

**REPORT OF THE STAFF REPRESENTATIVE TO THE
RETIREMENT AND PENSION FUND COMMITTEE
AT REGULAR MEETING OF THE STAFF ASSEMBLY
WEDNESDAY, JULY 11, 2012**

Good Morning Everyone.

Participants of the OAS Retirement and Pension Fund and the Provident Plan, Colleagues of the Staff Association, Staff of the General Secretariat, Ambassadors and other invited guests,

I am happy to inform that the state of the OAS Retirement and Pension Fund is healthy, particularly during this period of high volatility in the markets.

The most recent Actuarial Valuation indicates that there is an actuarial surplus.

In 2011, the OAS Retirement and Pension Fund Committee approved 1.5% accreditation to the participants' accounts as the Fund continued the process of recovery from the last recession.

The Committee is currently considering the Informative Document "Analysis of the Fund's situation in preparation for the Interest Rate Accreditation to participants' accounts in the Retirement and Pension Plan and the Provident Plan for the first semester of 2012". Participants' will be notified shortly after a thorough review and a judicious decision.

To avoid further deterioration of the OAS Retirement and Pension Plan, I am pleased to announce that this morning the Committee presented to the Secretary General the "Decision to Recommend and Request that the Secretary General Begin Immediately the Phasing-Out of the 40(m) Plan". The proposal recommends the elimination of the 401(m) Plan, or in the alternative, to limit membership to staff members in those positions of trust permitted under the *General Standards to Govern the Operations of the General Secretariat*.

The 401(m) Plan was created in 1999 with the limited objective of serving a relatively small number and category of "temporary" professional staff members. The 401(m) Plan now has approximately 160 participants, of which more than 140 have been participating for more than two years.

Several actuarial studies conducted by independent external consultants have concluded that the increased participation in the 401(m) Plan and the resulting reduction in OAS Retirement

and Pension Plan membership has caused a decrease in the Plan's actuarial surplus which is negatively affecting the actuarial health of the Plan.

The Committee as fiduciaries of the Retirement and Pension Fund looks forward to working with the Secretary General and his Administration to ensure that the Fund remains both financially and actuarially sound so that it is able to satisfy obligations to participants under the Plan.

In 2011, the Staff Association in collaboration with the Retirement and Pension Fund Committee and the Fund Secretariat presented an Information Session on the Plans within the General Secretariat. I will strongly recommend that this excellent session be repeated in the near future and encourage greater participation so that everyone (and I repeat) everyone has the same information.

In our capacity as elected representatives of the Staff, we would like to respectfully recommend to the Officials of the General Secretariat, that increased efforts must be made to coordinate and cooperate with the OAS Retirement and Pension Fund Committee, the Secretary Treasurer and the Fund's Secretariat, especially in areas that might have an impact on the health of the Fund.

To the participants, we would like to reaffirm that as your representatives we are always available to answer any questions or concerns that you might have. The same is true of the Committee in general and the Secretariat of the Fund.

To non-participants, we invite you to consider the OAS Retirement and Pension Plan. We encourage you to approach us, as well as the Secretary Treasurer, Mr. Daniel Vilariño to explore the options and gain credible information on eligibility. We urge you to join us!

On behalf of Lina Sevillano, Alternate Staff Representative to the OAS Retirement and Pension Fund Committee and on my own behalf, we thank you for your trust and look forward to serving you over the next year in our capacity as your elected Staff Representatives with trust, confidentiality and integrity.

Thank you.

Beverly D. Wharton-Lake
Principal Staff Representative
OAS Retirement and Pension Fund Committee

Lina Sevillano
Alternate Staff Representative
OAS Retirement and Pension Fund Committee