Dear Participant/Beneficiary,

In keeping with tradition, I am writing to inform you of developments on pension-related matters during the past year. Information is provided on the operations of the Fund, the investment performance, the actuarial position of the Fund and the decisions taken by the General Assembly in December 2000.

Please note that this letter, as well as all previous annual letters since 1997, are available on the Fund’s internet site (http://www.un.org/unjspf).

In annex I of my January 1999 annual letter, I provided detailed information on actions required from active participants and/or their employing organizations, as well as from current or prospective beneficiaries, to ensure the timely processing and receipt of their benefits. In addition, that annex also contained important information on considerations to be taken into account in deciding whether to opt for the two-track pension adjustment system, on facilitating the payment of survivor's benefits and on obtaining assistance from the Emergency Fund and/or other sources to alleviate financial hardship. I urge you to familiarize yourself with the contents of that annex which can be obtained from either the pension secretariat of your employing organization or from the Internet. Annex I of this letter contains an updating of the information on after-service health insurance (ASHI) deductions and on the Emergency Fund.

Adjustment of US dollar pension entitlements on 1 April 2001

At the outset I would inform you that on 1 April 2001 there will be an adjustment to the US dollar track pensions, based on the movement of the United States Consumer Price Index (US-CPI) over the two-year period December 1998 to December 2000 (there had been no increase in April 2000 because the then required minimum 3 per cent movement to “trigger” an adjustment had not been reached). The exact amount of the increase will be known only at the end of January 2001, after the publication, in the UN Monthly Bulletin of Statistics, of the US-CPI for December 2000. Based on the CPI movement through November 2000, we expect the adjustment to be in the order of 6.0 to 6.4 per cent 1; for those who separated in 2000 or early 2001, the adjustment will be pro-rated.

For beneficiaries receiving the first adjustment since the award of their pensions, the increase will be reduced by 1.5 percentage points due to an economy measure in effect since 1985. For beneficiaries on the two-track pension adjustment system, the adjustment of the local-currency track pensions on 1 April 2001 will vary according to the CPI movements in their respective countries of residence. Beneficiaries will be advised of the changes in their pensions, if any, on the occasion of the payment of their April 2001 benefits.

1/ It was learned, subsequent to the publication of this letter, that the adjustment will be 6.1 per cent.

annlet01Ewithsig
Operations of the Fund

The number of the member organizations of the Fund has remained at 19. The active participant population increased from 67,740 to 68,935 (1.8 per cent) during the period 1 January 1998 through 31 December 1999. The number of periodic benefits in award (including children's benefits) increased during the same period from 43,149 to 46,199 (7.1 per cent); by the end of November 2000, the number of periodic benefits in award had increased by a further 3.4 per cent, to 47,764. The annual amount of benefit payments by the Fund currently exceeds one billion US dollars, with payments being made in 27 currencies to beneficiaries in 191 countries.

Investments of the Fund

As of 31 March 2000 - the normal reporting date used in the reports of the representative of the Secretary-General for the investments of the Fund to the Pension Board - the market value of the assets stood at $26,056 million, as against $22,193 million a year earlier. The total investment returns for the years ended 31 March 1999 and 31 March 2000 were 11.3 per cent and 18.0 per cent, respectively. They represented the seventeenth and eighteenth consecutive years in which the Fund had achieved positive returns.

At the end of December 1999, the date to which the last actuarial valuation of the Fund related, the market value of the Fund's assets totalled $25,578 million. As of 29 December 2000, it had declined to $24,067 million, a decrease of 5.9 per cent; the distribution of the assets as of that date, by type of investment, was as follows: 64 per cent in equities, 24 per cent in bonds, 5 per cent in real estate and 7 per cent in cash and short-term holdings. The assets were invested in 40 countries (including emerging markets), in regional institutions, in international institutions and in institutional investment trusts; as regards currencies, 56 per cent of the investments were in United States dollars and the remaining 44 per cent in 27 other currencies.

The long-term investment objectives of the Fund continue to be, firstly, to preserve the principal of the Fund in real terms and, secondly, to obtain an optimal investment return while avoiding undue risk. Therefore, the investment performance should be assessed in the context of investment returns over a substantial period, such as five or ten years. Short-term results are largely influenced by the volatility of security markets, which are difficult to predict and impossible to control.

Considering that the retirement and other related benefits paid by the UN pension system are secured through the assets of the Fund, the management of the Fund's investments maintains a careful balance between risk and reward expectations over the medium to long term, rather than taking the risk inherent in seeking high short-term returns. The table below provides a long-term perspective of the rates of return on the Fund's investments:
Compound annual rates of return for selected periods ending 31 March 2000

<table>
<thead>
<tr>
<th></th>
<th>5 years</th>
<th>10 years</th>
<th>15 years</th>
<th>20 years</th>
<th>25 years</th>
<th>38 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal</td>
<td>14.6</td>
<td>12.3</td>
<td>13.4</td>
<td>13.2</td>
<td>11.9</td>
<td>9.3</td>
</tr>
<tr>
<td>Real (inflation adjusted)</td>
<td>11.8</td>
<td>8.6</td>
<td>9.9</td>
<td>9.0</td>
<td>6.7</td>
<td>4.6</td>
</tr>
</tbody>
</table>

Actuarial position of the Fund

Actuarial valuations are undertaken every two years to determine whether the present and estimated future assets of the Fund will be sufficient to meet its present and estimated future liabilities, using various sets of assumptions as to future economic and demographic developments. The economic assumptions used for the Regular Valuation as at 31 December 1999 were the same as those used in the previous Regular Valuation as at 31 December 1997, including the “zero participant growth assumptions”.

The 1999 Regular Valuation reflected an actuarial surplus of 4.25 per cent of pensionable remuneration. The previous valuation as at 31 December 1997 had indicated a surplus of 0.36 per cent of pensionable remuneration, which had been the first surplus in more than 20 years. Detailed information on the results of the current actuarial valuation, under five sets of assumptions, is provided in annex II of this letter.

In assessing the significance of the improved valuation results, the Fund's Consulting Actuary and the Committee of Actuaries noted that the future evolution of the actuarial situation would depend on economic and demographic developments, specifically as regards investment returns and exchange rates; a substantial portion of the actuarial improvements over the last four years has been due to the excellent investment performance during that period, as well as the combined effects of continuing moderate inflation and the significant strengthening of the United States dollar against a number of currencies.

Based on the improved actuarial situation, the Board decided to confirm the two conditional decisions it had taken in 1998: (a) to lower the interest rate for lump-sum commutations from 6.5 per cent to 6 per cent, with respect to contributory service performed as from 1 January 2001, and; (b) to recommend to the General Assembly that the threshold for implementing cost of living adjustments of pensions in award be reduced from 3 to 2 per cent, with effect from the adjustment due on 1 April 2001. The change in the interest rate will be effected under the authority granted to the Board in the Regulations of the Fund; the General Assembly at its recent session approved the reduction in the cost-of-living threshold for adjusting pensions in award.
As to other possible changes in the pension system in the future, the Board decided to establish a tripartite working group to undertake a fundamental review of the Fund’s benefit provisions with a view to identifying the future needs of the Fund, in the light of developments in staffing and remuneration policies in the member organizations of the Fund and in pension arrangements at the national and international levels. The group will also examine the economy measures adopted since 1983 and possible changes related thereto, including the three changes that had been recommended to the Board by the Chief Executive Officer of the Fund: (a) modifying the current arrangements for effecting cost-of-living adjustments to deferred pensions; (b) eliminating the current limitations on the right to restore prior service upon re-entry into the Fund; and (c) increasing the interest rate applicable to withdrawal settlements. The Group will also consider a possible reduction in the current contribution rate, as had been requested by the General Assembly. The Working Group will make proposals to the Standing Committee in 2001 and subsequently to the Board in 2002, for eventual recommendations by the Board to the General Assembly at its fifty-seventh session, in the light of the actuarial situation of the Fund as of 31 December 2001.

Changes made in the United Nations Pension System

The General Assembly, acting on the recommendations of the Board, approved a number of important changes in the Regulations of the Fund, which are described below.

Entitlements to survivors' benefits for spouses and former spouses

As was the case in 1998, the major changes in the benefit provisions related to the entitlements to survivors' benefits for spouses and former spouses. It should be recalled at the outset that the Pension Fund does not provide a spouse's benefit as such; it provides only for a surviving spouse's benefit after the death of the participant. It should be further noted that anything short of divorce, e.g. living apart or legal separation, does not affect the rights of spouses under the Fund's Regulations.

It has been generally recognized that the provisions of the Fund’s Regulations dealing with the entitlements of spouses had to be self-contained and not dependent on potentially conflicting national legal provisions and court decrees; hence, amendments and additions to the provisions in the Regulations had to be the means of addressing the issues concerned. It was also recognized that these matters had to be kept under close review, in the light of the initial experience gained from the measures adopted.

As I indicated in my January 1999 annual letter, the sensitive issues involved in addressing problems arising from the dissolution of marriage have been before the Board for many years. In 1997, the Standing Committee had approved a change in the confidentiality requirements of the Fund's Administrative Rules, to authorize the release of relevant pension information, under certain circumstances, in divorce and family support cases. In 1998, the Board recommended and the General Assembly approved a number of measures which broke new ground. Those changes were described in my January 1999 letter. While welcoming those measures, the Assembly also encouraged the Board to continue its efforts in this area, and to re-examine the situations of spouses and former spouses not covered by the changes approved in 1998.
The further changes recommended by the Board and approved by the General Assembly in 2000, are described below; the texts of the amended articles of the Regulations, along with related amendments to the texts of the Fund’s Administrative Rules and of the Pension Adjustment System, are set out in annex III to this letter.

(a) **Surviving spouse's benefit for divorced spouses**

In 1998 the General Assembly had approved, with effect from 1 April 1999, the inclusion of a new article (35 bis) which provided for a divorced surviving spouse’s benefit, subject to five eligibility conditions set out in the article, which were communicated to you in my January 1999 letter. Because of concerns that a retroactive change could lead to legal challenges to protect the acquired rights of existing beneficiaries and their survivors, article 35 bis had been made applicable only to “any divorced spouse of a participant or former participant, separated on or after 1 April 1999.”

Therefore, the change did not apply to individuals whose former spouses had retired before 1 April 1999. This limitation was reviewed by the Standing Committee in 1999 and the Board in 2000. The Board recommended and the General Assembly approved an amendment to article 35 bis which extended that article to provide for a divorced surviving spouse’s benefit to divorced spouses of former participants who separated before 1 April 1999 and who met all the other eligibility conditions in paragraph (b) of article 35 bis. The amount of the new benefit in such cases has been set at twice the minimum survivor’s benefit under the Regulations.

(b) **Payment facility in favour of divorced spouses**

The General Assembly had approved in 1998 an amendment to article 45 of the Regulations which provided a “payment facility” designed to enable the payment of a portion of the pension benefit due to a former participant to a former spouse, to meet family obligations that had been incorporated in court decrees or court-approved divorce settlements, but only at the request of the participant or former participant concerned. After a review in 2000, the Board recommended and the General Assembly approved that the application of the payment facility be modified so as to no longer require a request from the participant or former participant concerned. Recognizing the possibility of ambiguous or conflicting court orders, the CEO of the Fund was given discretionary authority to arrive at a determination. To be acted upon, the basis for the court order must be consistent with the Regulations of the Fund, as determined by the CEO to be beyond any reasonable doubt.

(c) **Continuation of surviving spouse's benefits after remarriage**

In 1998 the General Assembly approved the elimination of the so called “remarriage penalty,” under which a surviving spouse’s benefit was discontinued upon remarriage. The measure was made applicable only to spouses who remarried as from 1 April 1999. This limitation was reviewed by the Board this year and the General Assembly approved removing the remarriage penalty for surviving spouses who had remarried before 1 April 1999 but the restored benefit was to be payable only as from 1 January 2001.
Remarried spouses of deceased participants or former participants whose survivor’s benefits had been terminated upon their remarriage should contact the Pension Fund secretariat; FAFICS and its affiliated associations, staff pension committees and the Fund’s member organizations will all be asked to assist the Fund in locating spouses of deceased participants or former participants who had remarried before 1 April 1999.

(d) Elimination of the partial commutation option for deferred retirement benefits

In 1998 the Board reviewed the provision of article 30 (c) which permitted the partial commutation of a deferred retirement benefit, resulting in the forfeiture of a potential surviving spouse’s benefit. The Board noted that the fairness of this provision might be questioned, particularly when the Regulations were being modified to provide benefits for former spouses and the option to purchase annuities for spouses married after separation. Noting that this practice was unusual and not part of the deferred retirement provisions of other international organizations, the Board recommended and the General Assembly approved, with effect from 1 April 2001, an amendment to article 30 of the Regulations, which eliminated the partial commutation option for participants electing to receive a deferred retirement benefit from the Fund.

(e) Purchase of survivors’ annuities in respect of marriages after retirement

In 1998 the General Assembly had approved a new article (35 ter), with effect from 1 April 1999, which provided for the optional purchase by the retiree, on actuarially neutral terms for the Fund, of a surviving spouse’s annuity for a spouse married after separation from service, through an actuarial reduction in the retiree’s pension benefit. This measure has been highly welcomed and to date some 60 retirees have elected to purchase such annuities. It is important to bear in mind that the provisions of article 35 ter require that the election to purchase such an annuity be made within 180 days of the date of marriage.

Other Matters

A. Proposed agreement between the Government of the Russian Federation and the United Nations Joint Staff Pension Board

In previous annual letters, you were informed of the problems arising from the past application of the Transfer Agreements which the Fund had concluded with the Governments of the former USSR, Ukrainian SSR and Byelorussian SSR. Contrary to the terms of those Agreements, which entered into effect on 1 January 1980, the transferred pension rights of the former participants from the countries concerned had not been taken into account in the benefits they receive under the applicable national pension or social security schemes. In my 1997 annual letter, you were given information on a proposed agreement between the Government of the Russian Federation and the Pension Board, which had received the concurrence of the General Assembly, and would have provided prospective pensions to a defined and limited group of former participants who are Russian citizens and met other eligibility requirements.
As reported to you in my 1999 letter, the Government of the Russian Federation had not yet accepted the proposed agreement. Notwithstanding numerous communications since 1996, the situation remains unresolved. In the latest communication received by the Fund, the Deputy Prime Minister stated that the Russian Federation was seeking an internal solution and, towards this end, had prepared a “draft normative legal instrument” under which former officials of international organizations in the United Nations system, on their retirement on State pensions, would receive additional monthly compensation payments established without reference to other forms of income received by such citizens in the Russian Federation. The communication indicated that the amount of such payments would depend on the amounts transferred to the USSR Social Security Fund, as well as on the length of the former officials’ service in an international organization. In this regard, it should be recalled that the former participants concerned have requested restoration of the UNJSPF pension rights which they had lost.

While the actual scope of coverage and the amounts payable under the arrangement envisaged by the Deputy Prime Minister are not specified, recent representations by the former participants indicate that they do not support the intended new approach to resolving their pension problems. In my view, it would be most unfortunate if the exhaustive efforts over the past nine years to assist the former participants concerned were to have been made in vain.

The General Assembly has taken note of the latest information provided by the Government of the Russian Federation on the internal solution being considered. It also expressed appreciation for the efforts of the Board in addressing this issue.

B. Transfer Agreement with the World Trade Organization

The General Assembly gave its concurrence to a Transfer Agreement approved by the Board with the World Trade Organization. This agreement was concluded in accordance with article 13 of the Regulations of the Fund.

C. Recovery of indebtedness to the Fund

The General Assembly also approved, with effect from 1 January 2001, an amendment to article 43 of the Regulations, dealing with the recovery of indebtedness to the Fund. The text of the amendment to article 43, and to the related Administrative Rule J.9 (a), is provided in annex III to this letter. The change authorizes the CEO of the Fund “where such an overpayment had been attributable to the submission of incorrect information to the Fund, to recover interest, as well as administrative costs of 10 per cent of the overpayment.”

D. Implications of the introduction of the Euro

A number of beneficiaries, as well as participants, have written during the past couple of years inquiring as to the impact of the introduction of the Euro on their existing or future benefits. Under the Fund’s Pension Adjustment System there are two distinct scenarios in which a pensioner may be affected by the transition to the Euro: (a) if the pensioner is paid in one of the European legacy currencies other than
the US dollar, but his/her benefit entitlement is calculated solely under the US dollar track; and (b) the pensioner is on the two-track adjustment system and has a European local-currency-track pension record. For more details, I refer you to the information provided in the January 1999 annual letter, which, as mentioned above, is available at the Fund’s web site.

At this stage, I would advise those concerned that unless we hear from you to the contrary, in writing, the Fund will continue to pay your pension under the existing arrangements until 31 December 2001. The actual payment of benefits in Euros will commence in 2002.

E. Longer-term administrative arrangements

The Board considered a report by the CEO of the Fund on a strategic plan for the longer-term administrative arrangements of the Fund. Efforts are underway to effect improvements in the operations of the Fund through greater use of the latest developments in information technology, including electronic exchanges of information between the Fund and its member organizations, as well as with participants and beneficiaries of the Fund, using Internet/Intranet web sites. Developments in this regard and the plans for the future will be set out in the Fund’s budget proposals for the biennium 2002-2003, to be considered by the Standing Committee at its meeting in July 2001.

F. Federation of Associations of Former International Civil Servants (FAFICS)

I would again draw your attention to the valuable information and assistance that participants and beneficiaries can obtain from FAFICS and its member associations. These associations, through the experiences of their respective members, serve as knowledgeable sources of information and advice, not only on pension-related matters but also on the laws and other aspects of life in countries around the world. They continue to provide support and assistance to the Fund secretariat and to the member organizations through their interest and involvement in the issues and objectives which had led their members, and those of us still in service, to become international civil servants. FAFICS continues to participate actively and effectively in the deliberations of the Pension Board and its Standing Committee. Annex IV contains an updated list of the member associations of FAFICS and their addresses.

* * * * *

On behalf of the Fund’s staff and myself, I wish to acknowledge and express gratitude to the large number of participants and beneficiaries who have sent cards and letters conveying their best wishes for the holiday season and their appreciation for our efforts on their behalf. Conscientious efforts are made on a continuing basis to stay abreast of developments in management practices in pension/social security schemes at the national and international levels, including the use of the latest technology. The objective is to enhance the United Nations Pension System and its related operations, with particular emphasis on improving the quality and timeliness of our services to you.
By the time you receive this letter I will have joined the ranks of the beneficiaries of the Fund with my retirement at the end of 2000. I feel honoured to have had the opportunity to serve as the Chief Executive Officer of the Fund and Secretary of the Board for almost 14 years, and to have served as an international civil servant in the UN system for just short of 35 years. I thank all of you for the understanding and support you have extended to me over the years. It has been a pleasure to serve you and to work both with you and for you.

I have also had the good fortune of working with a highly competent and dedicated staff in the Pension Fund secretariat. I extend to all of them, past and current, my appreciation and gratitude; it has been an honour and privilege to work with them. I also want to thank all those who have conveyed good wishes to me in my retirement years and the next chapter of my life.

My successor, Mr. Bernard Cochemé, has a distinguished record of service in France in the fields of finance, pensions and insurance. I know you would all join me in wishing him the very best and in extending to him our cooperation, assistance and support in meeting the future challenges of managing the United Nations Pension System.

I extend to all of you, and to your families, best wishes for 2001 from the Pension Board and its secretariat.

Yours sincerely,

Raymond Gieri
Chief Executive Officer
UNJSPF
Annex I

Updated information related to Annex I of the January 1999 letter

A. Deduction for after-service health insurance (ASHI)

Based on written authorization from beneficiaries, on standard forms prepared for this purpose by the insurance sections of member organizations of the Fund, we deduct from monthly pensions the premiums for after-service health insurance (ASHI). However, we are not in a position to respond to questions concerning the level of premiums or the scope of insurance coverage. All questions related to insurance, including the authorizations for ASHI premium deductions, should be addressed to the insurance section of the particular organization and not to the Fund secretariat. It should also be noted here that insurance deductions from pension benefits were not possible in respect of beneficiaries employed by some of the member organizations because of the current processing facilities of those organizations.

B. Emergency Fund

In approving the Fund's budget for the biennium 2000-2001, the General Assembly also authorized the Pension Board to supplement voluntary contributions to the Emergency Fund by an amount not exceeding $200,000. Beneficiaries are again reminded that the Emergency Fund was established to assist in alleviating unforeseen financial hardships due to illness and the infirmities of old age for those in receipt of a monthly benefit from the Fund. Former participants, who are in receipt of small periodic pensions despite having worked a minimum of 10 years with a member organization of the Fund and who are faced with catastrophic medical expenses, may apply for relief from the Emergency Fund through their respective pension committees, by providing: (a) medical certification of their illness; (b) bills for medication and care (along with dated original receipts substantiating that payment was made for each) which have not been reimbursed through other sources, and; (c) some indication of total household income. Under certain extraordinary circumstances, a portion of funeral expenses may be covered under the Emergency Fund. In such instances, a written request, along with the bill for services and proof of complete payment must be submitted in accordance with the above. It should be noted, however, that the Emergency Fund is not a source for supplementing pensions which the recipient considers inadequate; it does not provide loans and does not serve as a substitute for medical insurance.

Your attention is also drawn to the availability of certain limited financial assistance for the UN System retirees from several other sources, which are indicated below. The requirements and other specifications are as provided by the entities concerned.

Some member organizations of the Fund (e.g. the ILO) and some UN-system retiree associations (e.g. BAFUNCS in the United Kingdom, the Emergency Fund Sub-Committee of FFOA/FAO and AFICS (New York)) have limited funds for providing some assistance. As regards the BAFUNCS Benevolent Fund, applications for assistance in alleviating emergency hardship situations by retirees and their beneficiaries who reside in the United Kingdom, should be sent to:

The Clerk of the Trustees

annlet01Ewithsig
BAFUNCS Benevolent Fund
41 Riverine, Grosvenor Drive
Maidenhead, Berks SL6 8PF
United Kingdom

As regards the Emergency Fund Sub-Committee of FFOA/FAO, applications for assistance in alleviating emergency hardship situations by FFOA/FAO members should be marked “strictly confidential” and sent to:

Chairman
Emergency Fund Sub-Committee
FFOA, c/o FAO
Viale delle Terme di Caracalla
00100 Rome, Italy

As regards AFICS/NY, assistance is provided for the following purposes:

(a) to provide support to retired international civil servants (including surviving or divorced spouses) and their dependents, and, on the basis of a justified need, to defray the cost of home health care services, senior housing, long-term care insurance, or other types of senior services that could contribute to the health and security of retired international civil servants;

(b) to assist retired international civil servants, through educational and training programmes, seeking employment or re-employment after retirement;

(c) to contribute to world peace and security, including humanitarian causes such as natural disaster relief, the development of international law, the improvement of the economic and social conditions for the disadvantaged peoples of the world which are major objectives included within the United Nations Charter.

United Nations retirees needing financial assistance for the above purposes should send a written request, providing adequate justification and supporting information to the:

Assistance Committee
c/o AFICS(NY)
Room DC1-580
United Nations
New York, NY 10017
U.S.A.
Annex II

Results of the actuarial valuation of the Fund as at 31 December 1999

The table below summarizes the valuation results as at 31 December 1999, as a per cent of pensionable remuneration and in dollar terms, under five sets of economic and participant growth assumptions (the economic assumptions include specific recognition of the cost of the two-track pension adjustment system at 1.9 per cent of pensionable remuneration).

<table>
<thead>
<tr>
<th>Economic Assumptions (real rate of investment return) and participant growth assumptions</th>
<th>VALUATION RESULTS SURPLUS (DEFICIT)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>As per cent of pensionable remuneration</td>
</tr>
<tr>
<td>3.5 per cent, with zero participant growth (Regular Valuation)</td>
<td>4.25</td>
</tr>
<tr>
<td>3.0 per cent, with zero participant growth</td>
<td>1.18</td>
</tr>
<tr>
<td>4.0 per cent, with zero participant growth</td>
<td>6.98</td>
</tr>
<tr>
<td>3.5 per cent, with 20 year participant growth a/</td>
<td>4.25 c/</td>
</tr>
<tr>
<td>3.5 per cent, with 20 year participant decline b/</td>
<td>4.25 c/</td>
</tr>
</tbody>
</table>

a/ Assumed growth of 0.5 and 1.0 per cent for both Professional and General Service staff, for the next 20 years, followed by zero growth thereafter.

b/ Same as a/ above, but with decline in number of participants.

c/ Rounded to two decimal places, the required contribution rate is the same because, as of this valuation, the rates for present and future participants are close to one another; however, as indicated the monetary amounts are different under the two participant growth assumptions.
The table below provides the projected liabilities and assets of the Fund in dollar terms reflected in the Regular Valuation results as of 31 December 1999 and 31 December 1997.

<table>
<thead>
<tr>
<th></th>
<th>31 December 1999</th>
<th>31 December 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present value of benefits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payable to or on behalf of retired and deceased participants</td>
<td>10,791.4</td>
<td>9,800.3</td>
</tr>
<tr>
<td>Expected to become payable on behalf of active and inactive participants, including future new entrants</td>
<td>35,238.6 2/</td>
<td>33,193.0</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>46,030.0</td>
<td>42,993.3</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial asset value</td>
<td>22,186.8</td>
<td>16,459.0</td>
</tr>
<tr>
<td>Present value of future contributions</td>
<td>29,121.8</td>
<td>26,951.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>51,308.6</td>
<td>43,410.6</td>
</tr>
<tr>
<td><strong>Surplus (deficit)</strong></td>
<td>5,278.6</td>
<td>417.3</td>
</tr>
</tbody>
</table>

2/ Due to a typographical error in the initial annual letter dated 29 December 2000, this figure has been revised on 9 February 2001.
Annex III

YOU MAY WISH TO KEEP THIS WITH YOUR COPIES OF THE REGULATIONS, RULES AND PENSION ADJUSTMENT SYSTEM OF THE UNJSPF

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

Article 6

Staff Pension Committees

In paragraph (b), replace the words “three years” with the words “four years.”

Article 14

Annual report and audit

Replace paragraph (b), with the following:

“(b) There shall be annual audits of the operations of the Fund, in a manner agreed between the United Nations Board of Auditors and the Board. An audit report on the accounts of the Fund shall be made every two years by the United Nations Board of Auditors; a copy of the audit report shall be included in the report under (a) above.”

Article 30

Deferred retirement benefit

Replace paragraph (c) with the following:

“(c) The benefit may be commuted by the participant into a lump sum if the rate of the benefit at the normal retirement age is less than 300 dollars. Such commutation shall be equivalent to the full actuarial value of the benefit.”

Article 34

Widow’s benefit

1. In paragraph (b), delete the following phrase at the end of the paragraph:

“, or had commuted a deferred retirement benefit under article 30(c).”
2. Add the following new paragraph (h):

“(h) Notwithstanding the provisions of (a) and (f) above, with respect to a surviving spouse who had remarried prior to 1 April 1999 the benefit under (a) above shall be payable as from 1 January 2001, subject to recovery (with interest) of the lump sum payment that had been made to that surviving spouse upon remarriage, as provided in the Regulations then in effect.”

**Article 35 bis**

**Divorced surviving spouse’s benefit**

Add the following new paragraph (e):

“(e) The divorced spouse of a former participant who separated before 1 April 1999 and, in the opinion of the Chief Executive Officer of the Fund, met all the other eligibility conditions in paragraphs (a) and (b) of this article shall be entitled as from 1 April 1999 to a benefit equal to twice the minimum surviving spouse’s benefit under article 34(c), subject to the proviso that the amount of such benefit cannot exceed the amount payable to a surviving spouse of the former participant.”

**Article 43**

**Recovery of indebtedness to the Fund**

Add the following phrase at the end of the article:

“, including interest and costs, where appropriate.”

**Article 45**

**Non-assignability of rights**

Replace the text of article 45 with the following:

“(a) A participant or beneficiary may not assign his or her rights under these Regulations. Notwithstanding the foregoing, the Fund may, to satisfy a legal obligation on the part of a participant or former participant arising from a marital or parental relationship and evidenced by an order of a court or by a settlement agreement incorporated into a divorce or other court order, remit a portion of a benefit payable by the Fund to such participant for life to one or more former spouses and/or a current spouse from whom the participant or former participant is living apart. Such payment shall not convey to any person a benefit entitlement from the Fund or (except as provided herein) provide any rights under the Regulations of the Fund to such person or increase the total benefits otherwise payable by the Fund.
To be acted upon, the requirement under the court order must be consistent with the Regulations of the Fund, as determined by the Chief Executive Officer of the Fund to be beyond any reasonable doubt, and on the basis of the available evidence. Once implemented, the assignment shall normally be irrevocable; however, a participant or former participant may request, upon satisfactory evidence based on a court order or a provision of a settlement agreement incorporated into a court decree, a new decision by the Chief Executive Officer that would alter or discontinue the payment or payments. Furthermore, such payment or payments shall cease following the death of the participant or former participant. If a designee predeceases the participant or former participant, the payments shall not commence, or if they have commenced, shall cease upon the designee’s death. In the event that the payment or payments have been diminished, discontinued, or have failed to commence or have ceased, the amount of the benefit payable to the participant or former participant shall be duly adjusted.”

Amendments to the Administrative Rules of the United Nations Joint Staff Pension Fund

Administrative Rule J.9(a)

(a) Any payments made by the Fund to a participant, beneficiary of a participant or third person otherwise than in accordance with the Regulations of the Fund may be deducted from any future benefits payable to or on account of the participant under these Regulations or may be recovered directly from the person or estate of the person to whom any such payments were made. The Secretary may, where such an overpayment had been attributable to the submission of incorrect information to the Fund, recover interest, as well as administrative costs of 10 per cent of the overpayment.

Amendments to the Pension Adjustment System of the United Nations Joint Staff Pension Fund

1. In paragraph 4, after the words “Except as otherwise noted” at the beginning of the first sentence, add the following phrase within parentheses: “(e.g. in paragraphs 5(d), 10 and 27 with regard to deferred retirement benefits).”

2. In paragraph 5, add the following new sub-paragraph (d):

   “(d) The cost-of-living differential factor in sub-paragraph 5(b)(i) above shall not apply to deferred retirement benefits.”

3. In paragraph 18, replace the words “3 per cent” with the words “2 per cent.”
Annex IV

I. Associations of Former International Civil Servants

When you retire, you may have queries about various pension matters and need to seek advice. Any of the associations listed below can help you. They are all affiliated with the Federation of Associations of Former International Civil Servants, which represents you on the United Nations Joint Staff Pension Board.

ARGENTINA:  Asociación de Ex-Funcionarios de las Naciones Unidas de Argentina
AFICS Buenos Aires, c/o UNDP, Casilla 2257, 1000 BUENOS AIRES

AUSTRALIA:  Australian Association of Former International Civil Servants (AAFICS),
c/o Dr. John Hirshman, 212 Old South Head Road, VAUCLUSE, NSW 2030

AUSTRIA:  Association of Retired International Civil Servants in Austria (ARISCA),
Vienna International Centre, Room C.0262, P.O. Box 100, 1400 Vienna

BRAZIL:  Associacao de Antigos Funcionários Internacionais no Brasil (AAFIB),
Centro de Informacoes da ONU, Palacio Itamaraty, Av. Marechal Floriano 196,
20080 Rio de Janeiro

CANADA:  Canadian Association of Former International Civil Servants (CAFICS/ACAFI)
c/o ICAO, 999 University Street, Montreal, Qué. H3C 3H7

CHILE:  Asociación de Ex-Funcionarios de Naciones Unidas en Chile (AFICS Santiago),
Edificio Naciones Unidas, Oficina Z-119, Avenida Dag Hammarskjold,
Casilla 179 D, Santiago

COLOMBIA:  Asociación de Pensionados de Naciones Unidas en Colombia (ASOPENUC),
Apartado Aéreo 90423, Santafé de Bogotá

ETHIOPIA:  Association of Former International Civil Servants (AFICS Addis Ababa),
c/o Economic Commission for Africa, P.O. Box 3001, Addis Ababa

FRANCE:  Association des anciens fonctionnaires de l'UNESCO (AAFU/AFUS),
Bureau MR 01, UNESCO, 1 rue Miollis, F-75732 Paris Cedex 15

INDIA:  Association of Former United Nations Personnel in and of India (AFUNPI),
Box 8011, Sadashivanagar Post Office, Bangalore 560 080

United Nations Pensioners' Association (UNPA)
F-216 Mansrover Garden, New Delhi 110 015
ITALY: Association of Former FAO and WFP Staff Members (FFOA)  
c/o FAO, Viale delle Terme di Caracalla, I-001 Rome  
Former Officials Association - FAO Turin, International Centre for Advanced  
Technical and Vocational Training, Corso Unità d'Italia 125, I-10127 Turin  

MEXICO: Asociación de Ex Funcionarios de las Naciones Unidas en México (AEFNUM)  
Presidente Masaryk 29, Apartado Postal 6-718, México D.F. 11570  

NEW ZEALAND: N.Z. Association of Former U.N. Officials (AFUNO), c/o Mr. Ed. Dowding,  
16A Moore St., Birkenhead, Auckland 1310  

RUSSIAN FEDERATION: Association of Former International Civil Servants (AFICS Moscow), c/o UNIC,  
No. 4 Glazovsky Per., Moscow 121002  

SRI LANKA: Association of Former International Civil Servants (AFICS Sri Lanka),  
158/10 Lake Drive, Colombo 8  

SWITZERLAND: Association des anciens fonctionnaires internationaux (AAFI/AFICS),  
Bureau C.542,1, Palais des Nations, 1211, Geneva 10  

UNITED KINGDOM: British Association of Former United Nations Civil Servants (BAFUNCS)  
c/o Dr. David N. Axford, Honey End, 14 Ock Meadow, GB-Stanford-in-the- 
Vale,  
Oxon SN7 8LN  

USA: Association of Former International Civil Servants (AFICS New York),  
Room DC1-580, United Nations, New York, NY 10017  

URUGUAY: Asociación de Ex-Funcionarios de las Naciones Unidas en Uruguay  
(AFICS Uruguay), Javier Barrios Amorin 870 P.3, Casilla de Correo 1207 -  
Correro Central, UY-11200 Montevideo  

II. Staff Union of the International Labour Office / Section of Former Officials  
The Staff Union of the International Labour Office, Section of Former Officials, is an additional  
source of assistance on pension matters which is available to all former ILO officials. This association,  
which has an office at the ILO in Geneva, accepts inquiries at the following address:  

Staff Union of the International Labour Office /  
Section of Former Officials  
ILO/BIT  
4 route des Morillons  
CH-1211 Geneva 22