

<p style="text-align: center;"><b>SEVENTY-SECOND GENERAL ASSEMBLY OF AAFI-AFICS</b> <b>17 April 2012</b></p>
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## **1. Opening of the session**

- 1.1 Mr. Roger Eggleston, current President of AAFI-AFICS addressed a few words of welcome to the 65 persons present.
- 1.2 While thanking each of them for their hard work he recalled the fact that all the members of the Committee acted on a purely voluntary basis. He introduced the members of the Committee and spoke of the role of each in the smooth functioning of the Association.

He informed the Assembly that:

- Mr. Gilbert Ferrari had been co-opted as a member of the Committee since January 2012.
  - For some months now the Association had had a new Social Welfare Officer, Mme. Nicole Yersin, who replaced Mme. Nana Leigh.
- 1.3 Thanks for their presence were also addressed to:
    - The representatives of organizations;
    - The President of FAFICS from the United Nations in New York, Mr Andres Castellanos
    - Mme. Elisabeth Chauveau-Bais and Mr. Aliamane Bacar Said from the Geneva office of the Pension Fund ;
    - Mr. Stéphane Birchmeier, Assistant Director of the Social Service of the City of Geneva and head of the Cité-Séniors;
    - Mr. Daniel Prémont, President of the Association of French International Civil Servants (AFIF);
    - The interpreters whose voluntary assistance was always highly appreciated
    - And to those hard-working volunteers who assisted the Secretariat: Mr. D. Helland and Mmes. F. Henry and C. Kind.
  - 1.4 Mr. Eggleston then referred to his editorial in the April issue of the Bulletin, in which he had announced his forthcoming departure from Geneva for family reasons which consequently would mean the end of his presidency of AAFI-AFICS. He was to be succeeded by M. Gilbert Ferrari.

## **2. Election of the presiding officer**

In response to an appeal for candidates, Mr. Anders Tholle put forward the name of Mr. Arthur Askew (founding member of the Amicale of the WMO and a hydrologist who had chaired several meetings of this kind). The proposal was seconded by two

persons and, there being no other nominations and no objections, was unanimously accepted by the Assembly.

### **3. Adoption of the agenda**

Having thanked the Assembly for designating him presiding officer Mr. Askew said that he would endeavour on the one hand, despite his tendency to talk too much, to conclude this General Assembly on time and, on the other, to conduct the meeting with the greatest vigilance. He asked for speakers to stick to the subject under discussion and to be as concise as possible. He added that the President of FAFICS would speak at the end of the meeting.

There being no comments, the agenda was adopted unanimously. Mr. Askew congratulated the Committee on its work and announced that the Committee's report would be considered section by section. He then gave the floor to Mr. Eggleston.

### **4. Report of the Committee for 2011**

Before presenting the report, Mr. Eggleston said he was happy to announce that Mr. Ferrari had indeed agreed to take his place as President of AAFI-AFICS. The news was greeted with pleasure by the meeting in view of M Ferrari's professional experience, in particular in the area of pensions as a long-time Director of the Pensions Office in Geneva.

#### **4.1 Membership – Organization of work – Outside Geneva §1-13**

Mr. Eggleston highlighted the fact that:

- There had only been a small increase in membership. It was therefore necessary to continue efforts to make the Association better known; to speak of it whenever the occasion presented itself, and above all to encourage colleagues to join while reminding them of the role of AAFI-AFICS as outlined in para.5 of the March Bulletin. The more we were, he added, the greater the impact on the Pension Fund and the health insurance fund;
- The work of the Association was done by volunteers who strove to be as efficient as possible, just as if they were remunerated.

Before giving the floor to the representatives of the Pension Fund, Mr. Askew pointed out that one could become a member of AAFI-AFICS before retirement and encouraged those present to 'spread the good word'.

#### **4.2 The Pension Fund §14-19**

After expressing thanks for having been invited to the meeting and introducing the new head of Customer Service, Mr.A. Bacar Said, Mme. E. Chauveau-Bais gave a general presentation of the Fund, created in 1949 by the General Assembly of the

United Nations, using slides to make her explanations perfectly clear. This presentation can be found on our website.

She recalled that the Fund had two offices, one in New York and the other in Geneva. The Geneva office covered Europe, and Africa and the Middle East.

The Fund's secretariat functioned on the basis of the system of 'revenues' (fed by the contributions of those on active service and the income from investments) and 'expenditure' (consisting of the benefits to be paid out).

One should recall that two principles underpinned the Fund:

- The US dollar was the base currency, but benefits could be paid in any currency
- The Fund provided defined benefits: the sum received was therefore not affected by fluctuations in the financial market.

In 2008 the Fund had fully absorbed the financial shocks without there being any negative impact for beneficiaries. The value of our investments represented the equivalent of nearly \$40 billion in December 2011.

There were 23 United Nations organizations affiliated with the Fund, representing 120,000 participants (an increase of about 50% in ten years) and 65,000 beneficiaries (an increase of about 30% over the same period).

#### *Market value of the assets of the Fund – payments and contributions*

Up to 2008, Mme. Chauveau-Bais noted, benefits had slightly exceeded contributions; since then there had been a slight reversal, due among other things to the more rapid increase in the number of participants than of beneficiaries, despite a rise in life expectancy.

#### *The purposes of the Fund were:*

- to pay retirement and social benefits;
- to protect retirees' purchasing power, either by a system of adjustment of dollar pensions in line with the cost of living in the United States and/or by what is known as the 'two-track system' which enabled adjustment of payments to the cost of living in the country of residence. Beneficiaries had the choice on separation from service;
- to protect families: pensions for children/widows or widowers/indirectly dependent persons/residual payments.

It should be pointed out, however, that in case of marriage after retirement, the surviving spouse would receive only the pension accumulated by the beneficiary.

#### *Projects of the Fund*

- The transition to IPSAS accounting standards;

- Replacing the computer system by an integrated IPAS system; this was an important project that would only be fully operational in 2014, but that would significantly transform the day-to-day work of the Fund's staff;
- The results of the biennial actuarial evaluation. A slight deficit had been recorded in 2009, hence the Working Group's recommendations were put on hold; another deficit in 2011 would mean prolonging that freeze;
- Revising the terms of reference of our representatives in the organizations. That involved reviewing the situation with the groups of persons representing the Fund in the specialized agencies; that work should soon be completed;
- Preparing the Joint Committee, which would be held this year (2012) at UNESCO in Paris in June;
- Changeover of CEO in early 2013. M. Cochemé's term of office was expiring and the recruitment procedure was well under way. Before the final appointment of the new CEO, a recommendation would be made to the Secretary-General of the United Nations.

*Certificate of entitlement in 2011:*

In this regard the Geneva Office had reinforced its role by making it possible to return the certificate directly to it or to use an electronic file that was available.

*Work after retirement*

The meeting was reminded that the Pension Fund imposed no restrictions. Limits were set by the human resource departments of certain organizations. However, pension payments were temporarily stopped in the case of employment involving a resumption of contributions to the Fund.

If someone was re-employed after retirement and resumed contributions to the Fund, the payment of his original pension was suspended; a new pension number was then given him. It was only after FIVE years of such employment that the person concerned could claim a new pension which would be added to the previous one; before five years had elapsed he could recover his contributions by a withdrawal settlement.

M. Ferrari mentioned article 40 of the Fund's Regulations as adopted by the United Nations General Assembly. It was the provisions of that article that applied in the case of a retiree who resumed professional activity. Mr.A. Bacar Said confirmed that information.

N.B. M. Bacar Said later confirmed by e-mail that a retiree having resumed participation in the Fund might after separation before FIVE years had passed opt for an additional pension or 'add-on benefit'. That pension would be calculated separately under a new retiree number.

### *Advice and information*

Mm. Chauveau-Bais encouraged retirees to contact the Fund, either by making an appointment to visit its office (visitors' parking available or by F or 28 bus) or by telephoning or writing an e-mail; in the latter two cases it would take longer to get a reply.

### *Website*

There were several web portals, one specifically adapted for beneficiaries using their access code. Apart from the information booklets they would find details concerning the quarterly amount of their pension.

Mr. Askew thanked Mme. Chauveau-Bais warmly for the quality of her presentation and opened the floor for participants' questions.

A participant deplored the fact that, after consulting the website, she had still been unable to discover the amount paid her each month. She was reminded that a quarterly statement was sent by post to each retiree and that the amount of health insurance might also fluctuate during the quarter. She was invited to contact a representative of the Fund directly.

Question: would the amount of the final pension be calculated over 5 or even 10 years as had been proposed?

Answer: the principle had been accepted, but its application depended on an improvement in the actuarial situation.

Mr.Hanus referred to the deduction imposed since 1994 on the first pension adjustment.

Answer: the actuarial situation was difficult, but that deduction had gone down from 1.5% to 0.5% in stages. The elimination of the deduction was one of the priority issues for FAFICS, as indicated in paragraph 38.2 of the report.

Question concerning the salaries of Pension Fund staff.

Answer: they were paid by the UN as part of the administrative budget of the Fund. Mr. Ferrari added that this administrative cost was lower than in private pension funds.

Concerning the change in the calculation of average exchange rates from 36 to 120 months, it was stated that that would apply only to new retirees.

Question concerning the definition of a participant

Answer: a participant is one who pays contributions.

In that regard the fact was emphasized that nowadays career paths in the international organizations were very different from the past when people often had a

long career in the same workplace. Nowadays people worked/ceased working/became consultants/worked part-time/requested leave without pay etc., all of which made employment more complex and the professional lives of staff more precarious.

Mr. Tholle recalled that a large part of the increase in the number of participants in the UNJSPF was due to a rise in the numbers of peacekeeping personnel and field missions that were more and more numerous. These staff experienced difficult conditions: short-term assignments, distance from their families, with possible costs involved.

A representative of the AOMS asked for a joint meeting to be organized with sister organizations to debate all these matters.

In view of the many different questions, Mr. Eggleston recalled the existence of the annual letter (in English and French) from the CEO of the Fund which could partially answer some of the questions raised. The 2012 letter had been published in the April Bulletin of AAFI-AFICS and was also available on the Fund's website.

Mr. S. Mbele-Mbong, Vice-President of AAFI-AFICS responsible for pension matters, wished to stress the excellent and valuable links and collaboration with the Fund over the past few years and expressed the hope that everything would be done to maintain them.

Mr. V. Garcia proposed that an annual statement of contributions received be placed on the website. Such a procedure had not for the present been sanctioned by the administrators, replied Mr. Bacar Said. Mr. Ferrari recalled that the certificate provided by the Pension Fund and sent out at the time of tax declaration did not indicate the amount the beneficiary paid for health insurance coverage.

Mme. Chauveau-Bais wished to express her thanks for the pleasant co-ordination between AAFI-AFICS and the Fund; thanks to that the staff of the Fund were kept better informed of the expectations of beneficiaries or the difficulties they might encounter. She also welcomed the future President of the Association.

Mr. Askew thanked everyone who had taken part in the debate and proposed taking up the next item.

#### 4.3 Health insurance matters §20-31

With regard to after-service health insurance (ASHI), Mr. Eggleston stressed that that was being carefully followed by AAFI-AFICS in close co-operation with FAFICS. A report containing purely factual information (see para.22 of the March Bulletin) was

being prepared; according to a recent message from Mr. Monnier in New York, the report would not be presented to the General Assembly until 2013.

While it was still a 'hot potato', Mr. Eggleston intimated that there would be a little less tension around this question than last year, as a result of the departure of several persons involved in the option; however, vigilance remained essential. He indicated that at present the affair only concerned persons who had worked at the United Nations, not those who had worked for other organizations, such as the ILO, WHO or ITU.

At all events, it was highly desirable that rights to medical coverage be maintained for all retirees.

Mr. Eggleston confirmed that, if the United Nations General Assembly did decide to modify the right to insurance on retirement, acquired rights would doubtless be honoured. In contrast, nothing could be asserted with regard to any increases in contributions. It should however be recalled that the General Assembly remained the sovereign decision-maker concerning, here, retroactivity, increases etc.

Mr. Eggleston had no answer to M.D. Ray's question concerning a possible increase in premiums. He referred to the resolution adopted in 1958 highlighting the need to set up a social security while leaving each country and place free to determine modalities and measures. Any increase in premiums would only take place after an actuarial study.

#### 4.4 Taxation

Taxation of the lump sum in France was at present the chief subject of concern. After contacts with a deputy from Hte.Savoie and with the Secretary of the Pension Fund, Mr. Ferrari recalled that according to article 163bis of the Tax Code, payment of a lump sum would be exempt from taxation if the contributions made when the rights were constituted were not deductible from taxable income. That interpretation remained to be confirmed by the French authorities and a written confirmation on the matter was awaited before any information was circulated. A certificate from the ICSC showing that the 'staff assessment' (tax at source paid by the staff of international organizations) was deducted from pensionable contributions would be most useful in this case. As Mr. Askew stressed, the importance of the matter meant vigilance was required.

Klaus Netter stated that a tax declaration had to be made to the United States by all U.S. retirees resident in France, according to a treaty between the United States and France. Different interpretations of the treaty were going the rounds, especially regarding the notion of an American-derived pension contained therein.

According to Mr. Eggleston, a U.S. national, if residing in France, did have an obligation to make a tax declaration to the United States. A similar situation existed between Canada and the USA.

Where other nationalities were concerned, Mr. Ferrari noted that our pensions did not concern the institutions of any country, but were proper to the United Nations. Mr. Prémont confirmed that it was a question of immunity which the States endorsed in 1946 and that under international law the United Nations organizations enjoy privileges and immunities.

The matter remained under consideration in AAFI-AFICS with a view to a legal solution.

#### 4.5 FAFICS

Mr. Eggleston introduced Mr. Andres Castellanos, present President of FAFICS and Mme. Katia Chestopalov, Vice-President for external affairs.

Regarding this item too, he added, there was need for vigilance concerning the 10 priority issues (see para.38 of the March 2012 Bulletin) that the members of the FAFICS Council had adopted and upheld at the July 2011 session of the UN Joint Staff Pension Board.

Mr. Castellanos warmly thanked AAFI-AFICS, and more especially Mr. Eggleston, for his constant support of FAFICS and was pleased that he would be succeeded by Mr. Ferrari.

FAFICS had to date nearly 50 member associations. The fact that it had held its Council session at headquarters in Geneva in July last year was important, because it was there that future action needed to be concentrated.

The increase in the number of member associations, from 30 to 50, or about 18,000 persons, was something to be encouraged. So, thanks and congratulations to all who endeavoured to persuade associations of the need to join.

The actuarial situation for the current year revealed a deficit of nearly 1%. A report would be submitted to the next UN General Assembly. The deficit could be explained by the game of 'carrot and stick' resorted to under threats of privatization.

An always sensitive issue was the considerable reduction in the purchasing power of retirees victims of the bank charges that some countries imposed (often outside Europe). The Fund had not been able to resolve that problem, but continued to take action, particularly since the reduction sometimes affected half of the pension received, which in the case of small pensions had disastrous consequences.



The two-track system must be upheld and a review of methodology encouraged (the adoption of special measures for pension adjustment, for example).

On the subject of bank charges, UNDP had recently announced that it would withhold 1% of retirees' pensions if it was to serve as intermediary. Were our own colleagues following the banks' example then?

Finally, Mr. Castellanos announced that this year would see the conclusion of his work in FAFICS and spoke of the pleasure and honour it had been for him to collaborate with everyone.

Mr. Askew thanked him warmly for the work accomplished over the many years he had devoted to FAFICS.

Jean Hanus expressed his concern regarding at least three of the aims in paragraph 38, which were, in his view, contrary to the interests of the Fund and therefore to those of retirees:

- A possible return to the dollar track;
- Eliminating the negative CPI adjustments
- Absorbing bank charges.

Mr. Ferrari assured him that each of those points would be discussed at the forthcoming FAFICS session, but that the debate would doubtless be influenced by the results of the actuarial study scheduled for June. The suggestion to increase the normal retirement age to 65 seemed to be a priority since life expectancy had been increasing by a quarter every year and since 1990 (age raised to 62) that increase had been some five years. Such a change would improve the actuarial situation by almost 1%. Mr. Castellanos pointed out that the ten priority issues relating to pensions had been adopted unanimously by the FAFICS Council.

#### 4.6 Relations with the local community

Mme. K. Chestopalov stated that she had participated in all the organs of the Federation, including the Board and that she had been taking care of communications locally with Geneva and neighbouring France. The contacts we had with the various platforms were constantly increasing. She took the opportunity to thank the representative of the Geneva Cité-Seniors, Mr. Stéphane Birchmeier, for his presence.

The tasks involved covered various aspects: social/the elderly/medical services/development of social policy for the elderly (mobility, living standards etc.). She offered hearty congratulations for all that had been done in those areas in Geneva and the Canton and emphasized that this seemed to be easier in Switzerland than in France, though that had not prevented her from establishing

excellent relations with the administration in Gex and also in Hte. Savoie, to the point where a data base could be set up. Specific information and figures would be published in the next quarterly Bulletin.

Mr. S. Birchmeier, social services representative of the City of Geneva, welcomed the links forged with AAFI-AFICS and stressed how important they were to Genevans, for they enabled them to draw closer to the world of international institutions in the persons of the Association members. What was more, many international people stayed on in Geneva after retirement, hence their desire to strengthen the links.

Mr. Askew thanked him warmly, adding, "You have been able to see now that we are human beings like the rest!" It was a pleasure to have ties with those residing throughout greater Geneva.

#### 4.7 Information Seminar 2012

Mr. Eggleston announced that a seminar entitled "Ageing at home" would be held in the afternoon of 25 September at the ILO. Further information on the subject would be provided later.

#### 4.8 United Nations International Day of Older Persons

Mr. Eggleston emphasized the fact that it was important to maintain and preserve the rights of the elderly to the best extent possible. The International Day had been celebrated in 2011 and had been followed by a panel discussion in January 2012 the report of which was available and would be published in the forthcoming AAFI-AFICS Bulletin.

#### 4.9 Anti-flu vaccinations

Mr. Eggleston pointed out that these had given AAFI-AFICS an opportunity to organize a friendly, welcoming 'coffee and biscuits' for the retirees coming to the Palais to be vaccinated. The hope was that the ILO, like WHO and the UN Geneva Office, would follow suit.

#### 4.10 Social Welfare Officer

Mr. Eggleston informed the meeting that, as mentioned earlier, the Association now had a new Social Welfare Officer, Mme Nicole Yersin, who was assisted by Mme. F. Henry regarding claims from UNOG health insurance.

#### 4.11 The Shakespeare group

Mr. Eggleston gave a nod in the direction of this very faithful group, which was now meeting once a month in Morges where its 'muse', Mr. Aamir Ali had taken up residence;

#### 4.12 Thanks

After having expressed his thanks to all those who took part in our activities, in particular the social and cultural ones, Mr. Eggleston did not want to forget to congratulate Ms. Jane Brooks, editor of the Bulletin, and her collaborators Mme E. Belchamber and, for the computer side of things, Mr. D. Helland.

Mr. Askew thanked Mr. Eggleston for his good and loyal services to AAFI-AFICS.

Mr. Bacaly offered Mr. Askew thanks for having been such a pleasant chatterbox and for his masterly conduct of the debate.

### **5 Accounts for 2011 and related matters**

Under this item, the accounts were first presented. Mr. Narasimhan, the Association Treasurer, took the floor first to thank the two auditors, Mr. V. Garcia Garnatéo and Mr. Rharha, who had made some changes to improve the presentation and then proceeded to read out the accounts (reproduced elsewhere in the present Bulletin).

The Treasurer highlighted two points:

- The third party insurance taken on decision to cover any visitor to AAFI-AFICS premises;
- A slight improvement in deposits to the MEC.

The auditors noted that the accounts were well kept and moreover well documented and thanked the accountant for such a good job.

Referring to the heading 'expenditure' a participant asked why the amount for office supplies had almost doubled since last year. The Treasurer replied that it was probably due to the expenditure on photocopies occasioned by last year's FAFICS meeting and pointed out that the allocation for this item in 2012 was considerably lower.

A participant inquired whether, apart from the MEC (where AAFI-AFICS funds were deposited), any other investment bodies had been consulted. The Treasurer replied that, since the MEC was not taxed the Association had not thought it necessary to turn to other bodies which in any case did not pay higher interest on deposits. Mr. Askew backed that up, saying that the budget as drawn up was satisfactory and moreover, very transparent.

### **6 Appointment of auditors for 2012**

The Treasurer informed the meeting that the two auditors, Mr. Garcia Garnatéo and Mr. Rharha had agreed to continue in office and sought the meeting's approval; there being no objection, the two auditors were re-elected for a further year.

## **7 Other business**

The meeting had run smoothly, thanks to the assistance of the interpreters. Mr. Askew thanked them warmly on behalf of all and, before closing the meeting, asked if anyone present had any other questions.

Mr. A. Tholle expressed his sincere hope of seeing Mr. Eggleston among us again and Mr. Askew replied that he would be there.

The meeting was adjourned at 12.30 p.m.