



STATE OF THE FUND: 2017

Introduction

Last year was the most important transformational year in the Fund's history. In 2016, the Fund successfully implemented its new IT system and adopted a new Target Operational Model. Implementing



this modern and agile operational platform allowed the Fund to cope with the significant surge in the number of separations coming mainly from peacekeeping, and has permitted the Fund to also launch a series of Client Service initiatives.

In 2017, the Pension Fund is concentrated on strengthening its Client Services, in New York, Geneva, and in other UN offices.

There have been a number of positive developments at the Fund since the beginning of the year. First and foremost is the fact that the Fund is able to process 80% of all cases it receives (with accurate and complete documentation) within 20 business days, and expects this rate to continue to steadily increase to 100% of cases soon, leveraging the additional increased capacity brought by the new operational Task Forces.

The Pension Fund is working to reinforce and strengthen its client service unit in New York, making it possible to answer more phone calls and to reply to e-mails faster. The Fund's management acknowledges the endemic limited resourcing and corresponding shortcoming in this area.

The fully operational pilot Call Centre project, working from 7 a.m. to 7 p.m. (New York time) began answering all queries (as opposed to just Member Self-Service related queries) in December 2016, and in January answered almost 571 calls representing 82% of all calls received.

Shortly, the Fund will be launching a totally new, comprehensive and easier to use website, in addition to a series of innovative and fun whiteboard "how-to" videos. These videos will be added to the website and the Fund's YouTube page between April and June 2017.

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This technological innovation is part of a long-term strategy presented to the Board several biennia ago, that has been gradually refined and finally presented to the Pension Board for its consideration during its sixty-third session. The Fund has initiated establishing the cornerstones of the new service delivery model to ensure that it communicates with its members securely and quickly. This vision will be built into the biennial budget presented to the sixty-fourth UNJSP Board in July of this year.

As part of this effort, the Fund, with the support of UNON, has established a UNJSPF liaison presence in the East Africa region with the objective of building capacity, presenting pre-retirement and post-retirement seminars, and assisting in improving the timeliness, completeness and accuracy of the separation documents sent to the Fund, thus improving the overall client experience of the Fund's participants, retirees and beneficiaries.

In an effort to extend its outreach activities in March, the Fund deployed training, capacity building, and client servicing missions to Afghanistan and Lebanon.

The Fund rolled out a new feature through its Member Self-Service tool (which has more than 66,000 users today) that will allow individuals in the process of separating to monitor for themselves when the required separation documentation from them and their employer has reached the Fund, and whether this documentation is complete and accurate.

The Fund will continue to make information available via a periodic newsletter, its website, and by holding seminars and open meetings with concerned beneficiaries, partner organizations, and Fund participants.

During March, after a recent rally in the financial markets, the market value of the assets of the Fund reached 57 billion USD.

Also as part of the Fund's on-going commitment to overall out-reach efforts, the UNJSPF Geneva office participated in a pre-retirement seminar at UNOG. Though not always possible due to a large workload, Fund staff work to find time for personal outreach opportunities. This represents the first in a number of initiatives which will be undertaken to improve communication and client service efforts.

Sergio B. Arvizú, Chief Executive Officer, UNJSPF

Elite Quality Recognition Award

In March 2017, the Pension Fund received - for the second year in a row - the Elite Quality Recognition Award for achieving 99.24% "straight through processing" of its 900,000 payments dispersed globally in at least 190 countries.

Each month, the Pension Fund pays more than 75,000 individuals in 15 currencies, quarterly adjusting the pension payroll to consider movements of inflation and foreign exchange in more than 100 countries. More

than 99% of these payments are accurate, error-free, and require no follow-up. This is a remarkable rate for many reasons considering payment amounts must constantly be adjusted, and mailing addresses and bank information are changed often. It is not a system on auto-pilot.

The Pension Fund has won this "Best-in-Class" award after it introduced the new Integrated Pension Administration System, or IPAS. The award was delivered by Christine Lawrence and Gerry Murphy, executives from the Treasury Service Office of J.P. Morgan, who announced that the UN Joint Staff Pension Fund is actually "in a class of its own" as the only non-bank organization in the world to receive such an award.

The CEO of UNJSPF, Sergio B. Arvizú, received the award on behalf of the Pension Fund.

"Last year was a transitional year for the Fund and receiving this award again, for a highly efficient global disbursement ratio, demonstrates the hard work of our staff and the solid and modern IT and operational platform that was successfully implemented. Today, the Fund processes more pensions more efficiently than ever before," he stated.

New Website

Initial reviews characterize the new UNJSPF website as "accessible, easy to understand, and comprehensive." The communications team and all areas of the Fund have cooperated since October 2016



to assure that the website has all the information and access participants and retirees need to make informed decisions when joining, separating, or undertaking any process in between. The goal of the new website is to make information about your pension benefit more understandable, and the



process of carrying out your requests more efficient. Designed as a one-stop-shop for all information about the Fund, it will also be the number one Client Service tool, coupled with Member Self-Service, to make it easier and faster for UNJSPF participants, retirees and beneficiaries to access accurate information quickly.

Streamlining the Separation Process: End-to-End Review

The end-to-end review launched in October 2016 aims to look at the way the process from separation to entitlements can be streamlined, with the ultimate goal of improving the member experience. The review is conducted with the help of a specialized consulting firm and will cover the Fund, the



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)



Departments of Management (DM), Field Services, UNICEF, WHO, and FAO/WFP.

As the first entities, the review of the Fund's processes was conducted in parallel with the review of the United Nations Department of Management. A draft report has been issued and the Fund and DM are in the process of considering the recommendations and the best way to implement them. The consultants initiated the review of FAO/WFP and are working on the draft report. Visits to DFS, the RSCE in Entebbe, UNMIL, and WHO have been completed and the findings are

being drafted. UNICEF visit is scheduled for next week. The final report will be presented to the Pension Board in July 2017.



Expanding Member Self-Service-One Tool at a Time: Where is my case?

A new tool has been added to the Fund's Integrated Pension Administration System, known as the IPAS Member Self-Service (or MSS). You can now see on what date the Fund receives the required separation documents from you and your employer. This new tool allows the separating staff to actively participate in the separation-to-entitlement process by effectively monitoring and following-up his/her case and by providing any missing documentation or information. Functional since the beginning of March, the new tool has already allowed hundreds of people to monitor and follow-up on their separation process in real-time.

The essential "Proof Documents" are:

1. The original Payment Instructions (PI) Fund speak: Form: E6, E7, E8 or E2 (as applicable for your case). This document is the responsibility of, and must be signed by, the Staff Member in ink, and the Fund must receive the original. (It is also suggested that you send a voided check from the bank where the money will be sent, to guarantee that the banking information is clear).
2. The completed, original Separation Notification PF/4 for UN Family organizations or PENS.E/4 for Specialized Agencies.
3. Copy of the Separation Personnel Action (SEPPA) or P35 for UN Family organizations.

The new tool can be found in your Member Self-Service portal, under the heading "Proof Documents". It shows the name of the document, the date it arrived at the Fund and whether the document was accepted (met all requirements) or rejected. Once the Fund receives the complete set of required separation documents, it will begin to review the documents provided and process the case.

Other Proof Documents, which also will be seen through this tool, and must be submitted when requesting retirement or disability benefits are: copies of birth certificates of you and your eligible dependents and your marriage and/or divorce certificate(s). For more information about Member Self-Service, or any other aspect of the Fund please visit the website: unjspf.org

Facts and Figures

People served by the Fund 1 March 2017: 202,372

Statistics of the Workflow for the Month of March 2017



NUMBER OF ACTIONABLE CASES READY FOR PROCESSING ON 1 MARCH 2017

336



NEW INITIAL SEPARATION (BENEFIT) CASES RECEIVED IN MARCH 2017

1338



REDUCTION OF CASES IN MARCH 2017

1127

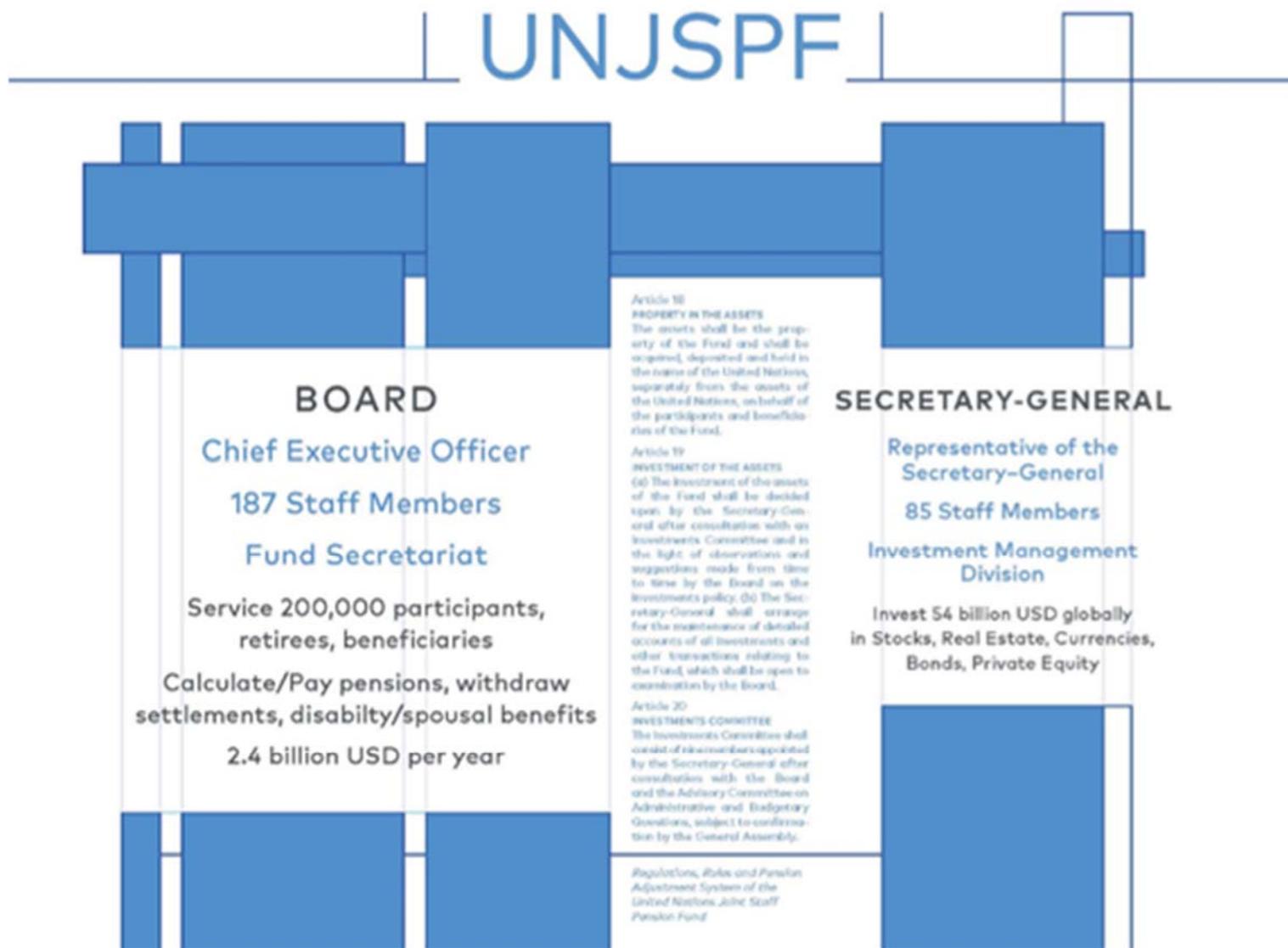


ENDING BALANCE OF ACTIONABLE INITIAL SEPARATION CASES READY FOR PROCESSING ON 1 APRIL 2017

547

EPPO FAO IAEA ICGEB ICCROM ICAO ICC IFAD ILO IMO IOM IPU
ISA ITU ITLOS STL UN UNESCO UNIDO WFP WHO WIPO WMO UNWTO

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Understanding Your Fund

Assets, Investment of Assets, Investments Committee

Articles 18, 19 and 20 of the *Regulations and Rules of the Pension Fund* set out to whom the assets of the Fund belong; who is responsible for the investment of these assets (the UN Secretary-General) and the role and structure of Investments Committee.

Meeting of the Chairman and CEO with the Secretary-General

In March 2017, the CEO Sergio B. Arvizú and the Chairman of the 63rd Board Vladimir Yossifov met with the Secretary-General Guterres to provide an overview of the Fund, an update on the very significant



progress achieved by the Pension Fund during 2016 and 2017, as well as the plans for the following biennia that will be presented to the Pension Board at its sixty fourth meeting. The informative working meeting was very productive, and the men were able to reach key agreements.

Carrying the Message: Outreach Mission

The Fund undertook its first 2017 Outreach Mission to member organizations' in the Middle East, East, and Western Asia. The mission provided support to client entities in the region by providing capacity building, holding comprehensive briefing sessions, and addressing all pension related concerns. With face-to-face interaction and on-site guidance, Fund representatives worked to improve pension related communications with the field, advance the process of accurately preparing and routing required pension related documentation from employing organizations to the Fund.

Two qualified UNJSPF representatives, **Christine Hofer**, Chief of Client Services, and **Sherry Austin**, Benefits Officer visited five regional duty stations and multiple field offices to accommodate briefing requests from as many offices as possible. In a span of 17 days, the UNJSPF team of representatives administered briefing sessions to regional duty stations in Kabul, Afghanistan, Amman, Jordan, Kuwait,



Christine Hofer and Sherry Austin in UNAMA, Afghanistan with CMS, Mr. Jorge Goncalves

Beirut, and Lebanon, as well as in multiple field offices including UNAMA, KJSO, UNIFIL, ESCWA, UNSCOL, UNAMI, and UN Agencies in Amman and Beirut, amongst others. The mission took place from March 23rd to April 9th, 2017.

Although visiting the broad region in such a short period of time was demanding, both Hofer and Austin expressed excitement and pride when discussing the journey. Both have significant experience visiting missions and agencies. "What makes this trip different," Hofer describes, "is that [these] clients' priorities everyday are determined by what is going on in their environment, so when we go there, we go with the

perspective of 'we serve the people who serve the world...' we can support them from this very administrative perspective." Additionally, Hofer emphasized the importance of ensuring that participants, retirees and beneficiaries as well as HR and payroll officers in the field are aware of all the benefits the Pension Fund provides them with, such as "very valuable coverage for risk of disability and death, which a lot of people are not aware of."

The Outreach Mission dedicated one to two full days to comprehensively cover all pension related communications in each of the duty stations. Briefing sessions will include at least one general briefing to all staff, one briefing for the Pension Focal points, and multiple one-on-one meetings for staff to address specific pension related concerns. On day one, the UNJSPF representatives will hold a Town Hall Meeting with all staff of the UN Office, a capacity building meeting with the Pension Focal Points in the UN Office, and one-on-one meetings to address participation requirements, benefit provisions, Member Self-Service, and all other general pension matters. On day two, the UNJSPF representatives held a Town Hall Meeting with staff close to separation to discuss pre-retirement requirements. Feedback is only beginning to come in to the Fund, but Ms. Dalia Darwish from the United Nations Kuwait Joint Support Office (KJSO) wrote this:

"I have just sat through what I believe are the most insightful two days with our colleagues from the pension fund: Christine Hofer and Sherry Austin. A lot of fog, mystery and cluelessness was simply dispelled as we were able to understand the true nature and effort behind this tiny operation (I can't believe you're only 170 people) to deliver what is in essence the promise of the United Nations to care for their staff and family after they are no longer in service. As I work in human resources, we do encounter a lot of forms, and sometimes our understanding as to why we use them or how they are used after we ship them to you, is sadly, very superficial. Christine and Sherry were able to impart detailed knowledge patiently, colorfully and interactively with examples and workshops with a true desire to connect and educate. I think this trip comes at a very important time for both the fund and us the staff, because we needed to understand it at several levels, professionals, participants and prospective beneficiaries. Recently, I often wondered how the pension fund works, how it was really doing and if it was/is in safe hands. I am glad to say that my faith is restored because the message was clear, understandable and delivered in person rather than a remote setting. No question was left unanswered."

Nairobi Liaison Office

Amongst the many new pilot initiatives to enhance UNJSPF services, one exciting opportunity stands out. The Fund has been working together with UNON to establish a United Nations Joint Staff Pension Fund presence in Nairobi, Kenya in order to provide capacity building and greater outreach to clients in Nairobi and in the surrounding areas. This opportunity is a part of a series of carefully coordinated initiatives



The UNJSPF delegation took a group picture with UNON HR staff following meetings in March. Rachel is sixth from the left.

presented in a “white paper” during the sixty third session of the Pension Board. The objective is to do more with less while at the same time enhancing the Fund’s services to participants and beneficiaries. The establishment of this pilot liaison office in Nairobi is not only an exciting opportunity for growth, but the project also emphasizes the Fund’s continued dedication to strengthening its ability as a global service provider for participants, retirees and beneficiaries.

The new UNJSPF Liaison Office in Nairobi will be led by **Rachel Kitambo**, a highly qualified staff member from the Fund’s New York Office. She will be supported by the appropriate staffing, administrative, technical, and logistical resources from the United Nations Office in Nairobi. In addition to many other important responsibilities, the UNJSPF Liaison Office in Nairobi will work to support missions in East Africa by providing pre-retirement seminars, training HR counterparts in pension matters, and supporting the submission of separation documentation to the Fund in a more expedited manner. With the potential to serve over 60 offices of UN Funds, Programmes, and Agencies in or operating from Kenya, including 25 Regional Offices, the UNJSPF Liaison Office in Nairobi will be a valuable addition to making the Fund more accessible.

[Committees Meet in New York](#)

The Audit Committee and the Assets and Liabilities Monitoring Committee (ALMC) met in New

York last month as part of their ongoing oversight role and in preparation for reporting to the Board in July. Both the CEO of the Fund and the Representative of the Secretary-General, in charge of investments, met with the committees.

Q & A with the Chair of the ALM Committee Pierre Sayour (Participant representative)

What is the ALM's Committee biggest concern right now?

Pierre Sayour: The long term biggest concern for us is what is enshrined in the Terms of Reference of the Assets and Liabilities Monitoring Committee (ALM Committee).

The most recent actuarial valuation studies have made clear the strong linkage between investment returns and the results of actuarial valuations. The future ability of Fund to earn the required real rate of investment return (at least 3.5% real rate of return and naturally out-perform the policy benchmark) is single most important determinant of whether the current contribution rate will be sufficient and the Fund will remain in a strongly funded position.

Although the Fund is currently in a well-funded position, the ALM Committee is concerned that the Fund's investments have not achieved the target and market returns during three last few years. This evidences the need to closely monitor the performance of the Fund's investments.

What in your opinion is the best progress achieved by the Fund in the last couple of years?

Pierre Sayour: Without doubt, the successful implementation of the new Integrated Pension Administration System (IPAS) is the main achievement of the Fund. As it is expected in projects of similar magnitude and impact, the implementation of the new system was followed by an initial stabilization period.

The Fund is now leveraging the new functionalities made available by IPAS and implementing many new modern initiatives to provide more and better services to its participants and beneficiaries in 190 countries.

The significant changes brought in by IPAS and its future developments will become an asset of the Fund for better servicing member organizations and for an IT and operational platform which is viable in the middle-term.

What main projects or studies are being undertaken by the Committee?

Pierre Sayour: The Pension Board, at its 63rd session in July 2016, agreed to have an in depth review of the Fund's investments conducted by an independent expert, considering the main practices, investment management and risk management, and in relation to other global public

pension funds or financial institutions.

The Pension Board entrusted the ALM Committee to provide oversight and terms of reference for the review. The Board requested to receive the results of the third party review in time for consideration at its 64th session in July 2017.

The terms of reference for the third-party study were finalized by the ALM Committee after consultation with the Department of Management of the United Nations.

The study is currently being conducted by an independent consulting firm procured through the Department of Management. The ALM Committee is closely monitoring the progress of the review, and will review the results prior to their presentation to the Pension Board in July 2017.

As per its Terms of Reference, the ALM Committee is also discussing the frequency and methodology for future asset-liability management studies (ALM studies).

Any other messages you would like to send to the Fund's participants, retirees and beneficiaries?

Pierre Saylor: The Fund continues to be in a well-funded position. Recent actuarial valuation results show a continuing trend of small surplus in actuarial valuations.

However, the current financial and economic situation compels the Fund's participants, retirees and beneficiaries, to closely monitor the assets of the Fund, keeping in mind that its long-term solvency is largely determined by investment performance.

It is also important that the Fund's participants, retirees and beneficiaries, through its representatives, make sure that the long-established governance mechanisms are properly understood, maintained and respected, and that political considerations or individual campaigns to gain notoriety don't dislocate the well-established governance practices that have served the Fund so well the past 65 years.

UNJSPF Newsletter

Senior Communications Officer

Mr. Lee Woodyear

woodyear@un.org

+1-917-367-0200