



UNJSPF

United Nations Joint Staff Pension Fund

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United Nations Joint Staff Pension Fund

Overview of the Fund and Of its main activities

Presentation for FFOA General Assembly

May 2017

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Background

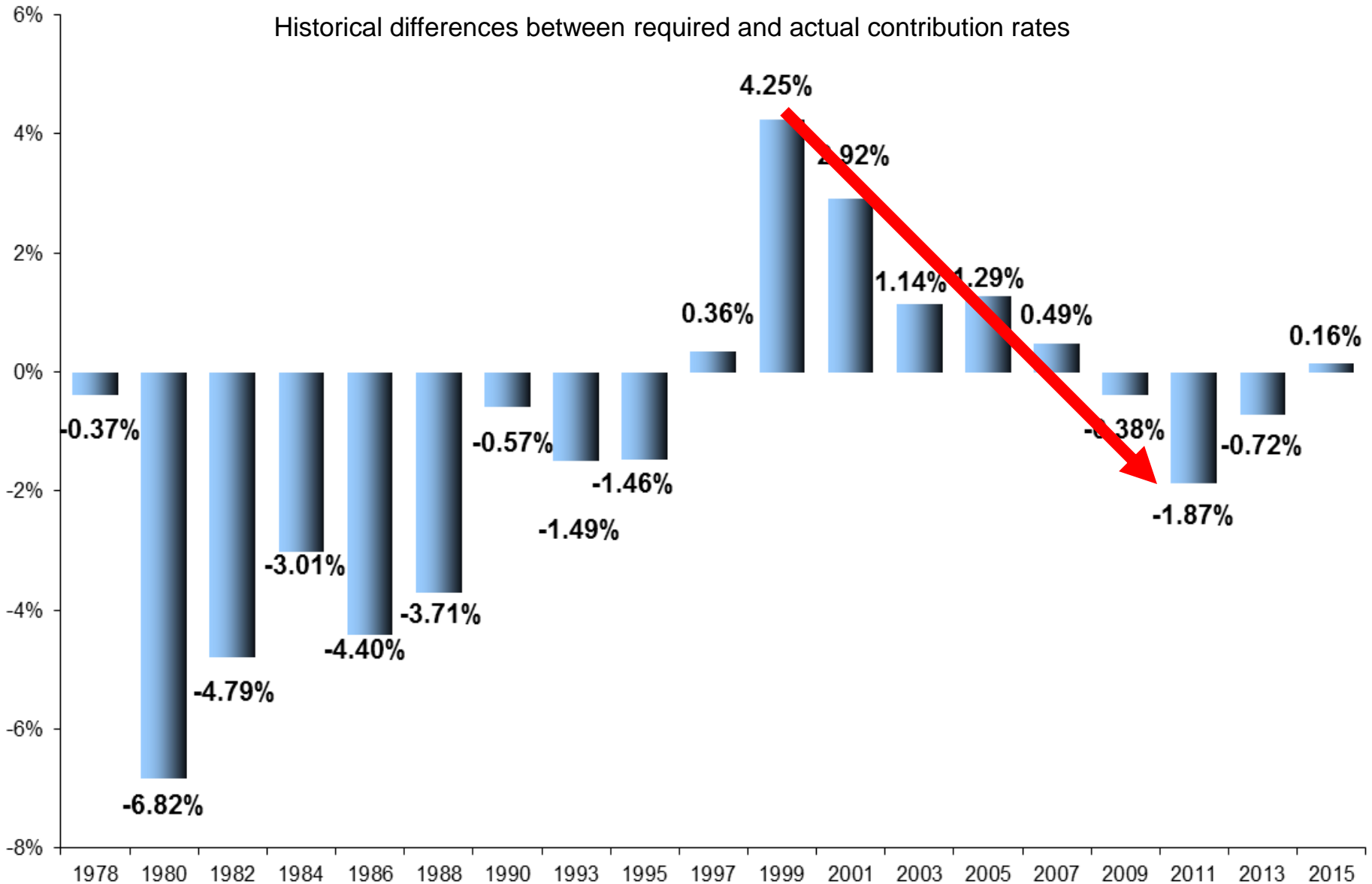
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STRATEGIC		GOVERNANCE		OPERATIONS		COMPLIANCE		FINANCIAL	
Planning and Resource Allocation		Governance and Oversight		Operations		Legal		Funding and Investments	
1	Vision and Mandate	12	Governing Bodies	26	Investments Process Efficiency and Effectiveness	45	Contract	51	Solvency - Asset Liability Management
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				39	ICT Security and Access				
				40	Business Continuity / Disaster Recovery				
				41	ICT Infrastructure & Systems				
				42	ICT Change Management				
				43	Managed IT Service Delivery Model				
				44	Data Integrity / Interfaces				



- **Solvency Concern** – clear downward trend in actuarial results, doubts regarding Fund’s long-term financial viability, “*pension promise*” at risk
- **Burning IT / Operational Platform**
 - Fragmentation in Processes, Systems and Hardware
 - 42 Internal interfaces
 - Loss of institutional knowledge
 - Obsolescent hardware and software
- **Governance – lack some key components**
 - Asset and Liabilities *monitoring*
 - Risk Management
 - Financial Control (accounting standards, financial rules, etc.)
- **Limited Resources** – 2004 Chairman of the Board to ACABQ, the Fund operates on “a shoe string budget”. 2005 Independent risk assessment results were: understaffing main risk of the Fund





- In 2009 the Fund began working on upgrading its computer system. The old system (PENSYS) was running on an outdated mainframe computer, **built on the COBOL programming language.**
- The system had been built **piecemeal and had 42 interfaces.**
- The system ran in a mainframe and various other hardware components (some of which were no longer being serviced by the manufacturers) Though it served the Fund well for more than 20 years, well before 2015 **it had become an operational risk.**



187 UNJSPF Secretariat Staff serve retirees, beneficiaries and participants who live across the globe. There is less than one UNJSPF Secretariat staff per 1,000 members and not even one staff member per country where members reside.

Every year the Fund's Payment Unit accurately calculates and distributes 2.4 billion USD through 900,000 individual transfers to more than 190 countries and territories.





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Other Challenges

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- Increasing

- population being serviced (200,000+)
- complexity (665 embedded calculations)
- age of retirees and other beneficiary population (population 90+ increased 6 times since 2000)
- geographical dispersion (190 countries)
- client service demands (growing exponentially)
- efficiency demands (do more with less)
- operational volume growing significantly
- Requests for enhanced communications

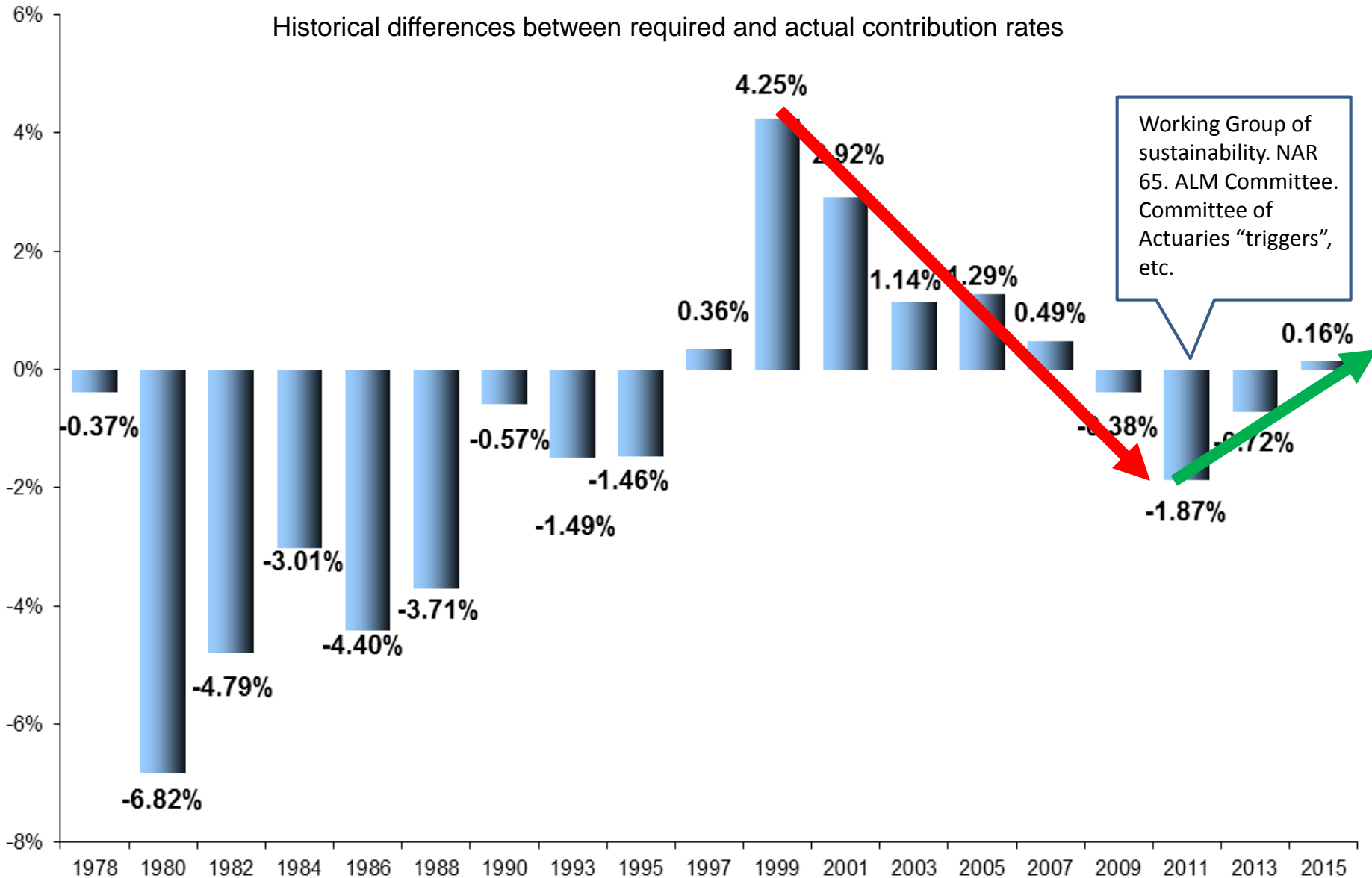
- Limited Resources not increasing at same pace



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Solvency

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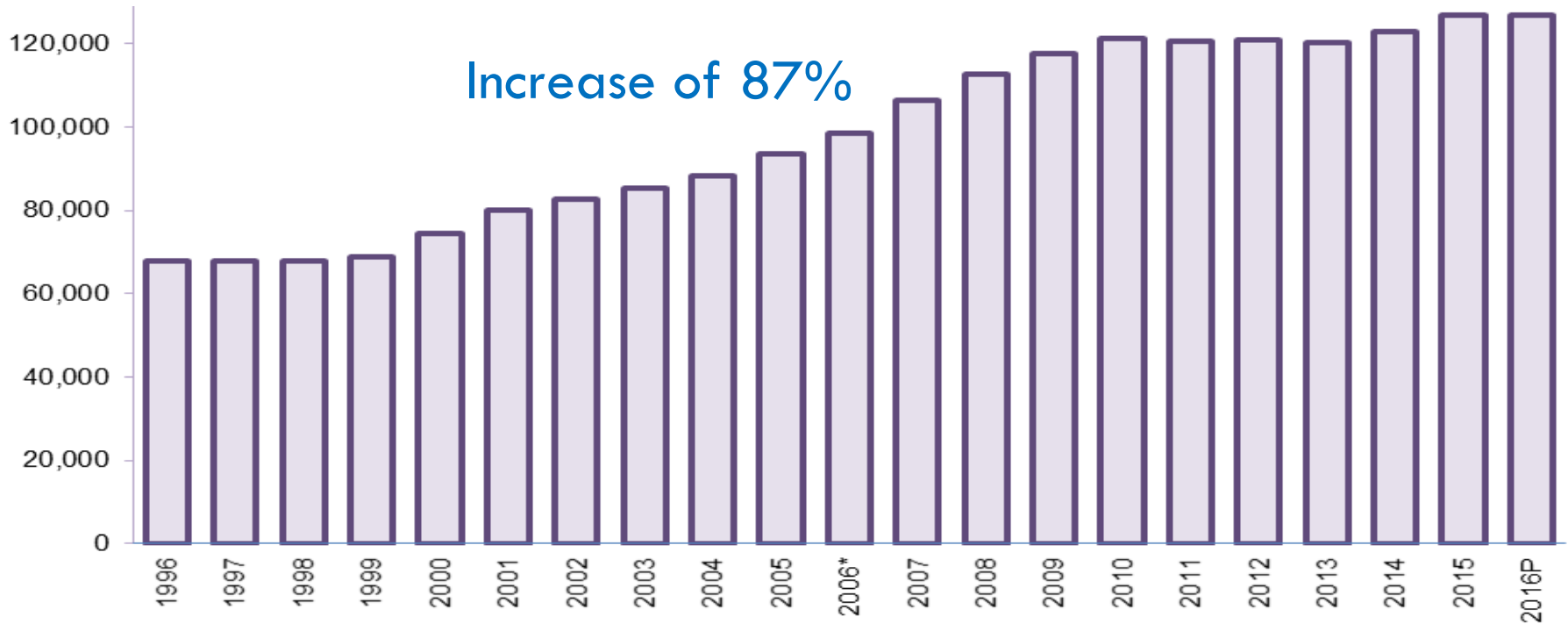
Operational Overview

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United Nations Joint Staff Pension Fund

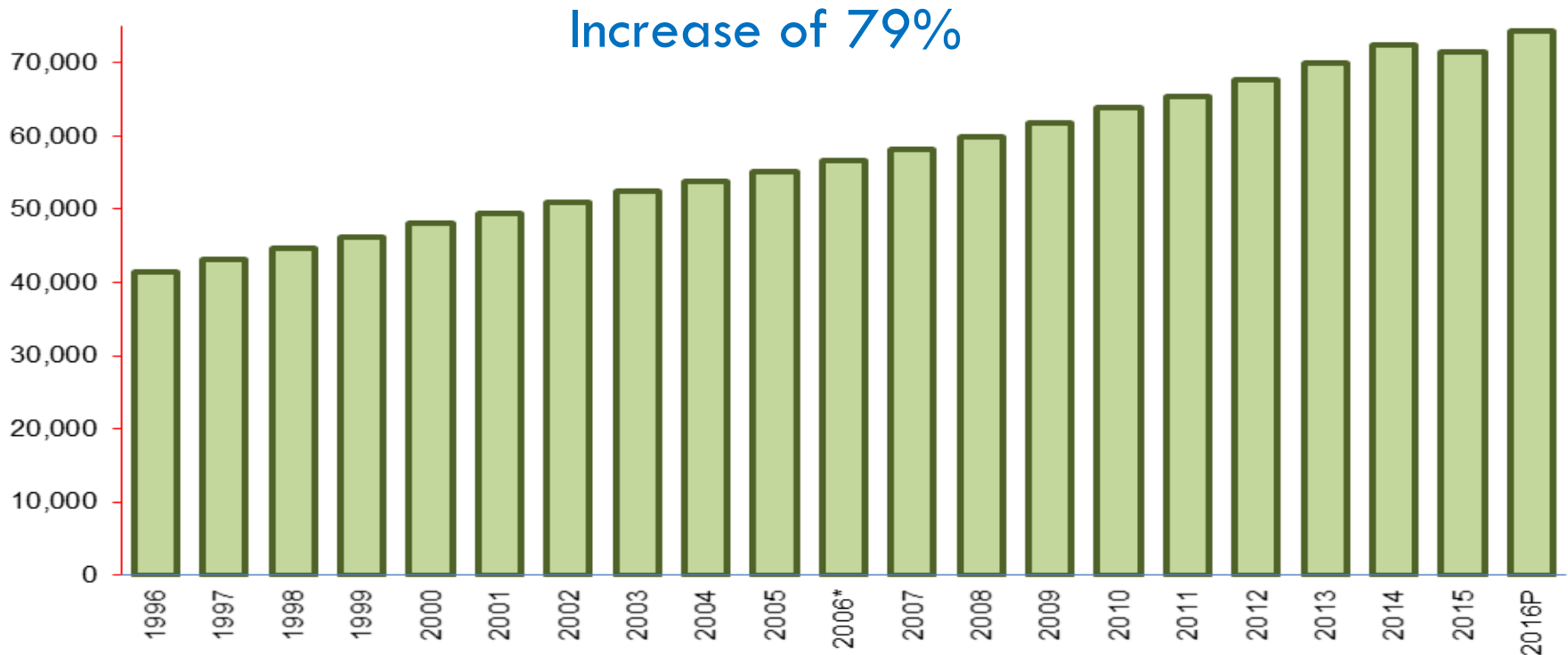
Significant Growth in the number of (active) Participants
1996-2016

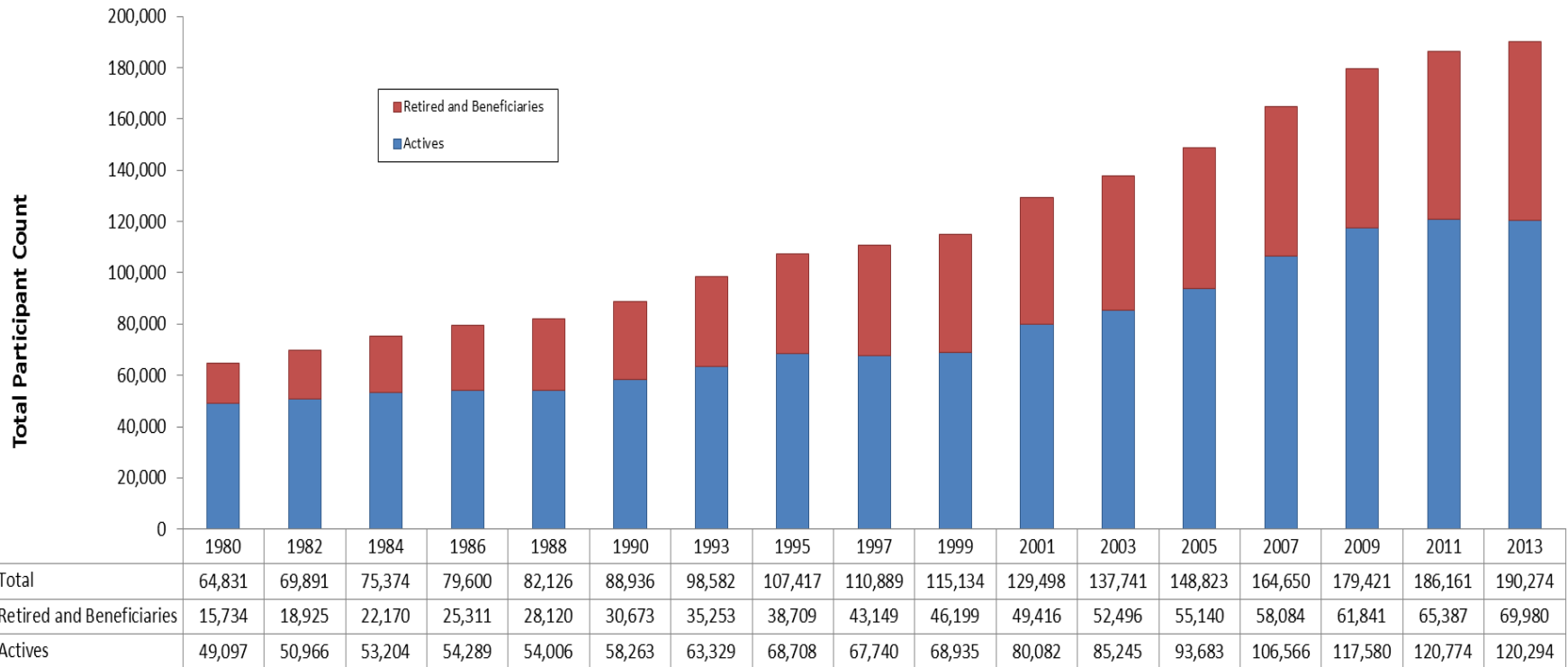




United Nations Joint Staff Pension Fund

Significant Growth in the number of Beneficiaries
1996-2016





- Retirees/Beneficiaries increased by **345% since 1980**
- Active participants increased by **145% since 1980**
- Number of actives per retiree declined from **3.12 to 1.72 from 1980 to 2013**
- The Fund is maturing. Good investment performance is key to remain solvent.



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Fund's activities

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- UNJSPF-customized "**Integrated Pension Administration System**" or IPAS. The design, specification, construction and implementation of this system is **the most important operational undertaking by the Fund in its history**. This was arguably one of the most complex pension payroll and entitlement system migrations in the world.

THE FUND
HAS MORE THAN
75,000
RETIREES/
BENEFICIARIES



MORE THAN
126,000
PARTICIPANTS
PAY INTO THE FUND
EACH MONTH

UNJSPF

2.4
BILLION
USD
ANNUAL
BENEFITS

LIVING IN MORE THAN
190
COUNTRIES
AND TERRITORIES



50
BILLION
USD
ACCUMULATED
RESOURCES



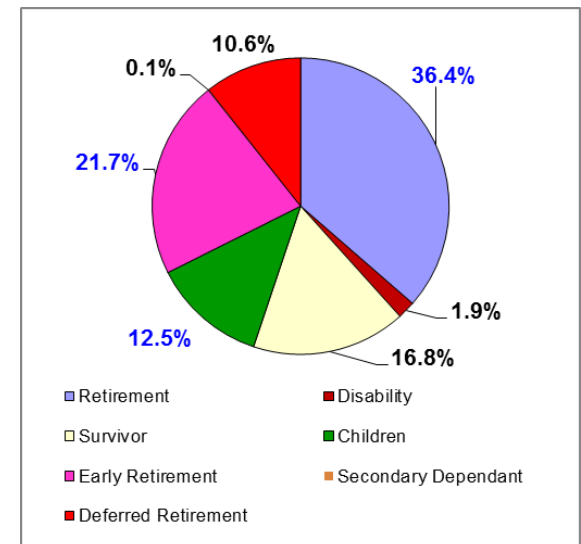


- The number one priority of the implementation of the new system was a smooth payroll transition **1.5 million payments** (since inception of new system) paid **accurately, on time and without interruption**
- In 190 countries and 15 currencies
- Adjusting pensions quarterly by more than 100 CPI and FX

Largest and most complex payroll in UN system

Benefit Type	Jul-15
Retirement	26,557
Early Retirement	15,834
Survivor	12,256
Children	9,096
Deferred Retirement	7,760
Disability	1,417
Secondary Dependent	43
Total Entitlements	72,963

Benefit Entitlement Distribution

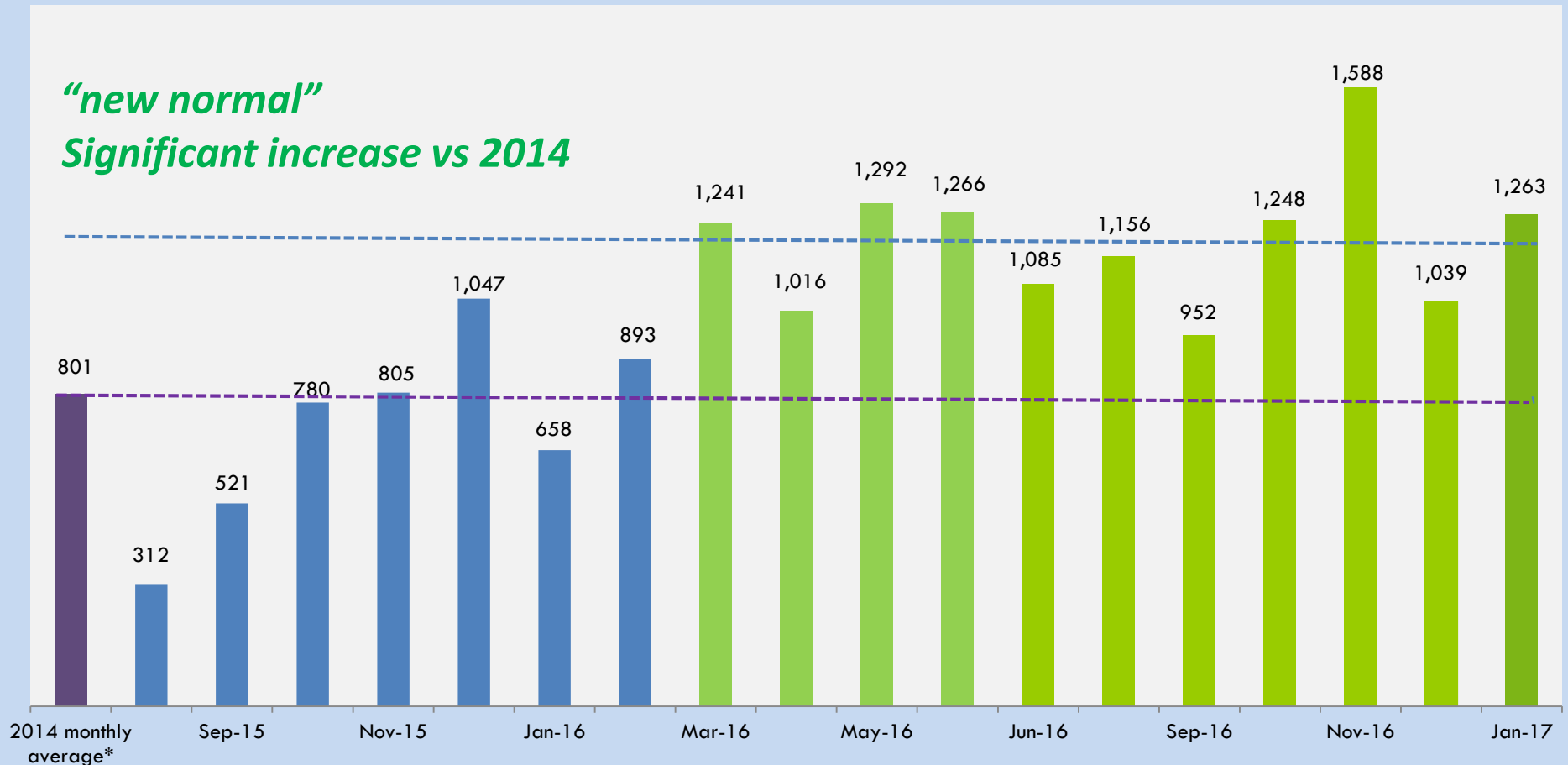




New pension benefits

August 2015 - January 2017

*“new normal”
Significant increase vs 2014*



Notes: *Benefits awarded to participants or their beneficiaries during 2014, under the old legacy system
** Includes Task Force numbers



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Most cases processed same month!



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Analysis of workflow statistics - As of February 1, 2017

The number of presumed new actionable cases at the end of each month has continually decreased. The number of remaining workflow cases as of 1 February is only 298. **This represents roughly one week of processing**



NUMBER OF ACTIONABLE CASES READY FOR PROCESSING ON 1 JANUARY 2017

367



NEW INITIAL SEPARATION (BENEFIT) CASES RECEIVED IN JANUARY 2017

1003



REDUCTION OF CASES IN JANUARY 2017

1072



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

298

Starting point
1 March 2016

3,436

Roughly one tenth

THE FUND IS PROCESSING MORE THAN 80% OF ACTIONABLE CASES WITHIN 20 BUSINESS DAYS AND AIMS TO MAKE THIS 100% IN THE COMING MONTHS.



**Launched
August 2015**



**Won 2
Prizes**

J.P. Morgan Elite Quality Recognition Award for achieving operational excellence (more than 99% STP) in 2015 and 2016.

The Fund is the only pension fund in the world that received this distinction.



**Member
Self-Service**



Launched
August 2016

ISO 27001

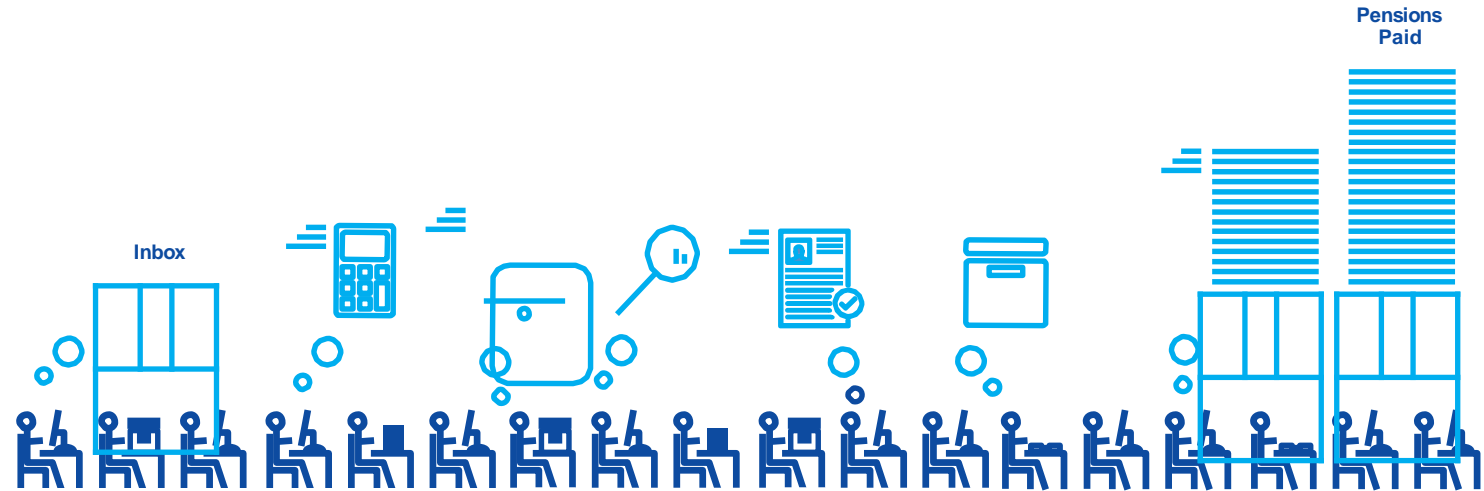
ISO/IEC 27001:2013
Information Security of the
IPAS in Accordance with
the Statement of
Applicability Version 1.0



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New Initiatives

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- ✓ Teams on board and fully operational.
- ✓ Already calculated and paid more than 2,000 new initial benefits
- ✓ Survivors' benefits processing current month cases (following up pending cases due to lack of documentation, closing workflows no formal

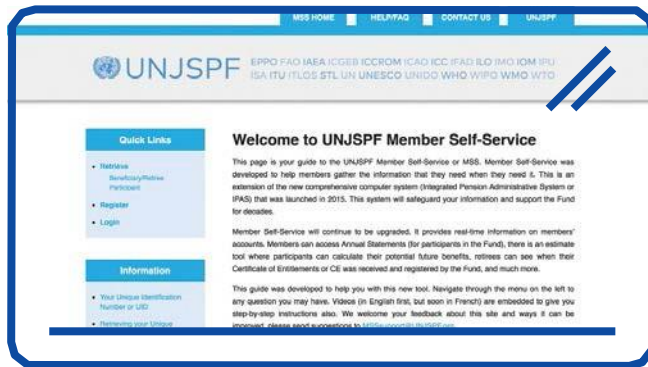


More than 66,000 registered users

The United Nations Joint Staff Pension Fund launched its Member Self-Service tool at the end of August 2016. This innovative tool will give members the possibility of consulting their own accounts in real time. As all service industries trend towards self-service solutions for their members so has the UN Pension Fund. “We are very pleased to make this long awaited service available,” explained the Chief Executive Officer of the Fund Mr. Sergio Arvizú. The new service, which is more secure, will allow retirees,

beneficiaries and participants access to their own real-time account information and has special features facilitating their interaction with the Fund and their ability to review their own information. The United Nations Pension Fund employs 272 people, of which 187 service its 200,000 members living in more than

190 countries and territories. This new tool will greatly enhance service and the ability of the Fund to respond to its members' needs faster. For more information visit the UNJSPF Website unjspf.org.

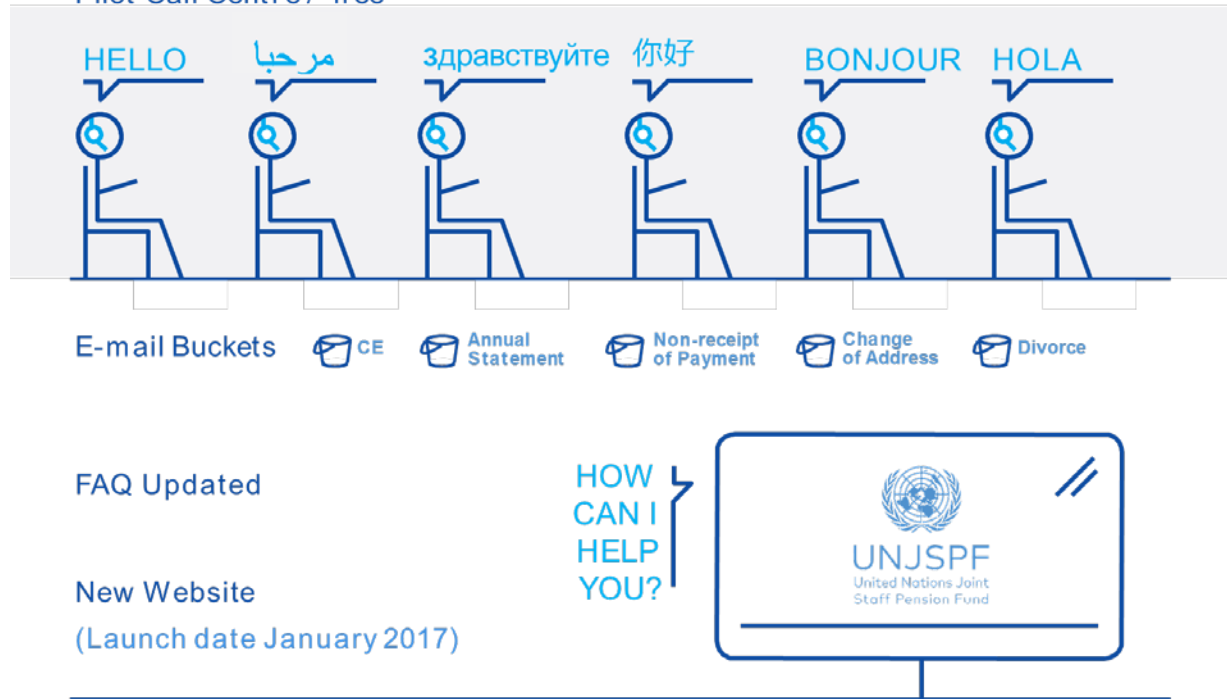


<http://mss.unjspf.org/Pages/unjspf/index.html>

6 Instructional Videos (also available in “YouTube”)



Pilot Call Centre / Tree



- ✓ Operational since October 2016
- ✓ Available 07:00 a.m. to 07:00 p.m. (New York time) Monday to Friday.
- ✓ For survivor's benefit, which are always the Fund's highest priority, there is a special option on the Fund's call tree to ensure these calls are addressed quickly.



Global Reach

187 UNJSPF Secretariat Staff serve retirees, beneficiaries and participants who live across the globe. There is less than one UNJSPF Secretariat staff per 1,000 members and not even one staff member per country where members reside.



- ✓ 2016 Missions to West Africa: ONUCI and UNMIL
- ✓ April 2017: Visits to UN Missions and Agencies in Afghanistan, Kuwait, Jordan and Lebanon
- ✓ 2017 Missions' plan: MONUSCO, MINUSCA, UNMISS, UNAMID, MINUSMA, MINUSTAH
- ✓ **Pilot liaison officer in Nairobi: effective April 2017 and based and hosted by UNON**



Members of the 63rd UNJSPF Board

How is the Fund governed?

PENSION BOARD

LOGIN SETTINGS

Select a Portal

MOST REQUESTED

- PUBLICATIONS
- RETIREMENT

QUICK LINKS BY USER TYPE

- DECEMBER 2016 NEWSLETTER
- CERTIFICATE OF ENTITLEMENT

URGENT ASSISTANCE

- Urgent Assistance
- Asistencia Urgente
- 緊急援助窓口
- СРОЧНАЯ ОБРАБОТКА ЗАПРОСОВ

NEWS & ANNOUNCEMENTS

Our Mission, Your Pension Security

READ MORE

Introduction from the UNJSPF Chief Executive Officer, Mr. Sergio B. Arvizú

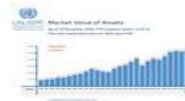
Almost 15 years ago the Fund launched its own website, which served our stake holders well for over a decade. It was a precursor in many respects and provided useful information.

READ MORE

Pension Fund Welcomes General Assembly resolution

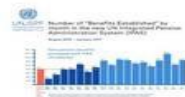
The Chairman of the 63rd Pension Board and the leadership of the United

STATS & NUMBERS



Market Value of Assets as of 31 December 2016

As of 31 December 2016, YTD nominal return : 5.05 % The real investment return in 2016 was 2.9%.



August 2015 – January 2017

Number of "Benefits Established" by month in the new UN Integrated Pension Administration System (IPAS)



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End-to-End Review

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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)



- Joint initiative UN (DM, DFS), UNICEF, WHO, FAO/WFP.
- Only after receipt of all separation documentation payment instructions/election of benefit, the Fund may start processing a case.
- ✓ The Fund is processing the majority of cases within the same month as received.



Delays in sending separation documentation to the Fund New cases

Number of days taken by Member Organizations to send the separation documentation to the Fund

For new actionable cases in September 2016

ORGANISATION	0-60 days	61-90 days	91-120 days	over 120 days	Grand Total
UN FAMILY	201	164	71	310	746
SP.AGENCIES	130	43	34	108	315
Grand Total	331	207	105	418	1061
UN FAMILY	26.9%	22.0%	9.5%	41.6%	100%
SP.AGENCIES	41.3%	13.7%	10.8%	34.3%	100%
Grand Total	31.2%	19.5%	9.9%	39.4%	100%

Aging of cases that became calculable in JAN 2017

ORG NAME	0-30 days	31-60 days	61-90 days	91-120 days	over 120 days	TOTAL
Total	232	175	116	62	418	1,003
Total (%)	23%	17%	12%	6%	42%	100%



Employer Organization

END of Employment Separation



Review



Review

Oversee and validate check out of staff member



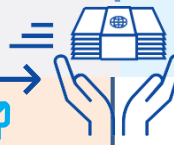
Review

Process final payments



Review

Prepare separation documents for UNJSPF



Send original documentation to the Fund

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END of Process = Payment of Benefit

Review



Review



Looking for ways to streamline the entire process – from separation to receipt of documents to payment.

Roughly 35% of cases take more than 120 days to send separation documentation/information

Most cases processed the same month



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General Assembly

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- Noted successful implementation of IPAS
- Welcomed strongly funded position
- Welcomed clean audit opinion
- Approved Board report and most recommendations including changes to Fund's regulations
- Approved some additional temporary resources to deal with "surge"
- Welcomed end-to-end review of separation to payment
- Noted approval by the Board of Financial Rules



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Conclusion

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- Since the year 2005 the Fund was facing: 1) a negative solvency trend, 2) a severe IT operational risk, and 3) lacked key governance elements.
- ✓ These 3 challenges have been resolved successfully.
- ✓ In 2017, the Fund is now in an good financial situation, very strongly funded.
- ✓ The new system is working well and repaired all the vulnerabilities of the old system. The Fund is processing 80% of cases within the same month it receives them.
- ✓ **Many new initiatives** are now made possible with IPAS. Pilot call center, dash-board, new member self-service, pilot liaison office in Nairobi, expanded outreach activities, increased processing rates, agile approach, new website, smart forms, etc.



- The Fund faces aging, growing global demand as well as limitation in resources. The Fund continues to operate with a very compact structure and has **limited resources (fourth initial challenge)**. This remains a challenge.
 - From 2010-2015 the Fund requested 46 new posts and only 8 were approved.
 - In the budget request of 2016 approved by the Board, the GA only approved roughly 1/3 of requested resources.
- The submission of documentation to the Fund takes long in an important proportion of cases. The end-to-end project will present proposals to streamline the process and reduce delays from employing organizations.
- Meeting investment return of 3.5% real is the most important solvency objective.



- ✓ The Fund has a “vision” to go forward, clear priorities, coordinated strategies and actions, fully committed and dedicated staff and senior management, as well as excellent guidance and oversight from the Pension Board and its Committees.

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New Initiatives and Long-term objectives

- ✓ *Strengthened governance*
- ✓ Ensuring the Fund is an *agile organization*
- ✓ Enhancing the *service orientation*
- ✓ Using *IT (IPAS) as an agent for change*



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Thank You!

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