

PENSION FUND UNJSP

FONDO DE LA PENSIÓN

Dear retirees, we are sharing the conclusions of the last meeting of the Joint Committee of the PensionFund UNJSP

The Pension Board concludes its 81st session in Vienna

29 July 2025

The 81st session of the United Nations Joint Staff Pension Board was held from 21 to 25 July 2025 at the headquarters of the United Nations Industrial Development Organization (UNIDO) in Vienna, Austria. Chaired by Mr. Gerald Anderson, the session addressed a comprehensive agenda spanning governance, actuarial, investment, benefits, administrative, financial, and audit matters. The Chair emphasized the importance of the Board's fiduciary responsibilities and the need for continued modernization and efficiency in fund operations. The Board reviewed the Fund's performance, approved key policy updates, actuarial assumptions, investment strategies, and budget estimates, and considered its long-term sustainability. It also addressed complex issues such as spousal benefits and small pensions. The session underscored the Fund's commitment to transparency and operational excellence in serving its global community of beneficiaries and was marked by a collaborative spirit, with all constituent groups contributing to robust discussions and consensus-building. The Board concluded its work with expressions of appreciation for the Chair's leadership and the contributions of outgoing members.

Update on the Fund's performance

Ms. Rosemarie McClean, Chief Executive, briefed the Board on the Fund's continued funded position, operational performance, and modernization initiatives. She reported that the Fund maintained high service levels, processing a record high number of benefits (17,000 in 2024 and over 10,000 in 2025) and completing 94% of initial benefits and recalculations within the target of 15 business days from the receipt of separation documents. Ms. McClean highlighted progress under the CARE Strategy, including the widespread adoption of the Digital Certificate of Entitlement and expanded multilingual communications. She noted significant growth in client engagement, with over 27,000 townhall attendees since 2024, and a 35% increase in website traffic in the first half of 2025. Key modernization initiatives include preparations for the launch of a new financial suite, automation of key processes, and upgrades to the Member Self-service platform.

Mr. Toru Shindo, Acting Representative of the Secretary-General for the investment of the assets of the United Nations Joint Staff Pension Fund, informed the Board that the Fund's assets have surpassed \$100 billion as of June 2025, marking a historic milestone for the Fund. Regarding performance, Mr. Shindo reported that the Fund has exceeded its investment objective of 3.5% real return above U.S. inflation, delivering a 4.9% real return over the past 15 years – thanks to both strategic asset allocation and skillful active management.

Actuarial Matters

The Pension Board reviewed and approved recommendations from the Committee of Actuaries regarding the assumptions for the 31 December 2025 actuarial valuation. The Board agreed to maintain the economic assumptions from the previous actuarial valuation with a change in assumed participant growth, reflecting the anticipated staffing changes across the UN system. The Board also approved appointments to the Committee of Actuaries and the plan for procuring the next Consulting

Actuary contract.

Investments of the Assets of the Fund

The Board received detailed reports on the management of the Fund's investments, including the latest findings from the Investments Committee, the updated Investment Policy Statement and initiatives to strengthen the risk framework. The Board was also consulted on the membership of the

Investments Committee, reinforcing its commitment to sound governance and strategic oversight.

Governance Matters

The Board reviewed the report of the Governance Review Working Group and, with modifications, adopted its recommendations to strengthen decision-making and accountability. It also approved a revised Ethics Policy and endorsed updates to the Fund's Funding Policy. The Fund Solvency and Assets and Liabilities Monitoring (FSALM) Committee submitted its report, affirming the Fund's stable financial position.

In addition, the Board confirmed appointments to various committees and recommended the appointment of a new Deputy Chief Executive of Pension Administration. It also made decisions on the revision of the admission fee structure for new organizations joining the Fund, updates to committee memberships, and the performance evaluation of the Chief Executive of Pension Administration. The venue and dates for the Board's 2026 sessions were also selected.

Benefits System

The Board discussed the future process for reviewing the Special Adjustment for Small Pensions, which will be incorporated into the regular monitoring of the impact of currency fluctuations, enabling the Board to assess when adjustments may be needed.

The Board received information on the impact of currency fluctuations on pension benefits, which indicates that the two-track system is functioning as intended, with only modest volatility in benefit levels across different cohorts and countries. The Board also considered an update on provisional payment mechanisms and, in this context, the Chief Executive highlighted the positive impact of initiatives by the Pension Administration and member organizations to reduce the overall time from separation to payment of the first pension benefit.

Administrative Matters

Updates were provided on the Emergency Fund, which continues to offer critical support to beneficiaries facing financial hardship. The Board also reviewed the status of ICT systems and operations, noting progress in digital transformation and system resilience.

Financial Matters

The Board approved the financial statements for the year ended 31 December 2024, which received an unqualified audit opinion from the United Nations Board of Auditors. The statements reflected a strong financial position, with investment assets valued at \$94.4 billion and investment income of \$7.5 billion for the year. The Board also approved the proposed budget estimates for 2026, totaling \$166 million (before recosting), based on the report of the Budget Committee, which confirmed the budget's alignment with the Fund's strategic priorities and operational needs. In doing so, the Board endorsed the Committee's recommendations.

Audit Matters

The Board reviewed and took note of the report of the United Nations Board of Auditors, which issued an unqualified audit opinion on the Fund's financial statements for the year ended 31 December 2024. It also discussed the implementation of the Board of Auditors' recommendations and acknowledged the findings of the Office of Internal Oversight Services (OIOS), which aimed to strengthen internal controls and governance. The Audit Committee submitted its annual report, and the Board approved its recommendations, which focused on enhancing risk oversight and preparing for system upgrades. These included the development of a Fund-wide risk appetite statement, regular progress updates on system implementations, and a readiness audit for the upcoming financial system upgrade, to be conducted by OIOS within its regular audit plan. These reviews reinforced the Fund's commitment to transparency, accountability, and continuous improvement.