

Date: 21<sup>st</sup> September 2011
 UNITED NATIONS SYSTEM  
 CHIEF EXECUTIVES BOARD FOR COORDINATION

## Survey on After Service Health Insurance (ASHI)

### Details:

The CEB Secretariat started the ASHI survey in 2008, to consolidate ASHI liability, funding and disclosure status across the UN system organisations, all in response to requests by member organisations. Additional questions were surveyed in order to identify, assess and monitor the implementation of various practices in the ASHI area. Consecutively comparable data have been collected for the last few years. The current survey features statistical ASHI data for 2010 as well as the way ASHI funding is arranged in relation to IPSAS 25 requirements.

## Survey Results

The following agencies replied the survey:

1. FAO
2. IAEA
3. ICAO
4. IFAD
5. ILO
6. IMO
7. PAHO
8. UNDP (*data to be clarified*)
9. UNESCO
10. UNFPA
11. UNICEF
12. UNIDO
13. UNRWA
14. UNWTO
15. WFP
16. WHO
17. WIPO
18. WMO

### A. Background

A total of 12 questions were addressed to the organizations. Apart from questions 1 and 2 which were used to identify the respondent, the following 10 questions were aimed at collecting a focused ASHI liability recognition and disclosure status as of 31<sup>st</sup> December 2010, as well as funding particularities.

### B. Results summary

Questions	Summary of Responses
3. Total ASHI liability as at 31 <sup>st</sup> December 2010 (US\$ million)	ASHI total liabilities ranged US\$ 3.8-1,365.0 million per organisation as at 31 <sup>st</sup> December 2010. (Details in Annex 1)
4. Total Funding available to cover ASHI liability as at 31 <sup>st</sup> December 2010 (US\$ million)	The range of ASHI funding was between 0% - 119% of total ASHI liabilities, with an average of 23%. (Details in Annex 1)

5. Total ASHI liability recorded on the Balance Sheet as at 31 <sup>st</sup> December 2010 (US\$ million)	The range of ASHI liability recorded on the Balance Sheet was 0% - 100% of total ASHI liabilities, with an average of 66%. (Details in Annex 1) (to be updated with UNDP data)
6. Please provide date of the latest actuarial valuation	The latest actuarial study: 31 <sup>st</sup> July 2007 – 1 organisation 31 <sup>st</sup> December 2009 - 6 organisations 31 <sup>st</sup> December 2010 - 10 organisations
7. Do you apply pay-as-you-go approach for current retirees?	Pay-as-you-go approach: Yes – 67% (12/18 orgs) No – 33% (6/18 orgs)
8. If funding has been provided to cover ASHI liability, is the funding maintained in a "legally separate entity" that allows the funds to qualify as plan assets in accordance to IPSAS 25?	3 organisations out of 11 (which have provided funding to cover ASHI liability) maintain the fund in a "legally separate entity" that allows the funds to qualify as plan assets in accordance to IPSAS 25.  <u>Comments:</u> UNDP along with UNICEF, UNFPA and UNOPS is in the process of seeking external services to jointly manage the ASHI funds legally separate from the operational funds (i.e. as "Plan Assets" as defined by IPSAS).
9. If yes to question 8 above, what is the structure and legal status of the "legally separate entity"?	For 2 of the 3 organisations, the funding entity is a Trust Fund.  <u>Comments:</u> <u>WHO:</u> Under IPSAS WHO intends to define the fund as an irrevocable trust which we do not believe will require creation of a fully separate Swiss (or other) legal entity. <u>PAHO:</u> Funds are fully segregated from all other investments and are invested under separate criteria. <u>IFAD:</u> Trust Fund
10. Would your organization be interested in joining a common "separate legal entity" with another UN organization or a group of organizations (to qualify funds as plan assets in accordance with IPSAS 25)?	28% Yes 22 % No 50% Do not know  <u>Comments:</u> <u>WHO</u> would be interested to explore this idea further but on condition that there would be no diminution in benefit levels and/or increase in costs to WHO or to its plan beneficiaries, and provided that WHO accumulated ASHI reserves remain for the benefit of WHO future liabilities only. <u>UNICEF:</u> We're looking to partner with UNDP and ultimately have the UN Pension Fund manage it. <u>IMO/UNIDO:</u> Funding to be addressed first. <u>IMO:</u> any proposals to this effect would have to be carefully analysed to determine the Organization's position. <u>ILO:</u> will be willing to discuss <u>ICAO:</u> Interested depending on the proposed arrangements

<p>11. If funding has been made available to cover the ASHI liabilities, what was the source of funding?</p>	<p>64% (7/11) - Payroll charge included in staff costs  36% (4/11) - Budgetary allocation  54% (6/11) - Transfer from reserves</p> <p><u>Comments:</u>  <u>WHO:</u> Annual transfers between 1989 and 1999 for a total of \$30 million to cover retirees' deficit.  <u>PAHO:</u> Payroll charge funding was supplemented by one-time transfer of surplus funds held for other employee benefits.  <u>UNFPA:</u> Additionally, the 3<sup>rd</sup> funding element - the interest accruing on the "funded" amount of the liability and representing restricted resources.  <u>FAO:</u> Member Nations (contributions?) and accumulation of investment income  <u>ILO:</u> Accumulated reserves of health fund</p>
<p>12. How is the organization's after service health insurance (ASHI) provided?</p>	<p>33% (6/18) provided through insurance company  28% (5/18) self-insured, but administered by an insurance company  39% (7/18) self-insured and self-administered</p> <p><u>Comments:</u>  <u>PAHO:</u> Administration for U.S. claims outsourced to a private insurance company. Plan is shared with WHO.  <u>UNESCO:</u> The actual processing of claims has been outsourced.</p>

For a Comparative analysis of ASHI liability for UN-System organizations, please refer to Annex I.

## Annex 1

## Comparative analysis of ASHI liability for UN-System organizations

Organization	Total Liability (US\$ million)		Funding Available (US\$ million)		Liability recorded on the Balance Sheet (US\$ million)		Liability not yet recorded on the Balance Sheet (US\$ million)		Date of latest actuarial valuation if different than 31 Dec 2010	Pay-as-you-go current retirees [ Yes/No ]
	31-Dec-08	31-Dec-09**	31-Dec-08	31-Dec-09**	31-Dec-08	31-Dec-09**	31-Dec-08	31-Dec-09**		
FAO	878.0	934.5	141.0	186.7	596.0	653.6	282.0	280.9	31-Dec-10	No
IAEA	225.0	244.0	-	-	-	-	225.0	244.0	31-Dec-10	Yes
ICAO	46.8	54.2	-	1.4	-	-	46.8	54.2	31-Dec-10	Yes
IFAD	50.0	61.3	57.0	60.0	50.0	61.3	-	-	31-Dec-10	No
ILO	499.4	509.5	27.9	36.2	-	509.5	499.4	-	31-Dec-10	Yes
IMO	22.7	26.7	-	3.3	-	-	22.7	26.7	31-Dec-09	Yes
ITC	53.8	37.1	-	-	53.8	37.1	-	-	N.A.	
ITU		188.0	-	-	-	-	-	188.0	N.A.	
PAHO	167.1	202.6	18.3	22.3	-	-	148.8	180.3	31-Dec-10	No
UN	2,596.0	2,302.5	-	-	2,596.0	2,302.5	-	-	N.A.	
UNDP (a)	502.9	430.3	320.2	373.3	302.2	373.3	182.7	57.0	N.A.	
UNCDF (a)		10.6						10.6		Yes
UN WOMEN (a)		20.2						20.2		Yes
UNESCO		649.0		27.2				649.0		Yes
UNFPA	72.8	87.5	70.0	79.0	72.8	87.5	-	-	31-Dec-09	No
UNHCR	307.8	347.4	-	-	307.8	347.4	-	-	N.A.	
UNICEF	483.0	464.0	180.0	210.0	-	-	-	464.0	31-Dec-09	Yes
UNIDO	104.9	100.5	-	-	-	-	104.9	100.5	31-Dec-09	Yes
UNRWA (b)	-	-	-	-	-	-	-	-	N.A.	No
UNWTO	3.4	3.8	-	-	-	-	3.4	3.8	31-Jul-07	Yes
UPU	5.6	5.6	-	-	-	-	5.6	5.6	31-Dec-07	
WFP	165.2	181.8	93.5	107.4	165.2	181.8	-	-	31-Dec-10	No
WHO		1,000.0		450.0		450.0		550.0	31-Dec-10	Yes
WIPO	73.9	98.9	-	-	36.8	45.5	37.1	53.4	31-Dec-10	Yes
WMO	75.0	59.5	1.3	1.7	-	-	75.0	59.5	31-Dec-09	Yes

( a ) Starting 2009, UNDP has separated the liability for UNCDF and UN WOMEN ( UNIFEM in the past )

( b ) No information has been provided as of 31-Dec-10 as UNRWA staff and relevant ASHI is paid by UN NY Office