



## **Governing Body**

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Programme, Financial and Administrative Section

**PFA**

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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 2013.

**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.



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 2013<sup>1</sup> and the decisions taken by the UN General Assembly at its 68th session (2013)<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>

## **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. Periodic adjustments are made on the basis of a comparison of net base salaries of UN officials with the corresponding salaries of their counterparts in the United States federal civil service.
5. Despite a freeze in federal civil service gross salaries in the United States since 2011, minor adjustments in federal tax legislation have resulted in a slight increase of net salary levels compared to the level at the last adjustment in January 2012. The ICSC therefore recommended a corresponding adjustment of 0.19 per cent in the UN salary scale in order to maintain the alignment.
6. 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 2014 through amendments to article 3.1 of the ILO Staff Regulations. Slight increases in separation payments will result from this salary adjustment. 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.

<sup>1</sup> General Assembly, Official Records, 68th session, Supplement No. 30 (A/68/30), available on the ICSC website at <http://icsc.un.org/library/default.asp?list=AnnualRep>.

<sup>2</sup> A/RES/68/253.

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

**B. Evolution of the net remuneration margin**

7. Every year, the ICSC compares the net remuneration of UN staff in grades P1 to D2 in New York with that of United States federal civil service employees in comparable positions in Washington, DC. The average percentage difference in the remuneration of the two civil services, adjusted for the cost-of-living differential between New York and Washington, is the net remuneration margin.
8. The General Assembly reaffirmed that the range of 110–120 for the net remuneration margin should continue to apply, on the understanding that it would be maintained at a level around the desirable midpoint of 115 over a period of time. The margin for the period from 1 January to 31 December 2013 was estimated at 119.6 (compared to 117.7 in 2012), and the average margin level for the past five years (2009–13) stood at 115.7, slightly above the midpoint. It is expected that any increase in the next review of the post adjustment in New York in February 2014, resulting from cost of living increases, will bring the margin above its upper limit. This situation is mainly due to the statutory pay freeze introduced in the United States federal civil service between 1 January 2011 and 31 December 2013.
9. In order to keep the margin below its upper limit, the ICSC has decided that in February 2014 it will implement the margin management procedure approved by the General Assembly in 1991,<sup>4</sup> that is, the post adjustment rise will be granted only to the extent that it will result in a remuneration increase that rests within the margin. To maintain purchasing power parity of salaries between New York, which is the base of the post adjustment system, and other duty stations, the post adjustment in all duty stations will be scaled back in the same proportion as the difference between the post adjustment increase in New York that would have been warranted under the methodology, and the post adjustment actually granted.
10. The General Assembly welcomed the decision of the ICSC and requested the Commission to propose measures to it, at its 69th session in 2014, to bring the margin back to the desirable midpoint of 115.

**C. Education grant, special measures: Belgium**

11. The General Assembly endorsed a recommendation of the ICSC to allow reimbursement of the education expenses of three English-curriculum schools in Brussels based on the maximum allowable educational expenses in US dollars in the United States (45,586) rather than the maximum allowable educational expenses in euros (16,014) for all schools in Belgium.
12. This measure will become applicable to eligible ILO staff as from the academic year in progress on 1 January 2013.

<sup>4</sup> A/RES/46/191, section IV.

## **D. Children and secondary dependants' allowances**

13. As reported last March,<sup>5</sup> in 2012 the Commission decided to defer the implementation of the increases in children and secondary dependants' allowances that would have been due for 2013–14 under the biennial review of dependency allowances in accordance with the approved methodology, until such time as the Commission was able to review that methodology.
14. In 2013, the General Assembly, on the recommendation of the Commission, decided to maintain the children and secondary dependants' allowance at the level of 2011–12.

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

15. The Commission reviewed the local salary scales of two headquarters duty stations, Paris and Montreal, and recommended new salary scales representing, respectively, a 2.19 per cent decrease and a 1.22 per cent increase compared to the salary scales previously in force.
16. The ILO will implement the new salary scale for Paris in respect of officials recruited after 1 May 2013. Two local officials in service prior to that date will continue to be paid in accordance with the 2011 salary scale. The ILO has no staff in Montreal.

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

### **A. Mandatory age of separation**

17. Following the recommendation of the UN Joint Staff Pension Board to increase the normal age of retirement only in respect of participants entering the system as from 1 January 2014, the ICSC, against the unanimous view of the organizations of the common system, recommended to the General Assembly that it raise the mandatory age of separation for both future and current staff to age 65. The General Assembly deferred a decision on the ICSC's recommendation and requested it to provide further analysis, in consultation with all relevant stakeholders, of the impact on workforce and succession planning as well as on other relevant human resources policies, including performance management, rejuvenation, gender balance and equitable geographic representation across the UN common system.
18. As already decided by the Governing Body at its last session,<sup>6</sup> the mandatory age of separation in the ILO for officials appointed after 31 December 2013 will be 65, in line with the changes in the age of retirement introduced in the Regulations of the United Nations Joint Staff Pension Fund.

<sup>5</sup> GB.317/PFA/INF/3.

<sup>6</sup> GB.319/PFA/11, GB.319/PFA/PV, para. 125.

**B. Review of the common system compensation package**

- 19.** The General Assembly took note of a progress report on the comprehensive review of the common system compensation package. The purpose of the review is to examine all elements of staff compensation together with other human resources elements falling under the Commission's mandate with a view to developing a revised compensation system that is coherent, sustainable and addresses the concerns and expectations of staff, organizations and member States, including the need to ensure a system that is simpler to administer and understand. The outcome of the review, in which the ILO is actively involved, is expected in 2015. Until then, the General Assembly requested the Commission not to increase any of the allowances under its purview.

Geneva, 17 January 2014.