

Board of the Centre

81st Session, Turin, 25-26 October 2018

CC 81/5

FOR DECISION

FIFTH ITEM ON THE AGENDA

Human resources questions

I. Recommendations of the International Civil Service Commission

1. This section of the document provides information on the recommendations contained in the report of the International Civil Service Commission (ICSC) for the year 2018, which, if approved by the United Nations General Assembly (hereafter referred to as the General Assembly), will have implications for the Centre as from 1 January 2019.
2. The General Assembly will not have reached any final decision concerning the recommendations at paragraph 22 below when the Board holds its 81st Session (October 2018). Since these measures, if approved, will come into effect for all organizations within the United Nations (UN) System and have financial implications for the Centre as from 1 January 2019, these recommendations are being submitted for approval by the Board at its current session.

Conditions of service of staff in the Professional and higher categories

A. Base salary

3. As established, the base/floor salary scale for staff in the professional and higher categories is set by reference to the base General Schedule salary scale of the Federal Civil Service of the United States, which has been the comparator civil service since the creation of the UN. Periodic adjustments are made on the basis of a comparison of net salaries of UN officials at the midpoint of the scale with the corresponding salaries of their counterparts in the comparator civil service. The adjustments are implemented by means of the standard no-loss-no-gain method of consolidating post-adjustment points into the base/floor salary scale while commensurately reducing post-adjustment levels.
 4. As a result of an increase in the reference comparator pay level in net terms, the ICSC has recommended to the General Assembly for approval with effect from 1 January 2019 a revised base/floor salary scale for professional and higher categories of staff with a 1.83 per cent adjustment implemented through the standard no-loss-no-gain consolidation method
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described in paragraph 3 above. The proposed increase in the salary should also be applied to the pay protection points for staff whose salaries were higher than those at the maximum level of their grade on conversion to the unified salary scale. This adjustment also implies a proportional increase in end-of-service payments. The proposed amendments to the salary scales are contained in Appendix A.

B. Review of the level of children's and secondary dependant's allowances

5. In 2017, the Commission decided to review the methodology for calculating the level of the children's and secondary dependant's allowances. While retaining the current methodology, the Commission recognized that the calculation procedure needed to be aligned to the new unified salary structure following its adoption as of January 2017.
6. Under the existing methodology, the dependent children's allowance is established on the basis of the values of tax abatements and payments made under social legislation at a reference income corresponding to the P-4/VI level at eight headquarters locations, including Italy (Rome). These values are converted to United States dollars using the average exchange rates over 12 months preceding the review, aggregated into a global flat rate and weighted by the number of staff members at those duty stations.
7. The Commission recommended to the General Assembly that, as of 1 January 2019:
 - (i) the children's allowance should be set at \$ 3,666 per annum;
 - (ii) the disabled children's allowance should be set at \$ 7,332 per annum,
 - (iii) the secondary dependant's allowance should be set at \$ 1,283 per annum.

The dependency allowances shall be reduced by the amount of any direct payments received by staff members from a Government in respect of dependants. The proposed amendments to Article 5.10 of the Centre's Staff Regulations are contained in Appendix A.

C. Review of pensionable remuneration

8. At its eighty-fourth session in March 2017, the ICSC initiated a review of pensionable remuneration, agreed on a list of issues to be studied and approved a road map for the revision. In compliance with the road map, the Commission reviewed the grossing-up factors, the incidence of income inversion and options for recalculating the pensionable remuneration scale for the Professional and higher categories and ungraded officials based on the unified salary scale resulting from the revision of the compensation package. The Commission decided to proceed with a comparability study of the pension schemes of the United Nations and the federal civil service of the United States of America. The results of the study were to be considered as part of the review of pensionable remuneration. The ICSC's recommendation was prepared in collaboration with the secretariat of the United Nations Joint Staff Pension Fund.
9. Although the formula for the professional and higher categories of staff had originally been based on the dependency rate of salary, with the introduction of the unified salary scale for those categories of staff, the link between net salary and pensionable remuneration needed to be re-established. The ICSC recommended to the General Assembly a revised scale of pensionable remuneration and pay protection points for the professional and higher categories of staff, based on a single rate of staff assessment for pensionable remuneration purposes, and without the addition of the spouse allowance. The proposed amendments to the pensionable remuneration scales are contained in Appendix A.

Conditions of service applicable to both categories of Staff

D. End-of-service grant

10. In its resolution 71/264 the General Assembly requested the Commission to undertake a comprehensive analysis of the effect of the introduction of an end-of-service severance pay for staff serving on fixed-term contract after a defined period of service for 10 or more years. This request followed recommendations to introduce severance pay made by the ICSC in 2009 and then again in 2016.
11. The purpose of this grant is to pay it as a lump-sum to staff members who are separated from the organization at the expiration of their fixed-term appointment as defined by the contractual framework. While acknowledging that the end of service grant would not be based on legal requirements, the Commission considered that it represented rather a best practice in support of organization's duty-of-care initiatives and a measure of social equity as most staff would not be entitled to any unemployment benefits upon cessation of service after many years working in the UN common system.
12. The ICSC recommended the introduction of an end-of-service grant to assist staff separating from the organization at the expiration of their fixed-term appointment after five or more years of continuous service. The Commission also established eligibility criteria and a schedule to pay the end-of-service grant as a lump sum on the basis of a maximum payable grant of six months after 15 or more years of service.
13. The above recommendations have been submitted to the General Assembly at its 73rd session. In case of approval by the Assembly, the Centre will submit to the Board, at its next session in 2019, amendments to the Staff Regulations implementing the end-of-service grant in alignment with the corresponding provisions of the ILO Staff Regulations that may be adopted by the ILO Governing Body at its March 2019 session.

II. Amendments to the Staff Regulations to give effect to the Recognition and Procedural Agreement

14. At its 80th session, the Board of the Centre definitely adopted amendments to the Staff Regulations giving effect to the Recognition and Procedural Agreement between the Centre and its Staff Union signed on 19 October 2000.
15. While reviewing questions related to the implementation of these amendments, the Staff Union requested a stay on their implementation in order to review the wording of parts of the amended Article 10.1. At the same time, the Management identified an error in the amended Article 0.3 of the Staff Regulations that no longer provided in its amended version for the general authority of the Director to amend the Staff Regulations on certain conditions.
16. Further to consultation and agreement in the Joint Negotiating Committee (JNC), and in the interests of clarity and legal security, it is proposed to modify and correct the Staff Regulations as shown in Appendix B.

III. Contracts policy

17. At its 79th Session (October 2016), the Board was informed of the conclusion of the Collective Agreement Concerning Staff with Fixed-Term, Project-Based Contracts Linked to Specific Training Activities Forming a Coherent Programme was signed between the Centre and the Staff Union in the Joint Negotiating Committee and approved by the Director on 26 October 2016.

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18. The Agreement establishes measures to harmonize conditions of employment and to provide more stable employment perspectives for staff employed on project-based contract linked to training activities, within the overall goal of ensuring financial sustainability at the Centre.
19. The Agreement was fully implemented as of 1 January 2017. Certain aspects of the implementation of the eligibility under the provisions of Article 7.11 of the Staff Regulations concerning promotion linked to an official's record of service are still the object of ongoing negotiations in the JNC.
20. The Board will be informed of any further development as a result of ongoing negotiations between the Management of the Centre and the Staff Union.

IV. Exceptions to the Staff Regulations

21. Under Article 0.8 of the Staff Regulations, any exception made by the Director to Staff Regulations entailing additional expenditure shall be notified to the Board. Since the 80th Session (October 2017) of the Board, the following exceptions were approved by the Director:
- (a) carryover of annual leave entitlements in excess of the maximum amount provided for under Article 6.4(d) of the Staff Regulations;
 - (b) carryover of accumulated compensatory leave entitlements beyond the expected time limit.
22. **The Board is requested to:**
- a) **accept the recommendations of the ICSC subject to their approval by the United Nations General Assembly, all with effect as from 1 January 2019, concerning:**
 - (i) **an increase of 1.83 per cent in the base/floor salary scales for the Professional and higher category of staff on a no-loss-no-gain basis;**
 - (ii) **the consequential increases in separation payments;**
 - (iii) **the review of the level of children's and secondary dependant's allowances;**
 - (iv) **the review of the pensionable remuneration for the Professional and higher categories of staff;**
 - (v) **the end-of-service grant, subject to completion of a minimum period of continuous service;**
 - b) **approve the amendments to the Staff Regulations contained in Appendix A;**
 - c) **approve the amendments to Articles 0.3 and 10.1 of the Staff Regulations contained in Appendix B;**
 - d) **take note of the exceptions to the Staff Regulations approved by the Director (paragraph 21).**

Point for decision: Paragraph 22.

Turin, October, 2018

Appendix A
Amendments to the Staff Regulations to give effect to the recommendations of the
International Civil Service Commission

ARTICLE 5.10
Family Allowance in the Professional Category and Above

Officials in the Professional category and above are entitled to annual non-pensionable family allowances in accordance with the following provisions:

(a) A spouse allowance in the amount of six per cent of net base salary plus post adjustment shall be paid in respect of a spouse whose gross annual occupational earnings are less than step 1 of the gross salary attaching to grade G.1 of the General Service category at Geneva (dependent spouse).

(b) An allowance in the amount of ~~2,929~~ 3,666 US dollars shall be paid in respect of each unmarried child under 18 years of age for whom the official provides the main and continuing support, or who is under 21 years of age and in full-time attendance at a school or university or similar educational institution or of any age if the child is physically or mentally incapacitated for work (dependent child). The allowance shall not be paid in respect of the first dependent child if the official receives a single parent allowance under this article. When an official's spouse is an official of an organization applying the United Nations common system, a child allowance shall be paid in respect of a child only to the official having the higher grade. The Director shall decide in each case whether the allowance shall be paid in respect of adopted children or step children. The allowance shall be reduced by the amount of any allowance received from a source outside the Centre by the official or the official's spouse in respect of the child. Even if the allowance payable under this paragraph is extinguished by such a reduction it shall nevertheless be deemed to be payable for the purposes of all other Articles of these Regulations.

(c) A single parent allowance in the amount of six per cent of net base salary plus post adjustment shall be paid in respect of the first dependent child to an official who has no spouse. An official who receives a single parent allowance in respect of the first dependent child shall not be eligible for payment of a child allowance for that child. The allowance shall be reduced by the amount of any allowance or other financial support received from a source outside the Centre by the official in respect of the child.

(d) ~~4,025~~ 1,283 US dollars in respect of one of the following persons: a father, a mother, a brother or a sister, provided that no spouse allowance or single parent allowance is paid under this article. An allowance under this paragraph shall be paid only upon presentation of evidence satisfactory to the Director that the official contributes an amount equal to at least one half of the total support of the parent, brother or sister, and, in any case at least ~~2,050~~ 2,566 US dollars a year. The allowance shall be paid in respect only of an unmarried brother or unmarried sister who is under 18 years of age or who is in full attendance at school or university or similar educational institution and is under 21 years of age, or is physically or mentally incapacitated for work.

(e) When a child recognized as dependent under (b) above has been determined by the Director, on the basis of medical evidence, to be physically or mentally disabled either permanently or for a period expected to be of long duration, one additional allowance in the amount specified under (b) above shall be paid in respect of that child.

Annex A.

Salary scale for the Professional and higher categories showing annual gross salaries and net equivalents after application of staff assessment (effective 1 January 2019)*

(United States dollars)

Level														
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
D-2	Gross	143 813	146 943	150 079	153 402	156 726	160 048	163 368	166 691	170 012	173 332	-	-	-
	Net	110 169	112 360	114 552	116 745	118 939	121 132	123 323	125 516	127 708	129 899	-	-	-
D-1	Gross	128 707	131 457	134 210	136 963	139 706	142 459	145 209	147 956	150 753	153 667	156 583	159 497	162 415
	Net	99 595	101 520	103 447	105 374	107 294	109 221	111 146	113 069	114 997	116 920	118 845	120 768	122 694
P-5	Gross	110 869	113 209	115 550	117 887	120 229	122 566	124 909	127 246	129 586	131 924	134 266	136 601	138 944
	Net	87 108	88 746	90 385	92 021	93 660	95 296	96 936	98 572	100 210	101 847	103 486	105 121	106 671
P-4	Gross	90 970	93 050	95 129	97 209	99 288	101 483	103 744	106 001	108 259	110 514	112 776	115 029	117 287
	Net	72 637	74 218	75 798	77 379	78 959	80 538	82 121	83 701	85 281	86 860	88 443	90 020	91 601
P-3	Gross	74 649	76 574	78 499	80 421	82 347	84 271	86 195	88 122	90 046	91 970	93 897	95 821	97 747
	Net	60 233	61 696	63 159	64 620	66 084	67 546	69 008	70 473	71 935	73 397	74 862	76 324	77 788
P-2	Gross	57 661	59 383	61 103	62 824	64 546	66 270	67 993	69 711	71 434	73 154	74 875	76 599	78 318
	Net	47 322	48 631	49 938	51 246	52 555	53 865	55 175	56 480	57 790	59 097	60 405	61 715	63 022
P-1	Gross	44 593	45 931	47 269	48 607	49 943	51 401	52 862	54 324	55 784	57 246	58 707	60 166	61 628
	Net	37 012	38 123	39 233	40 344	41 453	42 565	43 675	44 786	45 896	47 007	48 117	49 226	50 337

*The normal qualifying period for in-grade movement between consecutive steps is one year. The shaded steps in each grade are granted after two years of qualifying service at the preceding step.

Pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale (effective 1 January 2019)

(United States dollars)

Level ¹		PP1	PP2
P-4	Gross	119 547	121 806
	Net	93 183	94 764
P-3	Gross	99 670	101 730
	Net	79 249	80 711
P-2	Gross	80 041	-
	Net	64 331	-
P-1	Gross	63 088	-
	Net	51 447	-

¹ PP1 = step 14; PP2 = step 15.

Pensionable remuneration and pay protection points

Pensionable remuneration for staff in the Professional and higher categories (effective 1 January 2019)

(United States dollars)

Level													
	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII
D-2	242 139	247 198	252 257	257 320	262 386	267 447	272 506	277 567	282 628	287 686	-	-	-
D-1	217 729	222 175	226 622	231 070	235 503	239 951	244 396	248 834	253 284	257 724	262 167	266 608	271 053
P-5	188 905	192 685	196 470	200 245	204 030	207 805	211 592	215 369	219 149	222 929	226 711	230 487	234 271
P-4	155 742	159 340	162 937	166 535	170 132	173 738	177 391	181 040	184 686	188 332	191 987	195 626	199 276
P-3	127 566	130 834	134 165	137 492	140 823	144 152	147 480	150 816	154 142	157 471	160 807	164 133	167 467
P-2	98 970	101 868	104 764	107 660	110 560	113 460	116 361	119 252	122 153	125 049	127 945	130 878	133 853
P-1	76 537	78 902	81 264	83 629	85 990	88 432	90 891	93 351	95 810	98 270	100 729	103 185	105 646

Pensionable remuneration associated with pay protection points for staff whose salaries are higher than the maximum salaries on the unified salary scale (effective 1 January 2019)

(United States dollars)

Level	PP1	PP2
P-4	202 927	206 577
P-3	170 793	174 138
P-2	136 833	-

Appendix B

Amendments to the Staff Regulations giving effect to the Recognition and Procedural Agreement between the Centre and its Staff Union of 19 October 2000

Article 0.3 Amendments

- (a) ~~Subject to the approval of the Board of the Centre, the Director shall amend the Staff Regulations in order to give effect to the provisions of a collective agreement with the Staff Union a copy of which has been given to all officials, or to take into account the expiry of such agreements the Staff Regulations may be amended, without prejudice to the acquired rights of officials, by the Director after consulting the Joint Negotiating Committee.~~
- (b) The Director shall, where appropriate, amend the Staff Regulations in accordance with paragraph (a) in order to give effect to the provisions of a collective agreement with the Staff Union, which has been notified to all officials, or to take into account the expiry of such agreements.
- (c) The Director shall ~~also~~ amend the Staff Regulations, without prejudice to the acquired rights of officials, after consulting the Joint Negotiating Committee, in order to give effect to:
- (1) modification in the FAO salary scale and relative allowances applied to the General Service category;
 - (2) decisions of the International Civil Service Commission concerning:
 - (i) rates of allowances and benefits (other than pensions, dependency allowances, education grant, home leave, repatriation grant and termination indemnity), the conditions of entitlement thereto, and the standards of travel; and
 - (ii) the classification of duty stations for the purpose of applying post adjustments.

The Board of the Centre shall be informed of such amendments.

Article 10.1 Staff Relations

- a) The Staff Union shall represent the interests of ~~the staff its members~~ at the Centre with regard to social dialogue, information, consultation and collective bargaining.
- b) The Staff Union shall have the official functions that are assigned to it by these Regulations, or those that may be assigned to it in agreement with the Centre.
- c) The Staff Union shall have the facilities agreed upon from time to time between the Centre and itself. These facilities include, for the representatives designated in writing by the Staff Union, a partial or full release from the duties assigned to them under Article 0.5 of the Regulations, so that they can carry out the official duties specified in the Regulations, as well as those of representing the Staff Union.
- d) ~~(e)~~ No member of staff shall be sanctioned or discriminated against on account of his membership of the Staff Union or of his participation in union activities.