



Secretariat

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ST/AI/230/Rev.2
16 July 1985

ADMINISTRATIVE INSTRUCTION

To: Members of the staff

From: The Controller

Subject: CURRENCY OF PAYMENT OF SALARIES AND ALLOWANCES

1. This instruction sets out revised arrangements for the currency of payment of salaries and allowances of internationally recruited staff employed by the United Nations. It supersedes administrative instruction ST/AI/230/Rev.1 and Amend.1-8. The revised arrangements will enter into effect on 1 August 1985.

2. The practice followed by the United Nations in this matter is based on agreements reached in the Consultative Committee on Administrative Questions (CCAQ) for application by all the organizations participating in the United Nations common system of salaries and allowances. The CCAQ agreements embody the results of collective study by the organizations of the various personnel, financial and other policy considerations which have a bearing on the currency composition of payments of staff emoluments.

3. At its September 1984 session on financial and budgetary questions, CCAQ approved modified arrangements concerning the currency of payment of salaries and allowances of internationally recruited staff. These modified arrangements will permit payment of 100 per cent of net emoluments in a single currency of the staff member's choice at specified duty stations having a currency considered by the organizations to be fully convertible for the purpose of salary payments. Existing arrangements regarding the currency of payment will be maintained at all other duty stations.

Applicability

4. The arrangements cited in the preceding paragraph apply to staff in the Professional and higher categories and in the Field Service category under the 100 series of the United Nations Staff Rules and to technical assistance project personnel under the 200 series Staff Rules, except as provided below:

(a) Staff appointed under the 100 or 200 series Staff Rules for less than one year and paid daily subsistence allowance (DSA) in lieu of post adjustment and assignment allowance;

(b) Staff appointed under the 300 series Staff Rules;

(c) Staff placed on special mission assignments under staff rule 103.21 and paid mission subsistence allowance in addition to base salary, post adjustment and dependency allowances, if any.

The emoluments of staff covered by subparagraphs (a), (b) and (c) above will be paid in a single currency of their choice, except for DSA or mission subsistence allowance, as the case may be, which are normally payable in the currency of the duty station.

5. The emoluments of staff serving at United Nations Headquarters and at offices at Geneva and Vienna are payable entirely in the currency of the duty station.

6. The arrangements pertaining to the currency of salary payments for General Service staff are set out in paragraph 20 below.

Standard payment arrangements

7. The standard formula for the currency of payment of salaries and allowances of internationally recruited staff in the categories listed in paragraph 4 above which has been in effect since 1 October 1980 is as follows:

A minimum of 30 per cent of the total of net base salary, post adjustment (whether positive or negative), assignment allowance, monthly mission allowance, dependency allowances, representation allowance and financial incentive, as applicable, is payable in the currency of the duty station, and a maximum of 70 per cent of the total in a single other currency designated by the staff member.

The formula remains in effect for staff who are not subject to the modified arrangements set out in paragraphs 10 to 13 below or the qualifications in paragraphs 8 and 9 below and does not apply to staff referred to in paragraph 5.

8. Country-wide exceptions to the standard formula are made where it is determined that such action is warranted in the light of conditions in the country concerned. These exceptions provide for the reduction of obligatory payments of emoluments in duty-station currency to 20, 10 or 0 per cent of the total. Country-wide exceptions are established exclusively under the auspices of CCAQ, which keeps them under continuing review to take account of changing circumstances. The list in effect at the present time appears in annex I. The Chief, Salaries and Allowances Section, Office of Financial Services, has been delegated the authority to approve personal exceptions on an ad hoc basis in cases of demonstrated hardship. Such requests will normally be considered only where no eligible dependants, as defined under the Staff Rules, reside with the staff member at the duty station.

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9. At duty stations where the currency has both convertible and non-convertible forms, the agreement reached in CCAQ provides, until further notice, for the payment of the portion of emoluments payable in the currency of the duty station in the non-convertible form.

Modified payment arrangements

10. Modified arrangements will apply in respect of payments of emoluments of internationally recruited staff in the categories indicated in paragraph 4 above who are stationed at specified locations where the currency in use is regarded by the organizations as fully convertible for the purposes of such payments. These modified arrangements are as follows:

100 per cent of the total of net base salary, post adjustment (whether positive or negative), assignment allowance, monthly mission allowance, dependency allowances, representation allowance and financial incentive, as applicable, is payable in a single currency of the staff member's choice or, if desired, a freely chosen percentage of the total in the currency of the duty station and the remainder in a single currency of choice.

11. A list of countries whose national currencies are regarded as fully convertible at the present time for the payment of staff emoluments under the above modified arrangements appears in annex II. Those countries and regions where the legal tender is a convertible currency which they do not issue themselves (e.g. French francs, Netherlands guilders, United States dollars) are also regarded as having fully convertible currencies in this context. In accordance with the agreement referred to in paragraph 9 above, currencies having both convertible and non-convertible forms are regarded as non-convertible.

12. As is the case for the country-wide exceptions to the standard payment formula, the determination as to the currencies to be regarded as fully convertible is made exclusively under the auspices of CCAQ, which will keep this item under continuing review to take account of changing circumstances. Following the announcement of any change in the list of fully convertible currencies, an appropriate new currency distribution may be requested by the staff concerned. In any case where a country is removed from the list, the standard payment formula set out in paragraph 7 will become applicable in respect of emoluments of staff stationed in that country.

13. Staff serving in countries where the currency in use is regarded as fully convertible will not be entitled to conversion facilities under the auspices of the United Nations Development Programme (UNDP) in respect of any balances of the currency of the duty station held by them at the close of their assignment. This rule will apply whether or not such staff have opted to receive a portion of their emoluments in the currency of the duty station. In any case where the currency of the duty station is removed from the list of fully convertible currencies, conversion facilities will not be granted in respect of emoluments which accrued before the date of the change.

Provisions applicable under both standard and modified payment arrangements

14. Where payments of emoluments of eligible internationally recruited staff are made in more than one currency, staff contributions to the United Nations Joint

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Staff Pension Fund and any other amounts due from staff in convertible currency, such as health and group life insurance premiums, are deductible from the portion paid in the single currency of choice, and not from the portion paid in the currency of the duty station.

15. Rental subsidies are not covered by the formulas for currency of payment of staff emoluments. Such subsidies are normally payable in the currency of the duty station but may, where staff have been obliged to sign leases providing for payments of rent in another currency, be paid in that currency or in United States dollars.

16. In October 1976, the organizations of the United Nations common system agreed, in order to assist UNDP in using its accumulated balances of non-convertible currencies, that they would respond favourably to requests from internationally recruited staff in the relevant categories to receive a portion of their emoluments in those currencies. This agreement continues to apply. Exercise of the option to receive an accumulated non-convertible currency does not affect any minimum payable in the currency of the duty station. The current list of accumulated non-convertible currencies appears in annex III.

Payment instructions

17. Annex IV contains a form to be completed by staff (a) to establish the currency distribution of the payment of their emoluments; (b) to request changes in the currency distribution, within the prescribed limits, and/or a change in the designation of the single other currency; and (c) to request payment of a percentage of emoluments in one of the accumulated non-convertible currencies listed in annex III.

18. Staff to whom the modified payment arrangements set out in paragraphs 10 to 13 above are applicable and who wish to make use of those arrangements as of the effective date of this instruction, should submit a completed form in time for it to be received by 1 August 1985. In the absence of instructions to the contrary, the United Nations will maintain the existing currency distribution of payments of emoluments.

19. Thereafter, changes in the currency of payment of emoluments may be requested not more than twice a year. Requests should be submitted at least two months before the date on which it is proposed that the change should take effect.

Currency of salary payments for internationally recruited staff in the General Service category

20. The emoluments of staff in the General Service category are payable entirely in the currency of the duty station. However, internationally recruited General Service staff may receive a portion of their emoluments in the currency of their established country of residence, as follows:

(a) 25 per cent of base salary if the staff member has no dependants or if the dependants reside at the duty station; or

(b) 50 per cent of base salary if the staff member's dependants reside in the established country of residence.

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Annex I

COUNTRY-WIDE EXCEPTIONS TO THE STANDARD FORMULA FOR THE CURRENCY OF
PAYMENT OF SALARIES AND ALLOWANCES OF INTERNATIONALLY RECRUITED
STAFF

(by country)

	<u>Percentage of emoluments payable in:</u>	
	<u>Duty station</u>	<u>Any single other</u>
	<u>currency</u>	<u>currency</u>
	(minimum net	(maximum net
	monthly)	monthly)
	%	%
Afghanistan	20	80
Algeria	30 <u>a/</u>	70
Angola	0	100
Cape Verde	10	90
China	20	80
Equatorial Guinea	10	90
Ethiopia	20	80
Ghana	10	90
Guinea	20	80
Guinea-Bissau	10	90
Israel	10	90
Lao People's Democratic Republic	0	100
Lebanon	10	90
Madagascar	20	80
Maldives	10	90
Mozambique	10	90
Sao Tome and Principe	10	90
Sudan	20	80
Uganda	0	100
Viet Nam	0	100
Windward and Leeward Islands <u>b/</u>	10	90
Zaire	10	90

a/ Of this, 30 per cent is payable in convertible dinars and 70 per cent in non-convertible dinars.

b/ Covers Anguilla, Antigua and Barbuda, Dominica, Grenada, Montserrat, Saint Christopher and Nevis, Saint Lucia and Saint Vincent and the Grenadines.

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Annex II

CURRENCIES REGARDED AS FULLY CONVERTIBLE UNDER PARAGRAPH 11 OF THIS
INSTRUCTION FOR THE PURPOSE OF PAYMENT OF SALARIES AND ALLOWANCES
OF INTERNATIONALLY RECRUITED STAFF
(country and currency)

Bahamas (Bahamian dollar)
Bahrain (Bahrain dinar)
Bermuda (Bermuda dollar)
Brunei Darussalam (Brunei dollar)
Djibouti (Djibouti franc)
Ecuador (Sucre)
Hong Kong (Hong Kong dollar)
Indonesia (Indonesian rupiah)
Kuwait (Kuwaiti dinar)
Lebanon (Lebanese pound)
Liberia (Liberian dollar)
Libyan Arab Jamahiriya (Libyan dinar)
Malaysia (Ringgit)
Oman (Rial Omani)
Panama (Balboa)
Papua New Guinea (Kina)
Paraguay (Guaraní)
Qatar (Qatar riyal)
Samoa (Tala)
Saudi Arabia (Saudi Arabian riyal)
Seychelles (Seychelles rupee)
Singapore (Singapore dollar)
Suriname (Suriname guilder)
United Arab Emirates (UAE dirham)
Uruguay (Uruguayan new peso)
Vanuatu (Vatu)

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Annex IIIACCUMULATED NON-CONVERTIBLE CURRENCIES FOR USE IN PAYMENT OF SALARIES
AND ALLOWANCES OF INTERNATIONALLY RECRUITED STAFF

(country and currency)

Albania (New lek)
Bulgaria (Lev)
Cuba (Cuban peso)
Czechoslovakia (Czechoslovak koruna)
German Democratic Republic (Mark)
Hungary (Forint)
Iran (Iranian rial)
Poland (Zloty)
Romania (Leu)
USSR a/ (Rouble)
Yugoslavia (Yugoslav new dinar)

a/ Includes Byelorussian SSR and Ukrainian SSR.

Annex IV

SALARY DISTRIBUTION REQUEST - INTERNATIONALLY RECRUITED STAFF MEMBERS

(IMPORTANT: PLEASE READ INSTRUCTIONS AND FOOTNOTES OVERLEAF
BEFORE COMPLETING FORM)

NAME: _____ INDEX NO. _____
(Last Name) (First Name)

DUTY STATION: _____
(City) (Country)

I hereby request the following currency distribution for payment of my salary and allowances (net base salary, post adjustment, assignment allowance, monthly mission allowance, dependency allowances, representation allowance, and financial incentive, as applicable) to take effect on _____:
(day) (month) (year)

1. Payable in local currency at the duty station 1/ Percentage _____

2. Payable outside the duty station in a single currency of choice 2/ Percentage _____

Currency of payment _____

Name of bank _____

Address of bank _____

Account number _____

3. Optional: Payable in non-convertible currencies accumulated by UNDP 3/ Percentage _____

Currency of payment _____

Name of bank _____

Address of bank _____

Account number _____

Date: _____

Signature: _____
(staff member)

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Instructions:

(a) This form is to be completed in quadruplicate and returned to the office which assumes the administrative responsibility for processing personnel and pay transactions for the staff member concerned.

(b) This form must be used for the initial establishment of the currency distribution of payments of emoluments for the duty station, and ALL subsequent changes. Changes may be requested not more than twice a year. Requests must be submitted at least two months in advance of the proposed effective date of payment.

Notes

1/ A minimum of 30 per cent of the total of net base salary, post adjustment, assignment allowance, monthly mission allowance, dependency allowances, representation allowance and financial incentive, as applicable, is payable in duty station currency, except where the minimum is reduced under a country-wide exception to 20, 10 or 0 per cent, or where the duty-station currency is regarded as fully convertible, in which case no payments of duty-station currency are required. In countries where currencies have both convertible and non-convertible forms, the portion of emoluments payable in duty-station currency is payable in non-convertible form.

2/ Amounts due from staff in convertible currency (e.g. contributions to pension and insurance premiums) are deducted from the portion of emoluments payable in the single currency of choice.

3/ The list of countries and their currencies for which UNDP has accumulated non-convertible currencies may change from time to time. For the latest list, please check with the United Nations Accounts Division, Office of Financial Services.
