

# Funding After Service Health Insurance and Repatriation Benefit Liabilities EC/68/SC/CRP.7

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Controller and Director  
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**68<sup>th</sup> Standing Committee**  
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# Introduction

## Standing Committee Decision to fund After-Service-Health-Insurance (ASHI) and Repatriation Benefit Liabilities effective 1 January 2012 in May 2011

- Funding for ASHI liabilities related to staff insured by United Nations Staff Mutual Insurance Society (UNSMIS)  
*Funding through a 3% surcharge on the net salaries of relevant staff (a proportionate increase of the staff expense funded by UNHCR)*
- Funding for Repatriation Benefit liabilities  
*Funding through the allocation of a maximum of US\$ 2 million from staff cost savings (a charge to the staff expense funded by UNHCR)*
- Formal Review to be undertaken every two years  
*Review deferred pending the outcome of the system wide deliberations on ASHI*

# Funding Requirement

**UN Controller issued instruction to fund ASHI liabilities for posts funded from voluntary contributions in November 2016**

- Required to ensure compliance with UN Financial Regulation 3.12

**UNHCR staff are predominantly funded from voluntary contributions**

- 2016 net salaries for staff funded from voluntary contributions were US\$ 483 million, for staff funded from regular budget US\$ 27 million

# Review of current funding

## Sufficiency of funding for three distinct liabilities for staff benefits:

### ASHI UNSMIS

- After Service Health Insurance Liabilities
- Staff insured by the United Nations Staff Mutual Insurance Society (UNSMIS)
- Professional and relevant Local Staff (e.g. Geneva)

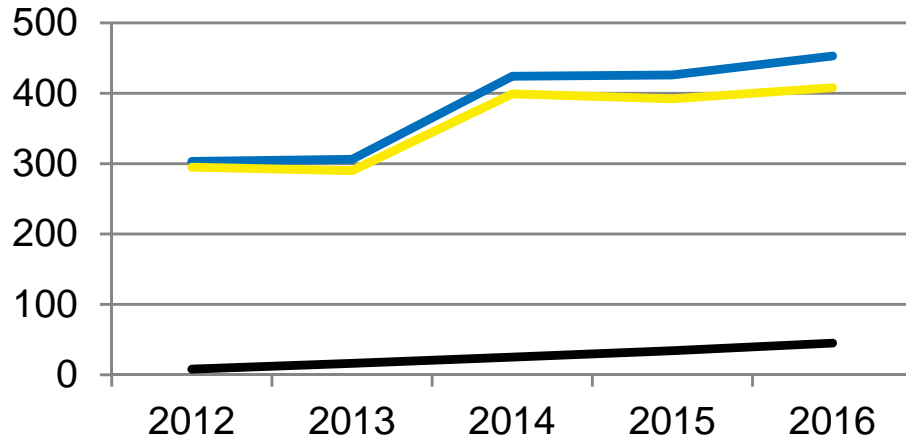
### ASHI MIP

- After Service Health Insurance Liabilities
- Staff insured by the Medical Insurance Plan (MIP)
- Local Staff not insured by UNSMIS

### Repatriation

- Liability for Repatriation Benefits
- All Staff eligible for repatriation benefits

# ASHI related to UNSMIS

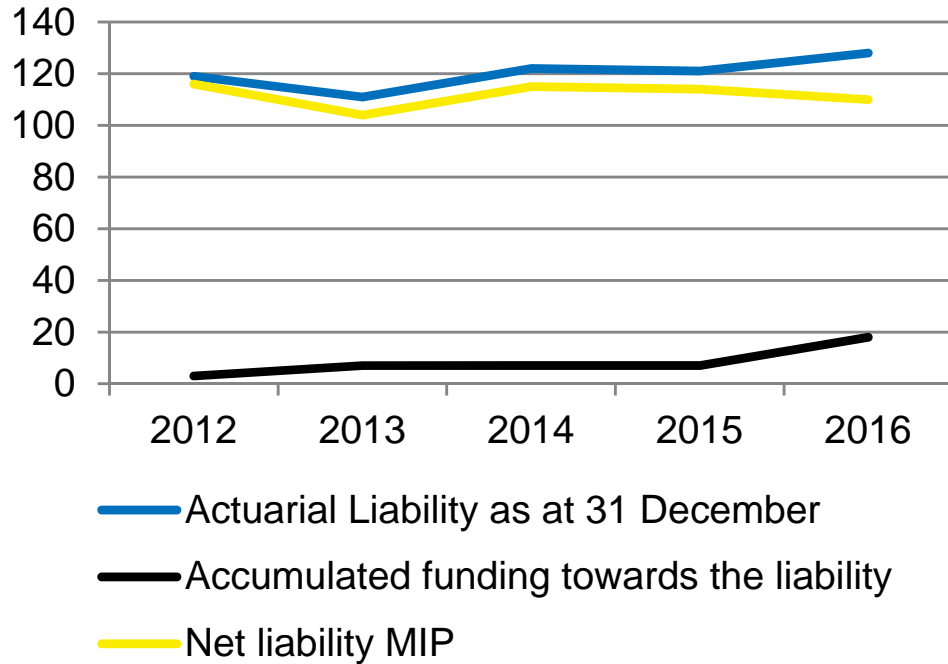


- Actuarial Liability as at 31 December
- Accumulated funding towards the liability, through 3% charge
- Unfunded Liability

	Thousands USD	percentage of net liability	Estimated years to fully fund liability
Actuarial Liability as at 31 December 2016	453,927		
Accumulated funding towards the liability	44,712		
Net liability as at 31 December 2016	409,215		
3% charge on net salaries of selected posts	10,131	2.5%	40
4% charge on net salaries of selected posts	13,508	3.3%	30

**Proposal:** **Retain** monthly payroll charge on the net salary of relevant staff at 3%

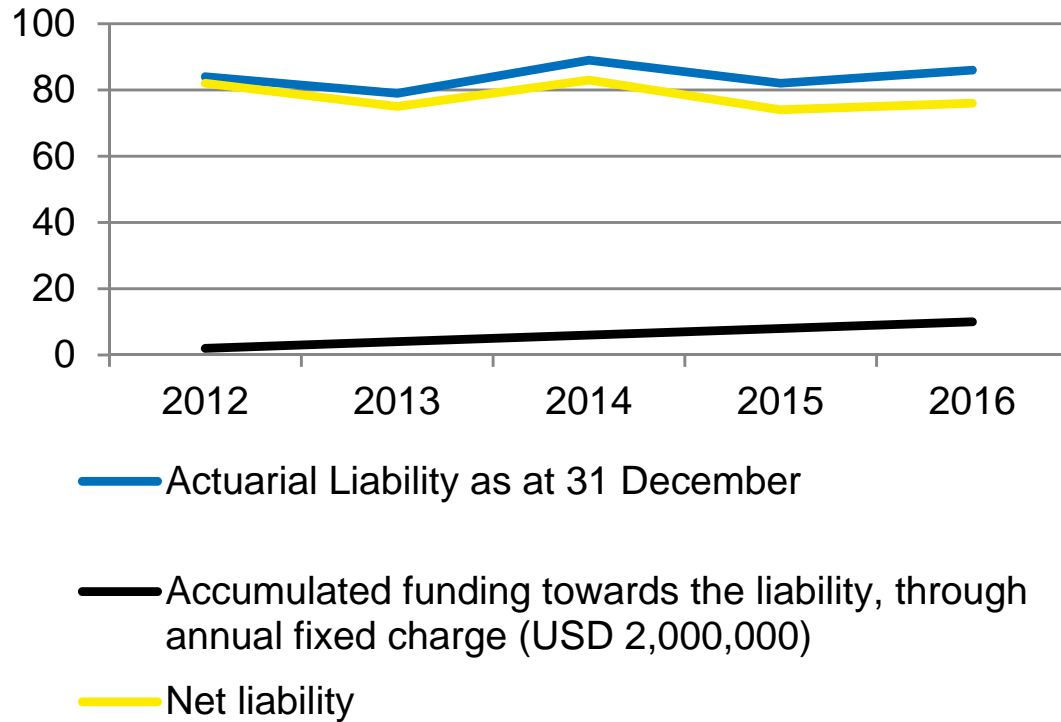
# ASHI related to MIP



	Thousands USD	percentage of net liability	Estimated years to fully fund liability
Actuarial Liability as at 31 December 2016	127,679		
Accumulated funding towards the liability	15,108		
Net liability as at 31 December 2016	112,571		
3% charge on net salaries of selected posts	4,384	3.9%	26
4% charge on net salaries of selected posts	5,845	5.2%	19

**Proposal: Introduce** monthly payroll charge of 4% on net salary of all related staff

# Repatriation Benefits



	Thousands USD	percentage of net liability	Estimated years to fully fund liability
Actuarial Liability as at 31 December 2016	86,152		
Accumulated funding towards the liability	10,094		
Net liability as at 31 December 2016	76,058		
Maximum charge of USD 2 million	2,000	2.6%	38
Maximum charge of USD 3 million	3,000	3.9%	25

**Proposal:** **Increase** the maximum amount of funding from US\$ 2 million to US\$ 3 million p.a.

# Conclusion

## III. Funding for ASHI Liabilities related to Staff insured by the United Nations Staff Mutual Insurance Society (UNSMIS)

- **Retain** monthly payroll charge on the net salary of relevant staff **at 3%**

## IV. Funding for ASHI Liabilities related to Staff insured by the Medical Insurance Plan (MIP)

- **Introduce** monthly payroll **charge of 4%** on net salary of all related staff in order to address
  - OIOS recommendation to develop a systematic funding plan for liabilities related to MIP
  - align with the instruction issued by the UN Controller in relation to UN financial rule 3.12
  - Harmonize funding approach with the approach taken for UNSMIS related liabilities

## V. Funding for the Liability for Repatriation Benefits

- **Increase** the maximum amount of funding **from US\$ 2 million to US\$ 3 million p.a.** in order to accelerate funding of the liability