

11 July 2017

Dear Participants, Retirees and Beneficiaries of the UN Pension Fund,

As has become the tradition over the last few years, every June and July the UN Staff Union in Geneva and New York, and their confederation CCISUA, and some affiliates, have undertaken a relentless, false and misguided attack on the Pension Fund and its leadership.

On 10 July 2017, the UN Administration in New York broadcasted an open letter from two individual beneficiaries in the New York area which was littered with innuendo, inaccuracies and lies. This letter, with an introductory message from the UN SPC Participant representatives, was distributed to OAH, DPKO and UNHQ staff as a “High Importance” broadcast.

The only accurate information in this communication is that the Board meeting is taking place from the 24 - 28 of July in Vienna.

Both the letter and the message from the participants state that the CEO was suggesting at a meeting of retirees at the end of June this year that the UN’s defined benefit plan could perhaps be changed. **The CEO stated the exact opposite making it clear that this plan is special and must be protected at all costs.** Indeed the CEO has made the point a number of times that the constant disinformation campaigns do more to jeopardize this Fund than anything else. I should like to mention that the UNJSPF is established according to its Regulations and Rules, as a defined-benefit pension plan and this question is not discussable.

As can be seen from the positive trend in recent actuarial valuations the Fund is in good financial shape and unlike many other pension funds, it is fully funded (just over 100% after cost of living adjustment). Also, as a maturing pension plan (faster growing number of beneficiaries than the growth of contributing participants), in the future the Fund will rely much more on the investment return generated by the investment of the assets of the Fund, than on contributions by participants and member states (through the employing organizations). And for that reason, the Board has always maintained that the long-term real rate of return on investments must be a minimum of 3.5% per annum. This figure has also been confirmed on several occasions by the ACABQ and the UN GA.

Regarding the investments of the Fund, these are under the fiduciary responsibility of the UN Secretary-General and the Pension Board can only make and submit comments and/or observations. However, the responsibility over all investment matters, including its accounting, control, risk management, strategies and results remains with the UN Secretary-General.

I should like to recall that the UNJSPB is a collective body composed of representatives of the

three constituent groups – the member states of the member organizations, the participants (all staff working and employed by the member organizations) and the administrations of the member organizations as well as the UNJSPF retirees and beneficiaries, represented by FAFICS. The Pension Board has a supervisory function for the management of the Fund and the decisions of the Board are binding for the operational management of the Fund, once these decisions have been confirmed or endorsed by the UN GA, as required. The management and the Board have a fiduciary obligation to protect the Fund.

As mentioned above, all staff of the 23 member organizations, are participants in the Fund, and are adequately represented in the respective SPCs and the Pension Board sessions by the elected participant representatives. However, the Pension Board has granted the FICSA and CCISUA an observer status, although these associations represent only part of the staff of the respective organizations.

The election of two staff of the UNJSPF Secretariat to serve as members of the UNSPC and possibly as members of the Board, has resulted in a governance and legal problem, which has been addressed by the UNJSPB Standing Committee (not by the CEO) which concluded that since there was a conflict of interest between their official function (as staff members of the UNJSPF secretariat) and the possibility for them to become members of the Pension Board (the Governing Body of the UNJSPF), these two staff cannot serve on the UNSPC and hence on the Pension Board until the conflict of interest has been resolved.

I very much hope that the discussions in the Board will continue to properly address all important matters and will lead to conclusions and decisions that will continue to provide solutions that ensure that the Fund continues to be strong, efficient and solvent, as it is currently and has been over the many years since its inception.

I encourage you, whenever you have questions or concerns on issues related to the UNJSPF, its management, its operations, its finances, etc., to consult your SPC and the staff members elected to serve on the SPC or your FAFICS/AFICS representatives, who will provide you with the genuine and correct information and will relay, when necessary, your concerns and/or comments to the Pension Board and the management of the Fund.

Signed

Vladimir Yossifov

Chairman of the 63rd session of the United Nations Joint Staff Pension Board