



Governing Body

309th Session, Geneva, November 2010

GB.309/PFA/13

Programme, Financial and Administrative Committee

PFA

FOR DECISION

THIRTEENTH ITEM ON THE AGENDA

Report of the International Civil Service Commission

Overview

Issues covered/Executive summary (for papers over 6 pages)

Early consideration of recommendations of the ICSC with financial implications as from 1 January 2011 if approved by the UNGA in 2010, concerning increases in the base salary scale and children's and secondary dependants' allowances.

Policy implications

None.

Legal implications

Amendments to the Staff Regulations consequent to the review of the salary and allowances levels.

Financial implications

Cost increases are covered by provisions made for that purpose in the Programme and Budget for 2010–11.

Decision required

Paragraph 8.

References to other Governing Body documents and ILO instruments

GB.289/PFA/17, GB.303/PFA/14.

1. A detailed report on the International Civil Service Commission's (ICSC) 2010 annual report and related decisions of the United Nations General Assembly (UNGA) will be provided to the Programme, Financial and Administrative Committee in March 2011, as decided by the Governing Body at its 289th Session.¹
2. This paper outlines the recommendations of the ICSC which, if approved by the UNGA in 2010, will have immediate financial implications for the Office as from 1 January 2011. They are thus submitted to the Committee so as to avoid the need for costly retroactive payroll adjustments.

Base/floor salary scale

3. The base/floor salary scale for the professional and higher categories is set by reference to the General Schedule salary scale of the United States federal civil service. Periodic adjustments are made on the basis of a comparison of net base salaries of United Nations officials with the corresponding salaries of their counterparts in the United States federal civil service. In view of the 1.5 per cent movement in federal civil service salaries in the United States as from 1 January 2010, as well as of slight changes in federal tax schedules, an adjustment of the United Nations common system's scale of 1.37 per cent would be necessary in order to maintain the base/floor scale in line with the comparator's base scale.
4. The Commission decided to recommend to the UNGA that the current base/floor salary scale for the Professional and higher categories be increased by 1.37 per cent through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 January 2011. Consequent increases in separation payments will also result from this salary adjustment.

Review of the level of the children's and secondary dependants' allowances

5. The ICSC examined the level of the children's and secondary dependants' allowances in accordance with the new methodology it approved in 2008² and has made the following recommendations to the General Assembly:
 - (a) The global flat-rate for the children's allowance should be increased from US\$2,686 per annum to \$2,929, and the allowance for children with disabilities should be double that amount, i.e. \$5,858.
 - (b) The secondary dependants' allowance should be increased from \$940 per annum to \$1,025.
 - (c) At hard currency locations, the United States dollar amount of the allowance, as established in (a) and (b) above, should be converted to local currency using the official United Nations rate of exchange as at the date of promulgation, and should remain unchanged until the next biennial review.

¹ In an effort to reduce the documentation for the Governing Body, it has been decided that a single report be submitted at the March session covering both the ICSC and General Assembly decisions (see GB.289/PFA/17).

² GB.303/PFA/14.

- (d) As a transitional measure, where, at the time of implementation, the revised flat-rate allowance is lower than that currently in effect, the allowance payable to currently eligible staff should be equal to the higher rate reduced by 50 per cent of the difference between the two rates.
- 6. The impact of the levels set out in the previous paragraph will be that staff in all duty stations other than Geneva and Tokyo will receive an increase. Staff in those two duty stations with dependent children or secondary dependants are expected to remain eligible for the transitional measure set out in paragraph 5(d) above.

Financial implications

- 7. The cost of implementing the ICSC's recommendations, as set out in paragraphs 4 and 5 above is covered by provisions made for that purpose in the Programme and Budget for 2010–11.
- 8. *The Committee may wish to recommend that the Governing Body:*
 - (a) *accept the recommendations of the ICSC, subject to their approval by the United Nations General Assembly, on the following entitlements:*
 - (i) *an increase of 1.37 per cent in the base/floor salary and consequent increases in separation payments, for staff in the Professional and higher categories;*
 - (ii) *revised levels of children's and secondary dependants' allowances as described in paragraph 5 above;*
 - (b) *authorize the Director-General to give effect in the ILO, through amendments to the Staff Regulations, to the measures referred to in subparagraph (a), subject to their approval by the General Assembly.*

Geneva, 22 September 2010

Point for decision: Paragraph 8