



# UNJSPF

United Nations Joint Staff Pension Fund

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ICCROM ICAO ICC IFAD  
ILO IMO IOM IPU ISA ITU  
ITLOS STL UNESCO UNIDO  
UN WHO WIPO WMO WTO

# **United Nations Joint Staff Pension Fund**

## **Overview of the Fund's activities**

**February 2017**

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## Key Messages

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- 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

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STRATEGIC		GOVERNANCE		OPERATIONS		COMPLIANCE		FINANCIAL	
Planning and Resource Allocation		Governance and Oversight		Operations		Legal		Funding and Investments	
1	Vision and Mandate	12	Governing Bodies	26	Investments Process Efficiency and Effectiveness	45	Contract	51	Solvency - Asset Liability Management
2	Strategic Planning	13	Risk Management and Control Environment	27	Benefits Processing	46	International Organizational Scope	52	Solvency - Funding
3	Budgeting	14	Internal Audit Effectiveness	28	Client Services	47	UN Regulatory Structure	53	Cash Management
4	Budget Allocation	15	Governance (Organizational Structure) and Internal Factors	29	Records Management	48	Privacy and Confidentiality	54	Actuarial Valuation
5	HR Strategy and Planning	16	Performance Measurement	30	Benefit Payments (Payroll)	49	Internal Policies and Procedures	55	Risk Tolerance
6	Organizational Synchronization	17	Transparency	Support Services		Intellectual Property		56	Investment Manager Performance
7	Use of UN Machinery	18	Leadership and Management	31	Procurement	50	Knowledge Management	57	Market Risk - Financial Markets
8	Technology Strategy	Ethical Behavior		32	Asset and Inventory Management			58	Tax Exemptions
Internal and External Factors		19	Ethics	Human Resources				59	Investment Research
9	External Political and Economic Factors	20	Fraud and Corruption	33	Talent Retention (Compensation)			60	Investment Risk Reporting
10	Organizational Transformation / Change Management	21	Conflicts of Interest	34	Recruitment			61	Investment Performance
11	Decentralized Processes	Communications		35	Succession Planning and Promotion			62	Hedging
		22	Communications to / from Management	36	Performance Management and Accountability			63	Discretionary Advisor Performance
		23	Communication to / from Stakeholders	37	Training / Development			Accounting and Reporting	
		24	Personnel Communications	Information Resources and ICT				64	Financial Reporting Controls
		25	Misinformation / Reputation	38	ICT System Implementations			65	Financial Management and Reporting / Technical Accounting
				39	ICT Security and Access				
				40	Business Continuity / Disaster Recovery				
				41	ICT Infrastructure & Systems				
				42	ICT Change Management				
				43	Managed IT Service Delivery Model				
				44	Data Integrity / Interfaces				



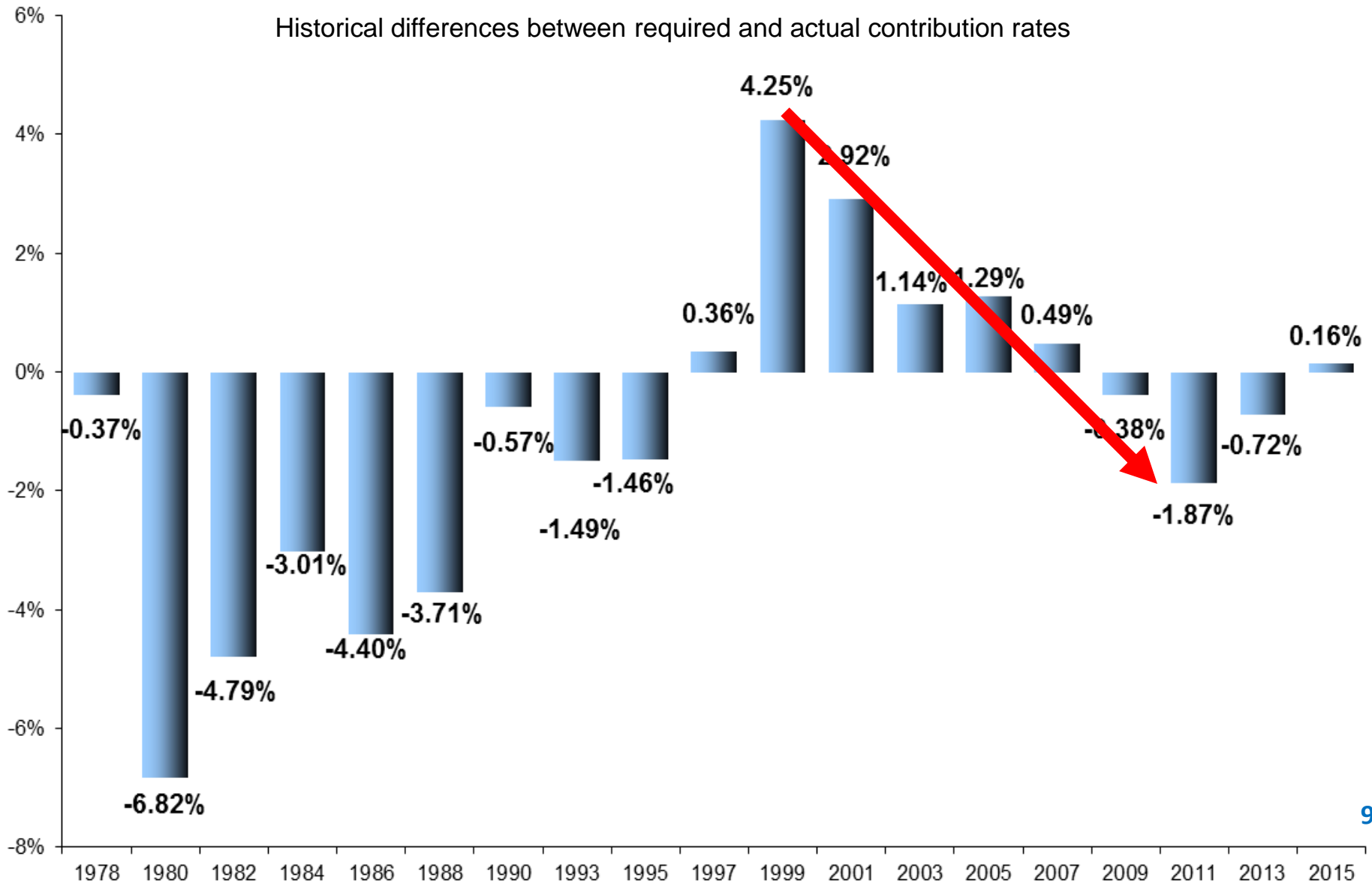
### **- Increasing**

- 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







Valuation Date	Contribution Rate (As Per Cent of Pensionable Remuneration)		
	Total Required	Fund's Rate	Excess Over Fund's Rate = Imbalance/ (Surplus)
31 December 2015	23.54	23.70	(0.16)
31 December 2013	24.42	23.70	0.72
Change over Biennium	(0.88)	---	(0.88)

- ✓ Improvement in 2013 115 bps
- ✓ Improvement in 2015 88 bps
- ✓ Overall improvement (2011-2015) of 203 bps - very significant improvement



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# Operational Overview

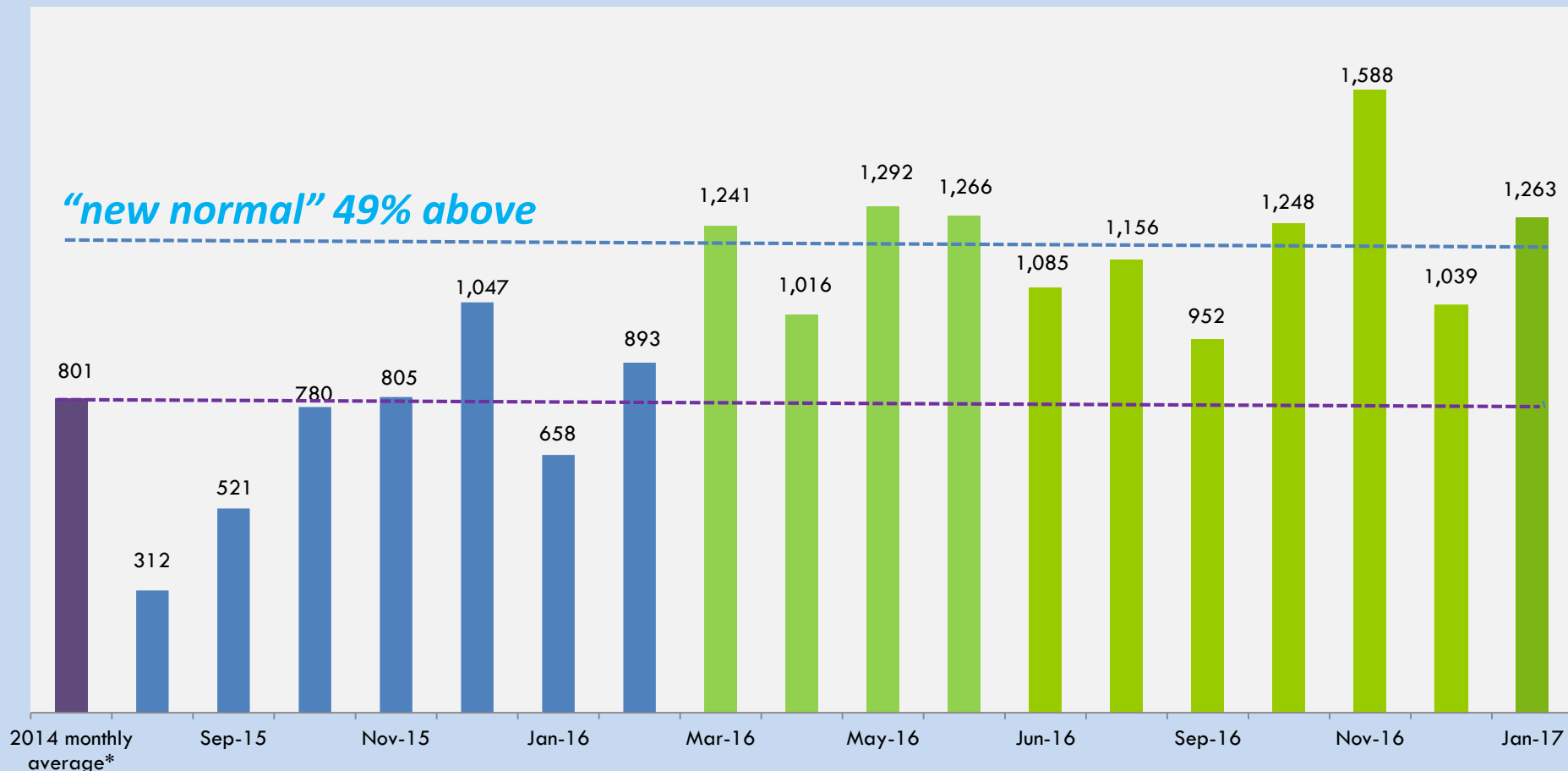
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### New pension benefits

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)

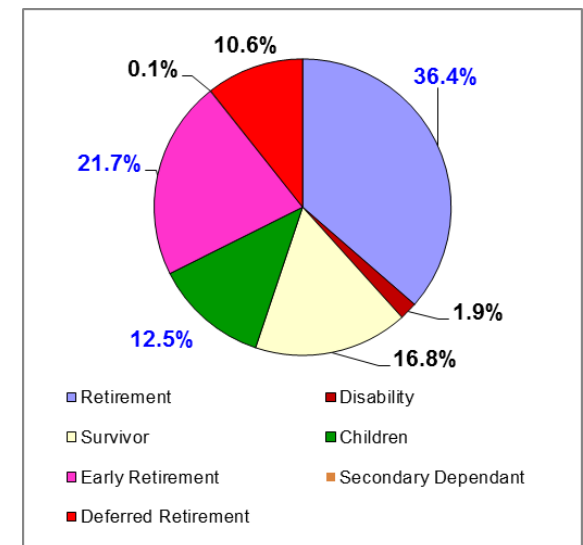


- 1,250,000 payments (since inception of new system) paid accurately, on time and without interruption
- In 190 countries and 15 currencies
- Adjusting pensions quarterly by more than 100 CPI and FX

### Largest and most complex payroll in UN system

Benefit Type	Jul-15
Retirement	26,557
Early Retirement	15,834
Survivor	12,256
Children	9,096
Deferred Retirement	7,760
Disability	1,417
Secondary Dependent	43
Total Entitlements	72,963

Benefit Entitlement Distribution





# 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



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ENDING BALANCE OF ACTIONABLE INITIAL SEPARATION CASES READY FOR PROCESSING ON 1 JANUARY 2017

367

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

3,436

*Roughly one tenth*

\* 22% HIGHER THAN THE 10-YEAR MONTHLY AVERAGE

UNJSPF, ON AVERAGE, IS PROCESSING MORE THAN 1,000 CASES PER MONTH

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

Aging of cases that became calculable in JAN 2017						
ORG NAME	0-30 days	31-60 days	61-90 days	91-120 days	over 120 days	TOTAL
Total	232	175	116	62	418	1,003
Total (%)	23%	17%	12%	6%	42%	100%



## New Initiatives

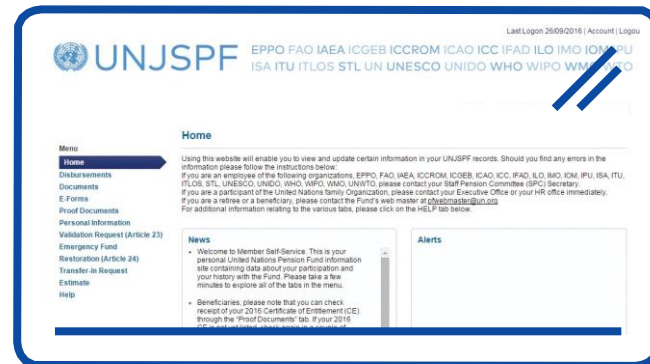
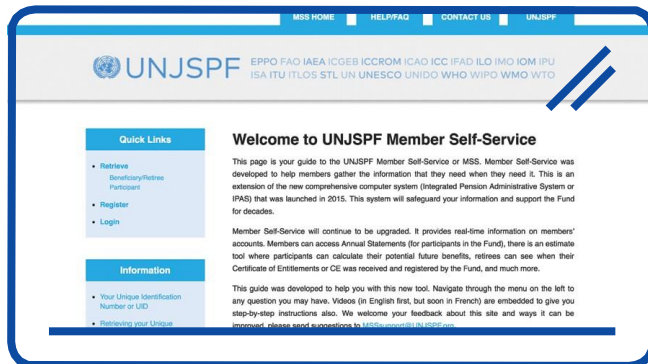
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## More than 60,000 registered users

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,

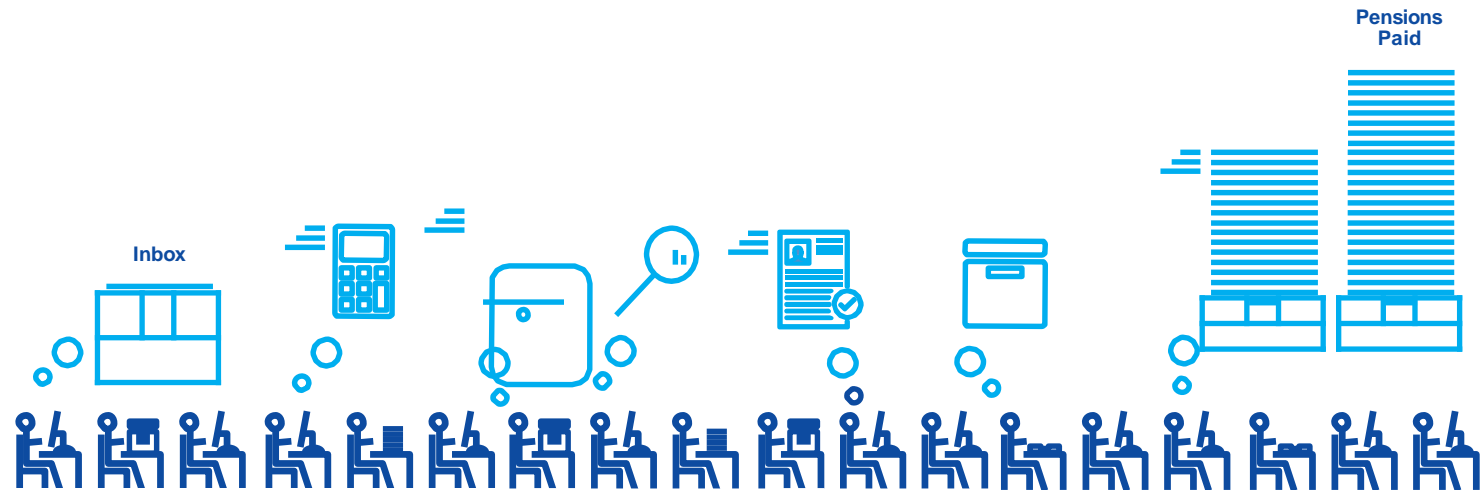
beneficiaries and participants access to their own real-time account information and has special features facilitating their interaction with the Fund and their ability to review their own information. The United Nations Pension Fund employs 272 people, of which 187 service its 200,000 members living 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](http://unjspf.org).



## 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



## 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)



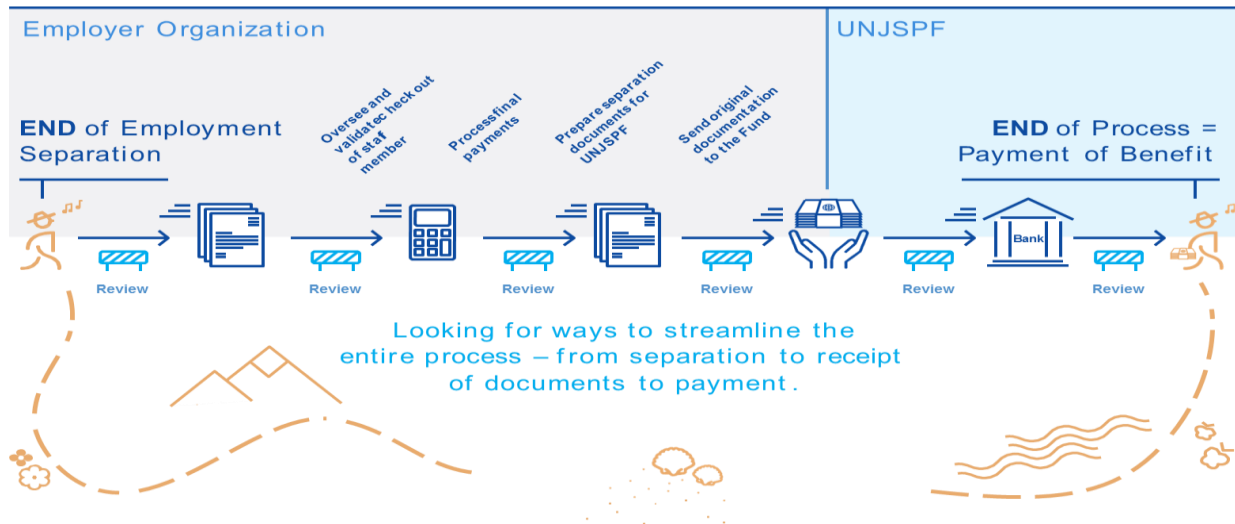
- Joint initiative UN (DM, DFS), UNICEF, WHO, FAO/WFP.
- Only after receipt of all separation documentation and payment instructions/election of benefit, can case start processing.
- On average processing in around a month. Straightforward cases are being processed within 15 working days.



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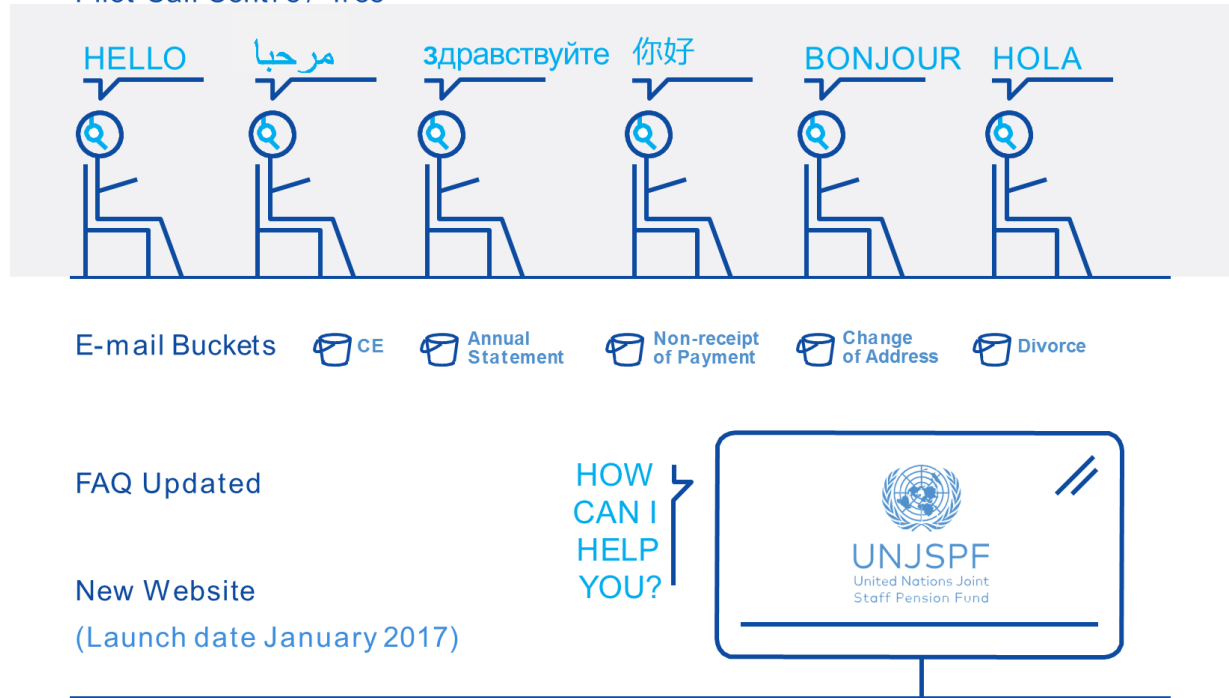




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## Pilot Call Center in New York

Pilot Call Centre / Tree



- ✓ 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





- ***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)



- **More resources to modernize and professionalize in response to significant increase in demand (and changing needs)**
- **Re-organize** – Structure and process changes (**centralize** all client services activities; head service with **senior manager** due to the importance, scale and complexity)
- **Better locate** – Establish **regional client service hubs** given the geographical dispersion of participants, retirees and beneficiaries.
- **Leverage IT** – Extend **self-service**
- **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**



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