



# Governing Body

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Programme, Financial and Administrative Section

PFA

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## Decisions of the United Nations General Assembly on the report of the 72nd session of the United Nations Joint Staff Pension Board (2022)

**Summary:** This report summarizes the major issues discussed by the United Nations Joint Staff Pension Board and the decisions of the United Nations General Assembly on the Board's report.

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**Related documents:** Official records of the United Nations General Assembly, 77th session: [A/RES/77/258](#) and [A/77/9](#) and related documents. Further information about the United Nations Joint Staff Pension Fund and its investments is available on the public website: [www.unjspf.org](http://www.unjspf.org).

## ▶ Introduction

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1. A summary of the sessions of the United Nations Joint Staff Pension Board (“the Board”) held in 2022, namely the 70th, 71st and 72nd sessions, and of the decisions of the United Nations (UN) General Assembly on the Board’s report is set out below. The UN General Assembly considered the report of the Board and related documents and adopted UN General Assembly [resolution 77/258](#) on 30 December 2022.

## ▶ Investment management

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2. The market value of the assets of the United Nations Joint Staff Pension Fund (“the Fund”) had increased from US\$81.5 billion on 31 December 2020 to US\$91.5 billion on 31 December 2021. Average performance for the one-year period and beyond continues to exceed the real investment return objective of 3.5 per cent that is used to project the long-term financial solvency of the Fund.
3. At the request of the UN General Assembly, in its next report the Fund will provide an update on the efforts being made to diversify investments among developed, developing and emerging markets, as well as on the margin trading authorized on a trial basis for an initial two-year period.

## ▶ Actuarial assumptions

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4. The external consulting actuary prepares an actuarial valuation of the Fund every two years in odd years. The valuation determines whether the current and estimated future assets of the Fund will be sufficient to meet projected liabilities to secure the sound financial health of the Fund and the ability to maintain the current contribution rate. The actuaries confirmed the validity of the 3.5 per cent long-term real rate of return objective. With the results of the investments at the end of 2021, the actuarial valuation reached a funding ratio of 117 per cent at the end of 2021 compared to 107 per cent at the end of 2019, which represents an actuarial surplus of 2.3 per cent of pensionable remuneration.
5. The UN General Assembly noted that the annual rate of return of the Fund for the 10-year and 15-year periods remained markedly above the long-term objective of 3.5 per cent. It stressed the importance of continuing to meet or exceed the 3.5 per cent return on a long-term basis for the future solvency of the Fund.

## ▶ Budgetary, financial and auditing matters

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6. The Board approved the financial statements for the year ended 31 December 2021 with the unqualified audit opinion of the Board of Auditors (external auditors).

7. The UN General Assembly approved the total budgetary expenditures for the year 2023 amounting to US\$126,283,400. The United Nations as a member organization contributes US\$8,707,100 of this amount for services provided to the UN Staff Pension Committee.
8. The Pension Administration budget includes the establishment of a risk management unit, the deployment of a customer relationship management system, and a new post dedicated to establishing alternative payment channels to cope with difficulties in disbursing funds to beneficiaries in challenging banking environments.
9. At the request of the UN General Assembly, the Fund will refine the implementation of key performance indicators and workload drivers to monitor the Pension Administration and the Office of Investment Management in relation to their budget requests. The Fund will also report on how it has addressed the accepted audit recommendations raised, particularly the long-standing recommendations raised by the Board of Auditors and the Office of Internal Oversight Services.

## ▶ Governance

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10. In 2019, an external consulting firm conducted a comprehensive study of the governance structure of the Fund. In 2020 and 2021, the Board considered the recommendations of its Governance Working Group based on the outcome of the study of the consulting firm and formulated a reform proposal. The UN General Assembly endorsed the Board's reform proposal.
11. Further to these recent changes, implemented as a result of the governance reform, the Fund has reported improved efficiency and effective decision-making, which will continue to be monitored and reported to the UN General Assembly. Under this reform, the ILO keeps two voting member seats on the Board that rotate on a tripartite basis.
12. In 2022, the Board established a Plan Review Group. Its terms of reference include a review of the pension plan and a simplification of the Fund's regulations. The Plan Review Group started its work by prioritizing and reviewing proposals made by member organizations' staff pension committees.

## ▶ Proposed amendments to the Regulations of the Fund

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13. The UN General Assembly approved amendments to articles 1 and 24 of the Regulations of the Pension Fund to allow the restoration of all or partial contributory service in case of deferred retirement benefit, provided such restoration is cost neutral to the Fund.
14. The UN General Assembly has also requested the Pension Administration to study how to allow retrospective recognition of beneficiaries arising from marriages in certain conditions, in cases where changes occurred under national law after the time of the former participant's separation from service.

## ▶ Other matters

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15. The Board discussed the reports submitted by its advisory committees and the related appointments, as well as information technology aspects, the Emergency Fund for beneficiaries suffering financial hardship, applications for membership in the Fund, the report of the medical consultant and disability-related issues.
16. The Standing Committee met once to examine individual legal appeals.