



# UNJSPF

United Nations Joint Staff Pension Fund

**Newsletter**

**May 2019**

## Message from the Acting Chief Executive Officer



Janice Dunn Lee

I am happy to contribute to this newsletter which provides some important information on the activities of the Fund.

I am pleased to announce that the percentage of cases dealt with in less than 15 days is reaching 81% at the end of April, well above the target of 75% as fixed in the Fund's budget's performance indicators. This is of paramount importance for our participants and beneficiaries, and demonstrates that the Fund is more than ever at the service of its customers.

The Fund is also responsive when there is a disaster, as you will read in the tragic accident of Ethiopian Airlines. The Fund reaches out to its stakeholders to make sure all are informed of their rights and entitlements in the wake of such tragedies.

I realize still that we have more to do to improve our communication. We plan to post more information on the website in the coming weeks to keep you updated in real time of the life of our Fund. Please consult regularly our website. Soon we will also open a LinkedIn account to diversify our channels of communications.

The Pension Board will meet in July with some important items on its agenda, including the Fund's budget, actuarial matters, investments and benefit provisions. We will keep you updated on these new developments and others relevant to your rights, pensions and benefits.

The UN Pension Fund is one of the few defined-benefits in the world and we are all fortunate to share a part in it. Its financial health is well maintained, and the quality of its services is improving. Let's make sure the efforts of its governing bodies and staff are well recognized.

## Message from the Representative of the Secretary-General (RSG) for investment of UNJSPF assets



Sudhir Rajkumar

In keeping with my commitment to proactive communication with all stakeholders, I had provided – for the first time ever -- an initial overview of our investment results for 2018 within one month of the close of the year, at end-January 2019. The initial overview was posted on both the OIM website (<https://oim.unjspf.org>) and the Fund Secretariat's. This overview was based on the first available numbers, which were very preliminary and subject to significant change. The final numbers did not become available until late April, as our third-party independent Master Record Keeper meticulously collected all relevant information and calculated various performance metrics in accordance with industry standards. The final numbers for year end 2018 are now posted on our website.

In some ways, this is similar to what happens with the preparation of our audited financial statements, which are finalized only by May-June of the following year after the Board of Auditors have reviewed them and provided an opinion on them, and formally presented to the Pension Board in July.

These are highly specialized and resource-intensive exercises, which have to follow a meticulous process meeting industry standards. Any lapses in this exercise can be severely damaging to our credibility, so it is better to take the time needed to calculate these numbers as accurately as possible. For example: we receive information on the actuarial value of our liabilities – a metric at least as important as asset value information in determining the financial health of a pension fund -- only once every two years. The reason is the resource-intensity of this exercise, and the high cost of creating doubt about the validity of these numbers – as we have ourselves experienced in recent years.

With this background, let me turn to our investment results for the year-to-date in 2019.

Volatility in global financial markets continued and we had a very strong start of 2019, after a challenging fourth quarter of 2018. The Fund's assets have already bounced back to US\$66.5 billion as of 29 April 2019. Based on preliminary numbers, as of 31 March 2019 the Fund has exceeded our Long-Term Objective of 3.5% real (net of inflation) return in US dollar terms for the last 2, 3, 5, 10, 15, 20, 25 and 50-year periods.

As I have previously stated at various stakeholder forums, our goal is to fully discharge all our obligations to current and future beneficiaries. Pension payments are made over decades, and short-term fluctuations in investment returns do not have a material impact on these pension payments so long as the Long-Term Objective is being met.

Financial markets are likely to be volatile over the near-term as they try to gauge and adjust to the future direction of fiscal and monetary policy after a decade of quantitative easing, as well as rising geopolitical risks around the world. At the same time, our fully funded status gives us a certain amount of financial cushion to withstand a period of low investment returns. I am confident that the Office of Investment Management will be able to deal with whatever challenges the markets may present, with the support and encouragement of all our stakeholders.

## Ethiopian Airline Casualties: A prompt reaction from the Fund

The staff of the Pension Fund learned about the tragic Ethiopian Airlines accident that occurred on 10 March with great sadness. News from many sources reached us and confirmed that a number of our colleagues were on that plane. Our first thoughts went to the families and the first question to ourselves was how to help.

The next day, the Geneva Office of the Fund was tasked to be the center for receiving, gathering and validating all information from different sources. Communication spread throughout the Pension Fund to better coordinate the efforts. Within days, 25 names were reported with 19 initially being identified as affiliated with the United Nations. The process of gathering more detailed information took place. We used every means we had at hand, be it a regular official contact, a phone call to a colleague or former colleague or an email to an HR officer in the field. Both offices of the Pension Fund, in New York and Geneva, mobilized all resources available.

Our focus was to identify whether the victims were our clients and how to contact the families to provide our support and services. Some employer organizations came forward and by the second week, the list of beneficiaries and participants affected came down to 13 with other victims either not being a participant or retiree. One person had in fact been misreported as being on the plane.

The efforts to contact the employing organizations as well as the families continue while fully respecting their privacy. We used the pool of diverse staff employed in the Fund to overcome language barriers. We communicated in Chinese, Italian, German in addition to English and French to reach out to the families. Gradually, we were able to contact the organizations and families of our clients, victims of the tragedy.

## Outreach Activities: how the Fund makes sure stakeholders are well informed of their rights and processes

The Fund conducts outreach activities regularly, either in-person or through video conference meetings (VTCs), to provide participants and beneficiaries with relevant and up-to-date information on pension matters and also to ensure better understanding of pension-related processes.

In-person visits are an important part of the Fund's outreach activities to ensure that the Fund connects with its participants and beneficiaries worldwide and to service its constituents by providing pension townhall briefings, pre-retirement seminars, training for pension focal points (HR or Finance staff in charge of retirement and other separation cases), retiree briefings, one-on-one sessions with participants and meetings with staff representatives. Outreach is also important for the Fund to understand the reality, context and concerns of participants and beneficiaries in the many regions and duty stations serviced by the Fund. In-person outreach is organized whenever possible, at request, and specially to support offices affected by major staff movements such as downsizing and liquidation. The Fund aims at covering the various regions it serves, taking into account the number of participants by location and the number of people it reaches. In total, activities conducted since the beginning of the year have already allowed to reach 3,300 Fund participants, ben-

eficiaries and pension focal points.

Christine Höfer Cartner, Chief of Client Services in New York, has met via VTC with UN agencies in Jamaica, UNICEF HR in the MENA Region, MINUJUSTH ahead of their closing later this year, and various UN offices in New York. Most recently, Christine, accompanied by the Fund's Chief of Entitlements, Bernie Sheehan, carried out an in-person outreach mission to provide in-depth pension training to the pension focal points of the peacekeeping missions serviced by the UN Regional Service Center in Entebbe. They also provided pension briefings and training to the staff and pension focal points of all UN agencies in Uganda. They then traveled on to provide support to the staff and administration of UNAMID (the UN's Peacekeeping mission in Darfur, Sudan) ahead of the mission's heavy downsizing in June 2019 and expected closing in 2020.

Aliamane Bacar Said, Chief of Finance, Client Services and Records Management Section in Geneva accompanying Mr. Alan Blythe, Chief of Geneva Office conducted outreach visits to AAFFI/AFICS Geneva, UNFICYP in Nicosia, the UNHCR Headquarters, CTBTO in Vienna, FAO in Rome, WHO in Geneva and FICSA in Geneva. Rachel Katimbo, Benefit Officer at UNJSPF Pilot Office in Nairobi also accompanied them to a visit to ECA and other UN entities based in Addis Ababa. Since the presentations are recorded and also retransmitted via video link by each member organization, many others will have also had the opportunity to learn about the Fund.

## Adjustments to UNJSPF Periodic Benefits on 1 April 2019

Benefits are regularly adjusted to take into account inflation, this is one of the benefits the UN Pension Fund brings to its beneficiaries.

Effective 1 April 2019 there was a 0% adjustment of the UNJSPF periodic benefits based on the movement of the United States Consumer Price Index (US-CPI) over the one year from period December 2017 to December 2018. For retirees and beneficiaries on the Two-Track pension adjustment system, the adjustment of the local currency track amount on 1 April 2019 varied according to the CPI movements in their respective country of residence, provided that the 2% threshold has been met.

Please keep in mind that the movements in the US CPI during this period will be taken into account when calculation the next adjustment.

## Important reminder regarding the Certificate of Entitlement (CE)

### The 2018 Certificate of Entitlement is in its final stage

The Fund sent out the first 2018 Certificate of Entitlement mailing at the very end of May 2018. At the very end of September 2018, a second mailing of CE forms was dispatched to all those retirees and beneficiaries from whom the Fund had not received their signed 2018 CE form by then. All retirees and beneficiaries concerned should have returned to the Fund their duly dated and signed 2018 CE forms by 31 December 2018 at the latest.

As per standard UNJSPF procedures, benefit payments will be suspended for cases where no acceptable signature document has reached the Fund within the time frame allowed.

Between the months of February and April 2019 the Fund carried out one last follow up with its Staff Pension Committees and AFICS offices worldwide, asking for their kind assistance in locating retirees and beneficiaries from whom the 2018 CE was still outstanding by end of December 2018. All benefits for which the Fund did not receive the duly completed original 2018 CE form or another acceptable original signature document by end of March 2019, have now been suspended effective with the May 2019 payroll. Such suspended benefits would be reinstated retroactively upon receipt by the Fund of the necessary and duly completed documentation.

Should you or someone you know be affected by the 2018 CE related benefit suspension, please contact the Fund via the online contact us form, providing all required information and selecting the contact reason "Non-receipt of regular monthly benefit payment" under the according drop down menu. Upon receipt of your query, the Fund will review such case as a priority and advise on what is required to allow for the reinstatement of the payment of such benefit. More detailed information in this regard is available on the Fund's dedicated Certificate of Entitlement (CE) webpage.

### The 2019 Certificate of Entitlement exercise has started

As per standard procedure, the 2019 CEs will be dispatched at the very end of May 2019; depending on your location delivery of the mailed 2019 CE is expected between early June and early July 2019.

On 31 May 2019, the online 2019 CE will be made available in Member Self Service (MSS) under the DOCUMENTS tab for those retirees and beneficiaries whose benefits are not paid under the two-track. Detailed information about the MSS CE is available on the Fund's dedicated Certificate of Entitlement (CE) webpage.

You can track whether the Fund has received your barcoded returned 2018 or 2019 CE forms by accessing your Member Self Service (MSS) where information about the status of receipt by the Fund of your annual CE form is provided under the PROOF DOCUMENTS tab.

Up-to-date and detailed information and guidance about the annual CE Exercise is available on the Fund's website under the dedicated Certificate of Entitlement (CE) webpage.

Questions about your rights? [www.unjspf.org/contact-us](http://www.unjspf.org/contact-us)