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FOR INFORMATION

Decisions of the United Nations General Assembly on the report of the International Civil Service Commission

Summary: This report covers the decisions made by the United Nations General Assembly on the report of the International Civil Service Commission for 2015.

Author unit: Human Resources Development Department (HRD).

Related documents: GB.312/PFA/13; GB.312/PV; GB.317/PFA/INF/3; GB.319/PFA/11; GB.319/PFA/PV; GB.320/PFA/INF/5; GB.322/PFA/10(&Corr.); GB.326/PFA/11.

1. Every autumn, the United Nations (UN) General Assembly considers the annual report of the International Civil Service Commission (ICSC) and, by December, takes decisions on the recommendations of the Commission that fall under its authority in accordance with article 10 of the ICSC Statute, so that such decisions can be implemented as of 1 January of the following year.

2. Every March, the Office provides the Governing Body with a summary of those decisions and highlights other aspects of the annual report of the ICSC that are relevant to the ILO and its staff, including with regard to any changes to the conditions of employment decided by the Commission under its own authority.

3. This paper provides information on the report of the ICSC for 2015 [1] and the decisions taken by the UN General Assembly at its 70th Session (2015) [2] in relation to the recommendations contained in the report.

4. Decisions of the Commission and of the General Assembly are normally implemented in the ILO under the Director-General’s delegated authority concerning common system conditions of employment. [3] In view, however, of the implications of the decisions of the General Assembly related to the comprehensive review of the common system compensation package and to the implementation of the new mandatory age of separation for staff recruited before 1 January 2014, the Office will prepare for the November 2016 session of the Governing Body a decision paper indicating the changes in the ILO Staff Regulations required for the implementation of the decisions of the General Assembly starting on 1 January 2017. [4]

I. Conditions of service of staff in the Professional and higher categories

A. Base salary

5. The base/floor salary scale for the Professional and higher categories is set with reference to the General Schedule salary scale of the United States federal civil service excluding any locality pay. Periodic adjustments are made on the basis of a comparison of net base salaries of UN officials at the midpoint of the scale (P4, step VI) with the corresponding salaries of their counterparts in the United States federal civil service. The adjustments are implemented by means of the standard method of consolidating post adjustment points into the base/floor salary, that is, by increasing base salary while commensurately reducing post adjustment.

6. The Commission was informed that a 1 per cent increase had been implemented in the comparator’s base General Schedule effective 1 January 2015. Minor changes were also introduced in the United States tax schedules at the federal level for 2015.

[1] General Assembly, Official records, 70th Session (A/70/30), available on the ICSC website at: http://icsc.un.org/library/default.asp?list=AnnualRep.

[2] A/RES/70/244.

[3] See GB.312/PV, para. 751(b).

[4] See GB.326/PFA/11.

7. In accordance with the normal adjustment procedure, in order to reflect the salary increase in the General Schedule as well as the impact of the tax changes referred to above, the base/floor scale would need to be adjusted upward by 1.08 per cent as of 1 January 2016. The Commission therefore recommended a corresponding adjustment of 1.08 per cent to be implemented through standard consolidation procedures by increasing the base salary and commensurately reducing post adjustment multiplier points on a no-loss/no-gain basis, resulting in no change in net take-home pay. The United Nations General Assembly has approved this recommendation with effect from 1 January 2016. The cost of implementing the General Assembly's Resolution is negligible and is covered in the provisions made for that purpose in the Programme and Budget for 2016–17.

B. Evolution of the net remuneration margin

8. Under a standing mandate from the General Assembly, the Commission reviews the relationship between the net remuneration of United Nations officials in the Professional and higher categories in New York and that of the United States federal civil service officials in comparable positions in Washington, DC. For that purpose, the Commission annually tracks changes occurring in the remuneration levels of both civil services.

9. With the lifting of the statutory freeze in United States federal pay adjustments, a 1.0 per cent general increase was granted as at 1 January 2015 for all statutory pay systems in the comparator civil service. On this basis, combined with slight reductions in overall income taxes in the Washington, DC metropolitan area and a post adjustment multiplier of 66.7 in New York for 2015, the Commission noted that the estimated net remuneration margin for 2015 amounted to 117.2, with the corresponding five-year average (2011–15) also amounting to 117.2.

10. The General Assembly noted that the estimated margin between net remunerations of the United Nations staff in grades P1 to D2 in New York and that of officials of comparable positions in the United States federal civil service in Washington, DC is above the desirable midpoint of 115 and requested the Commission to continue to bring the calendar year margin to around the desirable midpoint and further examine issues relating to margin management. The General Assembly also decided that, if the margin trigger levels of 113 to 117 are breached, the Commission should take appropriate action through the operation of the post adjustment system.

C. Post adjustment matters

11. Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system and, in that context, considered the report and recommendations of the Advisory Committee on Post Adjustment Questions at its session in 2015. The Commission reviewed and approved its recommendations regarding the list of items and specifications in the market basket to be used for price data collection, the redesign of all survey data collection forms, and the modus operandi for the use of price data collected for purposes of establishing post adjustment for the covered group I duty stations. The Commission also approved proposals for the modifications to four operational rules governing the post adjustment system in order to make salary adjustments more predictable, and a review of the rental subsidy system.

D. Comprehensive review of the common system compensation package

12. A comprehensive review of the common system compensation package was included in the programme of work of the Commission at its 75th Session in 2012. Previous comprehensive reviews had been carried out in 1976, 1989 and 2000. This comprehensive review was considered essential in order to ensure that the pay and benefits provided to staff continue to be fit for purpose. The main recommendations of the Commission were submitted in September 2015 in its final report to the General Assembly for endorsement. [5] At its 82nd plenary meeting of its 70th Session held on 23 December 2015, the General Assembly adopted resolution 70/244 taking the following decisions:

- There will be a unified net base salary scale without consideration of dependency status with 13 steps for each grade between P1 and D1, and ten steps for the D2 grade. Regarding the ASG/USG levels, the Assembly decided that their salaries under the unified scale should be derived in the same manner as was done for the other grades. In the revised scale, steps beyond the midpoint (step VII for P grades), step V for D1 grade and step II for D2 grade will see biennial step increases only. The provisions for accelerated step increases for language proficiency will be discontinued.

- The current dependency rate of salaries will be replaced by a separate allowance of 6 per cent of net remuneration provided to staff with a dependent spouse (spouse allowance) and to those who are single parents with dependent children (single parent allowance). In the latter case, no child allowance will be payable for the first child. Those staff members who currently receive the dependency rate of pay in respect of a child because the spouse earnings are above the established threshold will receive a transitional allowance of 6 per cent of net remuneration in respect of that dependent child, payable in lieu of child allowance. All other staff members with dependent children will be eligible for a child allowance only.

- Accelerated home leave for officials in hardship duty stations will be maintained only for D and E category duty stations that do not fall under the rest and recuperation framework.

- The fixed reimbursement rate of 75 per cent of admissible expenses for education grant will be substituted by a global sliding scale and the basis of admissible expenses will be reduced to cover tuition, enrolment and language tuition fees only. Boarding will be restricted to primary and secondary education only, and only staff in field duty stations (A–E) will be eligible for it, unless an exception is granted by the executive head and justified by a need of rapid redeployment. The special education grant will be maintained as presently applied with some limitations. Education travel will be limited to one trip per year.

- The amounts of hardship allowance will be unified at the dependency rate, regardless of family status, with five categories from A to E hardship category of duty station and three groups of grades (P1–P3; P4–P5; D1 and above).

- A non-family service allowance will be paid as a flat amount, depending on family status, will replace the former additional hardship allowance without differentiation by job responsibility or seniority.

[5] http://icsc.un.org/resources/pdfs/ar/AR2015.pdf.

- A new mobility incentive will replace the current mobility allowance to encourage mobility of staff to field duty stations, with annual payments for a maximum period of five years at the same duty station. The mobility incentive will apply to staff with five consecutive years of prior service in the common system and from their second assignment (that is, the first geographical move). It will not be payable at “H” category duty stations. The new mobility incentive will be increased by 25 per cent upon the fourth assignment of a staff member and by 50 per cent upon the seventh assignment.

- A new relocation package was approved. For the settling in grant, the General Assembly decided to provide a lump-sum amount equivalent to one month of net base salary plus applicable post adjustment at the new duty station plus the DSA element (that is, to maintain the same lump-sum formula as in the current assignment grant, but irrespective of type of duty station; the second month of lump-sum which was payable in the field when non-removal was granted has been abolished). The decision was taken to discontinue the non-removal allowance. Further, the Assembly approved the options regarding relocation shipment including full removal of household goods for staff with assignments of two years or more up to a standard 20ft/40ft container for single staff/families, regardless of the weight.

- Repatriation grant will be paid only after a minimum of five years of service.

The issue of rewards and recognition was also addressed during the compensation review and the General Assembly requested the Commission to conduct a study on the performance management schemes in the common system organizations, and to formulate recommendations on performance incentives based on merit that are not related to cash rewards.

II. Conditions of service of the General Service and other locally recruited staff

13. The General Assembly noted in its Resolution 69/251 the intention of the Commission to review the compensation package for the General Service and National Professional Officer categories of staff once the review of the Professional and higher categories is completed. The secretariat of the Commission has started the preparatory arrangements for studying this matter in a holistic manner with the full participation of stakeholders.

14. The General Assembly was informed of the results of the surveys of best prevailing conditions of employment of the General Service staff in New York and in London which resulted in a recommended salary scale of 5.8 per cent lower than the previous one for New York and 3.5 per cent higher than the current scale for London.

III. Conditions of service applicable to both categories of staff

A. Mandatory age of separation

15. The General Assembly in its Resolution 69/251 had decided that the mandatory age of separation for staff recruited before 1 January 2014 should be raised to 65, taking into account the acquired rights of staff. The General Assembly had also requested the Commission to undertake further consultations with all organizations of the common system and to revert with an implementation date at its earliest opportunity but no later than its 71st Session in 2017. The Commission decided to recommend to the General Assembly that the implementation date should be during 2016 and by January 2017 at the latest although the majority of the executive heads of the organizations had expressed the views that the most desirable effective date of implementation would be no earlier than 1 January 2018.

16. At its 70th Session, the General Assembly decided that the mandatory age of separation for staff recruited before January 2014 should be raised to 65 years at the latest by 1 January 2018, taking into account the acquired rights of staff.

B. Work–life balance

17. The General Assembly invited the organizations of the common system to make efforts to ensure work–life balance and provide career development opportunities, which are important elements for motivating and retaining staff.

Geneva, 29 February 2016