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Agenda item 146

United Nations pension system

Report of the Fifth Committee

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I. Introduction

1. At its 3rd plenary meeting, on 16 September 2022, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its seventy-seventh session the item entitled “United Nations pension system” and to allocate it to the Fifth Committee.

2. The Fifth Committee considered the item at its 14th and resumed 25th meetings, on 10 November and 30 December 2022. Statements and observations made in the course of the Committee’s consideration of the item are reflected in the relevant summary records.¹

3. For its consideration of the item, the Committee had before it the following documents:

(a) Report of the United Nations Joint Staff Pension Board on its seventy-second session ([A/77/9](#));

(b) Report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase the diversification of the Fund ([A/C.5/77/2](#));

(c) Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly on the programme budget implications arising from recommendations and decisions contained in the report of the United Nations Joint Staff Pension Board ([A/C.5/77/3](#));

(d) Financial report and audited financial statements for the year ended 31 December 2021 and report of the Board of Auditors on the United Nations Joint Staff Pension Fund ([A/77/5/Add.16](#));

¹ [A/C.5/77/SR.14](#) and [A/C.5/77/SR.25/Add.1](#).



(e) Report of the Chief Executive of Pension Administration of the United Nations Joint Staff Pension Board and the Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund on the implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2021 on the Fund ([A/77/286](#));

(f) Related report of the Advisory Committee on Administrative and Budgetary Questions ([A/77/7/Add.10](#)).

II. Consideration of draft resolution [A/C.5/77/L.14](#)

4. At its resumed 25th meeting, on 30 December, the Committee had before it a draft resolution entitled “United Nations pension system” ([A/C.5/77/L.14](#)), submitted by the Chair of the Committee on the basis of informal consultations coordinated by the representative of Botswana.

5. At the same meeting, the Committee adopted draft resolution [A/C.5/77/L.14](#) without a vote (see para. 6).

III. Recommendation of the Fifth Committee

6. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

United Nations pension system

The General Assembly,

Recalling its resolutions [75/246](#) of 31 December 2020 and section XIII of its resolution [76/246](#) A of 24 December 2021,

Having considered the report of the United Nations Joint Staff Pension Board for 2022,¹ the reports of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase the diversification of the Fund² and on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board,³ the financial report and audited financial statements for the year ended 31 December 2021 and the report of the Board of Auditors on the United Nations Joint Staff Pension Fund⁴ and the recommendations contained therein, the report of the Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund on the implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2021 on the Fund⁵ and the related report of the Advisory Committee on Administrative and Budgetary Questions,⁶

1. *Takes note* of the report of the United Nations Joint Staff Pension Board;
2. *Also takes note* of the reports of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund and measures undertaken to increase the diversification of the Fund and on the administrative and financial implications arising from the report of the United Nations Joint Staff Pension Board;
3. *Further takes note* of the report of the Chief Executive of Pension Administration and the Representative of the Secretary-General for the investment of the assets of the Fund on the implementation of the recommendations of the Board of Auditors contained in its report for the year ended 31 December 2021 on the Fund;
4. *Endorses* the conclusions and recommendations of the Advisory Committee on Administrative and Budgetary Questions, subject to the provisions of the present resolution;
5. *Emphasizes* the existing prerogative of the General Assembly on matters pertaining to the Fund;
6. *Takes note with appreciation* of the work of the United Nations Joint Staff Pension Board;

¹ *Official Records of the General Assembly, Seventy-seventh Session, Supplement No. 9 (A/77/9).*

² [A/C.5/77/2](#).

³ [A/C.5/77/3](#).

⁴ *Official Records of the General Assembly, Seventy-seventh Session, Supplement No. 5P (A/77/5/Add.16).*

⁵ [A/77/286](#).

⁶ [A/77/7/Add.10](#).

Financial statements of the United Nations Joint Staff Pension Fund and report of the Board of Auditors

7. *Acknowledges* the commitment of the Pension Fund to manage long-standing recommendations of the Board of Auditors, and reiterates the importance of the secretariat of the Fund, the Pension Board and the Representative of the Secretary-General addressing all the accepted recommendations of the Board of Auditors and the Office of Internal Oversight Services, in full and in a timely manner, and of reporting thereon in the next report to the General Assembly;

Actuarial matters

8. *Stresses* the importance of continuing to achieve the necessary 3.5 per cent annual real rate of return on a long-term basis for the future solvency of the Fund;

Governance matters

9. *Welcomes* the continued implementation by the Pension Board of the governance reform plan, which takes into account best practices as recommended by the Governance Working Group and respects the unique nature of the Fund, acknowledges that the Board considers that the reform plan has started to contribute to improving efficiency and effective decision-making, and requests the Board to monitor and report on the progress achieved in this regard to the General Assembly at its seventy-eighth session;

10. *Recalls* paragraph 13 of section XIII of its resolution [76/246 A](#), and requests the Pension Board to provide an update at the main part of the seventy-eighth session;

11. *Also recalls* paragraph 14 of section XIII of its resolution [76/246 A](#), and reiterates its request that the Secretary-General and the Pension Board ensure that the staff composition of the Office of Investment Management and of the Pension Administration is based on as wide a geographical basis as possible, bearing in mind Article 101, paragraph 3, of the Charter of the United Nations, and to make every effort to provide an update on progress achieved in the context of their next reports;

Pension Administration

12. *Welcomes* the proposal to establish a Risk Management Unit aimed at strengthening the risk management capabilities of the Pension Administration, and requests the Board to provide updated information on the Unit's performance in the next report;

13. *Emphasizes* the importance of implementing swiftly the new customer relationship management system, and calls upon all involved stakeholders to conclude the procurement contract before the end of 2022, in order to strengthen services to clients and deal with the increased number of requests while improving efficiency gains;

14. *Recalls* paragraph 55 of the report of the Advisory Committee, welcomes the deployment of the digital certificate of entitlement, and requests the Pension Administration to provide an update on the utilization of the digital certificate of entitlement, including progress on the reduction of risks of fraud or overpayments, and on measures to ensure its cost-effective implementation in the context of its next report;

Investments of the United Nations Joint Staff Pension Fund

15. *Reaffirms* that the Secretary-General serves as fiduciary for the investment of the assets of the Fund;

16. *Also reaffirms* that the investment of the assets of the Fund shall be decided upon by the Secretary-General after consultation with an Investments Committee and in the light of observations and suggestions made from time to time by the Pension Board on the investments policy;

17. *Notes* that the annual real 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, and encourages the Fund to continue its efforts to improve the performance of its investments and identify suitable comparators with peers from various countries and provide a comparison thereof in the context of its next report;

18. *Recalls* the four main criteria for investment utilized by the Fund, and requests the Secretary-General to continue to explore, in consultation with the Investments Committee and taking into account the observations and suggestions by the Pension Board, impact investing for part of the portfolio, including in developing and emerging markets, such as Africa and Asia and other regions, bearing in mind the real rate of return target, and to report thereon to the General Assembly in his next report;

19. *Requests* the Secretary-General, as fiduciary for the investment of the assets of the Fund, to continue to diversify its investments among developed, developing and emerging markets, wherever this serves the interests of the participants and the beneficiaries of the Fund, and also requests the Secretary-General to ensure that decisions concerning the investments of the Fund in any market are implemented prudently, taking fully into account the four main criteria for investment, namely, safety, profitability, liquidity and convertibility;

20. *Recalls* paragraph 22 of section XIII of its resolution [76/246 A](#), and requests the Secretary-General to provide an update to the General Assembly on efforts being made to diversify its investments among developed, developing and emerging markets, including information on investments by country and geographical region and by currency and asset class, in the context of his next report;

21. *Approves* an extension of one year for the Secretary-General to conduct trading of derivative instruments, which had not been executed as at 30 September 2022, and requests the Secretary-General to provide an update to the General Assembly on the progress made thus far at its seventy-eighth session;

Other matters

22. *Decides* to approve the proposed amendment to article 1 of the Regulations of the Pension Fund to allow the restoration of all or partial contributory service in the case of deferred retirement benefits and the proposed new article 24 bis to include in the Regulations of the Fund the restoration of prior contributory service in the case of deferred retirement benefits, as set out in annex III to the report of the United Nations Joint Staff Pension Board for 2022;

23. *Requests* the Pension Board to provide, without prejudice to national law, the requisite framework for extension of the guidelines to allow retrospective recognition of beneficiaries arising from marriages, in cases where changes under national legislation occurred after the time of the former participants' separation from service and they separated prior to the adoption of the revised guidelines in 2016, as appropriate, and requests the Board to report thereon in the context of the next report;

24. *Notes* that the Pension Fund relies on member organizations' applying the correct pensionable remuneration scales to determine contributions to the Fund, and requests the Pension Fund to provide information in the context of the next report on steps taken in cases where the incorrect pensionable remuneration rate is applied by member organizations of the Pension Fund for purposes of administering the Fund's Regulations;

Budget estimates for 2023

25. *Requests* the Pension Board to further refine and support effective implementation of key performance indicators and workload drivers of the Pension Administration and the Office of Investment Management in relation to their budget requests;

26. *Emphasizes* that the aim of reviewing all the general temporary assistance positions of the Fund is not necessarily converting positions into posts, but rather increasing efficiency through the elimination of duplication of functions;

27. *Recalls* paragraph 14 of the report of the Advisory Committee, and requests the Pension Board to strengthen its efforts to improve budgeting accuracy, including as it pertains to the establishment of vacancy rates;

Pension Administration

28. *Recalls* paragraph 32 of the report of the Advisory Committee, and decides to adjust the Pension Administration vacancy rate to 6.1 per cent for the Professional and higher categories and 10.1 per cent for the General Service category;

29. *Takes note* of paragraphs 31 and 37 of the report of the Advisory Committee, decides to redeploy the Risk Management Officer (P-4) and the Programme Management Officer (P-3) from the Business Transformation and Accountability Unit to the Risk Management Unit, and further decides to reclassify the Risk Management Officer (P-4) to a Senior Risk Management Officer (P-5);

30. *Also takes note* of paragraph 33 of the report of the Advisory Committee, acknowledges the need to establish alternative payment channels, and decides to establish the Accounting Assistant (General Service (Other level)) post;

31. *Further takes note* of paragraph 34 of the report of the Advisory Committee, and decides to establish the Benefits Officer (P-3) post in the Operations Coordination and Liaison Unit;

32. *Recalls* paragraph 41 of the report of the Advisory Committee, and decides to further reduce resources for travel of staff in the Pension Administration by 10 per cent;

Office of Investment Management

33. *Recalls* paragraph 44 of the report of the Advisory Committee, and decides to adjust the Office of Investment Management vacancy rate to 14.7 per cent for the Professional and higher categories;

34. *Takes note* of paragraph 45 of the report of the Advisory Committee, and approves the conversion into posts of one Accountant (P-3) and one Associate Investment Officer (P-2);

35. *Approves* the changes to the staffing table as set out in the table below:

A. Pension Administration

<i>Action</i>	<i>Title of post</i>	<i>Category/ level</i>	<i>Number</i>
New post	Legal Officer	P-3	1
New post	Treasurer	P-3	1
New post	Benefits Officer	P-3	1
New post	Information Systems Officer	P-3	1
New post	Senior Accounting Assistant	GS (PL)	1
New post	Programme Management Assistant	GS (OL)	1
New post	Treasury Assistant	GS (OL)	1
New post	Accounting Assistant	GS (OL)	1
New post	Human Resources Assistant	GS (OL)	1
Total new posts			9
Conversion	Special Assistant to the Chief Executive	P-5	1
Conversion	Data Specialist	P-4	1
Conversion	Accountant	P-3	1
Conversion	Information Systems Officer	P-3	1
Conversion	Public Information Officer	P-3	1
Conversion	Accounting Assistant	GS (OL)	9
Conversion	Information Systems Assistant	GS (OL)	1
Conversion	Benefits Assistant	GS (OL)	1
Conversion	Team Assistant	GS (OL)	1
Conversion	Facility Management Assistant	GS (OL)	1
Total conversions			18
Total net changes			27
Reassignment	Legal Assistant	GS (OL)	1
Reassignment	Programme Management Officer	P-3	1
Reassignment	Programme Management Officer	P-4	1
Reclassification	Senior Risk Management Officer	P-5	1
Reclassification	Information Systems Officer	P-4	1
Reclassification	Senior Human Resources Assistant	GS (PL)	1
Redeployment from the Business Transformation and Accountability Unit to the Risk Management Unit	Risk Management Officer	P-4	1
Redeployment from the Business Transformation and Accountability Unit to the Risk Management Unit	Programme Management Officer	P-3	1

Abbreviations: GS (OL), General Service (Other level); GS (PL), General Service (Principal level).

B. Office of Investment Management

<i>Action</i>	<i>Title of post</i>	<i>Category/ level</i>	<i>Number</i>
New post	Investment Officer (Europe)	P-3	1
New post	Investment Officer (Fixed Income)	P-3	3
New post	Associate Programme Management Officer	P-2/1	1
Total new posts			5
Conversion	Investment Officer (North America)	P-4	1
Conversion	Investment Officer (Fixed Income)	P-4	2
Conversion	Information Systems Officer	P-4	1
Conversion	Accountant	P-3	2
Conversion	Associate Investment Officer (Environmental, Social and Governance)	P-2/1	2
Total conversions			8
Total net changes			13
Reclassification	Senior Compliance Officer	P-5	1

36. *Approves* the estimates of 126,283,400 United States dollars for the administration of the Fund for 2023;

37. *Also approves* expenses, chargeable directly to the Fund, totalling 117,576,300 dollars net for 2023;

38. *Further approves* the amount of 8,707,100 dollars as the cost of the services provided by the United Nations Joint Staff Pension Fund to the secretariat of the United Nations Staff Pension Committee for 2023, of which 5,337,500 dollars would represent the share of the regular budget and the balance of 3,369,600 dollars would represent the share of the funds and programmes;

39. *Approves* the decrease of 83,800 dollars in the United Nations share of the cost of the administrative expenses of the central secretariat of the Fund under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for 2023;

40. *Authorizes* the Pension Board to supplement the voluntary contributions to the Emergency Fund for 2023 by an amount not to exceed 112,500 dollars.