

**REPORT OF THE STAFF REPRESENTATIVE TO THE
RETIREMENT AND PENSION FUND COMMITTEE
AT REGULAR MEETING OF THE STAF ASSEMBLY
TUESDAY, JULY 14, 2015**

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,

On May 2, 1928 the OAS Retirement and Pension Fund (RPF) was created for OAS staff members. Over the years, employees of other Organizations namely the Inter-American Defense Board, the Inter-American Court of Human Rights, the Inter-American Institute of Cooperation on Agriculture, and the Tropical Agricultural Research and Higher Education Center have also joined the Fund.

This year we celebrated 87 years of a healthy, stable fund that has provided pension and retirement benefits and basic protection against disability and premature death by covering qualified beneficiaries in 35 countries.

Those of us who left our home countries to dedicate a career to this Institution and do not belong to our national social security systems rely completely on the OAS Retirement and Pension Fund.

The Retirement and Pension Fund Committee is comprised of the Chair who represents the Member States, an Elected Staff Representative and a Representative appointed by the Secretary General. Each of these Principals has an Alternate Representative. There is also representation from the Association of Retirees and a Legal Advisor and we are all guided by the diligence and thoroughness of the Secretary-Treasurer of the Fund, Mr. Daniel Vilariño.

This past year, the Committee was chaired by Ambassador Neil Parsan, Permanent Representative of Trinidad and Tobago with Ms. Margarita Riva-Geoghegan, Alternative Representative of the United States serving as Vice Chair.

The Health of a Fund is measured by several factors including an Actuarial Valuation Report, Asset/Liability Actuarial Study submitted by external independent actuaries showing funded ratios and External Auditor's Report. Each of these has reconfirmed the stability of the Plan.

During 2014, the discussions surrounding the Amendments to Chapter 111 of the General Standards provided much concern to the Staff. After much engagement a favorable outcome was reached as regards to Series B Contracts. The Amendment now stipulates that "All staff members upon receiving a Series B fixed-term contract are required to join the OAS Retirement and Pension Plan. However, staff members who as of October 29, 2014 have a fixed-term contract (Series A or Series B contracts) and are participating in the OAS 401(m) Plan, may continue to participate exclusively in same, but will be required to join the OAS Retirement and Pension Plan once they obtain a continuing contract".

That my friends, is great news and will contribute to the growth and strengthening of our Plan!

In 2014, the OAS Retirement and Pension Fund Committee approved 1.35% for the First Semester and 0.15% for the Second Semester accreditation to the participants' accounts, for an annual total of 1.5%. The Accreditation for the First Semester of 2015 was 1.4%.

The Fund has a very specific guideline as to how accreditations must be approached, a guideline based on our Asset/Liability Studies to ensure that the Fund has a very high probability of maintaining Fully Funded Status, while covering our administrative expenses, foreseeing possible negative market returns and unfavorable market situations, as well as building up the size of the Portfolio.

This guideline gives an indication every semester on what portion of the Fund's return should be used for accreditation of interest to the participant's accounts and what portion should be used to strengthen the Fund's General Reserve.

I am confident that the new Committee will engage the new Administration with concerns about the impact of the 401(m) Plan on the Retirement and Pension Plan. 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 **120** participants, of whom **109** 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 have caused a decrease in the Plan's actuarial surplus which is negatively affecting the actuarial health of the Plan.

I am also confident that the Committee as fiduciaries of the Retirement and Pension Fund will continue to address this issue to ensure that the Fund remains both financially and actuarially sound so that it is able to satisfy obligations to participants under the Plan.

To the participants, I would like to personally thank you and let you know how humbling it has been to have your support over these past five years as your Principal Representative. I ran each of my five campaigns on the watch words Integrity, Trust, Honesty, Confidentiality, Commitment, Dedication and Drive, and am happy to report that never, never, were any of those values compromised while defending our acquired pension rights.

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

I would like to personally thank the Secretary-Treasurer, Mr. Daniel Vilariño and his staff; and all of the Committee members with whom I have served this year and over the past five years. I am also grateful to the Chair and Vice Chair elected by the Permanent Council, the Alternate Representatives of the Staff, the Principal and Alternate Representatives of the Secretary General, the Legal Advisor, and the Association of Pensioners (ASPEN) Representatives for their dedication to the complicated task at hand.

On behalf of Luiz Marcelo Azevedo, outgoing Alternate Staff Representative to the OAS Retirement and Pension Fund Committee, (and newly elected President of the Staff Association), and on my own behalf, we thank you for your trust and I look forward to lending my full support to the newly elected Principal Representative Ms. Carla Sorani, who was my Alternate in 2013-2014 and Mr. Juan Cruz Monticelli the newly elected Alternate Representative.

Thank you.

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

Luiz Marcelo Azevedo
Alternate Staff Representative
OAS Retirement and Pension Fund Committee