

## **2020-2021 Annual Report of the Representatives of the Participants in the OAS Retirement and Pension Committee**

Ambassador Lou-Anne Gilchrist, colleagues of the OAS General Secretariat, Members of the OAS Staff Committee, Representatives of the OAS Permanent Missions, as the Principal Representative of Participants, I am pleased to present the annual report of the Representatives of the Participants in the OAS Retirement and Pension Committee.

Created in 1928, the Retirement and Pension Plan is a contributory retirement plan maintained for the benefit of staff members of the OAS, as well as the staff of other affiliated agencies, with contracts of at least one year. Compulsory contributions are shared two-thirds by the institution and one-third by the staff member. Other affiliated agencies to the Plan include: 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.

As of November 30, 2021, there were 472 participants in the Retirement and Pension Plan, 403 from the OAS General Secretariat and 69 from the agencies named above. There were 44 separations in 2020 and 29 in 2021 (as of November 2021) and the number of pensioners as of November 30, 2021 was 285. Of those, 248 were participants in the Plan and 37 were beneficiaries of participants.

The Retirement and Pension Fund Committee is comprised of the Chair who represents the Member States, an elected Representative of the Participants and a Representative appointed by the Secretary General. Each of these principals has an alternate representative. There is also representation from the Association of Pensioners and a Legal Advisor, and all are guided by the wisdom of the Secretary-Treasurer of the Fund, Mr. Daniel Vilariño, as well as his Deputy, Mrs. Jeanette Carmona who joined the Fund's Secretariat in June 2021, following a competitive process to fill the post of Accounting and Pension Specialist (P04 Level).

The Committee is currently chaired by Ambassador Lou-Anne Gilchrist, Permanent Representative of Saint Vincent and the Grenadines. It was previously chaired until June 2021 by Ambassador Riyad Insanally, former Permanent Representative of Guyana, to whom on behalf of the Participants, we express our great appreciation and recognition for his outstanding work. Mrs. Margarita Riva-Geoghegan has been serving as the Alternate Representative of the Member States and thus as a Vice-Chair of the Committee.

During our term, the Retirement and Pension Committee held two meetings (July and December 2021) to approve the accreditation of interest of participants' accounts (The accreditation for the second semester of 2020 was approved by electronic vote in January 2021). During these meetings,

the Committee also addressed other issues related to the operation of the Retirement and Pension Fund, such as approval of the annual budget, granting of retirement requests, review the findings of the 10th Asset/Liability study as well as the ongoing evaluation of the investment policy.

The Committee approved an accreditation of 4.38% in participants' accounts for the second semester of 2020 and 2.42% for the first semester of 2021.

The Fund has specific guidelines as to how accreditations must be approached, including a minimal accreditation and a range of percentages that would be applied to the accreditation of the participants' accounts. Coupled with the general asset allocation of 60% stocks and 40% bonds, these parameters determine 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.

Independent consultants measure the long-term health of the fund through an actuarial valuation report, which determines the long-term liabilities based on the number retirees, their average age and overall life expectancy.

Asset-Liability studies are short- and medium-term analysis, including 5-, 10- and 20-year horizons based on different market scenarios using randomized techniques. The more scenarios, the more accurate the projections.

On November 15, 2021, the Secretary-Treasurer presented the results of the 10th Asset-Liability study, which took into consideration the ongoing impact of Covid-19 on the markets. Through this analysis, the Committee met recently on December 8<sup>th</sup>, 2021 to set the parameters related to the accreditation and the asset allocation to achieve a healthy funded ratio.

The findings of the Asset-Liability Study show that the Pension and Retirement Fund remains on solid footing, even in the face of the Covid-19 pandemic.

This is mostly due to the good results in the investments that have made the market value of assets to grow at more speed than our liabilities. Given this scenario, on behalf of the Participants, Beatriz and I have advocated to provide the highest level of benefits to the participants while ensuring the health of the Fund.

For more detailed information regarding the performance of the OAS Retirement and Pension Plan and the parameters that guide its operations, we urge you to consult the 2020 annual report, located on the Retirement and Pension Fund website. Likewise, Daniel Vilariño and his staff are always available to answer your questions about the Fund.

We would also like to inform Participants that, during 2021, the Secretariat of the Fund initiated the Retirement and Pension Fund System modernization project. The project is currently in the

development phase and is expected to be fully implemented next year. Among the main benefits of this modernization project is that it will allow participants to have direct on-line access to consult the status of their account in the Fund, without having to rely on the Secretariat each time such information is needed.

In conclusion, we would like to personally thank the Secretary-Treasurer, Mr. Daniel Vilariño and his staff; and the other members of the Committee with whom we have served this year. We are honored that you have placed your trust in us to represent you.

**Submitted by:**

*Luiz Marcelo Azevedo*

*Principal Staff Representative, OAS Retirement and Pension Fund Committee*

*Beatriz Santos*

*Alternate Staff Representative, OAS Retirement and Pension Fund Committee*