



## Governing Body

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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 2014.

**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.).



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 aspect 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 2014<sup>1</sup> and the decisions taken by the UN General Assembly at its 69th session (2014)<sup>2</sup> in relation to the recommendations contained in the report. 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,<sup>3</sup> pursuant to article 14.7 of the Staff Regulations.

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

### **A. Base salary**

4. 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.
5. The Commission was informed that a 1 per cent increase had been implemented in the comparator's base General Schedule effective 1 January 2014. Minor changes were also introduced in the United States tax schedules at the federal level for 2014.
6. 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 1.01 per cent as of 1 January 2015. The Commission therefore recommended a corresponding adjustment of 1.01 per cent, to be implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay.

<sup>1</sup> General Assembly, Official Records, 69th Session, Supplement No. 30 (A/69/30), available on the ICSC website at: <http://icsc.un.org/library/default.asp?list=AnnualRep>.

<sup>2</sup> A/RES/69/251.

<sup>3</sup> See GB.312/PV, para. 751(b).

7. The UN General Assembly has approved this recommendation. Changes in the base/floor salary scale for the Professional and higher categories will therefore be implemented through standard consolidation procedures, on a no-loss/no-gain basis, with effect from 1 January 2015 through amendments to article 3.1 of the ILO Staff Regulations. The cost of implementing the General Assembly's Resolution is covered in the provisions made for that purpose in the Programme and Budget for 2014–15.

## **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 UN 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 per cent general increase was granted as at 1 January 2014 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 consideration of the cost-of-living differential between New York and Washington, DC estimated at 112.7, the Commission was informed that the estimated net remuneration margin for 2014 amounted to 117.4, with the corresponding five-year average amounting to 116.4.
10. The General Assembly reaffirmed that the range of 110–120 for the margin between the net remuneration of officials in the Professional and higher categories of the UN in New York and officials in comparable positions in the comparator civil service should continue to apply, on the understanding that the margin would be maintained at a level around the desirable midpoint of 115 over a period of time.
11. The General Assembly noted that the estimated margin between net remuneration of the UN staff in grades P1 to D2 in New York and that of officials in comparable positions in the United States federal civil service in Washington, DC was slightly above the desirable midpoint of 115. It requested the Commission to continue to bring the calendar year margin around the desirable midpoint by freezing net remuneration in New York until such time as the margin had been brought back to its desirable midpoint.

## **C. Post adjustment matters**

12. Pursuant to article 11 of its statute, the Commission continued to keep under review the operation of the post adjustment system in view of its possible simplification. The Commission took note of the conclusions of the Advisory Committee on Post Adjustment Questions confirming that the post adjustment index ensured a proper and methodologically sound estimation of the cost-of-living differential between duty stations and the base of the post adjustment system, thereby fulfilling the role for which it had been established. The Commission saw no compelling reason to change it as it is fit for purpose, transparent, predictable and cost-effective.

13. The Commission was informed that the existing schedule of independent reviews of the post adjustment index had created a perception of inequitable treatment of headquarters duty stations and other group I duty stations. The General Assembly took note of the Commission's decision to review the post adjustment classification of these aforementioned duty stations once a year, on the anniversary date of the post adjustment classification review for New York, in order to address this perception and at the same time enhance the predictability of salary adjustments, thus simplifying the budget forecasts for organizations of the common system.

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

14. The General Assembly noted 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.

## **III. Conditions of service applicable to both categories of staff**

### **A. Comprehensive review of the common system compensation package**

15. A comprehensive review of the common system compensation package was started by the Commission at its 76th Session. Previous comprehensive reviews had been carried out in 1976 and 1989. This comprehensive review was considered essential in order to ensure that the pay and benefits provided to staff continue to be fit for purpose. UN common system organizations consider that a future compensation system should be fit for purpose, adaptable to different organizations' mandates, recognize performance and incentivize mobility, while also being cost effective, transparent, and simple to understand and administer, in order to ensure competitiveness.

16. The General Assembly took note of the information provided in the Commission's report on the status of the comprehensive review of the compensation package and looked forward to considering the results of this exercise at its 70th session in 2015. It requested the Commission to provide, on the occasion of the first part of its 69th session, in March 2015, an informal briefing to the General Assembly on the progress of the comprehensive review of compensation.

### **B. Health insurance**

17. The Commission took up this item pursuant to General Assembly Resolution 68/253, in which the Assembly expressed its deep concern about the long-term sustainability of the after-service health insurance scheme within the UN system and in that regard invited the Commission to review, in the context of its annual report, the apportionment of health insurance premiums between the UN organizations and participants in both United States and non-United States plans.

18. The General Assembly approved the Commission's recommendation to maintain at their existing ratios the current apportionment of health insurance premiums between the organizations and both active and retired staff in United States and non-United States health insurance plans.

### C. Mandatory age of separation

19. In its report for 2013, the Commission recommended to the General Assembly that the mandatory age of separation for current staff members (appointed before 1 January 2014) be raised to age 65, with effect from 1 January 2016. The General Assembly decided to defer its decision on the recommendation and requested the Commission to undertake further analysis on the impact of the adoption of the recommendation on workforce and succession planning frameworks and to report thereon at its 69th session in 2014.<sup>4</sup>
20. The Commission conducted the analysis required by the General Assembly and concluded that changing the mandatory age of separation would not have a deleterious effect on the organizations or their strategic plans. The Commission also felt that it was important to have a system in place which operated in a transparent way and was fair to staff.
21. The General Assembly took note of the analysis undertaken by the Commission and 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 requested the Commission to revert to the General Assembly with an implementation date at its earliest opportunity, but no later than at its 71st session in 2016, after consultations with all the organizations of the common system.

Geneva, 11 February 2015

<sup>4</sup> It is recalled that pursuant to article 11.3 of the Staff Regulations, the mandatory age of separation in the ILO for officials appointed after 31 December 2013 is 65. That age is 62 for officials appointed after 31 December 1989 and 60 for officials appointed before 1 January 1990.