

Executive Board Two hundred and fourteenth session

PARIS, 31 March 2022
Original: English

Item 16 of the provisional agenda

LONG-TERM FUNDING PLAN FOR THE AFTER-SERVICE HEALTH INSURANCE (ASHI)

ADDENDUM

COMMENTS BY THE UNESCO STAFF UNION (STU)

Pursuant to item 9.2.E.7 of the UNESCO Human Resources Manual, the UNESCO Staff Union (STU) submits its comments on the report by the Director-General.

1. STU regrets that no substantive timeline or proposal has been included, with any decision for funding the ASHI liability once again delayed, and with only more proposals suggested for the 216th session of the Executive Board.
2. To ensure consistency across documents and years, STU wishes to offer a few precisions:
 - paragraph 10 refers to the Medical Benefit Fund (MBF) as a “special purpose vehicle”, it is in fact a “staff fiduciary fund”;
 - paragraph 11 and elsewhere, active staff are referred to as “active participants” in the MBF; there is no category of active participants, only compulsory participants (active staff-members) and voluntary participants (retired staff-members);
 - the paragraph 11 reference to contributions is misleading – contributions by both compulsory and voluntary participants are based on a percentage of their salary or pension; in consequence, the contributions of active staff are greater relative to the contributions of retired staff, since salaries are greater than pensions. Thus, the statement about active staff subsidizing retired staff in paragraph 13 (and paragraph 18) is unfortunately formulated, particularly since paragraph 13 also states that “the benefits paid to voluntary participants are higher than that of active participants”; this is incorrect at the level of individual participants, since there is no difference in the benefits paid for the same treatment to compulsory or voluntary participants. As in the general population, retired staff-members, being older than active staff, have in consequence greater health problems, and their overall costs are thus higher. It should be remembered that the



current voluntary participants subsidized their predecessors when they were active staff-members.

3. STU would be interested to know the reasons for the considerable difference between United Nations organizations in the ratio of active to retired staff, as shown in Figure II, and in particular to the 7.2:1 of UNHCR and the 0.8:1 of FAO – no source is given for the information in this figure. STU has noted with regret many times the reduction of permanent staff in UNESCO over recent years and their replacement by short-term consultants, not only as it affects the active to retired staff ratio, as shown here, but more importantly on the strength (and morale) of the staff implementing the UNESCO mandate and programmes.

4. Outsourcing of the MBF as a means of reducing the liability and of transferring the risk is mentioned in paragraph 22. However, the option of outsourcing the MBF to a commercial insurance, as some United Nations organizations have done, has not apparently been explored by the Secretariat, and no costs or benefits of this option appear to have been considered.

5. But the Secretariat is exploring the outsourcing of the MBF to the French health insurance system. Paragraph 22 states that MBF participants in France “currently pay a 30% surcharge for most treatments”. STU is not aware of a countrywide surcharge. However, since 2014, public hospitals in the Paris region (AP-HP) have had the authority to treat MBF participants as foreigners (including retired staff who are fiscally resident in France and thus pay French income tax) and therefore to charge them at a higher rate than that of the French Social Security system; the surcharge varies from 2.76% to 100%, adding a substantial cost to individual participants (who are reimbursed by the MBF at a lower fixed rate) as well as to the overall cost to the Fund. While the Secretariat is exploring the possibility of some (but probably not all) UNESCO active and retired staff joining the French Social Security system, it does not seem to have explored the possibility of an agreement with the AP-HP, as some other international agencies and countries have done.

6. STU would be interested to know which United Nations organizations are being referred to in paragraph 25 that have benefitted from their host country national health schemes, and whether their staff are based only in that country, or whether they are like UNESCO, which has staff both in Paris and field offices in many countries and has a mobility policy that means staff move from Headquarters to the field and back. STU is concerned that outsourcing the MBF to the French health system might not meet the present geographical and employment status coverage of all participants and would thus create a two-level (and thus unacceptable) coverage; the cost is as yet unknown, but it is probably not comparable with that of the current Fund.