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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1972

Report of the Fifth Committee (Part I)

Rapporteur: Mr. Babooram RAMBISSOON (Trinidad and Tobago)

1. At the 1445th meeting of the Fifth Committee, on 26 October 1971, the representative of Peru introduced a draft resolution on behalf of Afghanistan, Chile, Colombia, Costa Rica, India, Italy, the Ivory Coast, Kuwait, the Libyan Arab Republic, Mexico, Nicaragua, Niger, Pakistan, Peru, Poland, Somalia and the Sudan (A/C.5/L.1062). The draft resolution, which relates to the salary and retirement allowance of the Secretary-General, read as follows:

"The General Assembly,

"Noting that the net base salary of the Secretary-General has remained unchanged since 1 January 1968, when it was established at \$31,600 net per annum (\$50,000 per annum gross) and when provision was made for the appropriate post adjustments to be continued,

"Noting also that the gross salaries of staff in the Professional and higher categories were revised by a 5 per cent increase and by the consolidation of one class of post adjustment into the base scales effective 1 January 1969 and that subsequently the gross salaries were revised by the consolidation of two classes of post adjustments and by an 8 per cent increase effective 1 July 1971,

"Noting further the increases which have been made since 1 January 1968 in the salaries and allowances of the heads of the specialized agencies and aware of the need to maintain an appropriate relationship between these salaries and the salary and allowances of the Secretary-General,

"Recognizing that, since it last considered, at its seventeenth session, the annual retirement allowance for the Secretary-General established

in 1946 at one half of his net salary (excluding allowances), all retirement pensions payable by the United Nations Joint Staff Pension Fund, including those of heads of the specialized agencies, have been based on gross annual salaries as a result of decisions taken by the General Assembly,

"1. Decides that with effect from 1 December 1971 the salary of the Secretary-General shall be \$62,500 gross (\$37,850 net) per annum;

"2. Decides further to amend the provisions relating to the retirement allowance of the Secretary-General as follows:

'On retirement on the completion of a full term of office, the annual retirement allowance of the Secretary-General shall be one half gross salary.'

2. The draft resolution was subsequently revised (A/C.5/L.1062/Rev.1) to include the delegation of Iran as a co-sponsor.

3. At its 1446th meeting, the Fifth Committee decided, without objection and in accordance with its usual practice, to refer the draft resolution (A/C.5/L.1062/Rev.1) to the Advisory Committee on Administrative and Budgetary Questions for its consideration.

4. When the Fifth Committee considered the draft resolution at its 1460th meeting, it had before it the comments of the Advisory Committee in its related report (A/8408/Add.9), as well as a statement of financial implications from the Controller, which appears in the annex to the same report. Algeria, Barbados, Cyprus, Denmark, Ecuador, Indonesia, Ireland, Lebanon, Nigeria, Tunisia and Yugoslavia were added to the list of co-sponsors.

5. In an oral statement before the Committee, the Chairman of the Advisory Committee said that that Committee concurred in the financial implications as submitted by the Controller and had concluded that the proposals contained in paragraphs 1 and 2 of the draft resolution (A/C.5/L.1062/Rev.1) would have no administrative implications for the United Nations or its common system. However, regarding the proposal in paragraph 2 which sought to amend the provisions relating to the retirement allowance of the Secretary-General, the Advisory Committee noted that there appeared to be no clearly defined legislative directive of the General Assembly as to the level of the retirement allowance to which the present Secretary-General is entitled. Accordingly, with a view to clarification and in order to remove any ambiguity, the Advisory Committee, in paragraph 12 of its

report (A/8408/Add.9) had suggested that paragraph 2 of the draft resolution might be expanded to combine in a single text the present proposal and the related provisions adopted by the General Assembly at its seventeenth session.

DECISIONS OF THE COMMITTEE

6. At its 1460th meeting, on 23 November 1971, the Fifth Committee decided to expand the revised draft resolution (A/C.5/L.1062/Rev.1) to include the suggestion of the Advisory Committee on Administrative and Budgetary Questions as contained in paragraph 12 of its report (A/8008/Add.9). The Fifth Committee then adopted the revised draft resolution by 68 votes to none, with 7 abstentions.
7. The Committee also agreed that, as a result of this decision, the additional requirements in 1972, i.e., under sections 3 (\$9,460) and 4 (\$31,250), as well as the increase in Income section 1 (\$6,250), would be voted upon under the relevant sections of the budget in second reading.

RECOMMENDATION OF THE FIFTH COMMITTEE

8. The Fifth Committee recommends to the General Assembly the adoption of the following draft resolution:

Salary and retirement allowance of the Secretary-General

The General Assembly,

Noting that the net base salary of the Secretary-General has remained unchanged since 1 January 1968, when it was established at \$31,600 net per annum (\$50,000 gross per annum) and when provision was made for the appropriate post adjustments to be continued,

Noting also that the gross salaries of staff in the Professional and higher categories were revised by a 5 per cent increase and by the consolidation of one class of post adjustment into the base scales effective on 1 January 1969, and that subsequently the gross salaries were revised by the consolidation of two classes of post adjustment and by an 8 per cent increase effective 1 July 1971,

Noting further the increases that have been made since 1 January 1968 in the salaries and allowances of the heads of the specialized agencies, and aware of the need to maintain an appropriate relationship between these salaries and the salary and allowances of the Secretary-General,

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Recognizing that since it last considered, at its seventeenth session, the annual retirement allowance for the Secretary-General established in 1946 at one half of his net salary (excluding allowances), all retirement pensions payable by the United Nations Joint Staff Pension Fund, including those of the executive heads of the specialized agencies, have been based on gross annual salaries as a result of decisions taken by the General Assembly,

1. Decides that with effect from 1 December 1971 the salary of the Secretary-General shall be \$62,500 gross (\$37,850 net) per annum;

2. Decides further that the provisions relating to the retirement allowance of the Secretary-General shall henceforth be as follows:

(a) On retirement on the completion of a full term of office, the annual retirement allowance of the Secretary-General shall be one half of the gross salary;

(b) In the event of the Secretary-General's retirement before the completion of the full term of his appointment, he shall be provided with a retirement allowance equal to one half of the full allowance if he has served at least one year, but less than two years; for longer periods, the retirement allowance shall increase by one eighth of the full allowance for each completed year of service beyond one year until reaching its full level on the completion of five years of service;

(c) (i) If the Secretary-General should die in office, his widow shall receive a pension equal to one half of the retirement allowance to which the Secretary-General would have been entitled had he retired on the date of his death; in no case shall the widow's pension be less than one half of the retirement allowance which would have been payable to the Secretary-General after one year of service;

(ii) If the Secretary-General should die during the period that he is in receipt of a retirement allowance, his widow shall receive a pension equal to one half of that retirement allowance;

(iii) If the Secretary-General should die in office or during the period when he is in receipt of a retirement allowance, benefits equal to those provided for in the Regulations of the United Nations Joint Staff Pension Fund shall be paid to his surviving children or secondary dependants;

(iv) The conditions under which the benefits listed in (i), (ii) and (iii) above will be payable shall be consistent with those applicable to such benefits when they are paid by the United Nations Joint Staff Pension Fund;

(d) The provisions contained in appendix D of the Staff Rules shall be applicable mutatis mutandis in the event of death, injury or illness of the Secretary-General attributable to the performance of official duties on behalf of the United Nations.
