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**NEW YORK**

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JD/vk

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Dear AFICS/NY members,

As we begin a new year, I would like to provide you with an update on AFICS/NY actions and activities over the past several months, on issues of concern to us all. As President of AFICS/NY, my priorities and those of the Officers and entire Governing Board have been to continue to focus our attention on the matters of main concern to UN-system retirees, namely, pensions, after-service health insurance and social activities.

First and most importantly, together with my two Vice-Presidents, Debbie Landey and Jay Karia, I have continued to meet with senior United Nations Officials. At these meetings, we have continued to raise all the issues of concern to our members. On the pension side those issues included the importance of ensuring that new pensions are processed and all pensions are paid on time and without delay, elimination of the backlog in pension benefit processing first identified in 2015, ensuring continued maintenance of a conservative investment strategy for the Pension Fund's assets, the need to fill rapidly critical vacancies in the staffing of the Fund's Investment Management Division, ensuring systematic review and evaluation of our investment strategy at regular and well-attended meetings of the Pension Fund's Investment Committee. On the health insurance side, we advocated for dedicated resources to be funded in the UN Insurance and Disbursement Service to handle retiree issues, as well as the need for a number of processing and policy improvements. We are very happy to report that two new staff positions, which will be dedicated to the needs of retirees, have been approved and are in the process of being filled.

The AFICS/NY Governing Board meets every month to keep these issues under review and ensure that AFICS/NY is taking every opportunity available to further the interests of United Nations retirees. The various Governing Board Committees have been revitalized and are working hard to ensure AFICS/NY delivers for its members. We have continued to reach out

to those about to retire to encourage them to join AFICS/NY and participate in its work and activities.

### On *Pensions*:

The UN General Assembly oversees the UN Joint Staff Pension Fund and the entire UN pension system. Therefore, our active advocacy regarding issues affecting UN pensions was informed throughout last year by the resolution on the UN pension system that the Assembly adopted in late 2016 (A/RES/71/265 of 23 December 2016), as well as the report of the Pension Board on its July 2016 session (A/71/9) and related reports by the UN Board of Auditors (A/71/397) and ACABQ (A/71/62). FAFICS, which is the federation of former international civil servants and represents 61 AFICS across the UN system, has a strong presence on the Pension Board and participates actively in all its discussions and deliberations so as to protect retiree interests.

The General Assembly has now adopted, on December 24, 2017, Resolution 72/262. Although 2017 was a so-called budget year, the resolution did not restrict itself, as had been customary, to budget matters and the UN Board of Auditors report. Thus, the GA resolution also covered other matters such as investments, and in particular called for a comprehensive review of the governance structure of the UN Joint Pension Fund (UNJSPF).

The Board of Auditors issued an unqualified audit opinion on the financial statements but their report also called for improvements in internal controls, timely processing of backlog, creation of a client grievance mechanism and faster implementation of recommendations.

The core of the resolution was to deal with the Pension Fund's proposed budget for the biennium 2018-2019, as recommended by the Pension Board. The Fund budget approved by the General Assembly for 2018-2019 amounts to \$195,259,800 (after recosting), equivalent to an INCREASE of \$10.2 million, 5.6 per cent in real terms. However, that was still some \$3.6 million less than the amount recommended by the Pension Board. In particular, just 4 of 9 recommended new posts were approved; the denied posts included 4 for Client Services and Outreach and one Benefits Officer for Operations. These cuts will impact adversely the client and communications services of the Fund.

The resolution also called for a comprehensive review by OIOS of the UNJSPF governance structure. The related report is to be submitted to the 2018 session of the General Assembly.

As regards the Fund's investments, the GA resolution reiterated the Assembly's well-established positions regarding rates of return, trading activities, the fiduciary role of the Secretary-General, external fund managers, investment advisers and the Investments Committee. No reference was made to the independent review of the Fund's investment operations that Deloitte had carried out in 2017.

### Year-end changes

At the end of December 2017, the Secretary-General followed the recommendation of the

Pension Board and extended by three years the appointment of the Pension Fund's CEO, Mr. Sergio Arvizu. >

Effective the beginning of January 2018, the UN Secretary-General appointed Mr. Sudhir Rajkumar as the new RSG for the Pension Fund's investments. He is a long-term World Bank staff member, with strong qualifications and experience.

#### ***On After Service Health Insurance (ASHI):***

The General Assembly has been considering the After-Service Health Insurance (ASHI) arrangements annually for a number of years, under the programme budget agenda item. In March 2017, the General Assembly adopted A/RES/71/271B on Special Subjects; in its part IV this resolution endorsed the report of the ACABQ (A/71/815) on the report of the UN Secretary-General on managing after service health insurance (A/71/698). The Secretary-General's report had been based largely on a report by the inter-agency Working Group on ASHI, established by the UN System Chief Executives Board for Coordination.

Since adoption of the above GA resolution, the Working Group has met again, with FAFICS participation. As regards possibly integrating national schemes like Medicare B within ASHI schemes at key duty stations, it may be recalled that many organizations and staff have expressed doubt about the possibility, practicality and desirability of such integration. FAFICS has representatives from four different duty stations on the Working Group and each has expressed doubts on the matter, particularly with regard to acquired rights.

Members of the AFICS Governing Board have continued to attend meetings of the United Nations Health and Life Insurance Committee (HLIC). The Committee has reviewed a number of applications for hardship claims where participants have exceeded the insurance limits and therefore required exceptional approval for reimbursement. In reviewing these claims, the AFICS/NY representatives on the HLIC continue to ensure that the claims are processed fairly, with due diligence.

AFICS/NY Board representatives have also actively participated in the discussions on presentations made by the Insurance Plan Administrators - Aetna, Blue Cross and CIGNA on utilization rates and experience. They have continued to emphasize the need for the Insurance Service to provide more and timely information to participants, to increase overall awareness on proper utilization of insurance plans, avoiding overuse of Hospital Emergency rooms for non-emergency type of medical conditions and not using generic drugs, all leading to greater costs for individuals and ultimately requiring increases in insurance premiums of everyone.

During the last few meetings, the HLIC has been focused on the review of renewals of various insurance plans effective 1 July 2018 and AFICS/NY Board representatives will continue to advocate for premium increases, if any, to be kept at a minimum. The work on renewals of insurance plans will be completed during the next few months and once appropriate approval is given, announcements will be made to all ASHI participants.

The President, together with AFICS/NY Governing Board representatives on the HLIC, met with senior officials of the UN Insurance and Disbursement Service (IDS) on 18 October 2017 to discuss the cases that had been brought to their attention by individual retirees and also to AFICS/NY for follow up, with a view to securing the best possible solutions for those individual cases. We also addressed a number of concerns that have been raised by retirees regarding Medicare Part B and improvements needed in the client service area. In this respect, AFICS/NY had recommended the appointment of two dedicated and trained staff in the Insurance Service to deal with issues facing retirees in dealing with Medicare Part B. Approval for two staff was approved and we have been assured that staff will be on board soon.

Based on our dealings with a number of individual cases, AFICS/NY has also proposed changes to the current cumbersome procedures affecting enrollment of surviving spouses in insurance plans upon the death of a retiree. The UN Department of Management is actively reviewing this and AFICS/NY will continue to follow up on this important matter.

Based on two recent cases, we encourage all retirees to ensure that upon turning 65, they join Medicare Part B, if eligible. In this respect, any payments made for Medicare Part B premiums are reimbursed by the UN upon submission of appropriate requests with supporting documentation to IDS. We suggest that retirees enrolled in any of the medical insurance plans under ASHI, such as Aetna, Empire Blue Cross etc. and also enrolled in Medicare Part B, verify that they are receiving reimbursement from IDS for Medicare Part B premiums paid by them either directly or through deductions from their social security payments. In case they are not being reimbursed, communication should be sent to the IDS for clarification.

***With regard to social connection and other activities for retirees:***

The President of AFICS/NY was invited to speak on Staff Day, 8 September 2017, at the memorial ceremony in honor of our fallen colleagues and those who have served and continue to serve in the most difficult and dangerous situations across the world.

AFICS/NY strongly advocated with senior management at the United Nations for the reinstatement of the United Nations Pre-Retirement Seminars. Those Seminars have continued this past year and are always well attended. The most recent one was held on 6 December 2017. AFICS/NY participated and shared critical information with staff members approaching their retirement regarding pensions, health insurance and other matters about which staff need to be proactive as they approach retirement.

AFICS/NY also continued to be invited to Round Tables by the United Nations Federal Credit Union (UNFCU) to offer suggestions as to how they might improve their services for our community of retirees and we have provided suggestions for improved services by the UNFCU.

AFICS/NY continued to be kept informed by the Chair of the Charities Foundation of its important work in supporting members in need.

We also have enjoyed a number of social gatherings of our community. Our Spring and Fall

Luncheons last year were well attended and appreciated. We want to continue the free wine and cheese receptions we introduced and which have been successful.

The AFICS/NY Annual Assembly was also well attended both by senior management of the UN and by members, as was the reception immediately following the Assembly. We look forward to more social gatherings this year, not least on the occasion of our Annual Assembly and hope that as many as possible of you will be able to attend both the Assembly and the reception thereafter.

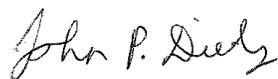
After a very successful event last year on Financial Organizing, and in response to member demand, AFICS/NY will be organizing a couple of events this year on the broad topic of “wellness”, beginning with an event on the topic of how to combat the effects of aging both physical and psychological, through exercise and technology.

The small Library within the AFICS/NY Office, mainly a repository and lending library for books written by AFICS/NY members and other present or former United Nations staff, continues to be maintained.

AFICS/NY has continued to publish semi-annually the AFICS Bulletin featuring interesting articles and news.

We are also continuing to work with the United Nation's OICT team who are, on a pro-bono basis, collaborating with us to develop a modern, more informative and user-friendly website and move us to Outlook for email and other communications.

Finally, the 2018 Nominating Committee, set up by the Governing Board of AFICS/NY, has begun its all-important work of filling upcoming vacancies on the Governing Board. We very much hope AFICS/NY members will come forward and run to be on the Board and participate actively in its work of serving the interests of retirees. The Nominating Committee will be communicating further on this issue shortly.



John Dietz,  
AFICS/NY President