

Comprehensive review of the pension schemes for the members of the International Court of Justice and judges of the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda

Statement by the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Fifth Committee

(ACABQ report A/66/709)

Mr. Chairman,

I am pleased to introduce the Advisory Committee's report on the comprehensive review of the pension schemes for the members of the Court and judges of the Tribunals, which is contained in document A/66/709.

The Advisory Committee has considered the relative merits of the four pension benefit design options – A to D – set out in the Secretary-General's report, as well as some of their possible disadvantages. For the purposes of comparison, and as discussed in paragraphs 19 to 24 of its report, the Committee also requested information on the retirement benefits payable to other Secretariat and non-Secretariat officials, as well as to the judges of the International Criminal Court.

The Advisory Committee notes that, in the Secretary-General's view and based on the findings of an actuarial study, option A – the defined-benefit scheme – with a linear, rather than two-tiered, system of accumulation may be the most appropriate way forward. The Committee further notes that, should the General Assembly endorse the Secretary-General's recommendation, the estimated liability for new judges projected to assume office over the next 30 years would be reduced by some \$9.96 million. In addition, changing to a linear system of accumulation would reduce the actuarial cost of funding the pension entitlement over a 10-year period from its current level of about 66 per cent of the judges' base pay to about 44 per cent.

In its report, and in response to the request of the General Assembly contained in resolution 65/258, the Advisory Committee also refers to the question of acquired pension benefit rights. According to the Secretary-General, the implementation of a pension scheme designed to take into consideration the prior employment of the members of the Court and judges of the Tribunals may face legal and practical difficulties. Nevertheless, the Advisory Committee was informed that the defined-benefit pension scheme – option A – did include an adjusted accrual rate intended to reflect the possibility that the individuals concerned had had previous careers and had acquired pension benefit rights. More detailed information on this issue is contained in paragraphs 25 to 28 of the Committee's report.

Paragraphs 29 and 30 of the Advisory Committee's report contain its conclusion and recommendations. In brief, the Committee is recommending that the General Assembly endorse the Secretary-General's recommendation for a defined-benefit pension scheme with a linear system of accumulation of 3.7 per cent for 18 years. The Committee also agrees with the Secretary-General that the new arrangements should apply only to new members of the Court and judges of the Tribunals, if any. Lastly, since the Committee considers that the question of acquired pension benefit rights

should have been addressed in more detail in the Secretary-General's report, the Assembly may wish to request him to give further consideration to this issue and to report back to it at its sixty-eighth session in the context of the next comprehensive review.