

**MINUTES OF THE 71ST ARICSA GENERAL MEETING
29 October 2015**

1. Opening

Introduction by Jerry Barton, President

The President of the Association of Retired International Civil Servants in Austria (ARICSA), Jerry Barton, opened the 71st General Meeting at 14:40 on 29 October 2015 at the Vienna International Centre, Building C (Board Room D), and welcomed the members present. The President thanked the United Nations Federal Credit Union for offering coffee and tea to the participants prior to the meeting. The President also welcomed the representatives of the local staff unions and associations, with whom ARICSA enjoyed good relations and shared mutual concerns.

The President expressed his thanks to the representatives of the two health insurance companies – Allianz and Cigna – who had agreed to be present today to answer questions.

Prior to beginning the official part of the meeting the President apologized for the delay in circulating the invitation, agenda and financial papers to the constituency. He passed on the regrets from the IAEA, stating that the IAEA reported that a combination of factors had led to the long delay in the IAEA print shop.

At the suggestion of the President a minute's silence was observed in remembrance of the retirees and friends who had passed away in the previous year and in memory of those active staff members who had paid the supreme sacrifice in the service of the United Nations. The President noted that their lives and the spirit of helping others would not be forgotten or had been in vain.

Quorum

As required by the statutes, the required quorum of 50 members (ca. 140 members present) was confirmed.

2. Election of the Presiding Officer and Rapporteur

The following officers, duly nominated and seconded by full members, were elected by acclamation:

Presiding officer:	Judy Castelino
Rapporteur:	Janet Jesch

3. Adoption of the agenda

The agenda, as distributed in a circular note dated 24 September 2015, was adopted without amendment.

4. Approval of the minutes of 70th General Meeting

The minutes of the 70th meeting as contained in ARICSA Newsletter No. 75 of January 2015, were approved without amendment.

5. Election of the Polling Officers

The following Polling Officers, in accordance with Article IV, paragraph 2 of the By-Laws, were duly nominated and seconded by full members, and were elected by acclamation:

Rosemary Orkan-Lecki
Robert Cibulka
Peter Patak

5. Report of the President

The President, Jerry Barton, introduced his report for the year 2015 that contained highlights of the past year and covered ongoing activities. He noted that the *Newsletter* had provided a plethora of information on ARICSA activities for the time period concerned and he would thus not repeat all those details.

A. Pensions

With regard to the priority issue pensions, the President said that ARICSA and FAFICS were most active – and successful - in promoting the needs of all UN system retirees. He also noted that Gerhard Schramek, the ARICSA representative on several pension committees and on the UN Pension Board, was unfortunately not able to provide his valuable input to the current General Meeting, but that his reports were available online on the ARICSA website.

i. Investments

The President reported that, as in 2014, pension fund investments – in a wide variety of funds - were safe and continued to grow. Changes had been introduced that would prevent the need for emergency repairs to the pension system for a few decades and raising the retirement age from 62 to 65 meant that the fund would remain in a healthy situation for a long period of time. The President reported on the growth of the Pension Fund investments over the previous 28 years. The goal of a 3.5% real return on investments was still being met, although not every year owing to volatile markets, but investments were being spread conservatively.

The President reported that the Pension Fund was now ‘mature’, and thus for the first time it was now necessary to use part of the income from the investments to pay all the pensions. It was thus important, he cautioned, that ARICASA must remain vigilant and work with the Fund to ensure that current benefits were not compromised, nor those of future retirees.

Thus, changes – especially for new staff – to the pension system could be expected as a matter of inevitable developments. However, he said, the pension system was an extremely good one where beneficiaries' monthly benefits were defined, and risks were carried, by the Fund. Such a system was becoming rare, as new plans observed outside the UN system were being replaced by plans that paid out either higher or lower monthly pensions based on investment returns. ARICSA would continue to work prudently to maintain the excellent state of the Fund.

The President provided further statistics on the Fund: it was collecting monthly contributions from over 120,000 active staff and was paying pensions in 16 currencies in almost all countries of the world to over 72,000 beneficiaries/month. He concluded that the Fund was in a good financial and operational situation as a result of very hard work, clear priorities, as well as thorough guidance and oversight from the Pension Board and the UN General Assembly.

ii. Memorandum of Understanding

The President reported on the proposed updates (that should have been finalized by early 2015) to the existing "Memorandum of Understanding" (MoU) that had taken up so much time and energy in the previous seven months owing to the circulation of a great deal of misunderstandings and misinformation. Owing to the delay, the update to the MoU was now in abeyance because the head of UN Human Resources had decided not to currently pursue an updated MoU. The President said that the direct effect for beneficiaries was that the Pension Fund Secretariat would continue to find it difficult to hire and retain staff for an operation that was unique in the UN system. However, he noted, through ARICSA's and FAFICS's representatives, first-hand information was continuously obtained and members were informed in a timely way. Succeeding developments would be reported on at a later date.

iii. Integrated Pension Adjustment System

The President reported that, in August 2015, the Pension Fund put the new Integrated Pension Adjustment System (IPAS) into effect. He said that it had been a major successful undertaking that meant that everyone who received a pension at the time of its coming into effect was receiving their pension calculated using the new system. That new system would bring many improvements once the new web site was put into operation next year. For example, the new system significantly reduced the risk of using old technology and was already improving services, especially in countries with difficult payment environments.

However, he noted, as with any large migration of data there were transition problems. The new system, although being easier for the Pension Fund staff to access, was actually more exact than the previous system. That resulted in the consequence of a current backlog in processing new information, especially for newly retired staff. In that respect those temporary setbacks were being addressed and hopefully would soon be rectified.

The President announced that, in conjunction with introducing the new IPAS, the schedule of processing Certificates of Entitlement (CoE) had been changed and the distribution of CoEs to beneficiaries would now be annually in the month of May instead of at the current October/November date. Additionally, those on the two-track system would have the option of submitting their CoEs to either the New York or Geneva Pension Fund Offices. The beneficiaries on the dollar track would in future have the option of downloading the CoE instead of waiting for a mail delivery.

B. Health issues

i. Cigna and Allianz

The President noted that health matters were among the major concerns of retirees. ARICSA had thus been active in representing members on the respective committees that dealt with health insurance matters. Over the past year ARICSA had continued to be represented on the Health Insurance Working Groups in both the IAEA and UNIDO/UNOV by Gerhard Schramek and Goeran Appelgren, respectively, for which the President extended the thanks of ARICSA. The announcements in the *Newsletters* of visits by CIGNA and Allianz had proved welcome and beneficial and would be continued.

The President announced that the situation with the two health care providers was stable, with CIGNA in an ongoing contract situation and the contract with Allianz (covering 2016-2019) having been recently extended.

Goeran Appelgren reported that, as the current three-year period (2013-2015) with Allianz had resulted in a deficit for the insurer, a one-time contract increase of 19 per cent to be applied in 2016 had been agreed. That increase applied to what UNIDO pays to Allianz while the impact on the individual retiree was not yet known at the time of the General Meeting.

He said that long-term care would continue to be offered on a voluntary basis for retirees with the current premiums during the first two years of the forthcoming contract period. Following those two years, a premium review would take place. Participation would remain mandatory for currently serving staff.

(n.b. After the General Meeting, UNIDO circulated a note informing its retirees that a retroactive adjustment in a one-time deduction that covered contributions for January to September 2015 had been deducted from October 2015 pension payments.)

ii. After-service health insurance costs

The President said that in relation to health matters, ARICSA had strongly supported FAFICS in dealing with the United Nations' request to find a solution to defraying the costs of After Service Health Insurance (ASHI).

The President explained that a change in accounting standards had been introduced that provided that all liabilities must be funded. The system-wide

liabilities for subsidized ASHI had run into billions of dollars. It had been suggested that the Pension Fund could administer a single system-wide health insurance scheme, but the Pension Fund had refused, pointing out that it would be far beyond its mandate and capability. Thus, to alleviate the situation a working group formed by the UN High Level Committee on Management had begun a study on the issue. That working group was concentrating on the need to finance the liabilities, while FAFICS was aiming to interject human resource and legal aspects into the debate. The study being undertaken comprised all aspects of health insurance throughout the system, including the variances and common traits among organisations that had self-managed, self-insured and outsourced plans.

The President reported that it was too early to provide an answer to the question raised by the UN as to whether a system-wide plan could coexist with all the plans currently enjoyed by retirees. He said that the issue of cost savings was one of many and that any solution probably wouldn't affect current retirees. The aim of ARICSA/FAFICS was to retain and ensure the status quo, reflecting the local health care systems, while the priority of the UN was to save.

C. ARICSA services

i. Telephone assistance service

The organizer of the service, Ms. Swaton, praised the work of the ARICSA telephone assistance service as being prominent among the workings of ARICSA. She noted that a true sense of commitment was evident in the work of the service. She thus expressed her thanks to: Henry Barnor, Linde Doblmayr, Barbara Mayer, Babi Tragseil, Adrea Mach, Christine Barta, Lucille Langlois and Rosemarie Orkan-Lecki. For many people, they were the first point of contact with ARICSA and also a source of basic information.

In addition, she thanked Pamela Attree, Georgina Bush and Jill Tobin who, for various reasons, had discontinued their dedicated service during this year.

Elisabeth Swaton extolled the virtues of the one-to-one communications established through the telephone services. There would, however, be a need for more volunteers in order to provide a continued service. Volunteers would be needed for covering the telephone about two times a month from 14-17 hours.

The President reiterated the call for volunteers with the reminder that, given the increasingly complicated nature of the questions asked of the team, those stepping forward should know something (or be would be willing to learn) about health insurance, pension matters, residence permits and other activities of local authorities so that questions were fielded effectively. Replies on such subjects were demanded, especially with regard to the increasingly complex regulations concerning Austrian residency and taxes on world-wide income. He also noted that one of the challenges for 2016 was to expand the assistance service to include answering email inquiries.

ii. Newsletter

The President noted that the ARICSA *Newsletter* was an important communication medium that, like most ARICSA activities, hinged on the willingness of its contributors, to which he extended the appreciation and thanks of ARICSA. The President reported that the *Newsletter* was available on the ARICSA website as well as in the print version. It also enjoyed a wide readership among sister associations around the globe. For the last ten years, Elisabeth Swaton had worked hard as our *Newsletter* editor and great thanks were due to her. She had now passed the baton and as of next year Judy Castelino would be the *Newsletter* editor.

In an effort to widen communication, monthly news articles were being sent to members who had provided their accurate email addresses. Another challenge envisaged for 2016 would be to implement a system of 'going green' so members could choose to receive the *Newsletter* via email or via the post. In that context, the President requested members to keep email addresses up to date by informing the office of any changes.

iii. Social activities

The President reported that two social events had been organized during 2015. One, a trip to Schallaburg, Lower Austria, to visit an exhibition on Viking Life, had been organized by Judy and John Castelino. A second excursion, to the Third Man Museum in Vienna, had been organized by Rosemarie Orkan-Lecki. On behalf of ARICSA, the President extended words of appreciation to those members for their contribution to the work of the Association.

The President noted that, in a manner of speaking, the General Meeting had all the makings of a social event. The intensity of conversations and the sense of well-being before the meeting had been greatly aided by the generosity of UNFCU who had funded the provision of tea and coffee.

D. ARICSA and its Executive Committee

The President thanked the members of the immediate ARICSA team and noted that their *esprit de corps* had been key to the work of the Association throughout the past year. He said that the Executive Committee had met regularly and that the meetings had been well attended.

He thanked Peter Lillie for again representing ARICSA by chairing the annual pre-retirement seminar and he also extended thanks to those who had agreed to sit on the panel.

The President noted that ARICSA was nothing more and nothing less than its members and thanked them for their current and future support to the association.

At the suggestion of the Presiding Officer, the General Meeting took formal note of the report by the President by acclamation.

6. Financial matters

A. Financial report and audited accounts for 2014

The Financial report and the audited accounts for 2014 (distributed in a circular note dated 24 September 2015) were introduced by the President on behalf of the Treasurer, Bill Bush, who was unable to attend the General Meeting. He noted that the Treasurer had prepared the document and that the auditors had approved it.

The President reported that there was an overall income decrease in 2015 as compared with 2014; that was the result of culling members who had not paid for over two years. He said that income from life members had risen because of an increase in the number of new members who had chosen the option of a one-time payment over annual payments.

The fiscal year 2014 had ended in line with the budget forecast with, however, an overspend of € 3,524 that had been drawn from the reserves, which were currently over € 55,000. Two expenditure items had been lower than planned: travel expenses and publishing costs pertaining to only three *Newsletters* rather than the planned four. On the other hand, higher costs had resulted from increased office and administrative expenses (purchase of new computers instead of using IAEA cast-offs) and contribution to the costs of the very successful tax seminar that UNFCU and ARICSA had hosted in the Palais Palfy.

B. Auditors' report

The Auditor's report was introduced by Eva Doblmayr who reported that the accounts for 2014 had presented no problems. With regard to the Treasurer, she noted that the relationship with the outgoing Treasurer had been excellent and the Auditors looked forward to an early meeting with the newly elected Treasurer to ensure a smooth transition and running of financial matters.

At the suggestion of the Presiding Officer, the financial report and audited accounts were adopted. Thanks were expressed to the Auditors and the Treasurer for their due diligence and commitment.

C. Draft budget for 2016

The President, Jerry Barton, presented the budget proposal for 2016 that was (a) in line with projected income for the current year, (b) was slightly higher than the budget for the current year and (c) was based on the expectation of new members. Thus, the Executive Committee had proposed a balanced budget for 2016, in comparison to having run a deficit in the previous three years.

The President noted that the largest change in the proposed budget was that travel in 2016 was far lower than in the previous budget. However, that decrease would be offset by costs related to ARICSA hosting the FAFICS meeting in Vienna in 2016, which had its own set of costs. He said that the predicted costs related to the hosting were slightly higher than the costs incurred when ARICSA had previously hosted the meeting in 2009. Cost savings would also occur in 2016 as

only three *Newsletters* would be published and there was no plan to sponsor a seminar in that year.

At the suggestion of the Presiding Officer, the proposed budget was adopted and thanks were expressed for the work of the outgoing Treasurer, Bill Bush.

7. Election of the Executive Committee

The Presiding Officer noted that, as stipulated in the Statutes, elections to the Executive Committee should not be held before the meeting had considered the report of the President, the annual financial report and accounts submitted by the Treasurer and the report of the auditors thereon.

Further, she noted, Article 8 subparagraph 4 specified that the Executive Committee should comprise eight members, with five officers and three other members. As could be seen from the list of nominees for those members' posts, there were eight nominees for the eight positions.

The Presiding Officer presented Jerry Barton as the nominee for President of ARICSA. Mr. Barton was elected by acclamation for the period that started 30 October 2015 and ended at the Annual General Meeting of 2017.

At the suggestion of the Presiding Officer, the other positions on the Executive Committee were filled by acclamation for the period that started 30 October 2015 and ended at the Annual General Meeting of 2017, as follows (in alphabetical order):

Goeran Appelgren
Werner Blenk
Marie-Odile Dorer
Gerhard Schramek
Elisabeth Swaton
Olaf-Michael Stefanov
Manijeh Torabi

8. Election of the auditors

The Presiding Officer announced that Eva Doblmayr and Liselotte Kliment had kindly agreed to continue serving as auditors. At the proposal of the Presiding Officer, the auditors were elected by acclamation for the period that started 30 October 2015 and ended at the Annual General Meeting of 2017.

9. Date of the next General Meeting

The President noted that, as had become practice, a date of late October or early November 2016 would be practical in order to best take financial implications into account when preparing the proposed budget for the following year. The date for the next General Meeting would thus be duly announced when the availability of a meeting room had been determined.

The General Meeting agreed to this procedure.

10. Other business

There was a discussion covering assistance to refugees and a variety of solutions was presented.

11. Closure

The Presiding Officer closed the 71st General Meeting at 16:40, 29 October 2015.