EPOPO FAO IAEA ICGEB
ICCROM ICAO ICC IFAD
ILO IMO IOM IPU ISA ITU
ITLOS STL UNESCO UNIDO
UN WHO WIPO WMO WTO
Overview of the Fund’s activities
Key Messages
The Fund is in a good situation. Strongly funded and solid operational numbers.

New system provides the platform for meeting increasing demand for more and new services.

Many new initiatives.

However, the Fund operates with very limited resources in a changing and challenging environment which requires the Fund to be agile and flexible.
Challenges
- Increasing
  - population being serviced (200,000+)
  - complexity (665 embedded calculations)
  - age of retirees and other beneficiary population
  - geographical dispersion (190 countries)
  - client service demands
  - efficiency demands (do more with less)
  - operational volume
  - requests for enhanced communications

- Limited Resources not increasing at same pace
Solvency
Historical differences between required and actual contribution rates

Negative trend
## Change in Surplus/Deficit

<table>
<thead>
<tr>
<th>Valuation Date</th>
<th>Total Required</th>
<th>Fund's Rate</th>
<th>Excess Over Fund's Rate = Imbalance/(Surplus)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2015</td>
<td>23.54</td>
<td>23.70</td>
<td>(0.16)</td>
</tr>
<tr>
<td>31 December 2013</td>
<td>24.42</td>
<td>23.70</td>
<td>0.72</td>
</tr>
<tr>
<td>Change over Biennium</td>
<td>(0.88)</td>
<td>---</td>
<td>(0.88)</td>
</tr>
</tbody>
</table>

- Improvement in 2013 115 bps
- Improvement in 2015 88 bps
- Overall improvement (2011-2015) of 203 bps - very significant improvement
Operational Overview
New pension benefits
August 2015 - January 2017

“new normal” 49% above

Notes: *Benefits awarded to participants or their beneficiaries during 2014, under the old legacy system
** Includes Task Force numbers (March to June 2016 ad hoc Task Force, October to November 2016 Temporary Task Force)
1,250,000 payments (since inception of new system) paid accurately, on time and without interruption
- In 190 countries and 15 currencies
- Adjusting pensions quarterly by more than 100 CPI and FX

Largest and most complex payroll in UN system

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Jul-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement</td>
<td>26,557</td>
</tr>
<tr>
<td>Early Retirement</td>
<td>15,834</td>
</tr>
<tr>
<td>Survivor</td>
<td>12,256</td>
</tr>
<tr>
<td>Children</td>
<td>9,096</td>
</tr>
<tr>
<td>Deferred Retirement</td>
<td>7,760</td>
</tr>
<tr>
<td>Disability</td>
<td>1,417</td>
</tr>
<tr>
<td>Secondary Dependent</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total Entitlements</strong></td>
<td><strong>72,963</strong></td>
</tr>
</tbody>
</table>
UNJSPF

Analysis of workflow statistics - As of January 1, 2017

- **Number of actionable cases ready for processing on 1 December 2016**: 485
- **New initial separation (benefit) cases received in December 2016**: 983
- **Reduction of cases in December 2016**: 1,101
- **Ending balance of actionable initial separation cases ready for processing on 1 January 2017**: 367

*22% higher than the 10-year monthly average*

UNJSPF, on average, is processing more than 1,000 cases per month
The number of presumed new actionable cases at the end of each month has continually decreased.

The number of remaining workflow cases at the end of January is only 367.

Starting point
1 March 2016

Roughly one tenth

UNJSPF, ON AVERAGE, IS PROCESSING MORE THAN 1,000 CASES PER MONTH
### Delays in sending separation documentation to the Fund
#### New cases

**Number of days taken by Member Organizations to send the separation documentation to the Fund**

For new actionable cases in September 2016

<table>
<thead>
<tr>
<th>ORGANISATION</th>
<th>0-60 days</th>
<th>61-90 days</th>
<th>91-120 days</th>
<th>over 120 days</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN FAMILY</td>
<td>201</td>
<td>164</td>
<td>71</td>
<td>310</td>
<td>746</td>
</tr>
<tr>
<td>SP.AGENCIES</td>
<td>130</td>
<td>43</td>
<td>34</td>
<td>108</td>
<td>315</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>331</strong></td>
<td><strong>207</strong></td>
<td><strong>105</strong></td>
<td><strong>418</strong></td>
<td><strong>1061</strong></td>
</tr>
<tr>
<td>UN FAMILY</td>
<td>26.9%</td>
<td>22.0%</td>
<td>9.5%</td>
<td>41.6%</td>
<td>100%</td>
</tr>
<tr>
<td>SP.AGENCIES</td>
<td>41.3%</td>
<td>13.7%</td>
<td>10.8%</td>
<td>34.3%</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>31.2%</strong></td>
<td><strong>19.5%</strong></td>
<td><strong>9.9%</strong></td>
<td><strong>39.4%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

### Aging of cases that became calculable in JAN 2017

<table>
<thead>
<tr>
<th>ORG NAME</th>
<th>0-30 days</th>
<th>31-60 days</th>
<th>61-90 days</th>
<th>91-120 days</th>
<th>over 120 days</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>232</td>
<td>175</td>
<td>116</td>
<td>62</td>
<td>418</td>
<td>1,003</td>
</tr>
<tr>
<td>Total (%)</td>
<td>23%</td>
<td>17%</td>
<td>12%</td>
<td>6%</td>
<td>42%</td>
<td>100%</td>
</tr>
</tbody>
</table>
The United Nations Joint Staff Pension Fund launched its Member Self-Service tool at the end of August 2016. This innovative tool will give members the possibility of consulting their own accounts in real time. As all service industries trend towards self-service solutions for their members so has the UN Pension Fund. “We are very pleased to make this long awaited service available,” explained the Chief Executive Officer of the Fund Mr. Sergio Arvizú. The new service, which is more secure, will allow retirees, beneficiaries and participants access to their own real-time account information and has special features facilitating their interaction with the Fund and their ability to review their own information. The United Nations Pension Fund employs 272 people, of which 187 service its 200,000 members living in more than 190 countries and territories. This new tool will greatly enhance service and the ability of the Fund to respond to its members’ needs faster. For more information visit the UNJSPF Website unjspf.org.

More than 60,000 registered users

6 Instructional Videos (also available in “YouTube”)
A flexible capacity to meet unforeseen “surges”

✓ Team on board and fully operational

✓ Already calculated and paid **more than 2,000** new initial benefits
Number of new cases received in the Fund reflect major increase from the average monthly intake (60% more in UN Funds and Programmes) due to downsizing of peacekeeping missions and efforts from member organizations to send in a more expedited manner the separation documentation to the Fund.

- +300 cases received from UNAMID (Mission in Darfur)
- +3,000 DFS separations in 2016-17
- +700 old cases being sent to Fund
• Joint initiative UN (DM, DFS), UNICEF, WHO, FAO/WFP.

• Only after receipt of all separation documentation and payment instructions/election of benefit, can case start processing.

• On average processing in around a month. Straightforward cases are being processed within 15 working days.
End-to-End Review

The process from separation to submission and receipt of all required documentation and information to the Fund.

(Kick-off 7 October 2016)

Looking for ways to streamline the entire process – from separation to receipt of documents to payment.
✓ Operational since October 2016

✓ Available 07:00 a.m. to 07:00 p.m. (New York time) Monday to Friday.

✓ The number for New York is: + 1 (212) 963-6931. Geneva: + 41 22 928-8800

✓ For survivor’s benefit, which are always the Fund’s highest priority, there is a special option on the Fund’s call tree to ensure these calls are addressed quickly.
Longer Term Strategies
Strategic Framework

- Strengthened governance
- Ensuring the Fund is an agile organization
- Enhancing the service-orientation
- Using Information Technology as an agent for change
- Achieving investment objectives (3.5% real return)
o More resources to modernize and professionalize in response to significant increase in demand (and changing needs)

o Re-organize – Structure and process changes (centralize all client services activities; head service with senior manager due to the importance, scale and complexity)

o Better locate – Establish regional client service hubs given the geographical dispersion of participants, retirees and beneficiaries.

o Leverage IT – Extend self-service

o Co-source – retain in-house value-added complex services with more ‘commoditized’ services to be provided by other UN org. Focus on becoming more effective and efficient
Conclusion
The Fund faces aging, growing global demand as well as many risks and challenges.

During mid 2000’s the Fund was facing both negative solvency trend and severe operational challenges.

The Fund operates with a very compact structure and has limited resources. The Fund has a highly complex plan design and also a complex governance structure.

The Fund operates in a rapidly changing and volatile environment.
The new system (IPAS) is the most important undertaking of the Fund in a generation. It has repaired severe limitations and vulnerabilities. It provides a solid foundation for operational sustainability and future growth.

Significant progress achieved on all aspects of the Fund (including financial management, IT, operations, payments, risk management, governance, audit, etc.)

The Fund has a “vision” to go forward, clear priorities, coordinated strategies and actions, an effective management team, as well as excellent guidance and oversight from the Pension Board and its Committees.
Thank You!

Questions and Answers