its Secretariat in the review, without awaiting the first ICSC findings, and established for this purpose a tripartite contact group composed of its Officers – i.e. including a participants’ representative, the first vice-chair of the Board, who is from ICAO, one of the first organizations where staff mobilized along with the ILO against visible attempts by the ICSC to try and launch a new attack against the UN pensions on the occasion of the review. Of course, our colleague from ICAO will remain in close contact with all of the other staff representatives between now and the ICSC spring session, where “serious matters” will start being considered.

While the Pension Board expressed its opposition in the mid-1990s to some of the adverse proposals made by the ICSC concerning GS staff pension levels, the level of understanding shown about the issues at stake and the clarity of the position taken by this tripartite structure in Montreal are much greater than in the past. There is no doubt that this was due largely to the very strong staff mobilization, which was of course duly reported upon by participants’ representatives and supported by CCISUA and FICSA observers at the meeting.

Geneva, 27 July 2004