

**Consultative Committee****CC/94/4****Ninety-Fourth Session  
Geneva, October 25, 2017****Original:** English  
**Date:** September 26, 2017

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**FINANCING OF LONG-TERM EMPLOYEE BENEFITS***Document prepared by the Office of the Union**Disclaimer: this document does not represent UPOV policies or guidance*

1. The purpose of this document is to report on developments with regard to financing of long-term employee benefits.

**BACKGROUND**

2. The detailed background with regard to financing of long-term employee benefits is provided in documents CC/87/8, CC/89/3, CC/91/3 and CC/92/2 entitled "Financing of long-term employee benefits".

3. Based on the recommendations of the Consultative Committee, at its ninety-first session, held in Geneva on March 17, 2016, the Council at its thirty-third extraordinary session held in Geneva on the afternoon of March 17, 2016, "decided to establish a separate UPOV bank account to hold funds allocated for financing UPOV's After-Service Health Insurance (ASHI) liability, and that the amount represented by the provisions for ASHI obligations at the end of the 2014-2015 biennium, together with the balance from the 6 per cent charge after deduction of the respective biennium's payments, if any, be transferred to that account starting from the 2016-2017 biennium and to apply to that account the investment policy that WIPO applied to the account for financing WIPO's ASHI liability; [...]" (see document C(Extr.)/33/6 "Report on the Decisions", paragraph 8 (b)). As at December 31, 2016, the balance of the funds allocated for financing the ASHI liability was 677,879 Swiss francs, all held in deposit accounts with the Swiss Federal Finance Administration (AFF).

4. The Consultative Committee, at its ninety-second session, held in Geneva on October 27, 2016, noted that, following consideration of document A/70/590 by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in February 2016, the United Nations (UN) General Assembly endorsed the conclusions and recommendations of the ACABQ, including a request to the UN Secretary-General to maintain the Working Group of the UN CEB Finance and Budget Network (Working Group) in order to study further options for increasing efficiency and containing costs.

5. The Consultative Committee further noted that the Working Group was currently working towards submitting a report to the resumed seventy-first regular session of the UN General Assembly with a deadline of November 2016. A survey was distributed throughout the UN system in May 2016 in order to collect 2015 data on health insurance plans and ASHI, with a June 2016 deadline for submission of responses. A further survey was being prepared by the Working Group to be sent to Member States to collect information on their National Health Plans and the potential eligibility for Active Staff, Retirees and their dependents. Based on the results of this survey, a second survey would then be sent to certain Member States to obtain more detailed information on their National Health Plans (see document CC/92/21 "Report", paragraph 26).

**DEVELOPMENTS**

6. Since the ninety-second session of the Consultative Committee, the Working Group has submitted a report on its further work to the seventy-first session of the UN General Assembly ([A/71/698](#)). This report provided both a status update and a further seven recommendations in respect of the existing eight recommendations made in 2016 in the Working Group's previous report (A/70/590). Following a first consideration of this report by the ACABQ, the UN General Assembly endorsed the conclusions and

recommendations contained in the report submitted by the ACABQ, in March 2017, and agreed that the Working Group's mandate should continue through the rest of 2017 and into 2018, following which a report would be submitted to the UN General Assembly at its 73<sup>rd</sup> session.

7. The Working Group has established a provisional work plan for the remainder of its mandate through to 2018, and will focus its efforts on the following areas: furthering collective negotiations with third-party administrators; completing information-gathering and analysis regarding access to National Health Plans of Member States (as at June 2017, responses had been received from 10 countries); revisiting plan design and eligibility; and exploring options for achieving critical scale. The areas of work identified for the remainder of the Working Group's mandate are expected to lead to further specific proposals for the future cost containment of ASHI.

*8. The Consultative Committee is invited to note the developments with regard to financing of long-term employee benefits reported in this document.*

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