

Agenda item: ADM 13

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## Report by the Secretary-General

### CHANGES IN THE CONDITIONS OF SERVICE UNDER THE UNITED NATIONS COMMON SYSTEM

#### Summary

This is a report on the decisions taken by the United Nations General Assembly (UNGA) at its sixty-eighth session (2013) relating to conditions of service in the UN common system.

#### Action required

The Council is invited **to take note** of changes to the relevant provisions of the Staff Regulations for appointed officials, including those implemented by the Secretary-General in conformity with Council Resolution 647 (amended) and Council Decision 579.

In accordance with Resolution 46 (Kyoto, 1994), the Council is invited **to approve** the salary scale applicable to Elected Officials, as it appears in the draft Resolution contained in Annex to this document.

#### References

[Resolution 46](#) (Kyoto, 1994); Council [Resolution 647](#) (amended); Council [Decision 579](#)

#### I. Conditions of employment for appointed officials

##### A. Staff members in the professional and higher categories

11. On the basis of the recommendations presented by the International Civil Service Commission (ICSC) for the year 2013, the United Nations General Assembly, by its Resolution 68/253 of 24 December 2013, adopted decisions concerning the conditions of service of staff members in the Professional and higher categories.

##### Base/floor salary scale

2. The base/floor salary scale showing annual gross salaries and net equivalents after application of staff assessment has been adjusted by 0.19 per cent, with effect from 1 January 2014.

3. In accordance with the established practice, the revised base/floor salary scale has been implemented on a “no loss, no gain” basis. Consequently, concomitant with the introduction of the revised base/floor salary scale on 1 January 2014, post adjustment multipliers applicable at all duty stations have been scaled down by 0.19 per cent. Thus, while the base salary portion of net remuneration has gone up by 0.19 per cent, the post adjustment element has been reduced by the same percentage, the overall remuneration amount (base salary plus post adjustment) in local currency remaining unchanged, subject to very minor changes due to rounding.

4. The base/floor salary scale is also used to calculate some of the end-of-service benefits (repatriation grant, termination indemnity and death grant, as applicable). Staff leaving the service of the Union on or after 1 January 2014 and entitled to these benefits will benefit from the adjustment in the base/floor salary scale.

#### **Education grant special measure**

5. The General Assembly has decided that a special education grant measure which allowed reimbursement of the education-related expenses up to the maximum established for the United States dollar inside the United States zone be introduced for three English-curriculum schools in Brussels, namely, the International School of Brussels, the British School of Brussels and St. John’s International School, as from the academic year in progress on 1 January 2013.

6. The Council is invited to take note of these changes.

#### **B. Staff members in the General Services category**

7. The last modification to conditions of service in this category, effective 1 January 2011, was reported to the 2011 Council session in October, in Document [C11/12](#).

#### **C. Mandatory Age of retirement**

8. In December 2012, the UN General Assembly has adopted Resolution 67/240 authorizing the United Nations Joint Staff Pension Board to increase the mandatory age of retirement (MAR) for new participants to the Fund from 62 to 65 years of age. According to paragraph 10 of this Resolution, this decision would be effective not later than 1 January 2014 unless the General Assembly has not decided on a corresponding increase in the mandatory age of separation (MAS) as established by the UN Staff Regulations and Rules.

9. During its 2013 Session, the ITU Council approved Decision 579 “Mandatory Age of Retirement”, approving the principle of such an increase for the ITU staff concerned and therefore the corresponding amendments to the ITU Staff Regulations appearing in Annex to that Decision. Council decided further that these amendments would enter into force, provided that the corresponding amendments to the Statutes of the UN Joint Staff Pension Fund have become effective under the conditions prescribed in the UNGA Resolution 67/240, on 1 January 2014 or a prior date as established by the decision to be taken by UN General Assembly for Staff of the UN Secretariat.

10. During its Sixty-eighth session, the UN General Assembly has considered the proposals submitted by the UN Secretary-General and has decided, in its Resolution 68/252 adopted on 27 December 2013, to adopt the amendments proposed to UN Staff Regulation 9.2. Therefore, for staff members recruited on or after 1 January 2014 by the UN, the mandatory age of retirement will be 65 as from that date.

11. The mandatory age of retirement applicable to staff members appointed before 1 January 1990 and to those appointed between 1 January 1990 and 31 December 2013 remains unchanged (60 or 62 respectively).

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

12. As mandated by the UNGA in Resolution 67/257, a comprehensive review of the United Nations common system compensation package has been launched by the ICSC in March 2013, to examine all elements of staff compensation together with other HR elements falling under its mandate. The Commission's goal is a revised compensation system that is coherent, sustainable and addresses the concerns/expectations of all of its stakeholders — staff, organizations and Member States.

13. The Review will take place in stages, beginning with an in-depth examination of the history and rationale for the various elements contained in the present compensation package. Next, alternative approaches will be considered and assessed for applicability to the UN common system. The Commission has already begun to study current trends and the practices in expatriate compensation used in other international organizations, NGOs, and the private sector.

14. Three working groups, each with a specific focus, have been formed to facilitate the Commission's work. The composition of the working groups, which include Commission members, representatives of the common system organizations and the three global staff federations, provides for and ensures the full participation of all stakeholders. The three working groups will consider:

- (1) the remuneration structure;
- (2) competitiveness and sustainability; and
- (3) performance incentives and other human resources issues.

15. To maximize input, the Chair and Vice Chair of ICSC met with the organizations' Executive Heads and Human Resources Directors (on 21 October 2013 for ITU) to seek their views. A parallel undertaking was the global staff survey to identify important areas of concern linked to both compensation and performance management issues.

16. In Resolution 68/253, the UNGA further requested the Commission not to increase any of the allowances under its purview until the comprehensive review decided in Resolution 67/257 has been submitted to the General Assembly for its consideration.

#### **II. Conditions of employment for elected officials**

17. Pursuant to PP Resolution 46 (Kyoto, 1994), the remuneration received by elected officials is fixed in relation to the maximum salary paid to appointed staff on the basis of percentages set out in that Resolution. Therefore, the remuneration of elected officials has to be revised as a consequence of the increase of the level of remuneration of appointed staff that was approved by the UNGA.

18. The Council is therefore requested **to adopt** the draft resolution in Annex to this document.

ANNEX

DRAFT RESOLUTION

**Conditions of service of ITU Elected Officials**

The Council,

*in view of*

Resolution 46 (Kyoto, 1994) adopted by the Plenipotentiary Conference,

*having considered*

the report by the Secretary-General on the measures taken within the United Nations Common System as a result of the decisions of the United Nations General Assembly at its 68th session in regard to conditions of service (Resolution 68/253 of 24 December 2013),

*resolves*

to approve the following salaries with effect from 1 January 2014 for ITU elected officials:

	USD per annum		
	Gross	Net with dependant	Net without dependant
Secretary-General	216'683	165'178	150'562
Deputy Secretary-General and Directors of Bureaux	197'311	151'618	138'203

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