

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## ICITO STAFF BENEFIT FUND

At the request of the Working Party on Budget the Executive Secretary has the honour to circulate to Delegations the following notes on the operation of the ICITO Staff Benefit Fund

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1. When the ICITO was set up at the close of the Conference on Trade and Employment which was convened in Havana by the United Nations, it was contemplated at that time that within a short period, the Havana Charter would be ratified and the International Trade Organization would be set up. The ICITO was considered as an Interim Commission for a specialized agency within the meaning of Article 57 of the United Nations Charter, and in that capacity, obtained advances from the United Nations Working Capital Fund and was associated to the Administrative Co-ordination Committee and other subsidiary bodies of which specialized agencies are members.

2. To enable the ICITO staff members to join the United Nations Pension Fund as soon as the International Trade Organization is set up, a transitional arrangement was put into force.

The staff members contribute 7 per cent of their net salaries and the ICITO 14 per cent of those salaries. These percentages are those required for participation in the United Nations Joint Staff Pension Fund and the joining of the staff would not require additional appropriation from the contracting parties.

3. Under these provisional arrangements which have lasted five years, the benefits granted to staff are far less advantageous than those under the Pension Fund, i.e. those which correspond to the 21 per cent contributed by the organization and the staff members. If a member leaves the ICITO (by resignation or by termination by the organization) he receives his own contribution of 7 per cent plus a further 5 per cent out of the organization's contributions, i.e. a total of 12 per cent of salary; the balance remains in the Fund. This is paid in the form of a lump sum but not in the form of a pension. Moreover, the present arrangement does not cover death and disability risks. In case of death and disability not attributable to service, no benefits would be given to the staff. In the case of death or disability attributable to service the full amount of the benefits to be granted under the staff regulations would fall under the appropriation of "Unforeseen" as the Staff Benefit Fund would not contribute to such benefits.

4. As soon as it became clear that the ITO would not be set up in a near future, the Executive Secretary discussed with the United Nations Joint Staff Pension Fund the possibility of enabling the ICITO staff members to join the Pension Fund. The Board of the United Nations Joint Staff Pension Fund has considered this question at its last session and has adopted the following Resolution:

- 1) Whereas the Staff of the Interim Commission of the International Trade Organization has indicated its desire of becoming participants of the United Nations Joint Staff Pension Fund
- 2) Whereas the ICITO Staff Benefit Fund has been set up and operating for five years and appears to present no insurmountable difficulties of assimilation into the United Nations Joint Staff Pension Fund
- 3) Whereas the assimilation of the staff members of ICITO would in itself present to the Fund no more than the ordinary risk of an equal number of participants from a specialized agency
- 4) Whereas the ICITO is not a specialized agency as referred to in Article 57, paragraph 2 of the Charter and therefore is not admissible under Article XXVIII of the Regulations of the Joint Staff Pension Fund
- 5) Whereas members of the staff of ICITO are not members of the staff of the United Nations

The Joint Staff Pension Board resolves to bring the question of the desirability of admitting the staff members of ICITO to the attention of the General Assembly for its consideration and decision of principle, and recommends that in case of an affirmative decision the matter be referred to the Joint Staff Pension Board for recommendation as to consequential changes in the Regulations.

The procedure outlined in this Resolution has the disadvantage of involving undue delays and in the assumption that the Assembly adopts a favourable attitude on the principle this year and approves the amendments at its next session, the ICITO staff members could not join the United Nations Pension Fund earlier than 1955.

5. The Executive Secretary intends to consider in the light of the decision which may be taken by the United Nations whether alternative solutions could be devised in order to provide without undue delay for benefits which from an actuarial point of view correspond to the premiums paid by the contracting parties and the staff.