



AAFICS represents retired officials from the United Nations and its agencies and funds. Former officials of other international organizations are also welcome to become members. We offer a link to other UN retirees through occasional social events, as well as contacts for information and advice about retirement in Australia. We are affiliated to FAFICS in Geneva, the Federation of 52 associations similar to ours and an essential source of advice on pension-related issues and on after-service-health insurance schemes.

This newsletter has been printed and posted with funds from the AAFICS membership.

Dear AAFICS members,

When you receive an e-mail from our esteemed President Mary Johnson saying: "I would love to have chat with you on the phone some time. Tell me where you are and I will call you!!" you know you are in for trouble.

I am somewhat embarrassed to admit that I received that call from Mary back in March. It was to inform me that it was the turn of the ACT members to produce the mid-year edition of our newsletter, which should go out to you all around June-July. However, what with one thing and another this mid-year edition is very much overdue. I was thinking of calling it the Spring Edition to disguise that fact but hopefully it will go out before Spring is actually upon us so there is nothing to be done but to apologize profusely to our interstate colleagues for the slackness of the Canberra coordinator.

I would also like to thank our ACT members for their contributions, which I am sure you will find very interesting and to assure you that they are in no way to blame for the delay.

This issue features some of our experiences of retiring – or not quite retiring – from the UN, a little of the history of our branch, an update on recent events in the Pension Fund and some important information that may be relevant to members or their families at some time. Also included are a few lighter items to amuse or to ponder upon.

Lorraine Corner, ACT Coordinator

On coming home

by Jennifer Ashton

Yesterday, I took a thankyou box of chocolates to my next-door neighbour.

My neighbour had very kindly rescued me after I locked myself out of my house. She was surprised, as her help was all just part of being a neighbour. I had to explain that I had just returned from a former state of the USSR, a former penal colony and place of exile, where neighbours are still treated with suspicion.

While I was posted in Geneva, I went to one of the UN pre-retirement seminars. Many of my colleagues in UNHCR discussed their retirement plans, which they had thought out thoroughly. They knew the tax-free or minimum tax benefits of residence in certain countries and the comforts of staying on in France or Geneva. For me it was always clear though – Australia is home (although the current budget is making me question some of the values I had thought we all hold so dear; all our commitment to social justice, equity and universal access to quality healthcare and education).

But, with the pleasure of return, and the delight of friendly neighbours, comes the pain namely, trying to fit the accumulation of 23 years of postings held in three storage units around the world (treasures from Cambodia, Nepal, Afghanistan, Malaysia, Zambia, Myanmar, Geneva and most recently Kazakhstan) into one very small 1929 worker's cottage in a heritage area of Canberra. I'm here to vouch for the fact that 20 carpets, each with a story to tell, do not

fit! Nor does the monumental teak furniture that filled a colonial bungalow in Yangon. Nor the numerous paintings - from Buddhist thankas to colourful depictions of jostling African markets! Thankfully the garage is not yet packed to the rafters.

My daughter would say “first world problem, mum”. And it is, as I can choose to extend the house, move to another or give away treasures to my favourite people. For now, its opening box after box and discovering forgotten items that bring back a host of memories. All of us who have worked in the UN have worked on the “big issues” and the often intractable problems of the marginalized poor. For most of my career, I was a social worker with refugees. I worked with the women who had been raped; the children who had lost their parents; the old people forced to leave their beloved village. Yet each of us has experienced the joys of different postings - the food, the culture, the music, the colleagues, the successes and it is the forgotten items that brings these memories flooding back. Yes, working with the UN has been rewarding.

Familiar? – note the sex of the personnel involved

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“This is a major project of utmost importance, but it has no budget, no guidelines, no support staff, and it’s due in 15 minutes. At last, here’s your chance to really impress everyone!”

A short history of the ACT branch

Based on an interview with Ralph and Jane Wingfield

After working mainly in Africa – first in the Nigerian Colonial Service and then on a Tanzania University contract – Ralph joined UNESCO in Papua New Guinea. After a stint there and elsewhere in the Pacific, Ralph and Jane retired to Canberra.

However, Ralph continued to work with UNESCO and other agencies including WFP, FAO and UNICEF. Along the way, he and Jane became friends with Dr John Hirschman, who I believe had a hand in setting up the NSW branch of AAFICS. When in Sydney they often stayed with the Hirschman’s, where they met up with members of the NSW branch and were persuaded by Sir John to establish a similar group in Canberra.

The group in Canberra was initially quite small and close knit, with regular social gatherings in each other’s homes. As the group grew, the gatherings seem to have morphed into the Annual Christmas Lunch at the Royal Canberra Yacht Club, which is still our main event. Ralph, with Jane’s able assistance, continued to coordinate the group until they finally passed the baton on to the interviewer (Lorraine Corner). We now have a total of around thirty members, of whom around 20 can be counted upon to attend the Christmas lunch if they are not celebrating out of town.

Tax Deductions and UN Pensions

By Noel Karppinen

Are you minimising the tax paid on your UN Pension?

Many of you will already be aware of the deduction that can be claimed against the income tax payable on the pension, and will already be claiming it. This article is for those who may not be aware of it.

Representing Retirees of the United Nations in Australia

UN & its Agencies -EPPO-FAO-IAEA-ICGEB-ICCROM-ICAO-ICC-IFAD-ILO-IMO-IOM-IPU-ISA-ITU-ITLOS-UNDP-UNESCO-UNIDO-UNOPS-UNIFEM/UNWOMEN-WFP-WHO-WIPO-WMO-WTO-WWF

Under Australian income tax regulations, a deduction against a UN pension can be claimed based on the Undeducted Purchase Price (UPP) of the pension. All of us, while working in a pensionable position for a UN Agency, had an amount deducted from our gross salary each month as our personal contribution to the United Nations Joint Staff Pension Fund (UNJSPF). The UPP of the pension is the total of these personal contributions. The principle behind allowing a deduction is that our UN salaries were “taxed” via the Staff Assessment that was deducted from our gross salaries each month. The personal contributions to UNJSPF are therefore regarded as having already been taxed. Part of the monthly pension is a return of those personal contributions. Claiming a deduction ensures that this part of the pension is not taxed a second time.

The proportion of the UPP that can be claimed as a deduction each year depends on the life expectancy of the recipient and, where applicable, the life expectancy of the recipient's spouse. (The greater of these two will be used in the calculation of the deduction.) However, there is no need to worry too much about exactly how the deduction is calculated. This calculation will be done by the Australian Tax Office (ATO). Copy and paste the following link into your internet browser, and it will take you to the form needed to request the calculation by the ATO.

<https://www.ato.gov.au/Forms/Determination-of-deductible-amount-for-UPP-of-a-foreign-pension-or-annuity/>

The form requests quite a lot of information – there are five pages in all. Reading through the form will show you the information you will need to have available to complete it. One of the key items is the total amount of your own contributions to the pension fund.

After the ATO has processed the request, you will receive a document called a Private Ruling, which will set out the amount that can be claimed as an income tax deduction each year

(referred to in the Ruling as the Deductible Amount), together with the conditions applying to the Ruling.

The total of your contributions will be specified by UNJSPF in US Dollars, so the Deductible Amount calculated by the ATO will also be in US Dollars. This must be converted to Australian dollars for use in your income tax return. The amount that can be claimed may therefore be different each year. It may also be different depending on whether you are on the US Dollar Track or the Local Track. In my case, this was included in the initial letter that I received from the Pension Fund upon retirement. If you do not already have a record of your total contributions to the fund, you will need to request this information from UNJSPF headquarters. This is an area where it is particularly advisable to consult an accountant or other income tax professional.

Finally, note that if the pension reverts to your spouse or partner upon your death, the spouse or partner will have to submit a new application for a Private Ruling, in order that he or she can continue claiming the deduction.

Note: This article is intended only as an overview of the income tax deduction based on the UPP of a UN pension, and a guide to the process of obtaining a Private Ruling setting out the amount that can be claimed. It is based on my experience with obtaining a Private Ruling in 2006. Before claiming a deduction you should consult an appropriate tax professional about your own circumstances, and provide him or her with a copy of the Private Ruling and relevant correspondence from UNJSPF concerning the establishment of the pension.

An everyday episode in a UN Agency

by Brian Moir

Normal office hours, staff immersed in daily routine. An officer is on the phone involved in a lengthy conversation in English. As clarification of a technical nature is required, the officer

addresses the secretary sitting opposite in Russian, her mother tongue. At that moment a clerk interrupts the conversation for an urgent inquiry in Italian, his native language. The officer switches to giving instructions in Italian when the boss appears on the doorstep requesting immediate advice on another urgent matter. The dialogue shifts to French!

An American visitor standing at the door all this time, waiting for an audience with the officer, is absolutely flabbergasted by witnessing such facility with so many languages, can't refrain from exclaiming "What the hell is going on here? How many languages do you speak?!"

What was such a surprise for the American fellow, was not an exception. It so happens that on this particular occasion I was the one speaking several languages, but, as we all know, for many of the tens of thousands of our colleagues serving all over the world, fluency of expression in several different languages is a normal way of life. Surely many of us have greatly benefited from such a wonderful gift for better understanding and accepting different cultures and making friends without borders.

Retirement – almost

by Brian Moir

For a healthy, intellectually astute person, 62 years of age is too young to retire!

Geraldene and I returned to Australia nearly 5 years ago from Rome after 18 years there working with FAO. I tried to retire, but failed and am working, now part-time, in Canberra.

We arrived back to what was, to a large extent, an unknown country, with no established interests or activities to pursue, just a few old friends and a few relatives. The move from a busy job to full time retirement in a new location was a bit too much of a shock.

Many mornings when I asked Geraldene: what will we do today? She would point out that there is no "we" to do things today, but only me

to be getting on with being retired, and she to pursue her own interests. She reminded me that she had married me for better or for worse, but not for lunch!

I followed her to the shops, tried to be useful fetching and carrying and wished that I could go off photographing tigers in India for 6 months.

We took on some renovations of the apartment, first painting, then moved on to spending a large chunk of our savings on a new kitchen, bathroom and more.

I made some tentative efforts to find some work, and I was offered a month back in Canberra. That was extended, several times, and four years later I am still here, still working, and wondering how the young people I work with who can't string a few words into a coherent sentence managed to get a degree.

Now I am looking forward to trying retirement once again, easing into it gradually this time. With a few interests and an established home, I hope I will be better prepared this time.

Check the footer please

In the course of preparing this newsletter I had to cut and paste some headers and footers from earlier editions. As I pasted the footer I happened to glance through the list of agencies and was surprised to find that UNIFEM and UN Women did not appear. I have rectified that but am wondering whether there are other agencies that were missed.

So, please check the footer and let me know if your agency is not in the list. I can put it in the footer that is passed on to the group preparing the Christmas newsletter.

True – BUT?

Computers in the future may weigh no more than 1.5 tons. - Popular Mechanics, 1949

Representing Retirees of the United Nations in Australia

From Lorraine - a favourite verse. I have a much cherished CD of England's Favourite Poems read by various literary luminaries. Margaret Howard gives a very convincing reading of this one. A challenge for the guys: produce a version for men.

When I Am Old.

When I am an old woman I shall wear purple
With a red hat that doesn't go, and doesn't suit me,
And I shall spend my pension on brandy and summer
gloves
And satin sandals, and say we've no money for
butter.

I shall sit down on the pavement when I am tired,
And gobble up samples in shops and press alarm
bells,
And run my stick along the public railings,
And make up for the sobriety of my youth.

I shall go out in my slippers in the rain
And pick the flowers in other people's gardens,
And learn to spit.

You can wear terrible shirts and grow more fat,
And eat three pounds of sausages at a go,
Or only bread and pickle for a week,
And hoard pens and pencils and beer mats
and things in boxes.

But now we must have clothes that keep us dry,
And pay our rent and not swear in the street,
And set a good example for the children.
We will have friends to dinner and read the papers.

But maybe I ought to practise a little now?
So people who know me are not too shocked and
surprised,
When suddenly I am old and start to wear purple!

Jenny Joseph

PS: Don't worry, I am never going to be old.

A friend who is in her nineties always tells me:
Lorraine, you cannot avoid growing older, but
there is absolutely no excuse for ever growing
old! It is a state of mind and nothing to do with
the number of years you have been on the
planet. **Still - I do like PURPLE.**

FAFICS Council - UN retirees meeting with UNJSPF senior management

A report from Mary Johnson on the Annual Council of the Federation of Associations of Former International Civil Servants (FAFICS) to which our Australian association belongs. The Council was held in Rome this year hosted with generous and charming hospitality by FFOA, the Former officials of FAO, WFP and IFAD. Rome looked wonderful under the July sunshine.

Roger Eggleston, Chairman of FAFICS for the last two years could not attend because of ill health. Linda Saputelli of AFICS New York was elected by acclaim to chair FAFICS for the next year.

Mary Johnson attended the Council on your behalf and was once again asked to be the Presiding Officer during the discussions. This report covers only those items of direct concern to AAFICS members. The full report is on the FAFICS website.



"If at first you don't succeed, shift the blame, change the rules, redirect the focus of your critics, spin the media, redefine success, and there won't be any need to try, try again!"

Staff Management relations at the UN Pension Fund

The three-day FAFICS meeting included a morning-long session with the senior management of the UN Pension Fund. This meeting took place one week before the Board of the Pension Fund met. A number of

important issues were then raised again at the Board meeting by the FAFICS representatives.

AAFICS members will recall that in April and May this year petitions were circulated electronically by staff associations in New York and Geneva. The staff associations said excessive decision-making powers were being delegated to the CEO of the Pension Fund to hire and fire and to institute change before the Pension Fund Board meeting could carry out its governance and oversight functions.

How staff are actually recruited to the Fund lies at the heart of the problem. Recruitment, promotion and career development are all delegated to the HR Department of the UN and the policies applied reflect the needs of the UN rather than the characteristics of a Pension Fund that has only two duty stations (New York and Geneva) and one complex area of expertise. The Pension Fund Board in 2013 recognised that the Memorandum of Understanding between the Pension Fund and the UN governing these matters needed updating, and that the Pension Fund needed greater control over staff recruitment and retention. It would seem that on this basis the CEO of the Fund went a little too fast and perhaps too far. Everything will now proceed more cautiously. Further reporting on this appears below.

Complaints about Client Services

FAFICS delegates at the meeting once again told the CEO and his senior managers that improvements to the Fund's operations should focus on upgrading Client Services (that is the section with which retirees have most contact).

In answering these questions, the CEO described how the Fund is in the midst of implementing a new Integrated Pension Administration System (IPAS) that should, eventually, improve client services. IPAS will be activated at the end of this year. The number of retirees is growing and the retiree population is becoming more aged and geographically dispersed. It is clear that the Fund is in part counting on retirees looking after themselves

through use of the Fund's website – what it calls “expanded self-service options”. It also recognises that the Records Management and Distribution services need to be reinforced. More General Service staff with long-term appointments is also required because of the time required for staff to acquire experience and a thorough knowledge of the issues and complex processes that are involved.

The CEO also spoke of the Pension Fund's investments, which are currently running well. The most recent actuarial report showed that the Fund's deficit had decreased although not yet disappeared. The actuaries had drawn attention to the cost of the two-track system (about 30 per cent of retirees opt for the payment of their monthly benefit in local currency, with the exchange rate fixed at the time of their retirement. European countries and Australia account for most two-track benefits). FAFICS' position on the two-track system of payment is to defend it as an important way of protecting the value and the stability of the retirees' pensions. As we all can see, the US dollar is undergoing a long-term weakening, and it is this that affects the cost of the two-track protection. More on the Fund's investments below.

Personal status of same-sex couples

FAFICS welcomed the United Nations Secretary General's announcement in June 2014 of a new policy determining the personal status of same-sex couples in the UN. Previously a staff member's personal status was determined by the laws applicable in their country of nationality. Under the new policy, personal status would be determined by the law of the competent authority under which the personal status was established. This means that if a same-sex couple were to marry in a country where same sex marriages were legal, the personal status of the staff member(s) involved would be determined on that basis.

This new policy brings greater equality among UN staff. Most of the Organisations have

adopted the recognition approach by recognising marriage for staff members whose own national laws did not allow this. However, the UN Pension Fund has not yet followed suit. Failure to do so will increase the number of staff members who will have been considered married during their active service, and are not recognised as married upon retirement.

The UNJSPF procedures for handling appeals

A decision made by the CEO on the way the Fund's Rules and Regulations are applied, can be appealed by requesting the case be put to the Standing Committee of the Board of the Pension Fund, which meets once a year. Its records and decisions are not made public and often the case material is only distributed within a few hours of the case being discussed. FAFICS associations, especially the Argentinian association, have worked up detailed positions on the lack of transparency and fairness in the procedures used by the Standing Committee. With considerable reluctance and a lot of close argumentation, the CEO and the Legal Service of the Fund have agreed to a review of the appeals procedure, with the involvement of FAFICS.

A new booklet from the Fund for retirees who are unwell or infirm.

A new booklet on Legal guardianship is available on the Fund's website. It outlines the Fund's procedures for retirees who are losing their autonomy or who can no longer manage their pension affairs. This useful booklet is something that should be kept with your papers and handed to family members who may one day take on the role of carer or guardian of your pension matters.

The booklet is the result of a question that our Association sent in writing last year to the CEO of the Pension Fund, so we can be pleased that the Pension Fund Legal Service has produced it so promptly. **Nevertheless, the description of the procedures regarding Enduring Powers of Attorney, commonly used in Australia, does not make clear whether these are acceptable to the**

Fund. We have asked for a written explanation to share with you.

On behalf of the Australian association, Mary put a further proposal for a booklet to the CEO and his senior staff. A list of all the circumstances in which taking a lump sum, or a partial lump sum, negatively or positively affects other aspects of the benefits that will be paid by the Pension Fund would be very useful to officials nearing retirement. For example, those in receipt of a small pension who took a lump sum on retirement, will not receive the 10 per cent ad hoc increase to their meagre pensions agreed at this year's Board (see below). The Fund's Head of Operations, Frank Deturris has agreed to produce this new booklet.

The Board of the United Nations Joint Staff Pension Fund.

The Pension Fund Board met from 10 to 18 July 2014. Those who attend the Board are a selection of UN General Assembly members, representatives of the Executive Heads of the various UN agencies and organisations and the secretaries of the UN agencies' Staff Pension Committees, staff association representatives (on a rotating list), and FAFICS representing all the retirees. This year the meeting was at the FAO in Rome and next year the Board meets in New York, as it does every second year, when the Pension Fund budget is discussed. Only those items of interest to AAFICS members are reported on below. The full report is available on the UNJSPF website.

The Committee of Actuaries' Report to the Board

The actuaries report that the Fund has a very welcome reduction of its deficit, from 1.87 to 0.72 per cent of pensionable remuneration. This improvement was due to the increase in normal and early retirement ages for new staff taken on after 1 January 2014. Investment performance had also improved above the required 3.5 per cent rate of real return. The Committee of Actuaries wants the Fund to achieve a "safety

margin” of around plus 2 per cent of pensionable remuneration, to offset market volatility and the fact the Fund is now very large (“mature”, in actuary-speak).

The Fund’s market value is now over the US \$ 51 billion mark.

Human Resource Framework Review

Last year the Board of the Fund had requested the CEO of the Fund and the Representative of the Secretary General in charge of investments to update the Memorandum of Understanding (MoU) with the UN’s Office of Human Resources Management. This had led to staff unrest (see above). The Board took the matter in hand and with different nuances, agreed that the MoU had to be updated by September this year. What the CEO wants are: extensions beyond mandatory retirement age in exceptional cases; exemption from mobility requirements for Professional staff; flexibility in staff movement from G to P in certain specific technical areas, and flexibility, with UN HR oversight, of experts for job classifications. The Board reaffirmed the unique governance structure of the Fund, its inter-agency status, mandate and funding sources, as well as its maturing status and complexity and vast scope of its operations.

The Pension Fund Investment Committee

A very rare thing has happened: the new Chairman of the Pension Fund’s Investment Committee is not a former official of the US Federal Reserve Bank. Mr Ivan Pictet, retired from his family’s private bank Pictet in Geneva, has said that becoming chair of the UN Pension Fund’s Investment Committee allows him to place his knowledge at the service of the international community and return to the mainstay of his expertise: investments. Members of the Investment Committee are chosen for their expertise and offer their services without remuneration, except for travel costs. (We hope the UN Pension Fund travel service is not having difficulty in figuring out the rate of travel reimbursement for use of a private jet!) The Investment Committee meets four

times a year to provide guidance to the Investment Management Division’s work.

After Service Health Insurance

AAFICS members may recall that in recent years the UN General Assembly has focussed its attention on the liabilities that After Service Health Insurance schemes may incur. All UN agencies provide an ASHI scheme to retirees who choose to pay premiums after leaving service. In Australia about one third of UN retirees keep their UN ASHI as well as Medicare. The liabilities of the UN retirees’ health insurance became visible after the UN system introduced the relatively new international accountancy standards already in force in commercial enterprises. More recently the UN General Assembly requested that the UN Pension Fund take on the administration of a “harmonised and centralised” version of the ASHI schemes and the payment of medical benefits to retirees. As you can imagine, this caused consternation among the retirees who saw that a unification of all ASHI schemes might lead to a downgrading of the benefits. The Pension Fund’s management also felt the pension fund and ASHI schemes were not necessarily compatible.

Fortunately, during the Fund’s Board meeting, the Pension Board took note of the Consulting Actuary’s opinion that the GA’s proposal could jeopardize the Fund’s operational viability.

Small Pensions

The year 2006 marked the first occasion on which FAFICS raised the issue of an upward adjustment in small pensions, which have not been increased since 1995. In 2014 FAFICS yet again asked for an ad hoc adjustment and after extensive discussion the Board agreed to a one-time adjustment of 10 per cent. This would be an interim measure pending a more permanent solution. Part of the opposition to this measure came from Governing Body members who referred to the Fund still operating a deficit.

Representing Retirees of the United Nations in Australia

The role of FAFICS in the Pension Board

At the end of the Board meeting this year, a member of the Executive Heads group took the floor to recall the long experience and institutional memory that the retirees brought to the Board. While FAFICS often attended the staff association meetings in preparation for the Board sessions, he invited FAFICS to feel free to join the meetings of the General Assembly and the Executive Heads. The report states: "The Board recognized the valuable contribution of FAFICS."

This is very gratifying. AAFICS pays a meagre financial contribution to FAFICS each year, and in return is well served with advice and excellent representation. We are in good hands.

Mary is indebted to Gerhard Schramek, from the Austrian retirees association, ARICSA, for information on the Pension Fund Board, on which he is one of the FAFICS representatives.

Heard this before?



"This really is an innovative approach, but I'm afraid we can't consider it. It's never been done before."

Distribution: The newsletter is sent to most members by email. If you don't have an email address you will receive a copy by post. If you haven't given AAFICS your email or have changed it recently, please let us know.

This newsletter is prepared by the AAFICS Committee of office bearers and is intended for AAFICS membership only.

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Life-long membership in AAFICS is \$140 Payable to the Treasurer.

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Representing Retirees of the United Nations in Australia

UN & its Agencies -EPPO-FAO-IAEA-ICGEB-ICCROM-ICAO-ICC-IFAD-ILO-IMO-IOM-IPU-ISA-ITU-ITLOS-UNDP-UNESCO-UNIDO-UNOPS-UNIFEM/UNWOMEN-WFP-WHO-WIPO-WMO-WTO-WWF

Working in Development



what my parents think i do



what my friends think i do



what the govt thinks i do



what other people think i do



what i think i do



what it's really like

A postcard from Rome – The view from the FAO during the FAFICS Council



**Australian Association of Former International Civil Servants
(AAFICS)**

Representing Retirees of the United Nations in Australia

UN & its Agencies -EPP0-FAO-IAEA-ICGEB-ICCROM-ICAO-ICC-IFAD-ILO-IMO-IOM-IPU-ISA-ITU-ITLOS-UNDP-
UNESCO-UNIDO-UNOPS-UNIFEM/UNWOMEN-WFP-WHO-WIPO-WMO-WTO-WWF