This is a special edition and deals only with the report of the General Assembly held on 16 October 2003, the announcement of World Health Day and of the elections which will take place in October 2004.

Issues 56 and 57 will be edited by Laura Ciaffei, with the help of the Editorial Board and will be published in spring and summer 2004. You will be kept informed.

WHO HQ PREMISES AS SEEN FROM AIR

SUMMARY

p. 1: Edito ; summary ; photo WHO
p.2-10 : Report, General Assembly
p.10 : World Health Day (WHD): elections and dues
p.11: List of deceased; Annex 1: pensions and lump sum.
Dr Cohen, President of AFSM, declared the meeting open. The senior member of the 72 participants was Mr A. van Pernis, 85, who, having entered WHO in 1946, was also the senior in service.

First Part

1. ITEM 1 OF THE AGENDA: OPENING OF THE MEETING

   The President explained that Mr Ferrari, Head of the Office of the Pension Fund at the European Office of the United Nations, had a pressing engagement and would speak under Item 6 of the Agenda immediately after the election of the Chairman. It was so agreed.

2. ITEM 2 OF THE AGENDA: ELECTION OF THE CHAIRMAN OF THE SESSION

   Dr Antezana, former ADG and DDG of WHO, was elected Chairman by acclamation on the proposal of Dr J. P. Menu, Chairman of the 2001 Assembly, seconded by Dr J-J. Guilbert.

   Dr Antezana took the chair and thanked the Assembly. He told the participants that he would speak in English and thanked Dr Cohen, President of AFSM, for the efforts achieved since his election.

3. ITEM 6 OF THE AGENDA: PENSIONS

   Mr Gilbert Ferrari, Head, Office of the United Nations Joint Pension Fund at the UN European Office in Geneva, said that the Fund was healthy in actuarial terms, its current level ensuring payments for at least another thirty years.

   Its revenues are made up of employers' and employees' contributions and represent about one thousand million dollars a year and income from investments amount to USD 800 millions a year. Disbursements amount to 1.1 thousand million a year covering various benefits paid out.

   Investments are divided as follows: 52% in shares, 32% in bonds, 6% in real estate, and 9% in the money market.

   He then explained the "double track" which enables retired staff to choose a stable monthly pension in the currency of their country of residence (local track). Criteria, country by country, used to determine the local track (exchange rates, cost of living adjustment) is published on the Fund's website (www.unjspf.org) before end October.

   He confirmed that for Switzerland there had been no adjustment since April 2001 +41%), as the movement (Swiss consumption index) had not reached 2%. Pensions paid in France had been increased by 3.7% in April 2003.
The Fund’s website, already well documented, permits future retirees to work out their estimates, and to calculate the changeover of tracks; an explanatory booklet on the functioning of the double track system (dollar and local track) had been published in July 2003 in French and English. These booklets are also available on the website.

He then explained that, when the rate of exchange of European currencies in relation to the dollar is low (as currently), those who had chosen the local track had the advantage, because they benefited from a fixed rate for their local track, equal to the average rate of the last 36 months preceding their date of retirement. If the dollar rises, their pension could fluctuate over the value of their pension on the local track which remains fixed but without exceeding +10%. The local track thus guarantees a minimum pension in the currency of the country of residence. Mr Ferrari then explained that, in the case of environmental development, the Fund hoped to limit its use of paper: so, since 10 October, it had been decided to do away with sending out by post the annual statements (300,000 pages/year), which henceforth could be found on the web, and a password would be given to any retiree wanting to consult his or her personal data.

The Fund comprised at the moment 130,000 clients (82,000 participants and 50,000 beneficiaries); actuarial calculations of a retiree were based on a life expectancy of 81 for men, and 86 for women, an average of 83 years. This data on life expectancy helped to determine the actuarial situation of the Fund and the lump sum for those who wanted to take this. It goes without saying that those who live beyond this age will continue to receive their full pension. However, the suggestion that a full pension be restored to those having chosen to take a lump sum was not viable. Effectively, this would also raise questions of, for example, whether the family of a retired person dying before 83 years could receive compensation (for non payment of the actuarial maximum) or to stop payments after 83 years.

The principle of the common fund was that of defined benefit, that is to say to offer a life pension to each participant, as opposed to the other principle, that of a defined (individual) contribution which goes against the principle of solidarity (see Annex 1 page 10 of the written reply of Mr Cochemé, CEO of the Fund, to a written question raised by AAFI/AFICS Geneva).

The telephone number of the Geneva Office of the Fund is +41 22 917 18 24 and the electronic address is: jspfgva@unog.ch.

In reply to a question on the local track when changing countries of residence, for example, from Switzerland to France, Mr Ferrari said that, in such a case, the pension in the new country would be calculated on the rate of exchange on the day of retirement of the person concerned, and adjusted according to movements affecting the new country.

He emphasized that one cannot revert to the dollar track after having chosen the local track, and that in countries with weak economies, retirees should maintain the dollar track.

In answer to a question concerning those who do not have access to the Internet, Mr Ferrari stated that it would always be possible to receive written information.

AN UNPRECENDENTED VISIT FROM DR LEE JONG-WOOK, DIRECTOR GENERAL

Doctor Lee Jong-wook, Director-General, who had not announced his visit, was welcomed by the Chairman. He sat and warmly addressed his former colleagues, indicating that he himself would in the future participate in the Association.

The Chairman, in acknowledging the Director-General, emphasized that it was the first time a Director-General had honoured our Assembly by paying it a visit.
Discussion then resumed and Mr Ferrari, in answer to the question why the 1.5% deduction decided in the 1980's to cover an actuarial deficit foreseen at the time was still applied and payments made at the end of the month as if the pension were a salary when it had already been "earned" throughout service, agreed that in retrospect the measure could be seen as a panicky reaction and assured participants that the matter had not been forgotten; negotiations were being pursued and reimbursement was envisaged in the event of continued actuarial benefits.

The Chairman thanked Mr Ferrari for the clarity of his statement, and the Assembly showed its appreciation.

4. **ITEM ONE OF THE AGENDA : APPROBATION OF THE AGENDA**

The Chairman came back to the agenda, which was approved,

5. **ITEM 2 OF THE AGENDA: ELECTION OF THE POLLING OFFICERS**

Dr A. Mangay-Maglacas, Mrs R. Bell, Mr Gérard Perrin, Dr Sabih Djazzar and a person whose name was not in the report (please, let us know) were elected Polling Officers.


Dr Cohen reminded the assembly that a summary of his report was available to the participants.

- The Executive Committee, twelve members, meets once a month. Meanwhile, the Executive Group (Dr Cohen, Dr Masironi, Roger Fontana, Averil Foster and Dr Kossovsky) and/or Working Groups meet for specific questions as necessary. Various members of the Committee are available four days a week in office 4141.
- Besides our usual tasks (health insurance, pensions, and other social items), the Committee is interested in general WHO objectives (for instance participation in World Health Day).
- Relations with the Association of Former International Civil Servants (AAFI/AFICS) remain excellent, and our President participates in meetings of their Committee.
- The Federation of Associations of Former Civil Servants (FAAFI/FAFICS) meets once a year. According to the Statutes, only one association can represent a geographical area. For this reason, and in order to be heard and eventually to be able to present particular proposals, AFSM became a member of the AAFI-AFICS delegation two years ago when the President of AFSM was accorded full status on their Committee (see QN No. 54). For the moment, FAFICS has only the status of observer in the Pension Committee, but negotiations are ongoing to obtain full participation with the right to vote.
- The Quarterly News has been delayed since our Editor, Peter Ozorio, who outstandingly produced fifty issues, decided to take a break; the Chairman, with the help of the Editorial Board and some members of the Committee, took to editing. Dr Cohen asked the Assembly to show its appreciation to Mr Ozorio for his remarkable work. Peter Ozorio was warmly applauded, as was Dr Cohen and the Committee.
- A new editor is being looked for in case Peter Ozorio does not resume his editorship. There is a candidate for the function who will be tried as Editor.
- The website is unfortunately on hold as until now we could not find volunteers to restart it: qualified persons, English-speaking and French-speaking, are needed.
- The List of Former Staff, prepared by Averil Foster with the valuable help of Louis Allegrini, is about to be printed and will be sent out very soon.
Alain Vessereau and Samy Kossovsky are our representatives on the Surveillance Committee of Health Insurance, and Rajindar Pal and Dev Ray on the Pensions Committee.

Time permitting, it is hoped to establish closer relations with the Staff Committee.

Roger Fontana represents AFSM on GINA (Geneva International Network for Ageing), and he contributed to the International Day of Older Persons held in Geneva on 1 October 2003.

The Seminar with AAFI/AFICS on Ageing in Good Health on 23 April 2003 was a success (Dr Cohen, Dr Sartorius and Dr Kalache were the lecturers). About 300 persons attended.

Amendments to the Statutes will be proposed by Dr Beigbeder.

As for membership dues, the Committee, for practical reasons, would prefer life membership. However, it understands that some members prefer to keep annual membership but, to encourage conversion to life membership, it is proposed that those members who are annual members be credited with two-thirds of dues already paid instead of the current one-half.

Mrs van Hulle-Colbert, Coordinator, Staff Financial Services, will present new developments, including Long-Term Care, in the second part of our meeting. See also her letter in Quarterly News No. 52.

Mr Ferrari has already developed the questions relating to pensions.

Mr Mathieu will deal with taxation in France and Switzerland.

Dr Flahault and Rosemary Bell will talk on social matters.

Our annual reception will take place on Thursday, 4 December 2003, at WHO/HQ.

The elections for the new Committee will take place in October 2004. We call for English-speaking as well as French-speaking candidates and reiterate the request for more women, as the present Committee has only two out of twelve members.

Dr Pal will speak on the Regional Associations.

Dr Antezana, Chairman of the General Assembly, thanked Dr Cohen for his report which was approved by acclamation.

Referring to the item of information, John Bland asked if Peter Ozorio would not accept to resume the Editorship of the Quarterly News.

The Chairman asked Peter Ozorio to reply. The latter did not give a precise answer, and declared that he had no objection to the new orientation which gave more prominence to WHO objectives, but he considered that our priority and that of the Journal must remain the retirees’ concerns. He acknowledged the Editorial Board which had helped him in his task during fifty issues of the magazine.

From the ensuing debate, it appeared that it was necessary to define a policy for the orientation of the Journal.

Dr Cohen reminded participants that it was the Assembly of 2001 that had advocated WHO objectives. The wish of that Assembly had to be confirmed. Are we to inform our members about the great problems followed-up by the Organization?

Further more, the Executive Committee would like that all the articles published came from members themselves, and to this end called for their collaboration. Articles could cover their personal experiences during and after their career with the Organization.

The discussion was suspended at 3 p.m. for coffee.
Second part:

Discussions resumed at around 15h30.

The Chairman gave the floor to two other speakers before closing the question of the Journal.

The first speaker felt that the magazine must remain the organ linking the retirees; all the items concerning the activities of the Organization could be found on the web, and WHO publications are available on the web everywhere. He claimed that news from colleagues and dialogues between them should be the priority of the magazine.

The second one declared that the comments received should help to decide which orientation was to be taken. He reiterated that we required an Editor. We have, of course, to support WHO objectives, but this was merely a question of form; it is up to the Editor to decide.

In summing up, the Chairman said that if a problem arose, reference must be made to the decisions of our Assembly. Orientation guidelines must be drawn up, and the Committee should do this. In fact, it is a question of formulation, but if we want to participate in the Organization’s activities, it is not only the business of the Quarterly News.

7. **ITEM 7 OF THE AGENDA: HEALTH INSURANCE AND RETIREEES**

At the Chairman's invitation, Mrs Van Hulle, (Coordinator, Staff Financial Services and Secretary, Headquarters Surveillance Committee (HSC) of the WHO Staff Health Insurance) said that the Staff Health Insurance Fund was in good shape, thanks in no small measure to the steps taken in the 1990's to increase contribution rates for both WHO and participants, mechanisms introduced to constitute reserves for future retirees, changes in investment policy, introduction of a two-tier contribution mechanism for active staff and last but not least, consistent control of costs and benefits. All of these measures meant that the SHI Fund should be able to meet future claims of retired staff whose numbers were growing in relation to active staff. Of course, the situation needed to be kept under constant review.

Adding to the report on such policy contained in her letter to the President of AFSM reproduced in the Quarterly News, No 52 (2ND quarter 2003), page 11 concerning long-term care, she described the HSC mechanism: its membership including representation of retired staff (Dr Kossovsky, Dr Vessereau), its review procedures (regional committees, joint meetings, coordination with other agencies), the review of long-term care conditions within this mechanism was necessarily rather lengthy if it was to be thorough in order to avoid spiralling costs for the Fund. There had been an overall increase in health costs per capita of 5.8 per cent in the previous financial period (by comparison, Swiss health insurance had increased by 10 per cent.) The focus on preventive measures (reimbursed at 100% within a provider network) had been only moderately successful - it was, for instance, hard to persuade a patient to change a general practitioner for reasons of economy even if this resulted in full reimbursement.

She outlined other innovations for serving staff, such as measures to include short-term staff in the full health insurance. This should have a favourable impact on the fund as it introduces a relatively young group of participants which should help to improve the ratio of active to retired staff. She also reminded the Assembly of the fact that deficits for active staff were fully covered by additional contributions from staff and the Organization while those of retired staff were absorbed by the Fund itself.

In the current climate of spiralling health care costs she hoped those present would appreciate the need for the prudence she advocated; professional actuarial endorsement would be essential to ensure that improvements in coverage such as that for long-term
care could be afforded; the cost of such care had been estimated to represent 1.3 per cent of GDP (gross domestic product) within the European Union as a whole. By comparison, expenditure on health services as a whole was 6.6 per cent. Professional standards of care, including qualified home care providers, must be maintained.

Dr Vessereau (Health Insurance Surveillance Committee (HSC), questioning the degree of caution being exercised by the HSC in lengthy negotiations over long-term care benefits, which he found excessive, said that the change to a flat rate of 80 per cent coverage would hardly cost the Fund an estimated 0.5% more. Validation by an actuarial investigation should not be used as a reason for delaying urgently needed decision. In such cases, actuarial studies were not intended to make a decision, but rather to point out the costs; the Surveillance Committee should then determine how to assume them. An appropriate interpretation of the rules should permit to settle the case of the colleagues presently in a difficulty in “Etablissements medico-sociaux” (Medical social Institutions).

Dr Kossovsky (HSC) said that the critical situation of a small number of people needing urgently the extension of their coverage for care at the end of their lives and whose pensions and personal means were inadequate was being obscured by procrastinating considerations of a general order.

Dr Cohen said he understood that the application of the 80 per cent flat rate was almost certain to be adopted sooner or later. Those who were down to the minimum 20 per cent benefit and no longer able to pay for their long-term care from minimal pensions and non-existent private means faced a terrible dilemma. Transitory measures could surely be introduced and the limiting clause of the Rules waived for such cases.

A discussion followed on the possibility of introducing special measures, using or creating a special fund or reserve for such needy retirees; in this respect, special powers of the Director-General, the Administration and governing bodies of WHO were invoked and previous applications recalled.

In responding to a comment made regarding the promotion of domiciliary care, Mrs Van Hulle drew attention to the reimbursement policy in this regard. When care was given in an institution, reimbursement was based on 50% of the cost as the remaining 50% represented the cost of accommodation which was not reimbursed. Consequently reimbursement of care at home or in an institution was on the same basis (i.e. only the cost of care was covered). Moreover, it was not within the competency or responsibility of SHI to investigate a person's private means or family situation in order to determine or verify a need for support in which the financial as well as physical ability to live a life at home or in an institution was at issue.

She further pointed out in answer to a question from Mr Furth, a former Assistant Director-General for Administration and Finance, that if a previous study of financing of long-term care within the framework of CCAQ (the inter-agency Consultative Committee on Administrative Questions) had resulted in negotiations with "brokers" which had broken down, it was likely that the increased risks to the Insurance were a legitimate subject of concern. It was recognized that those needing special long-term care provision were a very small minority, and that candidates for such care were not many, but if the 80 per cent rate were generalised, the demand (i.e. number of claims) would inevitably increase. In concluding, Mrs. Van Hulle confirmed that the proposal to expand long-term care benefits was on the agenda for the Joint Meeting on health insurance to be held in Geneva in October 2004 when the report of the Actuary would also be available.
8. ITEM 9 OF THE AGENDA: TAXATION IN SWITZERLAND AND FRANCE

Switzerland

It was agreed that as taxes in Switzerland varied from canton to canton, the federal tax being a relatively small part, that aspect of the question was too complicated to be covered in the little time remaining and could be made the subject of discussion on a subsequent occasion.

France

Mr Mathieu (AFICS) outlined the conditions in which former international civil servants living in France who had never been covered by French Social Security were entitled to absolution from payment of the part of income tax known as CRDS (contribution to reimbursement of the "social debt") and could obtain a certificate in support of their claim. The tax form on which statements by those claiming exemption from payment, as in some cases from the portion known as CSG was No. 2040, which should be obtained from the local offices of the "Perception" or "Mairie".

A statement of health insurance costs (contributions) was also required. Following brief interventions from the floor, he insisted that caution should be exercised in filling in the form and applying for exemptions by retired internationals, whose pension payments were received from abroad.

9. ITEM 5 OF THE AGENDA: FINANCIAL REPORT, BUDGET, ELECTION OF AUDITORS

Averil Foster (Treasurer) presented the accounts and budget of AFSM, and thanked the auditors, Mr T. Ingram and Mr M. Nicolet, for their advice and help. Increased activities (see Item 10) might result in higher expenditure in future years; it was for the Assembly to decide how money was to be spent, for example, on activities showing solidarity with the work of WHO.

A discussion followed in which the relative advantages of regular annual contributions and life membership for the future budgets of AFSM were discussed, in which it became evident that the fears that the latter would preclude receipt of significant income in future years after an initial "bulge", Mr Fraser pointed out that future retirees opting for life membership would keep up the level of contributions and Dr Cohen (President) said that the contradiction was only apparent; many members of AFSM were forgetful of their annual payments, and the related paperwork was uneconomical.

Mr Ozorio described the incentive for payment introduced in SEARO - "no dues, no newsletter" - and the agreement reached with AMRO for bulk transfer of paid dues to cut costs, individual CHF 20 payments in USD equivalent being insignificant for many members in that Region.

The financial report (balance sheet and Auditor's report) was approved. Mr T. Ingram agreed to continue as auditor. (Applause).

Quarterly News again

At the invitation of the Chairman, Mr Ozorio (former Editor, QN) referred to the terms of reference for QN, which could be seen as defining purpose and style of the Newsletter and the functions of the Chief Editor and other staff according to three levels of authority: the Executive Group, the Editorial Board and contributing "workers in the field". There might be a conflict of interests if the Editor was also the Chairman of the Executive Group.
Dr Cohen said that he had no claim to permanent editorship, and had only acted as a "stop-gap" in what he understood might only be an "interregnum" for Mr Ozorio; he was waiting for him or another Editor to take back the job.

He recalled the decision of the preceding AFSM Assembly (2001) to a policy of more explicit commitment to support for the aims of WHO as a whole, and said that the Editorial Board would bear in mind the general comments made by the Assembly.

10. **ITEM 8 OF THE AGENDA (SEE ANNEX): AMENDMENTS TO THE STATUTES, MEMBERSHIP DUES**

Dr Beigbeder introduced the proposed amendments at the invitation of the Chairman, saying that they required little further comment following the related discussion under Item 5 (see section 10 above).

The amendments were adopted.

Rosemary Bell asked who had decided that only a part of the sum already paid is accounted for to pass from an annual membership to a life membership.

Dr Cohen said that before he had been President the same principle was applied and that he had proposed to take into account two thirds of the amount and not one half as before.

The participants agreed to let the question remain with the Committee.

11. **ITEM 10 OF THE AGENDA: SOCIAL ACTIVITIES**

Dr Flahault reported on the cruise he had organized, insisting on the international aims of such activities to include participants from several regions.

Voluntary contributions were canvassed for the establishment of a fund for relief to less fortunate peoples in application of the principle of greater solidarity with the aims of WHO as a whole, with a mechanism to ensure the pertinent use of such resources. Members' views were invited on the continuation of such initiatives.

Mrs Bell reported on the activities of the Self-Help Group, which consisted of monthly meetings for support to lonely or isolated former WHO staff, a generous contribution being made by AFSM.

Mr Fontana reported on the Group on Ageing (GINA) under Dr Kalache (President). The international day had been a success, but financing was a constant challenge.

Dr Kossovsky reminded the Assembly of the planned group visit to the Gianadda Foundation exhibition of the paintings of Paul Signac. Other visits of the same type will take place in the future.

12. **ITEM 11 OF THE AGENDA: REGIONAL AFSM BRANCHES**

Dr Pal described collaboration with the regional branches already established in AFRO, SEARO, and AMRO with matters pending in WPRO. The basis was similar to that of the staff committees for serving staff. He confirmed that the arrangements for joint membership favoured a one-time payment of dues, with facilities for payment in local currencies under negotiation.

13. **ITEM 12 OF THE AGENDA: QUESTIONS CONCERNING UBS**

In the absence of a UBS representative, there was no discussion.

14. **ITEM 13 OF THE AGENDA: ACTION TO PROMOTE SELECTED WHO OBJECTIVES**

The Chairman drew attention to Dr Dev Ray's suggestion that a working group be set up to discuss the matter - a follow-up of issues raised at earlier public or primary health celebrations concentrating on issues for the twenty-first century.

Those interested in Dr Ray's suggestion could inform the AFSM secretariat.
Dr Pal reminded those present that a video film had been shown before the meeting on the way in which the gift from the Sulabh Foundation, an Indian NGO, had been spent on work in recognition of the contribution of former staff member Dr Joseph Lanoix, Sanitary Engineer.

14. **ITEM 14 OF THE AGENDA: CLOSURE**

The meeting closed with the customary exchange of courtesies. It rose at 6.15 p.m.

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**World Health Day (WHD)**

**Road Safety Is No Accident**

This year, WHO has devoted a WHD specifically to Road Safety. Each year road traffic injuries take the lives of 1.2 million men, women and children and seriously injure millions more. The death toll is highest and still growing in low and middle-income countries. In addition to human suffering, estimated costs of road traffic injuries are between 1% and 2% of GNP in these countries. This represents a loss of approximately USD 65 billion every year; almost twice the total development assistance received worldwide by developing countries.

Yet, road traffic injuries may be prevented (avoiding speeding and driving under the influence of alcohol, using helmets, seat belts, improving visibility of people walking and cycling, improving the design of roads and vehicles, enforcing road regulations and improving emergency response services).

While the global launch of WHD will take place in Paris, France, many other regional and national events will take place concurrently around the world. Dr Lee jong-wook will be in Paris on that occasion.

At the Paris launch on 7 April 2004, WHO and the World Bank will launch the *World report on road traffic injury prevention* (can be consulted at WHD website www.who.int/world-health-day/2004).

The last UN General Assembly also took position on this subject and Mr Kofi Annan declared: “Improving road safety requires strong political will on the part of governments. Countries should aim to ensure that sufficient resources are available, commensurate with the size of the road safety problem in their country”.

Other events will take place elsewhere in the world, including Geneva. Our next issue will carry an article on the event in Geneva, in which AFSM will be participating.

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**OCTOBER ELECTIONS AND MEMBERSHIP**

- To those of you who have renewed your membership to AFSM for 2004 - your confidence is much appreciated. To those of you who have not yet got round to doing so, this is election year and only paid up members can vote. Should you wish to take part in the electoral process, subscriptions can be paid through the PTT, Account No. 12-17440-4 or through the UBS, Account No. D3-102,973.1. Either way, this will ensure that you express your opinion.

**ALSO...**

- We are updating our list of members: so, non-paying former Staff, i.e. non-AFSM members, will no longer appear in our mailing list; therefore, they will no longer receive information, nor the Quarterly News.
- Therefore, become a member!
List of deceased since our last announcement

CITTONE, Marc 19.09.03
HENCK, Jacqueline 24.11.03
HOFF, Nicolas M. van der 20.01.04
WEINGARTEN, Lennard 23.02.04

Compiled by Rosemary Bell from friends, messages and the AFICS Bulletin (which functions in a similar manner - we cannot obtain direct access to the information for reasons of respecting the privacy of former staff)

ANNEX 1

PENSIONS AND THE LUMP SUM

Written comments by M. Bernard Cochemé, Chief Executive Officer, UN Joint Staff Pension Fund, on the written questions addressed to the Fund by the FAFICS (Federation of Associations of Former Civil Servants)...

… That issue focused on whether or not the Fund would consider restoring a beneficiary’s full monthly pension entitlement once the lump sum that had been paid out was theoretically recovered by the Fund. The question was raised in connection with a letter dated 25 April 2001, as submitted by FAFICS on behalf of a pensioner.

"As I indicated during the Council, defined benefit plans such as the Fund’s, are designed to average all risks, including potential gains and losses on the individual annuities that are paid out. Such plans entitle participants to monthly pensions for life, regardless of how long a participant lives. Therefore, built into the plan is the assumption that some beneficiaries will live longer than the average life expectancy and others will not. In other words, the benefits of the fortunate individuals who live beyond their average life expectancies are financed, in part, by the fact that others will not be so fortunate. The letter submitted to the Fund suggests that the reduction in the monthly entitlement, effected to account for the beneficiary who takes the actuarial equivalent of up to one-third of their benefit in a lump sum payment, should be reversed in cases when that beneficiary lives longer than their life expectancy. Such a suggestion begs the question as to what should be done in cases when the individual does not live until their average life expectancy. To be fully equitable, one would have to consider whether the estates of the less fortunate should, in such cases, be compensated for the fact that the individual concerned did not live to his or her life expectancy. In fact, to continue with the reasoning suggested in the letter to FAFICS, one would also need to take into consideration the fact that some beneficiaries are married and thus their spouses are potentially entitled to widow or widower benefits, whereas other beneficiaries are not married and therefore no widow or widower benefits will be paid. In addition, some beneficiaries have younger spouses, who will likely require payments over a much longer period than others, while other beneficiaries have older spouses who will likely receive less in payments over their lifetimes. In order to consider the idea suggested in the letter to FAFICS, the Fund would need to be completely equitable, which under the circumstances would not be administratively feasible, nor would it be financially viable. On the other hand, to give serious consideration to the suggestion, while remaining equitable, administratively feasible and financially viable, the Fund would have to consider discontinuing benefits the moment an individual reached his or her life expectancy, paying survivor benefits for fixed periods regardless of how old and how long a survivor lives and refunding monies to estates in respect to the beneficiaries who do not live to their average life expectancy. I am certain this is not what the author of the letter had in mind, nor is it something the Fund could ever accept…"
ANNEX 2

General Assembly of 16 October 2003: Agenda item 8 - Amendments to the Statutes

Proposed revision of the Statutes of the AFSM

Present text of Article 5
The AFSM is managed by an Executive Committee consisting of twelve members, elected for two years by members of the Association voting by mail.

New text
The AFSM is managed by an Executive Committee consisting of twelve members, elected for two years by members of the Association whose fees are paid up for the current year, or are life members, voting by mail.

Reason for the proposed amendment
To specify that only members paid-up for the current year, and life members, may vote in these elections, in accordance with established practice.

New Article 6
Any member of the Committee who fails to attend four consecutive meetings of the Committee without adequate reasons shall be considered by the Committee as having resigned therefrom and shall be so informed by the President.

Reason for this new article
To sanction the possible absenteeism and lack of participation of Committee members.

Articles numbers 7 through 9 are re-numbered 8 through 10. Former Article 7.j), now Article 8.j) Penultimate line: ... and two polling officers.
New text: ... and up to a maximum of six polling officers.

Reason for the proposed amendment
The increase in the number of polling officers from two to a maximum of six is intended to facilitate the control operations of elections and other votes.

New Article 11
Dissolution
The dissolution of the Association can be pronounced only after a general consultation by correspondence with all members undertaken at least three months in advance of the intended date of dissolution. The decision shall be taken by a two thirds majority of the responding members. Following a decision to dissolve the Association, a General Assembly shall be convened to decide on the disposal of the Association's assets.

Reason for the new Article
To specify the conditions under which dissolution of the Association may be decided.

Acknowledgements to Michel Fèvre, French précis-writer, and Richard Harrison English précis-writer at the General Assembly, translations; to Averil Foster (translations and proof-reading); David Cohen (design and layout).
Thanks to the Print, Distribution and Mailing Services.

Best wishes to Gérard Zemp, who is leaving the direction of DUP (printing and binding services) to join the retirees’ Club.