



ASSOCIATION OF FORMER INTERNATIONAL CIVIL SERVANTS NEW YORK

Summary of the 442nd Meeting of the Governing Board Thursday, 6 July 2023, 10:30 a.m. to 12:40 p.m.

President's Report

- Partnerships with the UNFCU and the UNJSPF have continued. Seventy AFICS/NY members attended the UNFCU seminar on 21 June related to digital banking. Another seminar is planned to take place in the fall, potentially dealing with fraud. The Pension Fund's help sessions for DCE enrollment are ongoing with over 50 people having enrolled for either in person or online sessions since the inception of these sessions a few months ago.
- A Governing Board working group has been set up to review the AFICS/NY By-Laws and Rules of Procedure furthering the work started by the Nominating Committee on possibly revising the election cycle for the Governing Board.
- FAFICS President, Mr. Jerry Barton, will be in New York from 14 – 18 September. The Board has invited Mr. Barton to attend its 15 September Board meeting and to host a luncheon for him after the meeting.

FAFICS Council 17-20 July 2023

- The AFICS/NY delegation to the FAFICS Council will consist of President Landey, covering the President's Report, succession planning issues, and any Rules of Procedure issues, Vice-President Shah, covering pension, administrative, and financial matters, and Vice-President Hurtz-Soyka covering health insurance and communications issues. The Board discussed positions to be taken forward to the Council by the delegation in each of these areas.
- Pension Matters - The proposed positions endorsed by the Board reflect the main themes for prudent investments and transparency, and fall under four categories:
 - i. Investment of assets of the Fund positions emphasize: a) prudent investments following strong overall investment policies to preserve maintenance of the 3.5% real rate of return; b) the exercise of careful consideration prior to making benchmark changes, with investment results provided under both old and new benchmarks for comparative investment results; and c) the need for additional transparency with respect to the disclosure of investments and investment results.
 - ii. Governance of Fund positions advocate for a) additional transparency regarding the Pension Board's agendas and legal issues related to appeals put before the Standing Committee; and b) recalling that FAFICS Representatives are like any other participant and Board member except for having the right to vote.
 - iii. Pension Administration positions highlight and expand on two issues called for by the General Assembly, namely: a) assuring that organizations are correctly applying Pensionable Remuneration (PR) rates, with the Board taking note that the responsibility for assuring compliance sits with pension administration; and b) providing more

information on workloads, with the Board advocating for more regular reporting and for expanding the scope of the statistics provided.

- iv. Benefits positions advocate for a) the restoration of the remaining 0.5% point of the reduction factor applied to the first COLA after award; b) improvements to small pensions and child's benefits; c) the addition of an optional Pension Fund provision for participants to purchase additional spousal benefits that are actuarially neutral; and d) the provision of information related to former staff members of the former USSR.
- Administrative Matters - FAFICS received a clean audit opinion and had a good overall fund balance of \$174,361 at the end of 2022. As some associations continue to have membership dues in arrears, FAFICS has developed strategies to work with member associations to improve future collections and to provide for travel subsidies to support having a broader range of member associations at the FAFICS Council meetings. The FAFICS' proposed budget for 2024, inter alia, also reflects the initiative for website and communication improvements. The Board endorsed the positions highlighted along with the suggestion for the addition of a Governance section in the proposed policy for travel subsidies.
 - Communication Matters - A paper prepared by the FAFICS Bureau Working Group on Communications reflects a three-year communication strategy aimed at promoting the vision, mission and value of FAFICS, and ensuring it is visible and engaged with its stakeholders, and serving as an enabler of FAFICS activities, keeping members informed regularly and engaged directly. The strategy includes, inter alia, the redesign of the FAFICS website and the setup of a digital means for multidirectional communications and formation of a Council Working Group on Communications. Noting the cost and time commitment required to implement the strategy, the Board agreed to endorse the strategy while also requesting annual reporting of the Council Working Group and recommending the use of all available resources including seeking other means to cover costs.
 - Health Insurance Matters - The main issues and proposed recommendations included in a paper prepared by the FAFICS Standing Committee on After-Service Health Insurance and Long-Term Care (ASHIL) deal with ASHI funding, Medical Insurance Plan (MIP) provisions, and Long-term care insurance. Key points as endorsed by the Board under these items included:
 - i. ASHI funding – to closely follow the discussions in the UN common system related to gradually switching to pay-as-you-go financing of ASHI to lead to the funding of ASHI liabilities.
 - ii. MIP – to advocate for a) increasing reimbursement ceilings; b) looking into the possibility for the third-party administrator (CIGNA) to offer optional supplementary coverage for purchase by retirees and locally recruited staff; and c) fostering the creation of a group, like the HLIC, exclusively for MIP.
 - iii. Long-Term Care - while cost prohibitive and not currently feasible within the U.S., and while the FAFICS paper did not include a recommendation regarding long-term care, the Board recommended that the door related to the addition of long-term care coverage remain open to allow for further review of this item in the future should situations change.

- President's Report and Proposals –general principles and key points endorsed by the Board included:
 - i. Succession planning and management positions stressing the importance of a) due process and transparency in the selection and appointment of FAFICS representatives; b) having the topic of the President's proposed appointees included upfront in the annual FAFICS agenda right after the President's Report; and c) ensuring replenishment of the FAFICS Expertise Pool.
 - ii. Governance and Elections positions included a) supporting the proposed appointment of the new Chair of the Standing Committee on Health Insurance Issues from the Expertise Pool; b) emphasizing the importance of following the underlying principles of the Rules of Procedure of transparency, due process, succession, talent management, collegiality, and communication; and c) ensuring the FAFICS Standing Committee on Pensions core team be expanded and made functional.

- The meeting closed at 12:40 PM.