Integrated Pension Administration System (IPAS)

Update as of 21 March 2016

The Fund would like to keep you informed as to where matters stand with respect to the processing of pensions. As you know, IPAS was launched in August 2015 and we were very pleased that the new system worked faultlessly for those already in receipt of pensions at that time. The Fund acknowledges, however, that the implementation of IPAS for processing new benefits did not work as well for some new retirees since processing during the first few months was slower than with the legacy system, something it had anticipated and advised in the 1 June 2015 statement posted on the Fund's website. The Fund deeply regrets the inconvenience and hardship this has caused to the beneficiaries of the Fund which is why the Fund has been devoting all of its resources, and then some, to speeding up the processing of new pensions and addressing the backlog.

Because paying pensions is not as straightforward a process as it might seem, I would also like to give you a better understanding of how it works, what roles the staff member, the organization and the Fund have, as well as the challenges faced by the Fund and how we are working to overcome them. Current delays in the payment of pensions to some new retirees are a result of various factors, both internal and external. The internal ones include a caseload increase, slower processing rate during the start of the new system, as well as lower ramp up in Geneva. The external factors which are outside the Fund's control have to do mainly with an increase in the downsizing of UN peacekeeping missions resulting in a considerably higher number of separations than usual. Additionally, the Fund is dependent on the timely submission by the staff member and the releasing organization of separation documents before it can begin to process payment.

The Fund is happy to report that once a file is complete, the processing rate is now considerably higher than at the same time last year and is improving with every month. Moreover, to ensure that the high processing rate decreases the backlog, the Fund has established a special task force (see below) to address the full withdrawal settlements, and has implemented a series of additional actions to speed up reduction of the backlog.

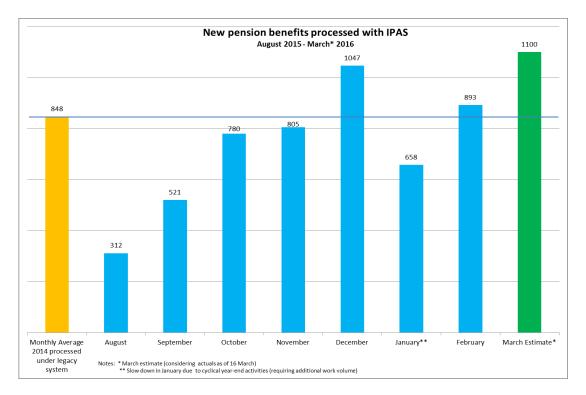
Below you will find some data related to processing, the steps the Fund is taking to ensure that new pensions are paid in a timely manner and how it plans to address the backlog.

New benefits

• **848** monthly average of new benefits processed and paid per month in 2014, compared to

• **1,100+** new benefits estimated to be processed and paid during month of March 2016

• **5,700+** new benefits processed and paid since the implementation of IPAS on 3 August 2015



Task force

Target: 1,700 new withdrawal settlements to be processed in 3 months

The Fund established a task force in March 2016 in order to temporarily increase operational capacity and process 1,700 full withdrawal settlements (in addition to the regular processing of new benefits). The task force has completed the training needed to process cases and finalized the first batch of cases this week. Processing by the task force will increase so that within three months the caseload number is expected to be down to a level where the remaining cases can be concluded within 4 to 6 weeks (once all the required documentation has been received by the Fund).

Pension payroll

511,000 benefit payments have made since IPAS Go Live (seven monthly cycles completed, August-February 2016)

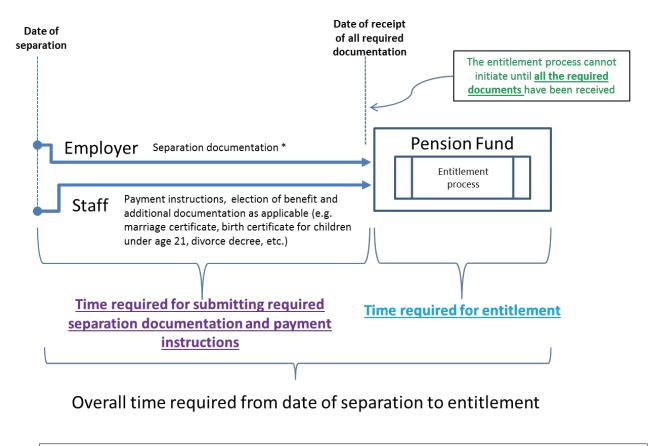
- **100%** of beneficiaries receiving a periodic benefit are included in the payroll •
- Payments in 190 countries and in 15 currencies
- Payment efficiency rate 99.3% (straight-through-processing)

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

Overall process

It is important to acknowledge that the Fund cannot start processing a benefit until all of the separation documentation and payment instructions are received.

<u>The separation to entitlement process entails different roles and</u> <u>responsibilities from separating staff, employer and the Fund</u>



* Note: Some employing organizations send the separation documentation to the Fund after some HR and payroll processes are complete, such as reconciliation of time and attendance, settling of debts with employing organizations, education grants, repatriation grants, etc.

Things you can do to expedite the processing of your pension benefit

As early as a year before your retirement or separation from active service, you can take steps to ensure that your pre-separation clearances are completed by the separation date. Some examples include: • settling all outstanding claims with your employing organization, including reconciliation of education grants, etc. • submitting and reconciling all leave requests • signing and submitting a duly completed "original" payment instructions and election of benefit form to the Fund.
