

**AFICS/NY Annual Meeting
24 June 2021**

**USG DMSPC Catherine Pollard
Opening Remarks**

Dear colleagues

It is a pleasure to be with you today on behalf of the Secretary-General on the occasion of the Annual Assembly of the Association of Former International Civil Servants in New York. I wish I could see you in person, but I am delighted to see at least virtually the names and faces of many old colleagues and friends who are joining this event.

First and foremost, I would like to convey my appreciation for your work, both for UN retirees and the United Nations at large.

I would like to thank you for your ongoing commitment to the Organization we hold dear and to the values and objectives it stands for.

Like the rest of the planet we serve, the United Nations has been through challenging times in the face of the pandemic.

I am happy to share with you that all UN Headquarters personnel, after having worked remotely in most cases for more than a year, will return to the compound for at least one day per week from 6 July on.

During a transition period that will last until 1 September, we will continue, however, to restrict access to the campus for visitors and members of the public in order to continue to ensure a safe and healthy work environment for staff and delegates. I am afraid that retirees would be considered visitors in this context.

On 1 September we expect to start entering a period we call our Next Normal, the details of which are still being finalized.

As for our Pension Fund, to raise another topic that is in your focus, I can assure you that the fund remains financially sound.

The market value of the fund's assets is around 87 billion dollars.

When compared to the actuarial value of its liability, the fund has a funding ratio of 138%, which positions the United Nations Joint Pension Fund in the highest range in the industry.

The fund's investments are sustainable from an environmental, social and governance perspective.

Governance issues remain high on the agendas of both the Pension Board and the General Assembly.

The Board has been successful in adapting to virtual working methods. During the pandemic, its key committees have been meeting virtually on a regular basis and continued to discuss important issues of oversight, governance and overall management of the Fund.

The Board itself met virtually in July 2020 and February 2021, with the February meeting dedicated to governance issues. As a result, important progress has been made.

I believe that the new leadership at the Fund, together with the creation of an independent secretariat for the Pension Board has already improved the relationship between the Board, the Fund and the General Assembly.

At its 75th session in December 2020, the General Assembly requested the Board to continue to focus on its size, composition and frequency of meetings, taking into account best practices and respecting the unique nature of the Fund.

The Board's Governance Working Group is currently finalizing proposals on these issues, with a view to having a more professional Board not only with dedicated members, but one that can meet more frequently, making optimal use of our

virtual working methods, while acknowledging the importance of an annual in-person meeting.

The Governance Working Group is also looking at the Terms of Reference of the Chair of the Board and the different committees, at the roles and responsibilities of the Board members and at the development of a full-fledged ethics policy that should increase accountability and oversight of Board members.

Representatives of FAFICS are actively participating in these discussions and engaged in improving the governance structures of the Board. As a representative of the Secretary-General, I would like to reiterate how much we welcome and appreciate the presence and input of retirees and beneficiaries in the work of the Board.

I am confident that in July 2021 the Board will be able to take meaningful steps towards an improved governance structure and more professional functioning, and that these measures will be endorsed and appreciated by the General Assembly in December of this year.

I know that you are all very interested in the after-service health insurance, so let me assure you that the Secretary-General attaches high importance to the programme, as it provides a vital element of social security for retiring staff members.

The provision for staff who meet the defined eligibility criteria of 10 years of contributory service in a UN health insurance plan to continue health insurance coverage during their retirement under the same health insurance schemes and coverage as active staff continues to be an integral part of the ASHI programme. There is no plan to change this structure in the foreseeable future.

As you know, health insurance plans are reviewed periodically as part of the annual renewal process. The review includes updates to benefits in order to align them with health insurance industry standards and to contain costs. Annual claims are also reviewed each year with revisions made to premium and contributions as needed to ensure adequate funds are available to meet

projected future claims requirements. These reviews and revisions to benefits, premiums, and contribution rates, are discussed and approved within the Health and Life Insurance Committee and will continue to be made as a part of the management of our health insurance plans.

The UN's health insurance plans in the United States coordinate with the US Medicare program to provide ASHI participants who are US citizens or permanent residents and eligible and covered by Medicare essentially the same coverage as other Medicare participants.

Any future changes in Medicare B provisions or benefits will be reviewed as a part of the periodic review of our health insurance plans.

Health insurance plan premiums are determined based on the combined claims of all plan participants, i.e. active staff and ASHI participants.

Contributions by active staff and ASHI participants are determined based on compensation levels, so that the combined contributions of active staff and ASHI participants amounts to one-third of premiums for US health plans and one-half the premiums for plans outside the United States, with ASHI contributions set at about one-half of the contributions of active staff.

ASHI contribution levels are based on ranges of pension and are also determined by several factors based on years of service as a contributing member of a UN health insurance plan. These elements taken together result in a complex and outdated methodology for establishing ASHI contributions that warrants review. Any proposed changes will, of course, be subject to review by the Health and Life Insurance Committee, wherein AFICS/NY has two representatives with observer status.

Dear colleagues

Let me assure you that the administration values the views and commitment of its retirees in these important matters.

Thank you again for your outstanding service in the advocacy for retirees and for your ongoing support.

I wish you a successful virtual Annual Assembly, and I am looking forward to your questions and comments.

Thank you.