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FINANCE COMMITTEE
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Item No. 6 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 2022 – F.C. (93) 4 ; UNIDROIT 2022 – F.C. (94) 8 ; UNIDROIT 2024 – F.C. (97) 4 ; UNIDROIT 2024 – F.C. (98) 10 ; UNIDROIT 2024 – A.G. (84) 12 ; UNIDROIT 2025 – F.C. (99) 5 ; UNIDROIT 2025 – F.C. (100) 7

I. INTRODUCTION

1. Following the adoption of 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 pension system that was activated in 2019 is being 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 it reached the threshold amount of € 500,000, following which the assets would be transferred to a portfolio invested in financial markets. The minimum threshold for investment was increased to € 900,000 in 2022 ([F.C. \(93\) 4](#)). The Finance Committee has since 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](#)) and, since June 2023, UNIDROIT has benefited from higher interest rates with term deposits.

3. During its 97th session (Rome, 24 April 2024), the Finance Committee was informed that the indicative threshold for investment had been reached ([F.C. \(97\) 4](#)). During the 98th session (Rome, 24 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](#)).

4. At its 84th session (Rome, 12 December 2024), UNIDROIT's General Assembly approved the proposed strategy for investing the PRF assets in the financial markets ([A.G. \(84\) 12](#)). At its 99th

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).

session (Rome, 27 March 2025), the Finance Committee was informed that several documents in relation to the investment strategy were to be agreed by the CAF during its meeting in May 2025 ([F.C. \(99\) 5](#)). At its 100th session (October 2025), the Finance Committee was informed that the CAF had approved the necessary documents and that UNIDROIT had finalised the contractual process with the custodian, Northern Trust, which was completing the necessary administrative steps to start investments. In addition, UNIDROIT would enter into contracts with individual asset managers. The investment of the PRF assets in the financial markets was expected to commence by the end of 2025 ([F.C. \(100\) 7](#)).

5. Regarding health insurance, the Secretariat obtained insurance with Cigna from 1 October 2023. Following a first annual renewal of the health insurance policies without an increase in premiums, the Secretariat informed the Finance Committee at its 99th session (March 2025) that it intended to renew the Cigna policies for another 12-month period given the satisfaction of staff members. The Secretariat anticipated that this second renewal of the health insurance policies was expected to result in higher premiums, although it would make every effort to contain costs ([F.C. \(99\) 5](#)). At its 100th session, (October 2025) the Finance Committee was informed that the health insurance premiums had indeed increased for the year 2025-2026. However, the overall increase in costs for health insurance in 2025-2026 compared to 2024-2025 was negligible in absolute terms due to the cancellation of the temporary incapacity benefit and changes in plan membership ([F.C. \(100\) 7](#)).

II. UPDATE

Pension Fund:

6. The pension fund's total assets increased to € 1,672,784 by end-February 2026. Details regarding the management of the Institute's PRF are available in the CAF's First Bi-Annual Report for 2026 (see the Annexe).

7. Following the conclusion of the various asset manager contracts, the investment of UNIDROIT's pension fund assets commenced end-February 2026. An amount of approximately € 1,6 million has now been invested pursuant to the investment strategy approved by the General Assembly in December 2024 (which was a composition of 55% equities, 30% fixed income, and 15% alternatives). After this initial investment, the monthly pension contributions will be invested on a quarterly basis, subject to a minimum investment amount of € 100,000 and considering future cash requirements (e.g., any expected leaving allowance payments).

Health Insurance:

8. The coverage of staff members under the Cigna health insurance plan runs until 30 September 2026, with tacit renewal. Since the staff members remain satisfied with Cigna, it is proposed to renew the policies for another 12-month period. While the Secretariat will do its utmost to contain costs, it is expected that the premiums will increase. The height of the premiums will depend on the level of medical inflation, the performance of UNIDROIT's health insurance plan, and the overall evolution of insurance costs in Cigna's pool of intergovernmental organisations to which UNIDROIT belongs.

III. ACTION TO BE TAKEN

9. *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 2026**