

COUNCIL
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Agenda item 5(a)

C 116/5(a)
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RESOURCE MANAGEMENT

(a) Human Resources matters, including amendments to the Staff Regulations and Staff Rules

Note by the Secretary-General

SUMMARY

<i>Executive summary:</i>	This document reports on the implementation, by the Organization, of the decisions of the United Nations General Assembly with respect to recommendations contained in the 2015 report of the International Civil Service Commission (ICSC)
<i>Strategic direction:</i>	4
<i>High-level action:</i>	4.0.1
<i>Output:</i>	4.0.1.5
<i>Action to be taken:</i>	Paragraph 14
<i>Related document:</i>	C/ES.28/4(a)

Introduction

1 The Council will recall that, at its twenty-eighth extraordinary session, it approved the implementation, by the Organization, of the decisions of the seventieth session of the United Nations General Assembly with respect to the recommendations in the 2015 report of the International Civil Service Commission (ICSC), including the provisions related to the introduction of the new compensation package for staff in the Professional and higher categories.

Base/Floor salary scale for staff in the Professional and higher categories

2 The United Nations General Assembly adopted the ICSC recommendation to introduce a new base salary scale for staff in the Professional and higher categories on a no-gain/no-loss basis, effective 1 January 2016. As a result, from that date, the base salaries were increased by 1.08% while post adjustment multipliers were decreased accordingly.

Net remuneration margin

3 The margin between the net remuneration of United Nations staff members in the Professional and higher categories in New York and that of employees in the United States of America's federal civil service in comparable positions was 117.2 for 2015. The Council will recall that the United Nations General Assembly recommends that this margin should be between 110 and 120, preferably at the mid-point of 115. The average value of the margin over the last five years is 117.2.

4 The General Assembly decided that, if the margin is outside the values of 113 and 117, the ICSC should take appropriate action through the operation of the post adjustment system to bring it to the desirable midpoint of 115.

Compulsory age of separation

5 At its twenty-eighth extraordinary session, the Council was informed that the ICSC would put forward, once more, to the United Nations General Assembly, the issue of raising the mandatory age of separation to age 65 for all staff members. The decision to implement this recommendation in IMO was postponed, as the ICSC had recommended an implementation date of 1 January 2017, which would not have been feasible with the budget and operational requirements already approved for the 2016-2017 biennium. Following requests from most Organizations, the United Nations General Assembly decided to approve an implementation date of 1 January 2018, which is acceptable to IMO. The Council is reminded that the acquired rights of current staff members to retire at their existing retirement age are preserved.

6 In order to implement the above in IMO, the Council is invited to approve an amendment to regulation 9.5 of article IX of the staff regulations. Regulation 9.5 currently reads:

"REGULATION 9.5: Staff members shall not be retained in active service beyond the age of 60 years, or, if appointed between 1 January 1990 and 31 December 2013, beyond the age of 62 years, or, if appointed on or after 1 January 2014, beyond the age of 65 years. The Secretary-General may, in the interest of the Organization, extend these age limits in exceptional cases."

The proposed amended text of regulation 9.5 is as follows:

"REGULATION 9.5: Staff members shall not be retained in active service beyond the age of 65 years regardless of their date of appointment. The Secretary-General may, in the interest of the Organization, extend this age limit in exceptional cases."

Review of the common system compensation package for staff in the Professional and higher categories

7 The United Nations General Assembly also approved the new common system compensation package proposed by the ICSC, subject to some amendments mentioned in the resolution.

- 8 The provisions of the new packages will be implemented in three phases:
- 1 July 2016: Entitlements related to field assignments and relocation benefits;
 - 1 January 2017: Introduction of a unified base salary scale and resulting pensionable remuneration scale and the establishment of a dependent spouse and single parent allowance;
 - Summer 2017: Introduction of a new education grant scheme for the school year 2017/2018.

Phases two and three will be presented in details to the Council at its 117th session.

9 Within the 1 July 2016 phase, the main affected allowances applicable to IMO staff members are as follows:

- **Settling-in grant.** This grant will replace the existing assignment grant payable, under certain circumstances, to new staff members "towards the initial extraordinary living costs incurred by the staff member and his or her eligible dependants immediately following their arrival at the duty station". In addition to the existing payment of 30 days local daily subsistence allowance for staff members and 15 days for each eligible family member, a lump sum amount equivalent to one month of net base salary plus applicable post adjustment will be paid. This additional month was already paid in certain field duty stations but it is now applicable to all duty stations.
- **Repatriation grant.** The amounts payable remain basically unchanged but a minimum of **five** years of expatriate service must now be established for the payment of the repatriation grant.
- **Shipment of personal effects.** This is applicable upon appointment and separation from service. In line with industry standards, the maximum entitlement is now expressed in container size, a 20-foot container for single staff members and a 40-foot container for staff members with dependants. In addition, staff members will have the choice to request the payment of a lump sum equivalent to 70% of the actual cost of the shipment of personal effects instead of actually effecting the removal.
- **Non-removal allowance.** This allowance, which was not applicable to IMO staff members, is now discontinued throughout the whole United Nations system.
- **Relocation travel.** There will be no changes to the current provisions covering relocation travel upon appointment and separation from service.

10 The above modifications to the compensation package have necessitated some amendments to the Staff Regulations and Staff Rules, which are presented in document C 116/5(a)/1. The new amended text will enter into force on 1 July 2016.

11 Since they are part of the package approved by the United Nations General Assembly, IMO will also implement the approved amendments to allowances related to service in the field. Currently, only one staff member is in receipt of some of these allowances. The main characteristics of and changes to these allowances are as follows:

- **Hardship allowance:** No change in amounts have been proposed for staff members with dependants; single staff members will now be paid at the same rate.
- **Additional hardship allowance:** This allowance has been replaced by the "Non-family service allowance" payable, at non-family duty stations, at the annual rate of \$19,800 for a staff member with dependants and \$7,500 for single staff members.
- **Mobility allowance:** Under the new provisions, single staff members are now paid at the same rate as staff members with dependants, from their first geographical move, after a minimum of five years of service. "H" duty stations are now excluded from the scheme. London and Malta are H duty stations.
- **Accelerated home leave:** This is now limited to "D" and "E" duty stations which are not under the rest and recuperation framework.
- **Rest and recuperation framework, Danger pay, Security evaluation allowance.** These will remain unchanged.

12 The changes to these entitlements do not require amendments to the Staff Regulations and Staff Rules, as staff rule 103.13 states that mobility and hardship allowances shall be payable to eligible staff members, under the conditions set out by the International Civil Service Commission.

13 IMO will not use the new incentive payment for the recruitment of experts in highly specialized fields in instances in which the Organization is unable to attract suitably qualified personnel as this has not generally been an issue for IMO. The maximum amount of this allowance corresponds to 25% of the annual base salary for each year of the agreed contract.

Action requested of the Council

14 The Council is invited to:

- .1 note the information contained in this document and;
- .2 approve the revised staff regulation 9.5 (paragraph 6).
