



INTERNAL AUDIT DIVISION

REPORT 2025/014

**Audit of deferred retirement benefits
and restoration of prior contributory
service in the Pension Administration
of the United Nations Joint Staff
Pension Fund**

**Administration of deferred retirement benefits
and restoration of prior contributory service
needed to be strengthened**

**23 June 2025
Assignment No. AS2024-800-02**

Audit of deferred retirement benefits and restoration of prior contributory service in the Pension Administration of the United Nations Joint Staff Pension Fund

EXECUTIVE SUMMARY

The Office of Internal Oversight Services (OIOS) conducted an audit of deferred retirement benefits and restoration of prior contributory service in the Pension Administration of the United Nations Joint Staff Pension Fund (UNJSPF). The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring effective administration of deferred retirement benefits and restoration of prior contributory service in UNJSPF. The audit covered the period from 1 January 2021 to 30 June 2024 and included a review of risk areas which included: (i) policies and procedures; (ii) administration of deferred benefit and restoration cases; and (iii) communication and outreach activities.

The audit indicated the need for the Pension Administration to strengthen the administration of deferred retirement benefits and restoration of prior contributory service.

OIOS made six recommendations. To address the issues identified in the audit, the Pension Administration needed to:

- Inform the Pension Board about the low uptake of Article 24bis which may be factored into the next plan design review as appropriate;
- Review and improve the process for generating Article 24bis estimates;
- Review the existing practice of auto-restoration and develop adequate procedures to process auto-restoration cases of prior contributory service;
- Establish internal timelines and monitor the end-to-end processing times of restoration cases to detect and address any delays;
- Establish, in coordination with member organizations, a mechanism to verify that participants deposit their restoration contributions within the 90-day timeline as required by the Administrative Rules of the Fund; and
- Review and update the existing information resources as appropriate to provide more complete information on Article 24bis to participants.

The Pension Administration accepted the recommendations and has initiated action to implement them. Actions required to close the recommendations are indicated in Annex I.

CONTENTS

I. BACKGROUND	1-2
II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY	2
III. AUDIT RESULTS	2-9
A. Policies and procedures	2-5
B. Administration of deferred benefit and restoration cases	6-8
C. Communication and outreach activities	8-9
IV. ACKNOWLEDGEMENT	9
ANNEX I Status of audit recommendations	
APPENDIX I Management response	

Audit of deferred retirement benefits and restoration of prior contributory service in the Pension Administration of the United Nations Joint Staff Pension Fund

I. BACKGROUND

1. The Office of Internal Oversight Services (OIOS) conducted an audit of deferred retirement benefits and restoration of prior contributory service in the Pension Administration of the United Nations Joint Staff Pension Fund (UNJSPF).

2. UNJSPF was established in 1949 by a resolution of the General Assembly to provide retirement, death, disability, and related benefits for the staff upon cessation of their services with the United Nations and 24 other international organizations admitted to the membership of the Fund. It serves 149,848 active participants and 86,013 beneficiaries of the United Nations from 24 member organizations. In 2023, UNJSPF made periodic benefit payments of \$3.3 billion in 18 currencies and received \$3.4 billion in pension contributions.

3. UNJSPF operates under its own Regulations and Rules, including Financial Rules as approved by the General Assembly. The administration of deferred retirement benefits and restoration of prior contributory service is regulated by Article 30 (deferred retirement benefits), Article 31 (withdrawal settlement), Article 32 (deferment of payment or choice of benefit), Article 24 (restoration of prior contributory service), and Article 24bis (restoration of prior contributory service in the case of a deferred retirement benefit elected on or after 1 April 2007) of the Fund's Regulations.

4. Upon separation, a participant may either elect for payment of a benefit or defer the election or payment for a maximum period of 36 months. If no election is made within 36 months, a participant is deemed to have elected a deferred retirement benefit if their contributory service was five or more years at the time of separation, and their age on separation was lower than the normal retirement age. Table 1 shows the number of deferred benefits paid as compared to the pension benefits awarded from 2021 to 2023.

Table 1: Number of deferred retirement benefits vs. total pension benefits awarded during 2021 to 2023

Year	Total number of pension benefits paid	Number of new deferred benefits awarded	Percentage
2021	10,870	576	5.3%
2022	9,896	721	7.3%
2023	10,818	528	4.9%

5. The Pension Administration processed 781 restoration requests from 1 January 2021 to 30 June 2024 under Article 24. The Pension Entitlements Section under the Operations Service manages the administration of deferred retirement benefits, while the Client Services Section (CSS) and the Accounts Section manage the restoration of prior contributory service. Restoring the prior contributory service of participants who opted for deferred retirement benefits after 1 April 2007 also involves the Data Analysis Unit (DAU) due to the actuarial calculations required to determine the value of these benefits.

6. The Pension Administration uses the Integrated Pension Adjustment System (IPAS) to calculate the pension benefits and maintain participant data, and the e-Business Suite for accounting of transactions. IPAS also has the automated functionality to calculate the restoration contributions. By default, the system calculates restoration contributions for instalment payments; however, adjustments can be made for participants choosing a lump sum payment. To interact with participants, beneficiaries and member

organizations, it employs the Open-Source Ticket Request System for member organizations' inquiries and UNJSPF Connect for individual queries. The Pension Administration has a Member Self-Service portal to enable participants, retirees and beneficiaries to access their personal information, proof of documents, benefit estimates, and document uploads.

7. Comments provided by the Pension Administration are incorporated in italics.

II. AUDIT OBJECTIVE, SCOPE AND METHODOLOGY

8. The objective of the audit was to assess the adequacy and effectiveness of governance, risk management and control processes in ensuring the effective administration of deferred retirement benefits and restoration of prior contributory service in UNJSPF.

9. This audit was included in the 2024 risk-based work plan of OIOS due to the risk that potential weakness in administration of deferred retirement benefits and restoration of prior contributory service may have an adverse impact on the Fund participants' interests, as well as its reputation.

10. OIOS conducted this audit from January to April 2025. The audit covered the period from 1 January 2021 to 30 June 2024. Based on an activity-level risk assessment, the audit covered risk areas which included: (i) policies and procedures; (ii) administration of deferred benefit and restoration cases; and (iii) communication and outreach activities.

11. The audit methodology included: (a) interviews with key personnel; (b) review of relevant documentation; (c) analytical review of data; (d) sample review of transactions. Analytical review of data included analysis of deferred retirement and restoration data in the Fund's systems. To assess data reliability, OIOS compared the information provided by the Pension Administration with the information shared through business intelligence dashboards and the Fund's financial statements. Additionally, OIOS accessed IPAS and reviewed sample cases.

12. The audit was conducted in accordance with the Global Internal Audit Standards.

III. AUDIT RESULTS

A. Policies and procedures

Action was being taken to clarify the provisions relating to deemed deferment of retirement benefits

13. Article 32 (b) stipulates that a participant who deferred a choice and does not submit applicable payment instructions within the period will be deemed to have chosen a deferred retirement benefit if their age on separation was less than the normal retirement age. However, Article 32 (b) did not clearly specify that this deemed deferment applies only when the participant has more than five years of prior contributory service. The Pension Administration addressed this by proposing an appropriate amendment to the Fund's Regulations which was approved by the General Assembly and became effective as of 1 January 2025.

Need to report the practical implications of implementing Article 24bis to the Pension Board

14. According to Article 1 (u) of the Fund's Regulations, restoration means inclusion in contributory service of all or part of the prior contributory service of a former participant who again becomes a participant. Articles 24 and 24bis of the Fund's Regulations define the circumstances when a participant may elect to restore their prior contributory service. To be eligible for restoration under Article 24, three

conditions needed to be satisfied: (i) the participant must make an election within one year of rejoining the Fund; (ii) the participant must have taken a withdrawal settlement at the time of previous separation; and (iii) the participant must pay back the lump-sum received at the time of previous separation, along with interest.

15. However, a participant with prior contributory service of more than five years who opted for a deferred retirement benefit or was deemed deferred on or after 1 April 2007 was not allowed to restore their prior contributory service upon rejoining the Fund as a participant. This condition limited the portability of pension entitlements and potentially disadvantaged the affected participants, contrary to the long-standing objective of the Fund's Regulations to enhance staff mobility. Considering the comments of the United Nations Appeals Tribunal in this context, the Pension Board and the General Assembly introduced Article 24bis on 1 January 2023 in terms of General Assembly resolution 77/258. Article 24bis broadened the scope of restoration to include participants who opted for deferred retirement benefits or were deemed deferred on or after 1 April 2007. As per the provisions of Article 24bis, the participants could purchase their prior contributory service based on the actuarial value of their deferred retirement benefits. The Fund engaged a consulting actuary to develop a methodology to determine the amount of prior service a participant could purchase, to ensure that the process remained cost-neutral to the Fund.

16. OIOS' review of the implementation of 24bis indicated, however, the application of this methodology normally results in contributory service credit of only part of the individual's prior contributory service, which may not be beneficial to most participants. OIOS' simulation of the pension benefits for 415 potential cases – after considering that these participants, upon leaving their prior service, had either taken a full withdrawal or opted for deferred retirement benefits before 1 April 2007 (i.e., full restoration upon rejoining under the old rules) – showed that on average, their pension benefits would have been 27 per cent higher under the old rules compared to choosing restoration under the new Article 24bis.

17. For example, consider a participant (Case 1 in Table 2 below) with five years of prior contributory service and an additional ten years of service after rejoining. Under Article 24, their total of 15 years of contributory service would result in an annual pension of \$22,243. However, by electing Article 24bis, this participant could only purchase one year of their five years of first contributory prior service, giving them a total of only 11 years of contributory service, leading to a significantly lower annual pension of \$15,895 (a decrease of 28 per cent). This example illustrates how Article 24bis can result in substantially reduced pension benefits for some rejoining participants compared to the previous restoration options.

Table 2: Annual pension benefits under different scenarios of five random sample cases

	Current pensionable remuneration	CS* period 1 (X)	CS period 2 (Y)	CS purchase from period 1 under Article 24bis (Z)	Restoration (Article 24)		Restoration (Article 24bis)	
					Full restoration of CS (X + Y)	Annual pension benefits (\$)	Partial restoration of CS (Y + Z)	Annual pension benefits after restoration (\$)
Case 1	82,572	5	10	1	15	22,243	11	15,895
Case 2	165,101	10	25	2	35	108,229	27	81,857
Case 3	204,158	15	22	3	37	144,482	25	94,423
Case 4	296,949	20	9	12	29	161,960	21	113,583
Case 5	30,544	25	9	20	34	19,714	29	16,824

*CS: Contributory service in years

18. The above comparison indicates that the provision of Article 24bis was not advantageous to participants who opted for deferred retirement benefits on or after 1 April 2007 during their previous separation. On the contrary, if the participants who had opted and received withdrawal settlement at the

time of their previous separation or would have opted deferred retirement benefits before 1 April 2007, they may have enjoyed full restoration, and their annual pension benefits could have been much higher. Out of 427 potential Article 24bis cases (mainly active participants who elected deferred retirement between 1 April 2007 and 1 January 2023), only three participants (one per cent) elected to restore their prior contributory service.

19. The Pension Administration needs to bring to the attention of the Pension Board the very low uptake of implementing Article 24bis and indicate that the provisions of Article 24bis may not necessarily be achieving the intended objective of enhancing mobility of staff and portability of pension for which the right of restoration of prior contributory service were included in the Fund's Regulations. This may facilitate the Pension Board to factor in the implications of implementing Article 24bis during the next plan design review if deemed appropriate.

(1) The Pension Administration should inform the Pension Board about the low uptake of Article 24bis which may be factored into the next plan design review as appropriate.

The Pension Administration accepted recommendation 1 and stated that it will report to the Pension Board on the low uptake in terms of the number of Article 24bis cases, including the small percentage of cases that are advantageous to the participant and the resources required for processing.

Need for efficiencies in generating pension benefit estimates under Article 24bis

20. The Pension Administration invests considerable time and effort in generating pension benefit estimates for participants interested in restoring prior contributory service. In Article 24 cases, the participant submits a request to CSS, which verifies eligibility and routes the request to the Accounts Section for restoration and notifying the participant. However, generating estimates under Article 24bis involves CSS, DAU and the Accounts Section: upon receiving an Article 24bis request, CSS verifies eligibility and if confirmed, simultaneously routes the request to DAU for generation of the related estimate and to the Accounts Section for the next steps in processing the related workflow and communication with the client, once the estimate is ready; DAU calculates the pension benefit and purchasable prior service estimates using an estimation tool developed in consultation with the consulting actuary, and then sends the results to the Accounts Section for communication to the participant; and the consulting actuary must vet the final calculation after the participant's election before processing the restoration.

21. The involvement of three units (CSS, DAU and the Accounts Section) in generating estimates that are often not beneficial to participants is inefficient. Since Article 24bis was introduced in January 2023 and the process of generating estimates is fully mature, the Pension Administration needs to streamline the estimate generation process by re-evaluating the necessity of involving all three sections.

(2) The Pension Administration should review and improve the process for generating Article 24bis estimates.

The Pension Administration accepted recommendation 2 and stated that with the involvement of relevant offices, it will conduct a review to determine where the efficiencies could be made.

Procedures to process the restoration of contributory service less than five years needed to be established

22. OIOS' review of cases where the participants had a prior contributory service of less than five years and had not taken withdrawal settlement after the expiry of 36 months showed the following:

(a) Between January 2021 and June 2024, the Pension Administration processed 781 cases of prior contributory service restoration. OIOS' analysis showed that in 113 of these cases, the restoration was processed as "auto-restoration". The Pension Administration explained that participants with less than five years of contributory service who rejoin the Fund after 36 months can have their full prior contributory service restored automatically (auto-restoration), whether or not they previously elected deferment of payment or choice of benefit, as long as the benefit has not been forfeited. OIOS considers this situation to be an anomaly. For instance, a participant who served five years in their previous employment and did not make the choice of benefits for 36 months will be deemed deferred and, upon rejoining, will be able to restore only reduced prior contributory service under Article 24bis. Contrary to this, a participant who served a little less than five years (may be just one day short of five years) and did not make a choice of benefit (and the Pension Administration has neither forfeited the case nor made any payment upon rejoining the Fund) may enjoy the restoration of their whole period of prior contributory service.

(b) Out of the 113 auto-restoration cases, 69 participants had their prior contributory service restored even though they indicated their interest in restoration more than one year after rejoining the Fund, which does not comply with Article 24. The period between their re-entry date and restoration election date ranged from 20 days to 17 years. The Pension Administration stated that the Chief Operating Officer could approve restoration based on valid justifications from the participant.

(c) Out of the 69 time-barred cases, 11 involved participants whose separation and rejoining dates were more than five years apart, meaning their benefits should have been forfeited. There was no valid justification for not forfeiting these 11 cases. Allowing auto-restoration of forfeited benefits has financial implications due to interest on restoration, and there were no guidelines for processing such cases.

(d) Furthermore, the restoration procedures require participants to submit a C1 form with the date of election to restore their prior contributory service. However, out of 30 cases reviewed, 18 lacked C1 forms to verify this date. The Pension Administration indicated that a simple email showing interest in restoration could be considered sufficient. OIOS is of the view that the C1 form is necessary to verify the election date, since the Pension Administration must pay interest on restoration contributions from that date.

23. The concept of auto-restoration can lead granting full restoration rights after one year of rejoining, which is not clearly defined in the Fund's Regulations. Additionally, allowing auto-restoration for participants who did not submit payment instructions or elect a benefit within 36 months discourages compliance with Article 32 – a factor that led to missing payment instructions as highlighted in OIOS' previous audit (Report 2024/038). OIOS' review of 30 out of 69 sample cases indicated that in 12 cases, payment instructions were not submitted within 36 months to make an election.

24. The Pension Administration needs to develop clear guidelines for restoring prior contributory service for participants with less than five years of contributory service with a break-in-service above 36 months where no withdrawal settlement was paid.

(3) The Pension Administration should review the existing practice of auto-restoration and develop adequate procedures to process auto-restoration cases of prior contributory service.

The Pension Administration accepted recommendation 3 and stated that it will develop guidelines to process auto-restoration cases of prior contributory service.

B. Administration of deferred benefit and restoration cases

Action was taken to process deferred retirement benefits

25. Article 30 of the Fund's Regulations stipulates that a deferred retirement benefit shall be paid to a participant whose age on separation was less than the NRA and had a contributory service of more than five years. The benefit shall be paid within 15 days of the date of receipt of the payment instruction.

26. As of 31 March 2025, there were 339 deferred retirement processable cases including 20 cases where participants had already attained the NRA but the benefit payment was yet to be made. The delay of benefit payment ranged from one month to 11 years. Four out of the 20 cases were delayed due to the discrepancies in contributions – a matter that was covered in OIOS' audit of participation procedures and recording of contributions in the Pension Administration (Report 2024/068). In the remaining 16 cases, the Pension Administration was pursuing the matter with the beneficiaries.

Processes were automated to administer deferment of payment or choice of benefit

27. Article 32 of the Fund's Regulations stipulates that participants could request a deferment of payment for their withdrawal settlement (for contributory service less than five years) or their choice of benefit (for contributory service more than five years) for up to 36 months. The Pension Administration established internal guidelines (Procedure General 36) to process these requests. As required by Procedure General 36, acknowledgement letters are sent to separated staff members who elected either for payment deferment or choice of benefit. The purpose of sending these letters was to inform them about the maximum deferment period, the 36-month expiration date, and other relevant information regarding the option of restoration, the applicability of deemed deferment, and provisions related to benefit forfeiture.

28. The Pension Administration stated that it had automated the generation of acknowledgement letters for Article 32 cases in respect of United Nations family organizations' participants, including automated reminders which are due three months before the expiry of the 36-month period.

Timelines to process restoration cases needed to be established

29. According to Article 24 of the Fund's Regulations, a participant may, within one year of rejoining the Fund, express their interest in restoring their prior contributory service. To process restoration cases, CSS receives the restoration request and verifies eligibility. After the verification, the Accounts Section calculates the restoration contribution to be paid back to the Fund and issues the restoration memo to the Staff Pension Committee (SPC) Secretary (for member organizations) or to the participant (for United Nations family) for their necessary action.

30. The Pension Administration processed 781 restoration cases from January 2021 to June 2024. OIOS' review of 30 sample cases showed that the average processing time, from the date CSS received the request to the issuance of the restoration memo by the Accounts Section, was 157 days (see Table 3 below).

Table 3: Processing times from date of restoration request to the date of issuance of restoration memo

Organization	Sample size	Average processing time by CSS (days)	Average processing time by Accounts Section (days)	Total average processing time (days)	Range of processing time (days)
UN family organizations	17	110	85	195	22 - 945
Other	13	75	32	107	20 - 508
Total	30	95	62	157	20 - 945

31. CSS categorized service requests by priority, with restoration cases designated as "medium" priority and assigned a 15-day processing benchmark. However, no such timelines were established for the Accounts Section to process these cases. The Pension Administration stated that an internal agreement exists between the two sections; the Accounts Section needs to process restoration cases within 30 days after CSS completes the verification of employment data. However, this arrangement had not yet been formalized and complied with. Furthermore, while the restoration guidance detailed the steps for completing the process in the system, it did not specify internal timelines for case processing by either CSS or the Accounts Section. This made it difficult to assess the efficiency in processing restoration cases.

(4) The Pension Administration should establish internal timelines and monitor the end-to-end processing times of restoration cases to detect and address any delays.

The Pension Administration accepted recommendation 4 and stated that it will launch a dashboard for contributory service purchase workflows, including active restoration cases by status to help identify and address any delays more effectively.

Need to establish mechanisms to ensure the timely receipt of restoration contributions

32. Section F of the Fund's Administrative Rules stipulates that following an election, participants are required to make or commence payment of restoration contributions (either lump sum or instalments) within 90 days from the date of notification issued by the Fund or the Secretary of the SPC of the member organization. Non-compliance with this 90-day deadline will result in the cancellation of the participant's entitlement to restore prior contributory service.

33. OIOS' review of a sample of 20 instalment payment cases showed that restoration payments were processed within the stipulated timeframe. However, a review of 30 lump sum payment cases showed instances of delayed payment of restoration contributions (average delay of 4.5 months). Except for six cases, the remaining instances had delays ranging from one to sixteen months from the contribution due date to the date of payment. The Pension Administration stated that participants remit restoration contribution payments directly to their respective member organizations, thereby limiting the Fund's direct oversight in ensuring adherence to established timelines. Also, for participants within the United Nations family, the Fund requests the submission of a confirmation sheet, duly signed and dated by their payroll officer, within 90 days of issuing the restoration memorandum. The Fund also advises the secretaries of the SPCs, when disseminating the restoration memorandum, that payment is expected within 90 days.

34. While the Fund's year-end schedules facilitate confirmation of the receipt of restoration contributions, no verification procedures are currently in place to ascertain whether these payments were deposited within the 90-day timeframe as mandated by Section F. The Pension Administration indicated that member organizations are expected to monitor restoration payment deadlines and accurately report restoration contributions in the year-end schedules or monthly financial interface files.

35. OIOS considers that, notwithstanding that member organizations directly receive restoration contributions from participants, managing these contributions is a function of the Fund. Given that the Fund is liable for accruing interest on restoration contributions from the date of the participant's election, delays in the submission of these contributions entail financial implications. To ensure adherence to the 90-day timeline as mandated in Section F, the Fund needs to establish a robust mechanism for verification of timely receipt of restoration contributions from participants.

- (5) The Pension Administration should, in coordination with member organizations, establish a mechanism to verify that participants deposit their restoration contributions within the 90-day timeline as required by the Administrative Rules of the Fund.**

The Pension Administration accepted recommendation 5 and stated that it will, in coordination with member organizations, establish a mechanism to verify that participants deposit restoration contributions within the 90-day timeline.

C. Communication and outreach activities

Need to inform participants about the implications of opting for restoration under Article 24bis

36. Out of the 427 potential cases pertaining to Article 24bis (primarily active participants who elected deferred retirement between 1 April 2007 and 1 January 2023), only 216 participants requested the Pension Administration to generate an estimate of the prior contributory service eligible for purchase, based on the actuarial value of their deferred retirement benefits. OIOS' review of the various information resources developed by the Pension Administration regarding Article 24bis showed that the Fund had undertaken efforts to inform participants, as detailed in Table 4. Considering the intricate nature of Article 24bis, more information could be disseminated to address the missing elements.

Table 4: Information on Article 24bis shared with participants

Source	What is found	What is missing
Booklet on restoration	Detailed explanation of restoration processes covering eligibility, conditions, payment options, deadlines, and benefit impact. Mentions Article 24bis and cost-neutrality.	"Cost-neutral" concept and its implications were not adequately explained. Examples could have been provided to explain the implications of different scenarios. Needs revision of reference to the outdated 2023 deadline.
Video on restoration	Basic overview of Articles 24 and 24bis. Mentions limited advantage of restoration. Listed conditions and encourages contacting the Fund for actuarial estimates.	Does not explain specific scenarios where Article 24bis is advantageous. Lacks depth on cost-neutrality.
Website information and Frequently Asked Questions	Fairly comprehensive summary. Covers eligibility and general conditions.	No explanation of cost-neutrality. Does not clarify that Article 24bis can be advantageous in limited cases.
e-Learning Module (UNSSC)	Interactive learning tool. Provides information on normal restoration cases under Article 24.	Needs to include updated information on Article 24bis.

37. The procedures for implementing Article 24bis require participants to first request an estimate from the Fund by submitting form PENS. C/8, indicating their interest in restoring prior contributory service. After receiving the estimate, participants must submit form PENS. C/9 within 60 days to finalize their election of Article 24bis. However, Form PENS. C/9 was not available on the Pension Fund website. Further, there was no evidence of any specific sessions conducted by the Pension Administration on the newly introduced Article 24bis during its 2023 and 2024 outreach activities.

38. The Pension Administration stated that the applicability of Article 24bis was limited to a very small population size. Since it was not advantageous in the majority of cases, the Fund provided a basic overview of Article 24bis regarding restoration. Specific queries were addressed individually due to the complexity of the calculations involved. OIOS is of the view that since the provisions of Article 24bis are difficult to understand, the Pension Administration needs to explain the cost-neutral methodology for calculating prior contributory service and provide examples of various scenarios to better equip separating staff members to make well-informed decisions about their benefit elections.

(6) The Pension Administration should review and update the existing information resources as appropriate to provide more complete information on Article 24bis to participants.

The Pension Administration accepted recommendation 6 and stated that it will continue to update and ensure the accuracy of information resources about the Article 24bis option. Actions will be prioritized considering the number of potential participants and the information available in other materials including the welcome letter, newsletter, and website.

IV. ACKNOWLEDGEMENT

39. OIOS wishes to express its appreciation to the management and staff of the Pension Administration for the assistance and cooperation extended to the auditors during this assignment.

Internal Audit Division
Office of Internal Oversight Services

STATUS OF AUDIT RECOMMENDATIONS

**Audit of deferred retirement benefits and restoration of prior contributory service in
the Pension Administration of the United Nations Joint Staff Pension Fund**

Rec. no.	Recommendation	Critical ¹ / Important ²	C/ O ³	Actions needed to close recommendation	Implementation date ⁴
1.	The Pension Administration should inform the Pension Board about the low uptake of Article 24bis which may be factored into the next plan design review as appropriate.	Important	O	Receipt of evidence that the Pension Board has been informed about the low uptake of Article 24bis for it to be factored into the next plan design review as appropriate.	30 April 2026
2.	The Pension Administration should review and improve the process for generating Article 24bis estimates.	Important	O	Receipt of evidence that a review has been conducted to improve the process for generating Article 24bis estimates.	30 June 2026
3.	The Pension Administration should review the existing practice of auto-restoration and develop adequate procedures to process auto-restoration cases of prior contributory service.	Important	O	Receipt of evidence that the existing practice of auto-restoration has been reviewed, and adequate procedures have been developed to process auto-restoration cases.	31 December 2025
4.	The Pension Administration should establish internal timelines and monitor the end-to-end processing times of restoration cases to detect and address any delays.	Important	O	Receipt of evidence that internal timelines have been established to monitor the end-to-end processing times of restoration cases to detect and address any delays.	31 December 2025
5.	The Pension Administration should, in coordination with member organizations, establish a mechanism to verify that participants deposit their restoration contributions within the 90-day timeline as required by the Administrative Rules of the Fund.	Important	O	Receipt of evidence that a mechanism has been established to ensure compliance with the Administrative Rules of the Fund which requires that participants deposit their restoration contribution within a 90-day timeline.	31 March 2026
6.	The Pension Administration should review and update the existing information resources as appropriate to provide more complete information on Article 24bis to participants.	Important	O	Receipt of evidence that the existing information resources on Article 24bis have been reviewed and updated as appropriate.	31 March 2026

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

³ Please note the value C denotes closed recommendations whereas O refers to open recommendations.

⁴ Date provided by the Pension Administration in response to recommendations.

APPENDIX I

Management Response

UNJSPF CCPPNU

United Nations Joint Staff Pension Fund

Caisse commune des pensions du personnel des Nations Unies

MEMORANDUM

Ref:

New York, 17 June 2025

To / A: Mr. Byung-Kun Min, Director
Internal Audit Division, OIOS

From / De : Rosemarie McClean, Chief Executive
of Pension Administration, United
Nations Joint Staff Pension Fund



OIC/CEPA

Subject / Objet: **UNJSPF response to draft report on audit of deferred benefits and restoration of prior contributory service in the Pension Administration of the United Nations Joint Staff Pension Fund**

1. Reference is made to your memorandum dated 3 June 2025, in which you submitted for the Fund's review and comments, the draft report of the above-mentioned audit.
2. As requested, the Pension Administration's response to the audit recommendations is included in Annex I.
3. The Pension Administration would like to thank OIOS auditors for the review and constructive discussions with management.

cc.: Mr. D. Penklis, Deputy Chief Executive
Ms. M. O'Donnell, Chief of Operations
Mr. A. Blythe, Chief Client Services
Mr. E. Iaderosa, Chief Financial Officer
Ms. K. Manosalvas, Audit Focal Point

ANNEX I

Audit of deferred benefits and restoration of prior contributory service in the Pension Administration

Rec. no.	Recommendation	Critical ¹ / Important ²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
1.	The Pension Administration should inform the Pension Board about the low uptake of Article 24bis which may be factored into the next plan design review as appropriate.	Important	Yes	Chief Data Analysis Unit	April 2026	The Fund will report to the Pension Board on the low uptake in terms of the number of article 24bis cases, including the small percentage of cases that are advantageous to the participant and the resources required for processing.
2.	The Pension Administration should review and improve the process for generating Article 24bis estimates.	Important	Yes	Chief Client Services Section, Chief of Accounts and Chief Business Transformation	June 2026	The Fund, with the involvement of relevant offices, will conduct a review of the process to determine where efficiencies could be made.
3.	The Pension Administration should review the existing practice of auto-restoration and develop adequate procedures to process auto-restoration cases of prior contributory service.	Important	Yes	Chief of Pension Entitlements Section	December 2025	The Fund will develop guidelines to process auto-restoration cases of prior contributory service.
4.	The Pension Administration should establish internal timelines and monitor the end-to-end processing times of restoration cases to detect and address any delays.	Important	Yes	Chief of Client Services Section, Chief of Accounts, EAS BI Team	December 2025	The Fund will launch a dashboard for Contributory Service Purchase workflows, including active restoration cases by status. This tool will help identify and address any delays more effectively.
5.	The Pension Administration should, in coordination with member organizations,	Important	Yes	Chief of Accounts	March 2026	The Fund, in coordination with its member organizations, will establish

¹ Critical recommendations address those risk issues that require immediate management attention. Failure to take action could have a critical or significant adverse impact on the Organization.

² Important recommendations address those risk issues that require timely management attention. Failure to take action could have a high or moderate adverse impact on the Organization.

Rec. no.	Recommendation	Critical¹/ Important²	Accepted? (Yes/No)	Title of responsible individual	Implementation date	Client comments
	establish a mechanism to verify that participants deposit their restoration contributions within the 90-day timeline as required by the Administrative Rules of the Fund.					a mechanism to verify that participants deposit restoration contributions within the 90-day timeline.
6.	The Pension Administration should review and update the existing information resources as appropriate to provide more complete information on Article 24bis to participants.	Important	Yes	Chief of Client Services Section, Communications Team	March 2026	<p>The Fund will continue to update and ensure the accuracy of information resources about article 24 bis option.</p> <p>Actions will be prioritized considering the number of potential participants and the information available in other materials including the welcome letter, newsletter, and website.</p>