



FEDERATION OF ASSOCIATIONS OF FORMER INTERNATIONAL CIVIL SERVANTS  
FÉDÉRATION DES ASSOCIATIONS DES ANCIENS FONCTIONNAIRES  
INTERNATIONAUX  
FEDERACION DE ASOCIACIONES DE EX-FUNCIONARIOS INTERNACIONALES  
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Celebrating 50 Years of Representing Retirees and Families in 2025

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His Excellency  
António Guterres  
Secretary-General  
United Nations  
405 East 42nd Street  
New York, NY, 10017  
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22 January 2025

Subject: **Health Insurance matters of UN retirees**

Dear Secretary-General,

On behalf of the Federation of Associations of Former International Civil Servants (FAFICS), I would like to take this opportunity, Mr. Secretary-General, to thank you and your team for the ongoing excellent support the retiree community receives from the United Nations and other UN system organizations. We have a strong partnership with your senior officials and bring issues of concern from the retiree community to their attention as and when they arise.

As you know, FAFICS plays a key advocacy role on the two matters of paramount concern to retirees: pension and health insurance matters. We have three critical issues regarding health insurance matters which we want to draw to your attention at this time.

### **Participation of retirees in health insurance Committees**

The first issue has to do with the participation of retirees in the health insurance Committees of their former organizations.

The recent JIU Report (JIU/REP/2023/2023/9) on the quality, effectiveness, efficiency and sustainability of health insurance schemes found that UN system organizations have adopted a wide variety of practices regarding the representation of retirees on the internal health insurance Committees of their former organizations. Out of 26 organizations reviewed, six do not have a governing body with participant representation; in the remaining 20 organizations, retired staff mostly have observer status only and this is the case with respect to the United Nations Health and Life Insurance Committee (HLIC) in New York. FAFICS notes that some organizations do have a formal procedure for nominating or electing participants' representatives, including retirees, on their governing bodies with full voting rights such as WHO, ILO and UNESCO.

The JIU Report has recommended that “the Executive Heads of UN system organizations administering a health insurance plan should ensure that, by the end of 2026, arrangements are made for the representation of all groups of plan members, including locally recruited staff in the field and retired staff in their health insurance plan management, oversight or advisory Committee”. FAFICS supports the JIU recommendation that this should become the norm, and retired staff should be represented by fully fledged members on a par with active staff members.

FAFICS considers United Nations organizations continue to have a duty to their former staff for the following reasons: retired staff pay contributions to their health insurance plans as do active staff; retired staff constitute a sizeable proportion of the increasing populations insured under their plans; retired staff have their own particular needs, in many cases different and separate from those of active staff; and, having suitably qualified retired staff involved in the governance structure is a win-win situation. They are a valuable resource to share the workload of such bodies, and their participation ensures that the perspectives and interests of retired staff, as well as of current staff who will be future retirees, are taken into consideration.

**As United Nations Secretary-General and Chair of the Chief Executive Board (CEB), FAFICS would like to request that you establish/activate mechanisms to provide for the full representation of retirees on the internal health insurance Committees of their former organizations and not as observers.**

### **Funding of After-Service Health Insurance**

The second issue of great importance and relevance to retired staff, as well as active staff who will be future retirees, is the funding of After-Service Health Insurance (ASHI) liabilities. Since UN system organizations adopted IPSAS as their accounting standard, the ASHI liability has come to the forefront. A common approach to the actuarial calculation of this liability was developed. The importance of financing this liability, as opposed to merely reflecting the amount in financial statements, was also highlighted in the JIU Report. The JIU Report indicated that while the total liability was over 20 billion US dollars as of 31 December 2021, the funded portion of the total liability for the organizations combined was just over 31%. Some organizations have funded over 80% of their liability, while others have funded less, and thirteen organizations have not set aside any significant funding.

The pay-as-you-accrue approach to funding the liability ensures that provision is made for future costs of providing after-service healthcare benefits. It also ensures that funds which should be reserved for that purpose in the organizations’ budgets are not spent on other activities, leaving ASHI in a potentially precarious situation.

The JIU Report recommended that UN system organizations, who do not already do so, should ensure that all sources of funding (from assessed contributions as well as voluntary contributions) cover the ASHI liability corresponding to the number of staff working on programs funded from such contributions over the long-term. **FAFICS fully supports this recommendation and urges the CEB’s High Level Committee on Management to endorse this recommendation and practice.**

## **UN Medical Insurance Plan**

Finally, I would also like to address the issue of the UN Medical Insurance Plan (MIP) which covers United Nations field-based locally recruited retired (as well as active) staff. While the general level of satisfaction of field-based locally recruited retired staff with the health insurance arrangements provided by the MIP is good, there are some issues of concern. For example, there is a gap between ASHI coverage under the MIP compared to coverage for former field-based locally recruited retired staff of other UN organizations. Also, former field-based locally recruited retired staff are disadvantaged, in many countries, when local health services are insufficient and there is a need to travel in the sub-region or beyond to access adequate care. Ideally, a means should be found whereby health insurance could cover transportation to another country where adequate health services exist in the case of life-threatening events.

**FAFICS would therefore like to recommend that a comprehensive review of the UN MIP be undertaken to ensure that former field-based locally recruited retirees as well as current locally recruited staff who will become future retirees are provided with adequate health insurance at a reasonable cost.**

Once again Mr. Secretary-General, on behalf of us all, I want to express our deep appreciation to you and your team. I stand ready to provide any additional information you may require with respect to the three above-mentioned issues.

Please accept, your Excellency, the assurances of my highest respect and consideration.

Sincerely,



Jerry Barton  
FAFICS President

Cc: H.E. Earle Courtenay Rattray, Chef de Cabinet, Office of the Secretary-General  
Catherine Pollard, Under-Secretary General for Management Strategy, Policy and  
Compliance and Chair of the HLCM