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14th MEETING OF THE EXECUTIVE COMMITTEE  
Washington, D. C.  
20-22 September 1951

Topic 12: STATUS OF CONTINGENCY FUND

Background

The Thirteenth Meeting of the Executive Committee considered the situation relating to the participation in the Pan American Union Fund by those five employees of the Pan American Sanitary Bureau staff who elected to remain in the Pan American Union Pension Plan. Resolution X of the Thirteenth Meeting provided that the Director should continue negotiations to effect participation in the Contingency Fund and requested that the Director report to it at its next meeting.

The original request by the Director for participation in the Contingency Fund was made because of the uncertainty relating to participation in the United Nations Joint Staff Pension Plan. However, at this time the staff of the Pan American Sanitary Bureau has been admitted to the United Nations Joint Staff Pension Plan and only five members of the staff elected to remain under the Pan American Union Pension Plan.

In addition, the Director has arranged for coverage for staff members under a sickness and accident insurance policy identical to that which the World Health Organization provides for its staff. This policy provides benefits for death or disability from injury as well as disability indemnities occasioned both in the course of the staff member's work and beyond. All of the staff members remaining in the Pan American Union Plan have this coverage, which is substantially greater than any available under the Contingency Fund. In addition, all of the staff members remaining in the Pan American Union Pension Plan have accumulated considerable funds and service credits and will be entitled to rather substantial benefits on retirement because of age or disability.

For these reasons the Contingency Fund has lost most of its importance and would provide little or no additional benefits for the five staff members remaining under the Pan American Union Pension Plan. The Director has therefore determined that such a Fund should not be established and that in view of the additional protections already afforded the five staff members, no real need for participation exists.

Proposed Resolution

The Director of the Pan American Sanitary Bureau respectfully recommends that the Executive Committee adopt the following resolution:

WHEREAS:

The Staff of the Pan American Sanitary Bureau, with the exception of five staff members, are now participating in the United Nations Joint Staff Pension Fund;

The five staff members remaining in the Pan American Union Pension Fund are now provided with insurance benefits in cases of disability substantially greater than those afforded under the Contingency Fund of the Pan American Union; and

The need for participation in the Contingency Fund has now disappeared,

THE EXECUTIVE COMMITTEE

RESOLVES:

1. To approve the action of the Director in discontinuing negotiations with the Pan American Union for participation in the Pan American Union Contingency Fund.

2. To recommend to the Directing Council that coverage under the Contingency Fund not be established for the five staff members of the Pan American Sanitary Bureau not participating in the United Nations Joint Staff Pension Fund.