

COUNCIL  
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Agenda item 5(a)

C 117/5(a)  
29 November 2016  
Original: ENGLISH

## RESOURCE MANAGEMENT

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

#### Note by the Secretary-General

#### SUMMARY

*Executive summary:* This document reports on the annual deliberations of the International Civil Service Commission for the year 2016 and the ensuing recommendations to the United Nations General Assembly, and provides an update on the place-to-place survey carried out by the ICSC and the interim adjustment for General Service staff members. Further, following the information provided during C/ES 28 and C 116 and the Council's related decisions, it reports on the implementation of the second phase of the new compensation package approved by the United Nations General Assembly at its seventieth session.

*Strategic direction:* 4

*High-level action:* 4.0.1

*Output:* 4.0.1.5

*Action to be taken:* Paragraph 13

*Related document:* C/ES.28/4(a); C 116/5(a) and C 117/5(a)/1

## 2016 ICSC REPORT

### Introduction

1 The Report of the International Civil Service Commission (ICSC) for 2016 has been submitted for consideration by the United Nations General Assembly during its seventy-first session and includes three recommendations which require decision of the General Assembly. After the General Assembly has considered and taken action on the ICSC report, the IMO Secretariat will consider the matter further and, in case there are issues which fall outside established practice, will report to the Council at its 118th session.

## **Separation payments**

2 The ICSC has recommended to the United Nations General Assembly the introduction of end-of-service severance pay for fixed-term staff separating from the Organization upon the expiration of contract after 10 or more years of continuous service. If the United Nations General Assembly adopts the recommendation, the related developments and their consequences, if any, for the Organization, will be reported to the Council at its 118th session.

## **Base/floor salary scale for staff in the Professional and higher categories**

3 The ICSC has recommended to the United Nations General Assembly for approval, with effect from 1 January 2017, of the revised unified base/floor salary scale for the Professional and higher categories reflecting a 1.02% adjustment over the unified salary scale previously approved by the General Assembly. Whilst base salaries will be increased by 1.02%, the post adjustment multiplier will be decreased by a corresponding amount, resulting in no change in net take-home pay. As in the past, in accordance with the established practice, the revised unified base/floor salary scale as approved by the General Assembly will be implemented as from 1 January 2017.

## **Net remuneration margin**

4 The ICSC has reported to the United Nations General Assembly that the margin between 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 is estimated to be 114.1 for 2016. If the value of the calendar year margin falls outside the trigger 113-117 range, the ICSC will take immediate action, through the post adjustment mechanism, to bring it closer to the 115 midpoint. If the ICSC takes such action, the related developments and their consequences, if any, for the Organization, will be reported to the Council at its first session after the action of the ICSC.

## **PLACE-TO-PLACE SURVEY**

5 Place-to-place surveys are used to determine the post adjustment index (PAI). For headquarters duty stations, a place-to-place survey is conducted approximately every five years. The PAI resulting from a place-to-place survey ensures purchasing power-parity of salaries of staff members in the Professional and higher categories serving at any given duty station relative to that of their counterparts in New York. During the survey, prices of a basket of goods, rents and other living-related elements are compared between the duty station and New York. The previous survey for the London duty station was conducted in 2010 and the latest survey took place in September 2016. The results will be discussed at the February 2017 session of the Administrative Committee on Post Adjustment Questions (ACPAQ) and presented for approval to the 2017 spring session of the ICSC. The related developments will be reported to the Council at its 118th session.

## **SALARY SCALE FOR THE GENERAL SERVICE CATEGORY**

6 Adjustments to General Service salaries between the periodic salary surveys conducted by the ICSC are based on 90% of the average of the movement in the United Kingdom Consumer Price Index (CPI) and United Kingdom Average Weekly Earnings (AWE) and are made on the basis of the methodology approved by the ICSC. The methodology provides that increases be implemented as of the first day of the month following the month when the increase has reached or has overtaken a level of 5% above its level at the previous adjustment. If this increase has not reached 5% or more within one year, any applicable adjustment is made on an annual basis.

7 In accordance with the above adjustment mechanism, an increase in the General Service salary scale became due on 1 May 2016. The new scale represents a net increase of 1% and replaces the May 2015 scale. With effect from 1 May 2016, the dependency allowance for the first child was increased from £1,221 to £1,434 while the allowance for additional children remained unchanged at £614. From the same date, the language allowance for the first language was increased from £1,176 to £1,388 while the allowance for a second language was increased from £588 to £694. The new salary scale, which has been endorsed by the United Nations in New York, is attached in annex 1. In accordance with the established practice the above changes were implemented, and reflected in the September 2016 payroll. The budgetary impact of this increase is reported under agenda item 5(c).

## THE NEW COMMON SYSTEM COMPENSATION PACKAGE

### Introduction

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

9 As indicated in paragraphs 9 to 13 of document C 116/5(a), the first phase of the new compensation package, which deals with allowances related to field assignments and relocation, was implemented on 1 July 2016. Currently, only one staff member is in receipt of field assignment-related allowances and the relocation-related allowances are applied to new staff members upon recruitment and to internationally recruited staff members upon separation from service. The second phase will be implemented on 1 January 2017 and concerns the introduction of a unified salary scale, the resulting pensionable remuneration scale and the establishment of a dependent spouse and a single parent allowance. The third and final phase, which concerns the revised education grant scheme, will be implemented as of the school year in progress on 1 January 2018 and related details will be reported to the Council at its 118th session.

### The second phase

10 The main aspects of the second phase of implementation of the new compensation package will affect all IMO staff members in the Professional and higher categories and are as follows:

- .1 **New unified salary scale.** The Council will recall that the current salary scale for staff members in the Professional and higher categories (the category) shows two net salaries for a given salary grade (grade) and step, namely a dependent net salary (for staff members with at least one dependant) and a single net salary (for staff members without dependants). The new unified salary scale (the new scale) will only show one net salary for a given grade and step, applicable to all staff members in the category regardless of their personal status. The new scale will have 13 steps for all grades, except at the D-2 level where there will be 10 steps. Some steps have been added to the P-1 and P-2 grades which will result in lower starting salaries in the new scale, and the 15 steps in P-3 and P-4 grades have been reduced to 13 steps. The new scale is based on the 1.02% no loss-no gain adjustment mentioned in paragraph 3 above, to be applied as from 1 January 2017, as shown in table A of annex 2.

- .2 A corresponding **pensionable remuneration scale** will enter into effect as from 1 January 2017 in order to cover the newly introduced steps of the new scale. The new **pensionable remuneration** scale does not increase the existing payable remunerations and is shown in table B of annex 2.
- .3 **Step-matching at time of transition and pay protection.** Since the structure of the new scale and the number of steps differ from those of the current salary scale, it will be necessary to match, for each staff member, his/her previous salary step to the new step in the new scale. For example, a P-2 step 7 in the current salary scale will become P-2 step 9 in the new scale, even though his/her take-home pay will remain unchanged. The matching table for all salary grades and steps is shown in table C of annex 2. Pay protection measures will apply to staff members whose salaries are higher than those at the maximum step of their grade upon conversion to the new scale. Their salary will be maintained by applying the pay protection points shown in table D of annex 2.
- .4 **Staff assessment rates.** Upon implementation of the new scale, new staff assessment rates will be used in conjunction with gross base salaries. The new rates are shown in table E of annex 2.
- .5 **Step increments.** The current practice of granting accelerated step increments will be discontinued. Within-grade step increments will be granted annually from step I to step VII and biennially thereafter for grades P-1 to P-5. At the D-1 level, step increments will be granted annually up to step IV and biennially thereafter. At the D-2 level, increments will be granted biennially for all steps. As a transitional measure for all grades and in line with the related guidance from the ICSC, the date on which a staff member would be eligible for the first step increment after 1 January 2017 will be the date on which that staff member would have been eligible for a step increment if there had been no need to implement on 1 January 2017 the second phase of the new compensation package, and the changes in the periodicity of the step increments will apply in accordance with the eligibility of that staff member for subsequent step increments.
- .6 **Spouse allowance.** A dependent spouse allowance, at the level of 6% of net salary under the new scale plus post adjustment, is being established for staff members having a recognized dependent spouse. Serving staff members with a dependent spouse, as of 31 December 2016, who were in receipt of their salary at the dependency rate under the current salary scale, will receive the spouse allowance following conversion to the new scale.
- .7 **Single parent allowance.** Staff members who are single parents and provide main and continuing support for their dependent child or children, and who were in receipt of their salary at the dependency rate in respect of the first child, are entitled to a single parent allowance instead of the child allowance. The allowance shall be at the level of 6% of the net salary under the new scale plus post adjustment.
- .8 **Transitional allowance:** Staff members in receipt of the dependency rate of salary in respect of a dependent child at the time of conversion to the new salary scale will receive a transitional allowance established at 6% of the net salary under the new scale plus post adjustment in respect of that dependent child, and no child allowance will be paid concurrently in that case. The

allowance will be reduced by 1 percentage of net remuneration every 12 months thereafter. When the amount of the transitional allowance becomes equal to or less than the amount of the child allowance, the latter amount will be payable in lieu thereof. The transitional allowance will be discontinued if the child in respect of whom the allowance is payable loses eligibility.

11 The above modifications to the compensation package have necessitated some amendments to the Staff Regulations and Staff Rules, which are presented in document C 117/5(a)/1.

12 The second phase applies to 154 staff members holding posts in the Professional and higher categories, of which 110 are receiving a dependency rate salary and 44 are receiving a single rate salary. At this stage, providing an indicative estimate of the likely increase in the Organization's operating expenditure as a result of the changes in the salary structure is not feasible as the post adjustment index to be applied as from 1 January 2017 has not yet been published. However, the Secretariat will provide the relevant information to the Council at its 118th session.

**Action requested of the Council**

13 The Council is invited to note the information contained in this document.

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**ANNEX 1**  
**General Service category**  
**Table showing annual gross and net salaries after application of staff assessment**  
**(in pounds sterling)**  
**Effective 1 May 2016**  
**Duty Station – LONDON**

Grade		I	II	III	IV	V	VI	VII	VIII	IX	X	XI
<b>G.1</b>	Gross	£22,252	£23,176	£24,099	£25,023	£25,957	£26,918	£27,878	£28,839	£29,800	£30,761	£31,722
	Gross Pensionable	£21,920	£22,843	£23,766	£24,690	£25,614	£26,537	£27,460	£28,384	£29,307	£30,230	£31,154
	Total Net/Net Pensionable	£17,648	£18,359	£19,070	£19,781	£20,492	£21,203	£21,914	£22,625	£23,336	£24,047	£24,758
<b>G.2</b>	Gross	£25,006	£26,047	£27,116	£28,185	£29,254	£30,323	£31,392	£32,461	£33,530	£34,599	£35,668
	Gross Pensionable	£24,674	£25,701	£26,729	£27,756	£28,782	£29,809	£30,836	£31,863	£32,891	£33,918	£34,945
	Total Net/Net Pensionable	£19,768	£20,559	£21,350	£22,141	£22,932	£23,723	£24,514	£25,305	£26,096	£26,887	£27,678
<b>G.3</b>	Gross	£28,180	£29,378	£30,577	£31,776	£32,974	£34,173	£35,372	£36,570	£37,769	£39,000	£40,286
	Gross Pensionable	£27,752	£28,903	£30,055	£31,206	£32,358	£33,510	£34,661	£35,813	£36,965	£38,116	£39,300
	Total Net/Net Pensionable	£22,137	£23,024	£23,911	£24,798	£25,685	£26,572	£27,459	£28,346	£29,233	£30,120	£31,007
<b>G.4</b>	Gross	£31,770	£33,109	£34,449	£35,788	£37,127	£38,466	£39,899	£41,335	£42,771	£44,207	£45,643
	Gross Pensionable	£31,201	£32,488	£33,774	£35,061	£36,348	£37,635	£38,940	£40,279	£41,618	£42,956	£44,296
	Total Net/Net Pensionable	£24,794	£25,785	£26,776	£27,767	£28,758	£29,749	£30,740	£31,731	£32,722	£33,713	£34,704
<b>G.5</b>	Gross	£35,791	£37,292	£38,813	£40,423	£42,033	£43,643	£45,254	£46,864	£48,474	£50,084	£51,694
	Gross Pensionable	£35,064	£36,507	£37,950	£39,429	£40,931	£42,432	£43,934	£45,435	£46,937	£48,438	£49,939
	Total Net/Net Pensionable	£27,769	£28,880	£29,991	£31,102	£32,213	£33,324	£34,435	£35,546	£36,657	£37,768	£38,879
<b>G.6</b>	Gross	£40,432	£42,233	£44,035	£45,836	£47,638	£49,439	£51,241	£53,042	£54,843	£56,645	£58,446
	Gross Pensionable	£39,435	£41,115	£42,796	£44,475	£46,156	£47,836	£49,516	£51,196	£52,877	£54,556	£56,237
	Total Net/Net Pensionable	£31,108	£32,351	£33,594	£34,837	£36,080	£37,323	£38,566	£39,809	£41,052	£42,295	£43,538
<b>G.7</b>	Gross	£45,841	£47,855	£49,870	£51,884	£53,899	£55,913	£57,928	£59,942	£61,957	£63,971	£65,986
	Gross Pensionable	£44,482	£46,360	£48,239	£50,116	£51,995	£53,872	£55,751	£57,629	£59,506	£61,384	£63,262
	Total Net/Net Pensionable	£34,840	£36,230	£37,620	£39,010	£40,400	£41,790	£43,180	£44,570	£45,960	£47,350	£48,740

The difference between steps I-X within grades indicates annual increments awarded on the basis of satisfactory service. Step XI at all grades is only awarded to staff with over 20 years of service within the United Nations system, who have been at step X for five years and demonstrated an entirely satisfactory service record.

**Allowances payable to General Service Staff  
Effective 1 May 2016**

	Staff joining before 1 July 1996 and in receipt of the allowance before 1 August 2007	Staff joining on or after 1 July 1996 and prior to 1 October 1999 and in receipt of the allowance before 1 August 2007	Staff joining on or after 1 October 1999 and prior to 1 August 2007 and in receipt of the allowance before 1 August 2007	Staff joining on or after 1 August 2007 and prior to 1 November 2015 and in receipt of the allowance before 1 November 2015	Staff becoming entitled on or after 1 November 2015
Allowances	net per annum	net per annum	net per annum	net per annum	net per annum
Dependent spouse	£430	£285	£258	nil	nil
First dependent child of a married staff member	£1,434	£1,434	£1,434	£1,434	£1,434
First dependent child of a single, widowed or divorced staff member	£1,434	£1,434	£1,434	£1,434	£1,434
Each additional dependent child	£952	£952	£952	£952	£614
Secondary dependant (where there is no dependent spouse, for either a dependent parent, dependent brother or dependent sister)	nil	nil	nil	nil	nil
Language allowance (to be included in pensionable remuneration)	£1,388	£1,388	£1,388	£1,388	£1,388
Second language (to be included in pensionable remuneration)	£694	£694	£694	£694	£694
Non-resident's allowance (to be included in pensionable remuneration):					
for staff recruited before 1.9.1983	£225	n/a	n/a	n/a	n/a
for staff recruited on or after 1.9.1983	nil	nil	nil	nil	nil

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**ANNEX 2**

**UNIFIED SALARY SCALE AND RELATED ISSUES**

- A. Unified salary scale for the Professional and higher categories showing annual gross salaries and net salaries after application of staff assessment

(Effective date 1 January 2017)

(United States dollars)

<i>Level</i>		<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>XI</i>	<i>XII</i>	<i>XIII</i>
<b>USG</b>	<b>Gross</b>	201 445												
	<b>Net</b>	148 454												
<b>ASG</b>	<b>Gross</b>	182 820												
	<b>Net</b>	136 161												
<b>D-2</b>	<b>Gross</b>	137 954	140 969	143 981	147 000	150 018	153 215	156 414	159 611	162 809	166 006			
	<b>Net</b>	106 068	108 178	110 287	112 400	114 512	116 622	118 733	120 843	122 954	125 064			
<b>D-1</b>	<b>Gross</b>	123 410	126 059	128 709	131 359	134 000	136 650	139 299	141 943	144 594	147 240	149 887	152 686	155 494
	<b>Net</b>	95 887	97 741	99 596	101 451	103 300	105 155	107 009	108 860	110 716	112 568	114 421	116 273	118 126
<b>P-5</b>	<b>Gross</b>	106 237	108 489	110 743	112 993	115 247	117 497	119 753	122 004	124 257	126 509	128 763	131 011	133 267
	<b>Net</b>	83 866	85 442	87 020	88 595	90 173	91 748	93 327	94 903	96 480	98 056	99 634	101 208	102 787
<b>P-4</b>	<b>Gross</b>	87 413	89 414	91 417	93 418	95 421	97 421	99 426	101 550	103 723	105 896	108 073	110 241	112 416
	<b>Net</b>	69 934	71 455	72 977	74 498	76 020	77 540	79 064	80 585	82 106	83 627	85 151	86 669	88 191
<b>P-3</b>	<b>Gross</b>	71 699	73 551	75 405	77 255	79 111	80 963	82 814	84 671	86 522	88 375	90 232	92 082	93 937
	<b>Net</b>	57 991	59 399	60 808	62 214	63 624	65 032	66 439	67 850	69 257	70 665	72 076	73 482	74 892
<b>P-2</b>	<b>Gross</b>	55 343	57 000	58 658	60 314	61 972	63 632	65 289	66 943	68 603	70 259	71 916	73 576	75 230
	<b>Net</b>	45 561	46 820	48 080	49 339	50 599	51 860	53 120	54 377	55 638	56 897	58 156	59 418	60 675
<b>P-1</b>	<b>Gross</b>	42 934	44 222	45 510	46 798	48 084	49 373	50 722	52 129	53 536	54 943	56 349	57 755	59 162
	<b>Net</b>	35 635	36 704	37 773	38 842	39 910	40 980	42 049	43 118	44 187	45 257	46 325	47 394	48 463

*Abbreviations:* USG, Under-Secretary-General; ASG, Assistant Secretary-General.

B Pensionable remuneration scale  
(Effective date 1 January 2017)

(United States dollars)

<i>Level</i>	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	<i>VI</i>	<i>VII</i>	<i>VIII</i>	<i>IX</i>	<i>X</i>	<i>XI</i>	<i>XII</i>	<i>XIII</i>
USG	319 865	–	–	–	–	–	–	–	–	–	–	–	–
ASG	295 646	–	–	–	–	–	–	–	–	–	–	–	–
D-2	226 417	231 676	236 943	242 208	247 468	252 732	257 995	263 258	268 520	273 781	–	–	–
D-1	201 410	205 868	210 577	214 896	219 215	223 524	227 842	232 374	237 003	241 629	246 248	250 418	254 870
P-5	175 226	178 897	182 568	186 245	189 915	193 588	197 258	200 934	204 605	208 278	211 951	215 632	219 569
P-4	143 031	146 571	150 103	153 637	157 180	160 711	164 248	167 788	171 321	174 854	178 387	181 935	185 465
P-3	117 554	120 559	123 558	126 554	129 559	132 557	135 557	138 562	141 702	144 985	148 264	151 543	154 825
P-2	91 077	93 761	96 441	99 131	101 810	104 495	107 179	109 862	112 545	115 226	117 913	120 597	123 276
P-1	69 933	72 211	74 489	76 766	79 044	81 322	83 600	85 878	88 156	90 434	92 711	94 989	97 267

*Abbreviations:* USG, Under-Secretary-General; ASG, Assistant Secretary-General.

C Grade and step matching at the time of conversion  
Note that the table below is taken from the ICSC Report for 2015 and has been adopted by the United Nations General Assembly without any change. Thus, the word "Proposed" should be read as meaning that which now applies.

Grade	Present step (Present D)	Proposed		Grade	Present step (Present D)	Proposed		Grade	Present step (Present D)	Proposed		Grade	Present step (Present D)	Proposed	
		(Present S)	(Present S)			(Present S)	(Present S)			(Present S)	(Present S)				
P-1	1	4	4	P-2	11	13	13	P-4	4	4	4	P-5	9	9	8
P-1	2	5	5	P-2	12	- <sup>a</sup>	-	P-4	5	5	5	P-5	10	10	9
P-1	3	6	6	P-3	1	1	1	P-4	6	6	6	P-5	11	11	10
P-1	4	7	7	P-3	2	2	2	P-4	7	7	7	P-5	12	12	11
P-1	5	8	8	P-3	3	3	3	P-4	8	8	8	P-5	13	13	12
P-1	6	9	9	P-3	4	4	4	P-4	9	9	9	D-1	1	3	2
P-1	7	11	10	P-3	5	5	5	P-4	10	10	10	D-1	2	4	3
P-1	8	12	11	P-3	6	6	6	P-4	11	11	11	D-1	3	5	4
P-1	9	13	13	P-3	7	7	7	P-4	12	12	11	D-1	4	6	5
P-1	10	- <sup>a</sup>	-	P-3	8	8	8	P-4	13	13	12	D-1	5	7	6
P-2	1	3	3	P-3	9	9	9	P-4	14	- <sup>a</sup>	- <sup>a</sup>	D-1	6	8	7
P-2	2	4	4	P-3	10	10	10	P-4	15	- <sup>a</sup>	- <sup>a</sup>	D-1	7	9	8
P-2	3	5	5	P-3	11	11	11	P-5	1	1	1	D-1	8	10	9
P-2	4	6	6	P-3	12	12	12	P-5	2	2	2	D-1	9	11	10
P-2	5	7	7	P-3	13	13	13	P-5	3	3	3	D-2	1	2	1
P-2	6	8	8	P-3	14	- <sup>a</sup>	- <sup>a</sup>	P-5	4	4	4	D-2	2	3	2
P-2	7	9	9	P-3	15	- <sup>a</sup>	- <sup>a</sup>	P-5	5	5	4	D-2	3	4	3
P-2	8	10	10	P-4	1	1	1	P-5	6	6	5	D-2	4	5	4
P-2	9	11	11	P-4	2	2	2	P-5	7	7	6	D-2	5	6	5
P-2	10	12	12	P-4	3	3	3	P-5	8	8	7	D-2	6	7	6

Abbreviations: D, dependency status; S, single status.

<sup>a</sup> Salaries to be maintained by the International Civil Service Commission.

- D Pay protection points for staff members whose salaries are higher than the maximum salaries on the base/floor salary scale, with effect from 1 January 2017, showing annual gross salaries and net salaries after application of staff assessment

Note that the table below is from the ICSC Report for 2015 and has been adopted by the United Nations General Assembly without any change. Thus the word "Proposed" should be read as meaning that which now applies.

(United States dollars)

<i>Level</i>		<i>PP1</i>	<i>PP2</i>
P-4	<b>Gross</b>	<b>115 899</b>	<b>118 096</b>
	Net	90 629	92 167
P-3	<b>Gross</b>	<b>96 812</b>	<b>98 684</b>
	Net	77 077	78 500
P-2	<b>Gross</b>	<b>77 721</b>	–
	Net	62 568	–
P-1	<b>Gross</b>	<b>61 233</b>	–
	Net	50 037	–

- E Staff assessment rates to be used with the new unified salary scale  
Note the table below is from the ICSC Report for 2015 and has been adopted by the United Nations General Assembly without any change. Thus the word "Proposed" should be read as meaning that which now applies.

(United States dollars)

<i>Current staff assessment scale</i>				<i>Proposed staff assessment scale</i>			
<i>Bracket</i>		<i>Bracket size</i>	<i>Tax percentage</i>	<i>Bracket</i>		<i>Bracket size</i>	<i>Tax percentage</i>
<i>From</i>	<i>To</i>			<i>From</i>	<i>To</i>		
–	50 000	50 000	15	–	50 000	50 000	17
50 000	100 000	50 000	21	50 000	100 000	50 000	24
100 000	150 000	50 000	27	100 000	150 000	50 000	30
150 000	Upward	–	30	150 000	Upward	–	34