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Managing after-service health insurance

Report of the Secretary-General

Summary

The present report reflects the analysis, conclusions and recommendations of the inter-agency Working Group on After-Service Health Insurance, established by the Secretary-General under the auspices of the Finance and Budget Network of the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination pursuant to resolution 68/244.

The Working Group comprises representatives of 18 United Nations system entities. Representatives of the Coordinating Committee for International Staff Unions and Associations of the United Nations System, the Federation of Associations of Former International Civil Servants and the Federation of International Civil Servants' Associations also participate in the work of the Working Group, on behalf of the body of active and retired staff members. The United Nations Medical Directors Working Group ensures that the Working Group's positions in relation to health insurance are consistent with the duty of care.

The Working Group considers that, in its current form, it has run its course, and most of the members consider that the establishment of a specialized body to provide United Nations system entities with a forum for cooperation in addressing complex insurance-related issues may be discussed in the future.

All sections of the report except section VII, on the funding of the United Nations after-service health insurance liability, are relevant to many agencies of the United Nations system; that section is specific to the United Nations Secretariat. The report has been endorsed by the High-level Committee on Management. However, it must be noted that, because of the sensitive nature of certain topics, consensus within the Working Group has not always been attained. Areas where the Working Group did not reach a consensus are indicated in the report.

The Working Group recommends that:

(a) The Task Force on Accounting Standards undertake discussions to determine which assets should be considered eligible for use as after-service health insurance liability offsets;

(b) The agencies of the United Nations system consider aligning their requirements for third-party administrators to best practice;

(c) All avenues of health insurance cost containment continue to be explored in the context of inter-agency discussions under the auspices of the High-level Committee on Management;

(d) The United Nations system organizations continue to give consideration to all insurance-related harmonization opportunities in support of inter-agency mobility;

(e) The pay-as-you-go funding of the United Nations after-service health insurance obligation in respect of staff members recruited before 1 January 2022 be maintained;

(f) The funding of the obligation in respect of officials recruited from 1 January 2022 be achieved through the implementation of a payroll charge corresponding to a level 5.35 per cent of salary mass and the establishment of a dedicated financial reserve;

(g) The payroll charge be reviewed every three years and adjusted to accommodate variances against the projected accumulation of the dedicated reserve.

The General Assembly is requested to take note of the recommendations in the present report and to approve the funding of the after-service health insurance obligation in respect of officials recruited from 1 January 2022 with the application of the entitlement accrual mechanism.

I. Introduction

1. At its seventieth session, the General Assembly considered the report of the Secretary-General on managing after-service health insurance liabilities (A/70/590), which provided an overview of health insurance covering active and retired staff members across the United Nations system, and their dependent family members, as well as insight regarding the status of after-service health insurance after-service health insurance liabilities across the system.

2. A later report of the Secretary-General (A/71/698 and A/71/698/Corr.1) covered the following topics: (a) collective negotiations with the third-party administrators of the health insurance plans of agencies of the United Nations system; (b) underwriting reviews and negotiations with insurers; (c) the incorporation into agencies' health insurance plans of provisions related to primary coverage under national health insurance schemes; (d) the standardization of the after-service health insurance liability valuation methodology and of key valuation factors across the system; and (e) the funding of the United Nations after-service health insurance liability.

3. Both reports were informed by the work of the inter-agency Working Group on After-Service Health Insurance, established by the Secretary-General under the auspices of the Finance and Budget Network of the High-level Committee on Management of the United Nations System Chief Executives Board for Coordination (CEB) pursuant to resolution 68/244, in which the General Assembly requested the Secretary-General to undertake a survey of health insurance plans across the system and explore efficiency and cost containment options.

4. The Working Group comprises representatives of 18 United Nations system entities: the Food and Agriculture Organization of the United Nations (FAO), the International Atomic Energy Agency (IAEA), the International Fund for Agricultural Development (IFAD), the International Labour Organization (ILO), the International Telecommunication Union (ITU), the United Nations Development Programme (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Population Fund (UNFPA), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Secretariat, the United Nations Children's Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO), the United Nations Joint Staff Pension Fund, the United Nations Office at Geneva, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the World Food Programme (WFP), the World Health Organization (WHO), the World Intellectual Property Organization (WIPO) and the World Tourism Organization. Representatives of the Coordinating Committee for International Staff Unions and Associations (CCISUA), the Federation of Associations of Former International Civil Servants (FAFICS) and the Federation of International Civil Servants' Associations (FICSA) also participate in the work of the Working Group, on behalf of the body of active and retired staff members. The United Nations Medical Directors Working Group ensures that the Working Group's positions in relation to health insurance are consistent with the duty of care.

5. In section IV of its resolution 71/272 B, the General Assembly endorsed the recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Question (A/71/815) regarding the report of the Secretary-General (A/71/698 and A/71/698/Corr.1). In its report, the Advisory Committee recommended, inter alia, that the Assembly endorse the Secretary-General's recommendation that the Working Group be maintained. The present report provides updates regarding the main topics covered in the report of the Secretary-General (A/71/698 and A/71/698/Corr.1) and is again informed by the work of the Working Group. In the present report, the Secretary-General also expands on cost

containment and after-service health insurance liability funding options and addresses the issue of portability of health insurance benefits and entitlements. The Secretary-General does not have further information to impart in relation to the following topics, which are thus no longer discussed in the present report: underwriting of reviews and negotiations with insurers; broadening of the mandate of the Pension Fund; and investment of reserves.

6. All sections of the present report except section VII, on the funding of the United Nations after-service health insurance liability, are relevant to many agencies of the United Nations system; that section is specific to the United Nations Secretariat. The report was endorsed by the High-level Committee on Management in December 2018. However, it must be noted that, because of the sensitive nature of certain topics, consensus within the Working Group has not always been attained. Areas where the Working Group did not reach a consensus are indicated in the report.

7. In the past, the General Assembly had endorsed the recommendations of the Advisory Committee that the pay-as-you-go approach to the funding of the United Nations after-service health insurance obligation be maintained (A/68/550, para. 17, and A/70/7/Add.42, para. 28). The Secretary-General does not share the view of the Advisory Committee that the funding proposal for the after-service health insurance liability included in his report to the General Assembly at its seventy-first session (A/71/698 and A/71/698/Corr.1) was not presented in a comprehensive manner. The financial pressure that the unfunded liability will exert on future budgets is of growing concern to the Secretary-General, and prudential funding of the liability is again proposed in the present report.

8. The Working Group considers that it has provided impetus for ongoing coordinated efforts to contain health insurance-related costs and control after-service health insurance liabilities and has run its course. Most members of the Working Group consider that the establishment of a specialized body to provide United Nations system entities with a forum for cooperation in addressing complex insurance-related issues may be discussed in the future.

II. Standardization of the valuation methodology and actuarial assumptions with regard to the after-service health insurance liability

9. In its conclusions regarding the report of the Secretary-General (A/70/590), the Advisory Committee stated its expectation that all possible measures to standardize the after-service health insurance liability valuation methodology across the United Nations system would have been taken by December 2017. The Task Force on Accounting Standards is tasked with meeting that expectation.

10. Standardizing the valuation methodology and actuarial assumptions enhances the comparability of after-service health insurance liabilities across the United Nations system and facilitates the accurate assessment of the total system liability but has no material impact on underlying liabilities. The valuation is a point-in-time estimate of an agency's share of the cost of after-service health insurance coverage over the long term based on the profile of the insured group; on the entitlements of the insured persons; and on actuarial assumptions as at the date of valuation. Valuation results can vary significantly from year to year, as the liability is sensitive to census data updates and adjustments to key actuarial assumptions.

11. Given the diversity of demographic profiles and contract policies, certain actuarial assumptions will not be universally applicable in the development of all after-service health insurance liability valuations across the system; nor will common

actuarial assumptions affect equally the outcomes of the valuations for the agencies whose health insurance is outsourced to a private sector carrier and for those whose health-care-related risk is either self-insured or placed within a captive insurance arrangement within the United Nations system.

12. The Task Force reached agreement with regard to the harmonization of a number of after-service health insurance liability valuation assumptions. Because after-service health insurance benefits are paid over an extended period, the financial assumption that has the most impact on the valuation is the discount rate – derived from current interest yields – that reflects the "time value of money". The Task Force agreed that a 30-year yield curve for high-quality corporate bonds would be identified each year for each of the four currencies in which health insurance benefits are most commonly paid: United States dollar; euro; pound sterling; and Swiss franc. Those yield curves will serve in the development of all after-service health insurance liability valuations across the United Nations system.

13. The Task Force agreed that, as from the development of the 31 December 2017 liability valuations of after-service health insurance, all agencies will use the special year-end United Nations operational rates of exchange for currency conversion with regard to after-service health insurance valuation.

14. Certain assumptions applied in the Pension Fund projections and reviewed by the Fund's Committee of Actuaries will be used by all agencies in the development of their valuations: mortality and disability rates; retirement rates; withdrawal rates; and pension adjustment rates. The Fund's global assumptions on salary increases will be used, except by agencies with a significant geographic bias, which will apply location-specific assumptions.

15. Common general inflation rates for the eurozone, Switzerland, the United Kingdom of Great Britain and Northern Ireland and the United States of America will be suggested for the development of agencies' after-service health insurance liability valuations. Indicative benchmarks will be used to establish general inflation rates for other locations. The general inflation rate does not incorporate the medical trend rate, which is a percentage variance representing projected price inflation, technology advances, utilization patterns and cost shifting from or to social programmes. Separate ultimate medical trend rates will be suggested for valuation purposes, again for the eurozone, Switzerland and the United States.

16. Spousal coverage rates, plan participation rates and staff turnover rates shall remain specific to each health insurance plan.

17. With the completion of the standardization of the valuation methodology and actuarial assumptions, the Task Force has gathered the information required from the agencies of the United Nations system to inform discussions regarding the assets that should be considered eligible for use as after-service health insurance liability offsets. The Task Force will also work to establish a common methodology for comparably assessing health insurance plan administration costs.

18. **It is recommended that the Task Force on Accounting Standards undertake discussions to determine which assets should be considered eligible for use as after-service health insurance liability offsets.**

III. National health insurance schemes

19. In its resolution 70/248 B on special subjects relating to the programme budget for the biennium 2016–2017, the General Assembly endorsed the conclusion of the Advisory Committee that information should be obtained with regard to the

possibility and financial effects of incorporating into the provisions of agencies' health insurance plans the requirement that insured persons in the "retiree" category be enrolled for primary coverage under the national health insurance scheme of the country in which they reside. Contributions to the national scheme would be borne by the agency plan, which would also provide supplementary coverage to ensure that overall coverage levels remained constant. It was assumed that health-care charges to the agency plan would be reduced, with a corresponding reduction in the agency's after-service health insurance liability and no detriment to the comprehensiveness or affordability of coverage for the insured persons.

20. The administrative implications, cost and effects on after-service health insurance liabilities of such a requirement can vary significantly from country to country and from plan to plan. As for comprehensiveness or affordability, the Advisory Committee trusted that due consideration would be given to the characteristics of the national health insurance schemes and not solely to potential savings.

21. It is recalled that the Working Group conducted a survey in September 2016 aimed at obtaining from Member States information regarding the conditions of eligibility for primary coverage in their national schemes of persons insured under the auspices of the agencies of the United Nations system, as well as the scope of coverage and cost. As the number of responses to the survey was insufficient for conclusions to be drawn, the Working Group opted for an alternative methodology for determining whether advantages could be derived from the enrolment of insured persons for primary coverage under national schemes. The Working Group carried out cost-benefit analyses in respect of the nine countries in which over one half (53.2 per cent) of the 73,322 Pension Fund beneficiaries reside: the United States (15.6 per cent); France (10.4 per cent); Switzerland (7.1 per cent); Italy (5.2 per cent); Austria (4.7 per cent); the United Kingdom (3.2 per cent); Canada (2.8 per cent); India (2.3 per cent); and Thailand (1.9 per cent).

22. The cost-benefit analyses were complex: whereas in certain Member States the contribution to the national health insurance scheme is expressed as a flat rate per person, in others the contribution is means-tested and expressed as a percentage of income. Furthermore, in certain Member States, health-care systems are funded principally from general taxation and open to all persons ordinarily resident in the country, but with a limited choice of health-care providers.

23. It must be noted that changes to the benefits and coverage levels of national health insurance schemes can affect agency health insurance plan expenditures in respect of supplementary coverage and, thus, the longer-term validity of the cost-benefit analyses in respect of certain Member States. Increases in contributions to a national scheme can have an impact on the financial assumption serving as the basis for the cost-benefit analysis. Overall, the financial models of agency health insurance plans can be significantly disrupted by alterations to the terms and conditions governing national health insurance schemes. Unexpected limits on eligibility for coverage under those schemes can also significantly disrupt financial models.

24. Retirees insured under the United Nations health insurance plans based in the United States are required to enrol for primary coverage under Medicare Part B, provided they are eligible. The Working Group has found that a financial benefit equal to that derived from retirees' enrolment for Medicare Part B coverage cannot be achieved in other countries because the conditions that are conducive to the enrolment requirement in the United States are not present elsewhere. Medicare Part B coverage is readily available at an affordable cost to retirees who have resided in the country for at least five years. In addition, there is little circulation for the purposes of receiving health care between the United States and its two neighbouring countries.

This is in contrast, for example, to the circulation from France to Switzerland of staff members retired from Geneva-based agencies who have settled on the French side of the border.

25. To determine this specifically in relation to Austria, France, Italy and Switzerland, five agencies represented in the Working Group (IAEA, ILO, the United Nations Office at Geneva, WFP and WHO) compared the addition of national health insurance scheme contributions reimbursable to insured persons in the "retiree" category and the projected amount of supplementary benefits payable to those insured persons with the amount of benefits payable under the national scheme. In France, primary coverage under the national scheme (Sécurité sociale) would reduce the average agency health insurance plan expenditure in respect of after-service health insurance by $1,782 per person per year, from $5,416 to $3,634. However, the addition of the "premium" for the scheme of $6,624 would bring the agency health insurance plan expenditure to $8,406 and result in a loss to the agency plan of $2,990. It must be noted that this calculation is based on an average Pension Fund benefit. As the premium is assessed on total family income, which can exceed the Pension Fund benefit alone, it is likely that the average premium has been understated in this calculation.

26. The Working Group determined that the result would also be unfavourable in Switzerland, with average after-service health insurance expenditure under the agency plan, currently at $9,310 per insured person per year, increasing by 7.9 per cent, to $10,042. In Austria, the current average after-service health insurance cost would increase by over 80.0 per cent with compulsory Wiener Gebietskrankenkasse coverage, from $4,553 per insured person per year to $8,337. It must also be noted that staff members who did not participate in the Wiener Gebietskrankenkasse while employed by a Vienna-based agency, or persons retired from non-Vienna-based agencies, are not automatically eligible for coverage.

27. Determination of the cost and benefits in Italy is difficult: although health insurance coverage under the Servizio Sanitario Nazionale is universal, it is organized at the regional level, with no globally defined list of co-payments per medical procedure. Only basic dental treatment is covered, and optical appliances are not. Overusage in public health-care institutions can result in long waiting periods and lead to enrolment in costly private health insurance plans. Because of these drawbacks, the Working Group considers it unlikely that reimbursement of the premiums, estimated at an average of €3,207 per person per year, would have a favourable impact on the average agency health insurance plan expenditure of €3,357.

28. All insured persons residing in the United Kingdom (2,369 Pension Fund beneficiaries) enjoy access to the extensive publicly funded National Health Service, and agency health insurance plan benefits are paid only in respect of health care received outside the Service's sphere.

29. Given the spread across the United Nations system of the balance of Pension Fund beneficiaries located in Canada and of those in India (1,680) and Thailand (1,406), and taking into account the cost of additional administrative processes, the Working Group has determined that no material financial benefit can be achieved by any single agency rendering mandatory the enrolment for after-service health insurance coverage under the national health insurance schemes of those countries. The level of continued supplementary agency plan coverage that would be necessary in India and Thailand is of additional concern to the Working Group.

30. No consideration was given to insured persons' eligibility for coverage under national health insurance schemes, as the Working Group in no case found a benefit to requiring that persons insured under agencies' health insurance plans be enrolled for primary after-service health insurance coverage under a national scheme.

IV. Negotiations with third-party administrators

31. In his report to the General Assembly at its seventy-first session (A/71/698 and A/71/698/Corr.1), the Secretary-General reported that agencies of the United Nations system had laid the groundwork for collective negotiation with third-party administrators. The Working Group had found that measures enabling agencies to more efficiently and effectively monitor third-party administrators' performance and pricing were needed. The Working Group had also found that agencies would benefit from strengthening the terms of their contracts with third-party administration service providers in critical areas, such as key performance indicators; development of health-care provider networks; pricing methodology; reporting structure and frequency; and controls and audit.

32. Agencies of the United Nations system had expressed varying levels of satisfaction with the performance of third-party administrators. To promote completeness and consistency in the provisions of contracts governing the services and obligations of third-party administrators, the Working Group developed a template agreement for third-party administrators for use across the system. The agreement's provisions reflect industry best practice, and the confidentiality clause present in current contracts that precludes the sharing of information on third-party administrators within the United Nations system was withdrawn. The standardization of the contractual provisions, along with the free circulation of information, will enable agencies acting together to leverage scale and ensure that optimal terms and conditions of service are offered and rigorously applied across the system and the highest standards of delivery met.

33. **It is recommended that the agencies of the United Nations system consider aligning their requirements for third-party administrators to best practice.**

V. Cost containment

In-network care

34. At its seventy-first session, the Secretary-General reported to the General Assembly on the joint efforts of ILO, the United Nations Office at Geneva and WHO to further develop networks of preferred health-care providers offering discounts that, when associated with in-patient treatment, have the effect of significantly reducing the agencies' health insurance plan expenditure and their after-service health insurance obligations. The three agencies with self-administered Geneva-based plans continue to collectively develop access to health-care provider networks in the Geneva area and in other locations. The third-party administrators of health insurance plans across the United Nations system are being pressed to expand their provider networks in order to control costs and minimize pricing volatility.

35. The development of preferred provider networks goes hand in hand with the promotion of in-network health care. Communication in respect of in-network usage has improved, and the contact details of in-network practitioners are easily accessible through the websites of the health insurance plan and third-party administrators. Reimbursement of costs incurred for out-of-network care has been reduced. Prior third-party administrator approval for non-emergency in-patient treatment has been rendered compulsory in several locations, including the United States, with the third-party administrators promoting in-network care. In addition, in the United States, the availability of online medical consultation is proving effective in reducing costlier office visits to health-care providers and in promoting in-network care where physical consultation is required. In the case of one United States-based plan, such measures are projected to result in savings of some 2.6 per cent of expenditure. It must be noted,

however, that the financial effects of the measures will not be of equal degree across all plans or remain constant as behaviours change in relation to in-network usage.

36. The health insurance plans offered under the auspices of the United Nations in New York are overseen by the Health and Life Insurance Committee, which comprises representatives of management and staff. The Committee is tasked with proposing measures to ensure the financial equilibrium of the plans and with recommending to the Controller adjustments to plan pricing, design and benefits. The Committee also receives periodic reports from the plan's third-party administrators in support of the fulfilment of its responsibilities. The Committee is currently discussing the practicability and financial effects of offering a United States-based plan covering in-network treatment only.

Prevention

37. In some cases, the promotion of preventive medical care has continued to be reinforced across the United Nations system, with full reimbursement of costs associated with preventive examinations and screenings with the most impact. Third-party administrators are increasingly able to offer health and wellness programmes that promote lifestyle changes aimed at avoiding chronic medical conditions.

After-service health insurance premium apportionment

38. The Secretary-General does not share the view of the Advisory Committee that "scenarios with a reduced share of the premiums apportioned to the organizations could be explored" (A/71/815, para. 33). The objective underlying that view is the transfer to active and retired staff members of the organization's obligation in respect of after-service health insurance. The Secretary-General considers that control of that obligation is better achieved through its funding and other cost containment measures, rather than through the transfer of liability implicitly recommended by the Advisory Committee.

39. It is recalled that, in 1966, the General Assembly established a policy extending health insurance coverage provided under the auspices of the United Nations to staff members leaving service – either upon retirement or because of disability – who at the time of separation had contributed to a United Nations health insurance plan over a specific period (see A/6491 and A/6491/Corr.1). The General Assembly, with the agreement of the Advisory Committee (see A/6521) and the endorsement of the Fifth Committee (see A/6605 and A/6605/Corr.1), thus recognized the difficulties faced by retiring staff members whose coverage under their respective countries' national health insurance schemes would be inadequate, or who were ineligible for such coverage, and as a result would have to resort to high-premium commercial health insurance at a time when their income was substantially reduced. Later, in its resolution 61/264, the General Assembly approved changes to the after-service health insurance provisions applicable to newly recruited staff members joining the United

Nations on or after 1 July 2007.[1] Administrative instruction ST/AI/2007/3 sets out the current obligations of the United Nations in respect of after-service health insurance.

40. The apportionment of cost between the United Nations as an organization and the former staff members benefiting from after-service health insurance coverage was addressed in 2014 by the General Assembly, in its resolution 69/251. In that resolution, the Assembly approved the recommendation of the International Civil Service Commission (ICSC) to maintain at existing ratios the apportionment of health insurance premiums between the Organization and both active and retired staff members covered under United Nations health insurance plans.

41. General Assembly resolution 69/251 is the legal basis for the current apportionment of the health insurance contributions between employer and employee. Altering the current apportionment with the objective of reducing the United Nations obligation in respect of after-service health insurance represents an inappropriate transfer to the staff members of that obligation.

Terms and conditions of insurance

42. The after-service health insurance entitlement is an essential component of the United Nations staff member's conditions of service. The benefit is acquired through service and encompasses unaltered eligibility rules, insurance benefits and premium apportionment, for both active and retired staff. Any material change to the provisions of the health insurance plan under which the staff member is covered may affect a core element of the staff member's conditions of service. Given the large number of staff members who rely on after-service health insurance, a material change to the provisions of their health insurance can be expected to result in a significant number of challenges in the system of administration of justice.

43. The situation of staff members not yet recruited is different, as they have not yet acquired rights, which means that amendments can be implemented prospectively to apply to newly recruited staff, as in the case of the changes to the after-service health insurance provisions approved by the General Assembly in its resolution 61/264, which were applicable to newly recruited staff. The prospective implementation of changes is consistent with the principles of non-retroactivity and respect for acquired rights.

Entitlement accrual mechanism

44. Currently, retiring staff members who have been in service within the United Nations system for at least 10 years are generally entitled to the payment by their agencies of a contribution to their after-service health insurance premiums equivalent to the full part recommended by ICSC. While seeing no argument for altering the apportionment of premiums revalidated by ICSC in 2014, the Secretary-General does support the application of a mechanism that would better associate the agency-paid part of the after-service health insurance premium and the staff member's period of service within the system, and thereby reduce agencies' obligations in respect of after-

[1] The changes were as follows: (a) the alignment of after-service health insurance eligibility and subsidy requirements to 10 years' minimum participation in the United nations health insurance plans, eliminating the buy-in provision after 5 years of participation; (b) the application of a theoretical pension of a minimum of 25 years of service as the basis of assessing the retiree contributions as opposed to using the actual number of years of service when less than 25; and (c) the introduction of a minimum participation requirement for after-service health insurance eligibility of dependants of at least 5 years at the time of retirement of the United Nations employee, or 2 years if the spouse has coverage with an outside employer or national Government, except where the dependant is newly acquired within this period and is enrolled within 30 days of the effective date of the dependent relationship.

service health insurance. However, the Secretary-General underscores that: (a) the application of such a mechanism should go hand in hand with the organization's funding of the after-service health insurance liability as recommended below; and (b) the proposed mechanism can be applied only to newly recruited staff, as its application to current and retired staff may violate acquired rights.

45. The Working Group has considered an entitlement accrual mechanism whereby the part of after-service health insurance premiums paid by the agency on behalf of a retired staff member would increase along with the staff member's time in service within the United Nations system. After 10 years of service, the part of the premium paid by the organization would correspond to one third of the total premium. Each month, an entitlement to an additional part of the agency-paid premium would be accrued on a linear basis up to a maximum of two thirds of the total premium, consistent with General Assembly resolution 69/251. The maximum entitlement would be accrued after 20 or 25 years of service.

46. The independent actuary Ernst & Young was requested to assess the impact of the mechanism's implementation on the after-service health insurance liability of the United Nations Secretariat. Based on 2018 year-end active staff census data, it is estimated that the liability would have been reduced by 8.8/12.8 per cent ($238.3 million/$247.0 million), from $1.92 billion to $1.75 billion/$1.68 billion. It must be noted, however, that this reflects the mechanism's estimated impact at maturity and not an immediate effect on the liability. As the mechanism can be applied to newly recruited staff only, its impact is achieved over time, provided the current demographic make-up of active staff does not materially change.

47. The independent actuary was also requested to estimate the average impact for newly recruited staff on their after-service health insurance premiums. On average, the part of the after-service health insurance premiums paid by staff members from the date of their retirement would increase by some 7.0/13.0 per cent. The impact would not decrease over time, as both the retiree-paid part and the agency-paid part of the after-service health insurance premiums, expressed as a percentage of the total premium, would remain level.

48. It must be underscored that no consensus has been reached within the Working Group regarding the advisability of the entitlement accrual mechanism. CCISUA and FICSA (representing active staff members), as well as FAFICS (representing former staff members), have marked their opposition, expressing the view that the mechanism shifts the financial burden of after-service health insurance from the agencies to future retirees. However, some of the agencies represented in the Working Group have indicated their interest in further exploring the mechanism, emphasizing that the implementation of any recommendations by a participating agency would be subject to the agency's internal consultations and the approval of the respective entities' governing bodies. It must also be underscored that the applicability of the entitlement accrual mechanism can vary from agency to agency in terms of contract policy and after-service health insurance liability level and funding policy, among other factors.

49. **It is recommended that all avenues of health insurance cost containment continue to be explored in the context of inter-agency discussions under the auspices of the High-level Committee on Management.**

VI. Portability of health insurance benefits and entitlements

50. The Working Group considered the issue of portability of certain benefits and entitlements between agency health insurance plans in support of inter-agency

mobility. Specifically, the Working Group considered whether an inter-agency agreement could be reached to mitigate the effects of mobility on staff members' accrued health insurance benefits and entitlements. The Working Group also considered whether the transfer, associated with inter-agency mobility, of after-service health insurance liability from one agency to another justified the transfer of the corresponding funding of a portion of that liability by the releasing agency and, if so, whether a common formula could be developed to determine what portion of the liability should be funded.

51. The Working Group is of the view that agencies of the United Nations system should accept the transfer of certain accrued health insurance benefits and entitlements, as well as of the after-service health insurance liability, without the administratively onerous transfer of funding. That view is supported by inter-agency mobility statistics covering 38 agencies provided by the CEB secretariat for the 2013–2016 period. The statistics show that any difference between the number of received staff members and the number of released staff members is immaterial when compared with the agencies' total workforces.

52. To facilitate inter-agency mobility, the Working Group initially sought to identify areas of possible harmonization: (a) the length of service within the United Nations system required for a staff member to become eligible for after-service health insurance and other eligibility criteria; (b) the rules governing the years of service that can qualify as years accruing to the period required for a staff member to become eligible for after-service health insurance; and (c) the provisions in relation to the coverage of secondary dependants under agency health insurance plans. The Working Group has not completed its work in this regard, however, nor have health insurance-related harmonization opportunities in support of inter-agency mobility been comprehensively explored.

53. The Working Group is of the view that an inter-agency insurance body, as discussed above, would be best positioned to carry forward the work undertaken by the Working Group. It is emphasized, however, that the implementation of recommendations from any such body by a participating agency would be subject to the agency's internal consultations.

54. **It is recommended that United Nations system organizations continue to give consideration to all insurance-related harmonization opportunities in support of inter-agency mobility.**

VII. Funding of the after-service health insurance liability[2]

55. In his report on managing after-service health insurance submitted to the General Assembly at its seventy-first session (A/71/698), the Secretary-General expressed his concern about the Secretariat's mounting unfunded after-service health insurance liability, which corresponds to recognized obligations reported in the financial statements pursuant to the provisions of the International Public Sector Accounting Standards (IPSAS). If they remain funded on a pay-as-you-go basis, as recommended by the Advisory Committee (A/71/815, para. 36), those obligations will place increasing financial pressure on future budgets and hinder the Organization's ability to deliver in critical areas of its Charter. The Secretary-General considers the pay-as-you-go approach imprudent and strongly believes that the after-service health insurance liability should be funded on a pay-as-you-accrue basis.

[2] The present section pertains only to the United Nations Secretariat.

56. The Board of Auditors' concern matches the Secretary-General's: in paragraphs 57 to 59 of its report on the financial statements of the United Nations for the biennium ended 31 December 2013 (A/69/5 (Vol. I)), on end-of-service liabilities, the Board cautioned the General Assembly that the pay-as-you-go financing model exposed the Assembly to the risk of increasing cash costs that would reduce the funds available to the United Nation to carry out its mandate. The Board again cautioned the Assembly in its reports for the bienniums ended 31 December 2015 and 31 December 2016 (A/71/5 (Vol. I), and A/72/5 (Vol. I) and A/72/5 (Vol. I)/Corr.1, respectively).

57. IPSAS is not prescriptive with regard to an organization's approach to ensuring that adequate resources are available to meet its after-service health insurance obligations. However, it must be noted in this regard that the United Nations is "behind the curve". The Board of Auditors has pointed out that other agencies of the United Nations system faced with similarly escalating after-service health insurance liabilities have proactively implemented funding strategies aimed at fully funding their liabilities, with asset bases aligned to the movements in those liabilities in order to reduce the effects of increases.

58. In his report (A/71/698 and A/71/698/Corr.1), the Secretary-General proposed partial funding of the after-service health insurance liability. This is again proposed in the present report, with a view to ensuring prudential control of the liability and, consequently, avoiding the displacement of the burden of addressing budgetary issues associated with the fulfilment of the after-service health insurance obligation to future sessions of the General Assembly. However, in its related report (A/71/815), the Advisory Committee expressed the view that the funding proposal had not been presented in a comprehensive manner and that elements that could affect the liability had not been considered, including: (a) the incorporation into the United Nations health insurance plans of provisions for primary coverage under national health insurance schemes; (b) the harmonization across the United Nations system of the after-service health insurance liability valuation methodology and of certain key valuation factors; and (c) the inclusion of projections in relation to peacekeeping.

59. The Secretary-General believes that the proposal was sufficiently comprehensive to enable the General Assembly to take an informed decision regarding the funding: in view of the long-term nature of the funding strategy, there were no grounds for associating its adoption with the outcome of the Working Group's cost-benefit analyses regarding the incorporation into the health insurance plans of provisions for primary coverage under national schemes; the harmonization of the liability valuation methodology and valuation factors has no material impact on underlying after-service health insurance liabilities, that is, it is aimed only at standardizing the reporting of those liabilities across the United Nations system; and, as explained in paragraph 62 of the report of the Secretary-General (A/71/698 and A/71/698/Corr.1), peacekeeping was intentionally excluded from the proposal's perimeter to avoid an under- or overstatement of the funding requirement.

60. It can reasonably be expected that the migration of certain functions currently located in New York in the context of the United Nations global service delivery model (see A/71/417) can affect the United Nations after-service health insurance liability. However, the effects of the migration are currently unknown and the Secretary-General believes that, owing to the long-term nature of the after-service health insurance liability funding strategy, this and other imponderables should not preclude a General Assembly decision in relation to funding.

Perimeter

61. The Secretary-General's proposal includes the entities falling directly within the scope of the decisions of the General Assembly in relation to after-service health insurance (but excludes peacekeeping only for the purposes of this exercise): the International Criminal Tribunal for Rwanda, the International Tribunal for the Former Yugoslavia, the International Trade Centre (ITC), the Joint Financing Arrangement, the International Residual Mechanism for Criminal Tribunals, the United Nations, the United Nations Compensation Commission, the secretariat of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, the United Nations Environment Programme (UNEP), the secretariat of the United Nations Framework Convention on Climate Change, the United Nations Human Settlements Programme (UN-Habitat), the United Nations Institute for Training and Research (UNITAR), the United Nations Joint Staff Pension Fund, the United Nations Office on Drugs and Crime (UNODC) and the United Nations System Staff College.

62. It must be underscored that the proposal would be applicable to the entities falling directly within the scope of the resolutions of the General Assembly on funding. The Assembly's decisions are not binding on other agencies of the United Nations system, as corresponding proposals would have to be presented to the governing bodies of those agencies for decision. It must be further underscored that peacekeeping operations are again excluded from the proposal's perimeter because of the fluid nature of its workforce and the resulting potential for under- or overstating the funding requirement.

63. While projections have been prepared for UNDP, UNFPA, the United Nations Office for Project Services (UNOPS), the United Nations University (UNU) and UN-Women, they are not included in the scope of the projections presented below. Separate projections have also been prepared for peacekeeping.

Methodology

64. The total of the after-service health insurance liabilities as at 31 December 2017 calculated for the entities included in the proposal's perimeter stood at $5.5 billion. Those same entities' total share of biennial disbursements in respect of after-service health insurance is expected to increase from its 2018–2019 level of $257.7 million to $417.9 million in 2026–2027 and $607.7 million in 2036–2037. (The total of the after-service health insurance liabilities as at 31 December 2017 calculated for the entities of the broader United Nations environment, i.e. including UNDP, UNFPA, UNOPS, UNU, UN-Women and peacekeeping, stood at $8.8 billion. Those entities' total share of biennial disbursements in respect of after-service health insurance is expected to increase from $337.2 million in 2018–2019 to $590.2 million in 2026–2027 and $949.0 million in 2036–2037.)

65. The independent actuary Ernst & Young was requested to prepare projections of the long-term cash flows associated with the development of the after-service health insurance liabilities. The after-service health insurance liability valuations as at 31 December 2017 were the starting point in the development of the projections. The budgetary impacts are projected over the 90-year period corresponding to the extinguishment period of the after-service health insurance obligation in respect of staff members recruited before 1 January 2022.

66. For the United Nations Secretariat, it is proposed that the after-service health insurance liability constituted in relation to newly recruited staff, that is, staff recruited from 1 January 2022, be fully funded while maintaining the pay-as-you-go approach for the existing liability (including the liability in respect of staff already

recruited but not yet entitled to after-service health insurance). Newly constituted liability would be funded on an annual service cost-plus-interest cost basis. The existing liability would remain unfunded and, after an initial period of continued growth, would begin to decline through attrition.

67. The independent actuary was requested to determine the payroll charge required to achieve full funding of the after-service health insurance liability constituted as from 1 January 2022 (service cost), as well as its projected growth (interest cost). To ensure accuracy, the assessment base taken to determine the payroll charge is the gross salary mass (excluding post adjustment) rather than total staff cost. The payroll charge is expressed as a level percentage of the total gross salary mass, regardless of the date of recruitment. Results with and without the application of the entitlement accrual mechanism presented in paragraphs 45 to 49 were requested.

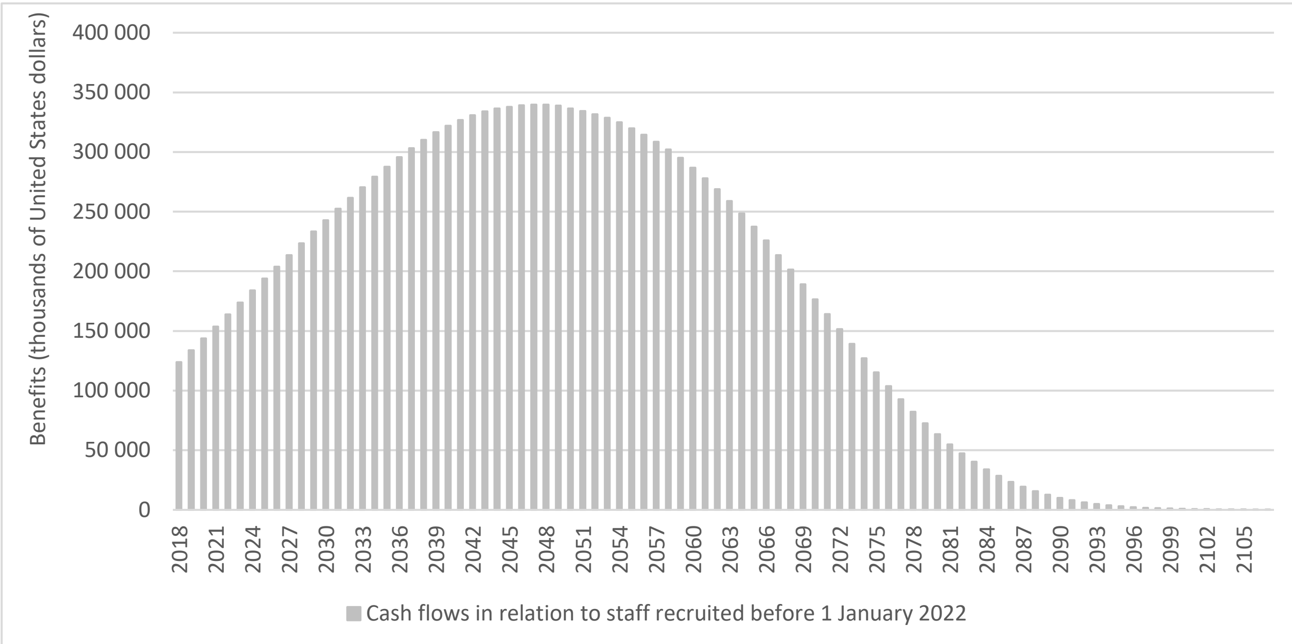
68. Whereas IPSAS imposes constraints regarding the nature of investments that may be taken into account in calculating the discount rate factored into after-service health insurance liability valuations, after-service health insurance funding projections can be based on investments yielding more realistic returns. The development of the funding scenarios has been based on an assumed rate of return on investment transactions of 3.50 per cent. This rate is a real rate of return (i.e. is net of inflation) and is consistent with the long-term objective of the Pension Fund.

69. All projections presented below are based on fully updated census data and actuarial assumptions (mortality tables, discount rates, medical inflation rates and health-care expenditures). The projection period has been extended to reflect the funding position at the end of the year of extinguishment of the liability already constituted as at 31 December 2021.

Currently constituted liability

70. The projections in figures I, II and III are comparable to those included in the earlier report of the Secretary-General (A/71/698 and A/71/698/Corr.1). Figure I shows the development over 90 years of the liability constituted in relation to staff recruited before 1 January 2022, until its extinguishment through attrition in 2107. In figure I, as in the figures that follow, the liability is represented by cash flows corresponding to the employer's share of after-service health insurance benefit payments.

Figure I
Development to extinguishment of after-service health insurance benefits related to staff recruited before 1 January 2022

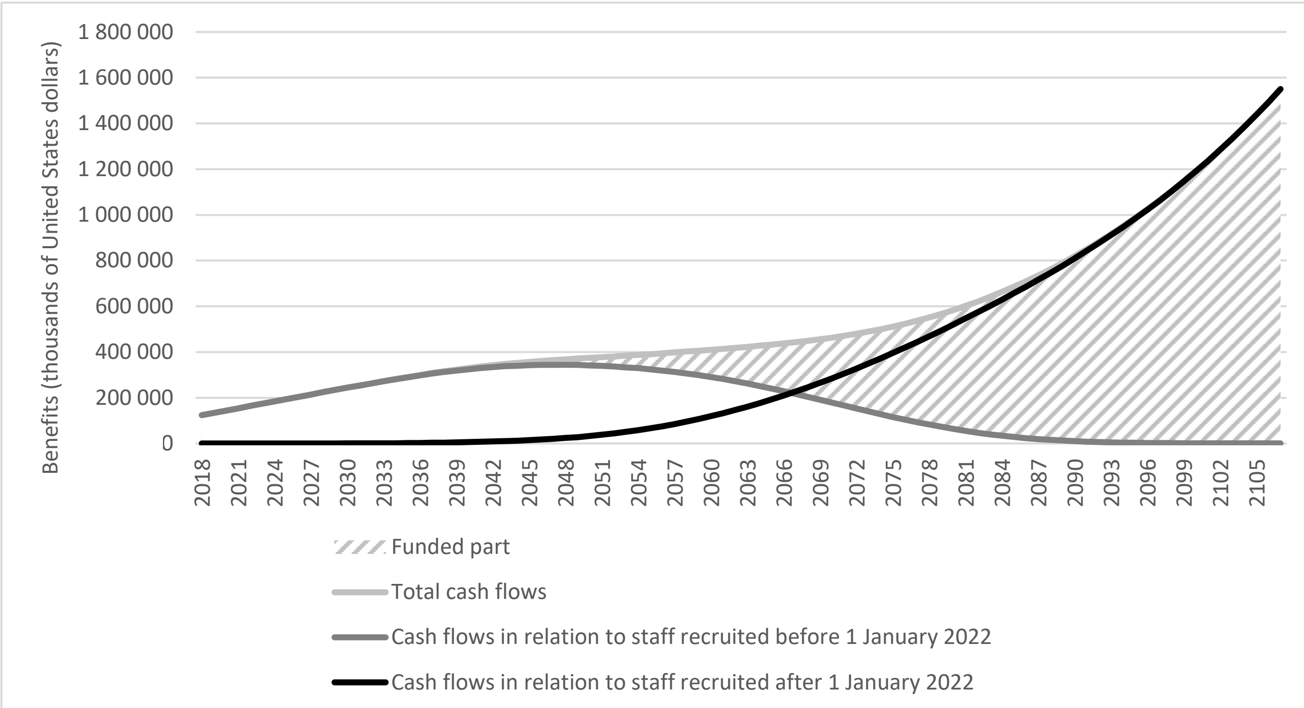


Funding without application of the entitlement accrual mechanism

71. Figure II illustrates the development of the after-service health insurance liability in the absence of funding, with the employer's share of yearly disbursements increasing by some $87.0 million every 10 years. The lower curve shows the development of the liability constituted in relation to staff recruited from 1 January 2022 without the proposed funding of the service cost and interest cost. The central curve represents the development of the liability constituted in relation to staff recruited before 1 January 2022. The upper curve shows the addition of the two segments of liability without funding.

72. The filled area in figure II bounded by the central and upper curves represents the part of the liability that would be funded by accumulating a financial reserve sufficient over time to fully cover the pay-as-you-go after-service health insurance obligation in respect of staff recruited from 1 January 2022. The positive impact on future budgets is achieved by transferring the after-service health insurance liability to the reserve in the same manner that pension-related liability is transferred to the Pension Fund.

Figure II
Development of total after-service health insurance benefits without funding (open group basis to year-end 2107)

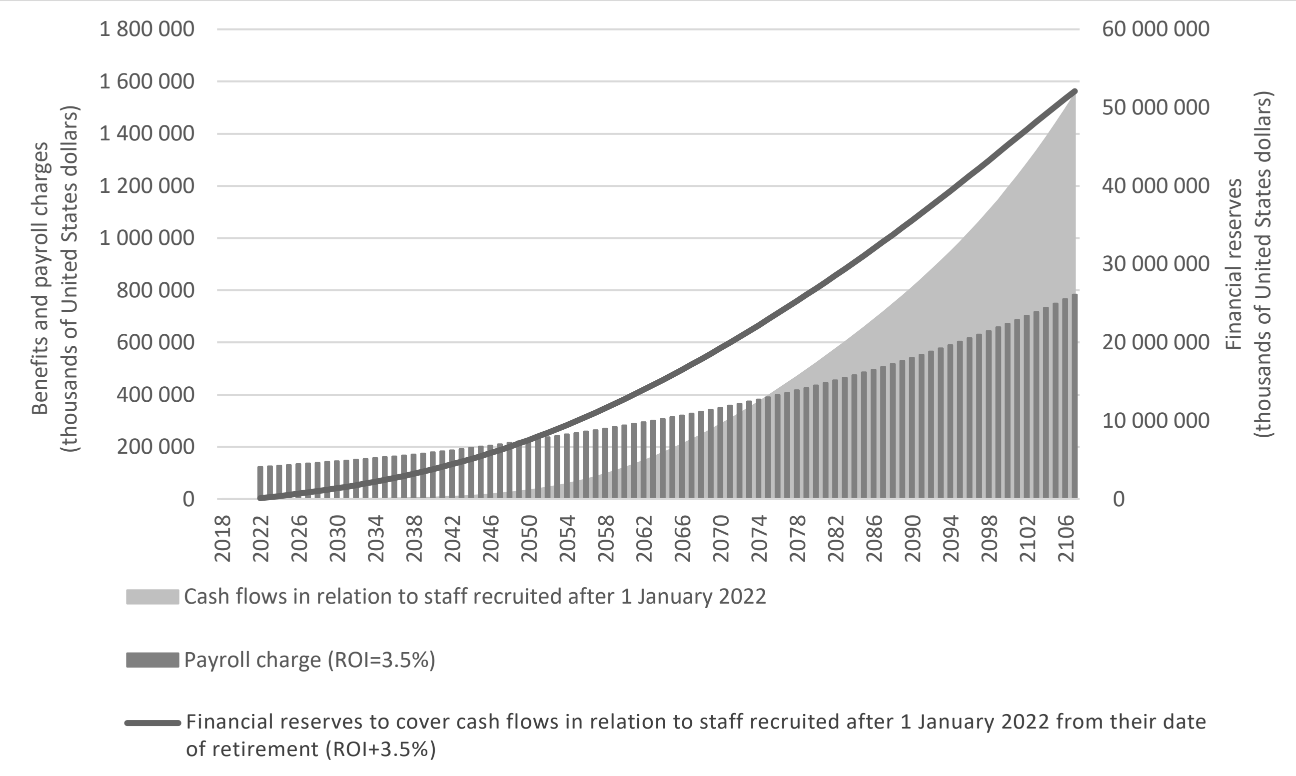


73. Over time, the employer's share of after-service health insurance benefits paid in respect of staff recruited from 1 January 2022 exceeds that of after-service health insurance benefits paid to staff recruited before that date. With the accumulation of a financial reserve sufficient to fully cover the projected pay-as-you-go after-service health insurance obligation in respect of newly recruited staff members as from the date of their retirement and the expiration of the liability constituted in relation to staff recruited before 1 January 2022, the employer's share of the after-service health insurance benefits – and thus the entities' after-service health insurance liabilities – is fully funded.

74. Figure III illustrates the effect of the funding of the service cost and interest cost, based on an open group projection with the number of newly recruited staff members eligible for after-service health insurance matching the number of departing eligible staff members. The application of the entitlement accrual mechanism is not taken into account in this projection. The ages at entry on duty of newly recruited staff members are aligned to current reality.

75. The employer's share of after-service health insurance benefit payments in respect of staff recruited from 1 January 2022 is represented along with the level payroll charge, 6.45 per cent of salary mass based on the 3.5 per cent return on investment, corresponding to the funding of the service cost and interest cost. The curved line represents the reserve accumulation, net of the employer's share of after-service health insurance benefit payments to staff recruited from 1 January 2022, corresponding to the funding. This reaches $52.1 billion in 2107, upon extinguishment of the liability constituted in relation to staff recruited before 1 January 2022, and is reported as a liability offset in the financial statements.

Figure III
Funding of after-service health insurance liability related to staff recruited from 1 January 2022 without application of the entitlement accrual mechanism

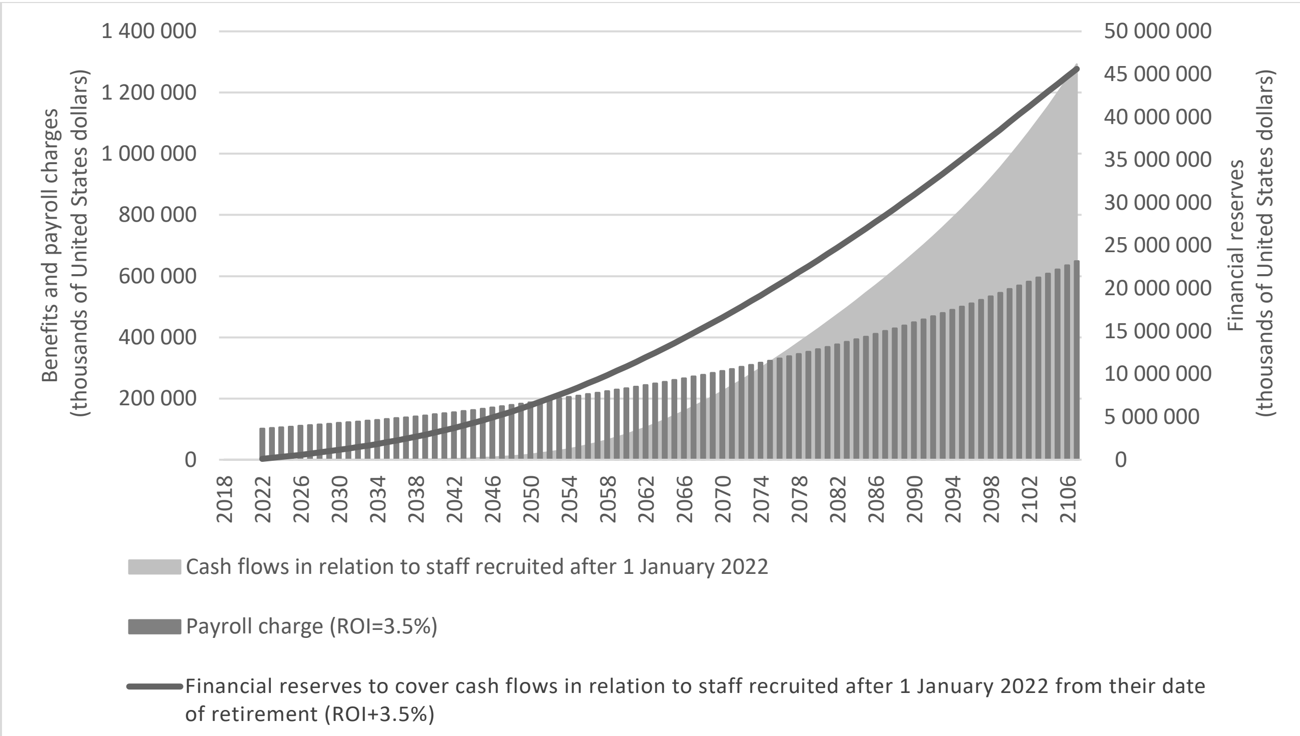


Funding with the application of the entitlement accrual mechanism

76. The projection in figure IV incorporates the application of the entitlement accrual mechanism with a 15-year accrual period. After 10 years of service, the part of the after-service health insurance premium paid by the organization corresponds to one third of the total premium. The two-thirds maximum entitlement is accrued after 25 years of service. All other assumptions applied in the development of the figure IV projection are the same as those applied in the development of the figure III projection.

77. The effect of the funding of the service cost and interest cost, taking into account the application of the entitlement accrual mechanism, is reflected in the difference in the results of projections in figures III and IV. The employer's share of after-service health insurance benefit payments to staff recruited from 1 January 2022, represented along with the level payroll charge, 5.35 per cent of salary mass based on the 3.5 per cent return on investment, corresponds to the funding recommended below. The curved line represents the reserve accumulation corresponding to the recommended funding. The accumulated reserve, net of the employer's share of after-service health insurance benefit payments to staff recruited from 1 January 2022, reaches $45.6 billion in 2107.

Figure IV
Funding of after-service health insurance liability related to staff recruited from 1 January 2022 with application of entitlement accrual mechanism



78. Annexes I and II show the biennial budgetary impacts, with and without the application of the entitlement accrual mechanism, of: (a) United Nations fulfilment of its continued pay-as-you-go obligation in respect of after-service health insurance; and (b) the payroll charge applied for the funding of the liability in respect of staff recruited from 1 January 2022. The gradual accumulation of a financial reserve, along with its investment, combine to neutralize the impact on future budgets of the escalation of the after-service health insurance obligation calculated on an open group basis. Because the escalation of the obligation outpaces the progression of budgetary resources, the proportion of those resources that must be allocated to fulfilling the obligation increases. Funding ensures that balance between the obligation and budgetary resources is maintained.

79. Following the 2048–2049 peak in benefit payments, estimated at $687.4 million, the liability in respect of staff recruited before 1 January 2022 begins to decline as a result of attrition while the funded part of the liability continues to increase. As from the biennium 2076–2077, the budgetary impact associated with after-service health insurance begins to reduce and, in due course, is limited to the payroll charge only. In the absence of funding, successive budgetary impacts continue to escalate, as no part of the pay-as-you-go obligation is covered by accumulated reserves.

80. The payroll charge has an immediate positive effect on the after-service health insurance liability calculated on a closed group basis, first by curtailing its growth, then by reducing its amount once the unfunded liability constituted as at 31 December 2021 begins to decline. The United Nations would continue the pay-as-you-go funding of after-service health insurance corresponding to the liability constituted before 1 January 2022. A reduction in that liability calculated on a closed group basis

would be reflected in valuations once the unfunded liability constituted as at 31 December 2021 begins to decline in 2048.

81. As shown in the annexes, the funding of the pay-as-you-go after-service health insurance obligation in respect of staff recruited from 1 January 2022 is equal to that obligation. From the 2076–2077 biennium, the net budget impact is less than the total pay-as-you-go obligation. The positive impact of the funding on budgets accelerates in the following bienniums as the obligation in respect of staff recruited from 1 January 2022 overtakes the payroll charge and escalates at a faster pace.

Recommendations

82. Recommendations with respect to funding the after-service health insurance liability, pertaining only to the United Nations Secretariat, are as follows:

(a) **That the pay-as-you-go funding of the United Nations after-service health insurance obligation in respect of staff members recruited before 1 January 2022 be maintained;**

(b) **That the funding of the obligation in respect of officials recruited from 1 January 2022 be achieved through the implementation of a payroll charge corresponding to a level 5.35 per cent of salary mass and the establishment of a dedicated financial reserve;**

(c) **That the payroll charge be reviewed every three years and adjusted to accommodate variances against the projected accumulation of the dedicated reserve.**

VIII. Actions to be taken by the General Assembly

83. **The General Assembly is requested to take note of the recommendations formulated in the present report and to approve the funding of the after-service health insurance obligation in respect of officials recruited from 1 January 2022 with the application of the entitlement accrual mechanism.**

Annex I

Budget impacts without application of the entitlement accrual mechanism

(Thousands of United States dollars)

	Pay-as-you-go obligation						
Biennium	*Staff recruited before 1 January 2022*	*Staff recruited from 1 January 2022*	*Total*	*Payroll charge*	*Gross budget impact*	*Funded pay-as-you-go obligation*	*Net budget impact*
2020–2021	297 581	–	297 581	–	297 581	–	297 581
2022–2023	337 647	–	337 647	247 418	585 065	–	585 065
2024–2025	377 747	–	377 747	258 027	635 774	–	635 774
2026–2027	417 879	–	417 879	269 141	687 020	–	687 020
2028–2029	458 096	–	458 096	280 608	738 704	–	738 704
2030–2031	496 974	544	497 518	292 279	789 797	544	789 253
2032–2033	534 272	1 383	535 655	304 356	840 011	1 383	838 628
2034–2035	569 810	2 636	572 446	316 971	889 416	2 636	886 781
2036–2037	602 783	4 922	607 705	330 540	938 245	4 922	933 324
2038–2039	631 839	7 651	639 490	345 284	984 775	7 651	977 124
2040–2041	654 295	12 408	666 702	360 965	1 027 667	12 408	1 015 259
2042–2043	671 491	18 568	690 059	377 950	1 068 009	18 568	1 049 441
2044–2045	681 978	26 578	708 556	396 357	1 104 914	26 578	1 078 336
2046–2047	687 056	38 291	725 346	415 457	1 140 804	38 291	1 102 513
2048–2049	687 377	51 977	739 354	435 857	1 175 211	51 977	1 123 234
2050–2051	679 858	71 446	751 305	456 814	1 208 119	71 446	1 136 673
2052–2053	669 564	95 143	764 708	477 868	1 242 575	95 143	1 147 432
2054–2055	654 020	123 726	777 746	499 945	1 277 690	123 726	1 153 965
2056–2057	631 882	160 493	792 374	522 107	1 314 481	160 493	1 153 988
2058–2059	605 791	202 244	808 035	545 248	1 353 283	202 244	1 151 040
2060–2061	572 715	251 318	824 033	569 255	1 393 288	251 318	1 141 970
2062–2063	534 472	306 778	841 249	594 337	1 435 586	306 778	1 128 809
2064–2065	491 565	368 564	860 129	620 590	1 480 719	368 564	1 112 155
2066–2067	444 095	436 635	880 730	648 095	1 528 825	436 635	1 092 190
2068–2069	394 375	510 719	905 095	676 914	1 582 009	510 719	1 071 290
2070–2071	343 403	590 937	934 339	707 043	1 641 382	590 937	1 050 445
2072–2073	292 794	676 413	969 206	738 630	1 707 837	676 413	1 031 424
2074–2075	243 662	767 248	1 010 910	771 593	1 782 504	767 248	1 015 255
2076–2077	197 470	862 691	1 060 161	806 063	1 866 225	862 691	1 003 534
2078–2079	155 496	962 245	1 117 741	842 078	1 959 819	962 245	997 574
2080–2081	118 702	1 066 092	1 184 794	879 593	2 064 387	1 066 092	998 295
2082–2083	87 605	1 173 630	1 261 235	918 804	2 180 039	1 173 630	1 006 409
2084–2085	62 474	1 285 440	1 347 915	959 664	2 307 578	1 285 440	1 022 138
2086–2087	42 956	1 401 798	1 444 754	1 002 314	2 447 068	1 401 798	1 045 271
2088–2089	28 416	1 523 331	1 551 746	1 046 863	2 598 609	1 523 331	1 075 278
2090–2091	18 120	1 651 131	1 669 251	1 093 352	2 762 603	1 651 131	1 111 472

Biennium	Pay-as-you-go obligation: Staff recruited before 1 January 2022	Staff recruited from 1 January 2022	Total	Payroll charge	Gross budget impact	Funded pay-as-you-go obligation	Net budget impact
2092–2093	11 183	1 786 188	1 797 370	1 141 930	2 939 300	1 786 188	1 153 113
2094–2095	6 735	1 929 784	1 936 519	1 192 680	3 129 199	1 929 784	1 199 415
2096–2097	4 016	2 083 203	2 087 220	1 245 707	3 332 927	2 083 203	1 249 724
2098–2099	2 417	2 247 832	2 250 249	1 301 107	3 551 356	2 247 832	1 303 524
2100–2101	1 500	2 424 873	2 426 373	1 358 995	3 785 368	2 424 873	1 360 495
2102–2103	973	2 615 660	2 616 632	1 419 462	4 036 095	2 615 660	1 420 435
2104–2105	656	2 821 371	2 822 027	1 482 629	4 304 656	2 821 371	1 483 285
2106–2107	447	3 043 195	3 043 641	1 548 611	4 592 252	3 043 195	1 549 058
Total	**15 404 187**	**33 605 084**	**49 009 271**	**30 699 503**	**79 708 774**	**33 605 084**	**46 103 690**

Annex II

Budget impacts with application of the entitlement accrual mechanism

(Thousands of United States dollars)

Biennium	Pay-as-you-go obligation: Staff recruited before 1 January 2022	Pay-as-you-go obligation: Staff recruited from 1 January 2022	Pay-as-you-go obligation: Total	Payroll charge	Gross budget impact	Funded pay-as-you-go obligation	Net budget impact
2020–2021	297 581	–	297 581	–	297 581	–	297 581
2022–2023	337 647	–	337 647	205 203	542 850	–	542 850
2024–2025	377 747	–	377 747	214 002	591 749	–	591 749
2026–2027	417 403	–	417 403	223 220	640 623	–	640 623
2028–2029	456 842	–	456 842	232 730	689 573	–	689 573
2030–2031	495 250	–	495 250	242 410	737 660	–	737 660
2032–2033	531 888	–	531 888	252 426	784 314	–	784 314
2034–2035	566 758	139	566 897	262 889	829 786	139	829 647
2036–2037	598 956	746	599 703	274 143	873 846	746	873 099
2038–2039	626 986	1 471	628 458	286 371	914 829	1 471	913 358
2040–2041	648 629	3 443	652 072	299 376	951 448	3 443	948 005
2042–2043	664 882	6 185	671 066	313 464	984 530	6 185	978 345
2044–2045	674 450	10 120	684 569	328 731	1 013 300	10 120	1 003 180
2046–2047	678 852	16 885	695 736	344 572	1 040 308	16 885	1 023 423
2048–2049	678 624	24 910	703 534	361 490	1 065 024	24 910	1 040 114
2050–2051	670 739	37 968	708 707	378 872	1 087 579	37 968	1 049 611
2052–2053	660 281	54 578	714 859	396 334	1 111 192	54 578	1 056 615
2054–2055	644 800	75 396	720 196	414 644	1 134 840	75 396	1 059 444
2056–2057	622 956	103 813	726 769	433 024	1 159 793	103 813	1 055 980
2058–2059	597 395	136 703	734 098	452 217	1 186 315	136 703	1 049 612
2060–2061	565 061	176 427	741 488	472 128	1 213 616	176 427	1 037 189
2062–2063	527 717	222 198	749 915	492 931	1 242 846	222 198	1 020 648
2064–2065	485 810	273 956	759 766	514 705	1 274 470	273 956	1 000 514
2066–2067	439 363	331 720	771 083	537 516	1 308 599	331 720	976 879
2068–2069	390 625	395 225	785 850	561 418	1 347 268	395 225	952 043
2070–2071	340 543	464 515	805 059	586 406	1 391 465	464 515	926 950
2072–2073	290 706	538 679	829 385	612 604	1 441 989	538 679	903 311
2074–2075	242 213	617 697	859 910	639 943	1 499 854	617 697	882 156
2076–2077	196 523	700 715	897 238	668 532	1 565 770	700 715	865 055
2078–2079	154 919	787 113	942 033	698 402	1 640 435	787 113	853 321
2080–2081	118 380	876 948	995 328	729 516	1 724 844	876 948	847 896
2082–2083	87 442	969 483	1 056 925	762 037	1 818 962	969 483	849 479
2084–2085	62 401	1 065 176	1 127 577	795 925	1 923 502	1 065 176	858 326
2086–2087	42 929	1 164 182	1 207 111	831 299	2 038 409	1 164 182	874 227
2088–2089	28 407	1 267 006	1 295 413	868 246	2 163 658	1 267 006	896 653
2090–2091	18 118	1 374 636	1 392 754	906 803	2 299 557	1 374 636	924 921

Biennium	Pay-as-you-go obligation: Staff recruited before 1 January 2022	Staff recruited from 1 January 2022	Total	Payroll charge	Gross budget impact	Funded pay-as-you-go obligation	Net budget impact
2092–2093	11 183	1 487 937	1 499 120	947 093	2 446 213	1 487 937	958 275
2094–2095	6 735	1 608 079	1 614 814	989 184	2 603 998	1 608 079	995 919
2096–2097	4 016	1 736 220	1 740 236	1 033 163	2 773 400	1 736 220	1 037 180
2098–2099	2 417	1 873 596	1 876 013	1 079 111	2 955 123	1 873 596	1 081 527
2100–2101	1 500	2 021 265	2 022 765	1 127 122	3 149 887	2 021 265	1 128 622
2102–2103	973	2 180 386	2 181 359	1 177 272	3 358 631	2 180 386	1 178 245
2104–2105	656	2 351 957	2 352 613	1 229 661	3 582 274	2 351 957	1 230 317
2106–2107	447	2 536 967	2 537 413	1 284 386	3 821 799	2 536 967	1 284 832
Total	**15 267 748**	**27 494 441**	**42 762 189**	**25 461 522**	**68 223 711**	**27 494 441**	**40 729 270**