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FINANCE COMMITTEE
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Item No. 7 on the Agenda: Update on the social security package applicable to UNIDROIT staff

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Update regarding the social security package applicable to UNIDROIT staff</i>
<i>Action to be taken</i>	<i>To take note of the update</i>
<i>Related documents</i>	UNIDROIT 2017 – A.G. (76) 10 ; UNIDROIT 2020 – F.C. (90) 7 ; UNIDROIT 2022 – F.C. (93) 4 ; UNIDROIT 2022 – F.C. (94) 8 ; UNIDROIT 2024 – F.C. (97) 4 ; UNIDROIT 2024 – F.C. (98) 10

I. INTRODUCTION

1. Following the adoption of important social security reforms in 2017 ([A.G. \(76\) 10](#)), the Secretariat has regularly updated the Finance Committee on the social security package applicable to UNIDROIT staff.

2. The new pension system was activated in 2019 and has since been administered by the International Service for Remunerations and Pensions (ISRP). Initially, the Committee for the Administration of Funds (CAF)¹ had proposed to keep the incoming contributions to UNIDROIT's Pension Reserve Fund (PRF) in treasury until a threshold amount of € 500,000 would be reached. The assets would then be moved towards a portfolio invested in financial markets ([F.C. \(90\) 7](#)). In 2022, the threshold for investment was increased to € 900,000 ([F.C. \(93\) 4](#)). In the meantime, the Finance Committee agreed to transfer a substantial amount of UNIDROIT's PRF assets from a savings bank account to a longer term account to obtain a higher interest rate ([F.C. \(94\) 8](#)). Since June 2023, UNIDROIT has benefited from higher interest rates with term deposits.

3. During its 97th session (April 2024), the Finance Committee was informed that the indicative threshold for investment had been reached ([F.C. \(97\) 4](#)). During the 98th session (October 2024), the Secretariat informed the Finance Committee that the ISRP was preparing a proposal for the investment of the PRF's assets in the financial markets ([F.C. \(98\) 10](#)).

¹ The CAF is composed of representatives of five organisations that externalised the administration of their pension reserve fund assets to the ISRP (see the Annexe).

4. Regarding health insurance, the Secretariat obtained insurance with Cigna from 1 October 2023. At its 98th session, the Finance Committee was informed that the health insurance policies had been renewed for another 12-month period, without an increase in premiums ([F.C. \(98\) 10](#)).

II. UPDATE

Pension Fund:

5. The pension fund's total assets increased to € 1,328,855 by end-February 2025. Details regarding the management of the Institute's PRF are available in the CAF's First Bi-Annual Report for 2025 (see the Annexe).

6. At its 84th session (December 2024), UNIDROIT's General Assembly approved the proposed strategy for investing the PRF assets in the financial markets ([A.G. \(84\) 12](#)). As anticipated during the 98th session of the Finance Committee, the implementation of an investment strategy normally takes around six months. Several documents in relation to the investment strategy are to be agreed by the CAF. Such documents will be discussed by the CAF at its next meeting in May 2025. Furthermore, the ISRP is still in the process of changing the custodian for all pension funds administered by the ISRP. It is therefore expected that the investment of UNIDROIT's PRF assets in the financial markets will commence in the second half of 2025. The Finance Committee will be updated on the progress at its next meeting.

Health Insurance:

7. The coverage of staff members under the new Cigna health insurance plan runs until 30 September 2025, with tacit renewal. Since the staff members are satisfied with Cigna, it is proposed to renew the policies for another 12-month period. While the Secretariat will do its utmost to retain costs, it is expected that the renewal of the policies will result in an increase of premiums.

III. ACTION TO BE TAKEN

8. *The Finance Committee is invited to take note of this update regarding the social security package applicable to UNIDROIT staff and the Report of the CAF (see the Annexe). Please note that the Annexe is confidential.*

ANNEXE

**CAF
UNIDROIT – FIRST BI-ANNUAL REPORT 2025**