



Secretariat

ST/IC/1992/29
29 April 1992

INFORMATION CIRCULAR

To: Members of the staff

From: The Assistant Secretary-General for Human Resources Management

Subject: ACTION TAKEN BY THE GENERAL ASSEMBLY ON PERSONNEL
QUESTIONS AND OTHER MATTERS OF INTEREST TO THE
STAFF DURING ITS FORTY-SIXTH SESSION*

1. The present information circular contains a summary of the measures adopted by the General Assembly during its forty-sixth session that bear on personnel and other matters of interest to the staff. The official text of the measures approved or endorsed by the Assembly appears in the resolutions mentioned below. For further background on these matters, the attention of the staff is drawn to the reports of the Secretary-General, the Advisory Committee on Administrative and Budgetary Question (ACABQ) and the International Civil Service Commission (ICSC) referred to in these resolutions.

I. PERSONNEL QUESTIONS

2. At its forty-sixth session, the Fifth Committee of the General Assembly considered agenda item 117 on personnel questions. The Secretary-General had submitted several reports 1/ on this item. However, at the suspension of its plenary meeting on 20 December 1991, with the exception of resolution 46/100 of 16 December 1991 on the improvement of the status of women in the Secretariat, the Assembly had adopted no resolutions or decisions on these matters. The Fifth Committee resumed its meetings on 12 February 1992. The resolutions or decisions that the Assembly may adopt on personnel questions before the conclusion of the forty-sixth session will be communicated to the staff through an addendum to the present circular.

* Personnel Manual index No. 150.

Advancement of the status of women in the Secretariat

3. The General Assembly, in its resolution 46/100, urged the Secretary-General to accord priority to the recruitment and promotion of women in posts subject to geographical distribution, particularly in senior policy-level and decision-making posts, in order to achieve the percentages of overall participation of women set as goals in resolutions 45/125 of 14 December 1990 and 45/239 C of 21 December 1990.

4. In the same resolution, the General Assembly welcomed the undertaking by the Secretary-General of a comprehensive evaluation and analysis of the main obstacles to the improvement of the status of women in the Organization and the development of an appropriate programme for the period 1991-1994 to be submitted to the Assembly at its forty-seventh session.

5. The General Assembly urged the Secretary-General to increase the number of women from developing countries and other countries that have a low representation of women in the Secretariat and encouraged Member States to support the efforts of the United Nations to increase the percentage of women in Professional posts, especially at the D-1 level and above, and to create national rosters of women candidates to be shared with the Secretariat, the specialized agencies and the regional commissions.

II. CONDITIONS OF SERVICE

6. In resolution 46/191 of 20 December 1991, the General Assembly took action on the recommendations and decisions of ICSC. Several of the decisions of the Assembly have a direct impact on the remuneration and other conditions of service of staff of the organizations of the United Nations common system. Other decisions and recommendations concern the functioning of the United Nations common system.

A. Margin and possibility of a freeze of post adjustment

7. In section IV of the resolution, the General Assembly approved the recommendations of ICSC to suspend management of the net remuneration (base salary plus post adjustment) margin over a five-year period so that the average margin would be around the mid-point of the range. The Assembly decided, without prejudice to previous decisions on the averaging of the margin, that any post adjustment increase in New York that might become due until 1994 might be implemented to the extent that it was compatible with the upper limit of the margin.

8. As stated in section IV of the resolution, the Commission will continue to monitor the implementation by the United States of the Federal Employees Pay Comparability Act of 1990, including the impact of its locality pay provisions. The Commission will present a report in 1994 in order to enable the Assembly to address the issue of the average margin over a five-year period around the desirable mid-point of 115.

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9. It is projected that the 1992 net remuneration margin will be around 119. Should the occasion arise, the General Assembly has endorsed procedures for partial post adjustment increases whereby less than the full increase warranted by the movement of the post adjustment index for New York would be granted, it being understood that the resulting margin would remain within the range approved by the Assembly. For example, if a 5 per cent increase in remuneration were to result in a margin level of 124, only a 1 per cent increase would be granted.

B. Base/floor salary scale

10. In section V of resolution 46/191, the General Assembly approved, with effect from 1 March 1992, a revised scale of gross and net salaries for staff in the Professional and higher categories that represents the consolidation of six multiplier points of post adjustment into the current net base salary. This decision, as in 1990, was taken as a consequence of the prior decision that the floor net salary scale should be established and adjusted by reference to the corresponding base net salary levels of comparable United States officials serving at Washington. This change will not affect the level of net remuneration of staff at most duty stations because the post adjustment portion of their remuneration will be reduced by the amount consolidated into base salary. It will provide increases in net remuneration for staff serving at duty stations where the net remuneration is less than the corresponding salaries in the revised salary scale. The revised scale of gross and net salaries, as well as of staff assessment, are contained in annex I to the present circular. This change in the base salary scale will also result in an increase in amounts payable under the mobility and hardship allowance and in separation payments.

11. ICSC will present a report in 1992 to the General Assembly containing a cost benefit analysis of the operation of the mobility and hardship allowance, as well as an assessment of the personnel management benefits and details of savings achieved in other administrative costs with the introduction of the current arrangements.

C. Comparator civil service

12. In 1989, the General Assembly requested ICSC to propose a methodology for carrying out checks every five years to determine which is the highest-paid national civil service under the Noblemaire principle. In section VI of its resolution 46/191, the Assembly endorsed the conclusions of the Commission for such a methodology. 2/

13. It also invited the Commission to analyse the potential consequences of the Federal Employees Pay Comparability Act of 1990 on the pay levels of the current comparator, the United States Federal Civil Service, and to report to the General Assembly in 1994. In this analysis, the Commission will review all the special pay systems recently introduced by the comparator civil service.

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D. Staff assessment rates for General Service and related categories

14. In section III of the resolution, the General Assembly approved, with effect from 1 January 1992, a new scale of staff assessment rates as contained in annex II of the present circular and the modalities of its implementation and consequent amendment of the Staff Regulations of the United Nations. The General Service salary scales in effect on 31 December 1991 will continue to remain in effect until the scale of net salaries is revised as a result of either a comprehensive salary survey or an interim adjustment. On the occasion of an adjustment of the scale of General Service salaries, the revised staff assessment scale will be applied to net salaries using the current net-to-gross methodology. Should the new scale be lower than the one in effect on 31 December 1991, then the latter scale will continue to be used until an adjustment produces a gross salary scale higher than that in effect on 31 December 1991.

E. Regulation and coordination of the United Nations common system

15. In sections I and II of resolution 46/191, the General Assembly reaffirmed its central role with regard to the elaboration of the conditions of service for the United Nations common system as a whole and that of ICSC as the independent technical body responsible to the Assembly for the regulation and coordination of those conditions of service. The Assembly reaffirmed also that the Commission should be guided by the principles set out in the agreements between the United Nations and the other organizations and in the Statute of the Commission, which aim at the development of a single unified international civil service through the application of common personnel standards, methods and arrangements. The Assembly affirmed the validity of the Statute of the Commission, noted improvements in the functioning of the Commission and reaffirmed the right of the Commission under its Statute to hold executive meetings whilst acknowledging the importance of maintaining the fullest possible participation of organizations and staff in the work of the Commission.

16. The General Assembly invited the Commission to continue to enhance its contacts with governing bodies, executive heads and staff of organizations of the United Nations common system in order to strengthen the cohesiveness and unity of that system. The Assembly endorsed the efforts of the Commission to maintain the integrity and unity of the conditions of service of staff of the common system in order to strengthen the effectiveness of common staff activities and to ensure equality of treatment of all staff. It requested the governing bodies of organizations of the common system to invite the Commission to be represented at meetings when matters concerning salaries, allowances, benefits and other conditions of employment were considered, and called upon Member States to see to it that the goals and objectives of the common system embodied in the decisions and recommendations of the Commission, as agreed by the Assembly, were fully reflected in decisions of the governing bodies of the organizations of the United Nations common system.

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F. Other issues taken up in resolution 46/191

17. The General Assembly also addressed other issues in resolution 46/191, but its conclusions and recommendations do not have an immediate impact on the conditions of service of staff in the United Nations and other organizations of the common system. Among those issues are:

(a) A review by ICSC of merit systems and performance appraisal in the United Nations system as a vehicle for enhancing productivity and cost-effectiveness (sect. VIII);

(b) Completion of reports on the measurement of the housing element in the remuneration package, a pilot simulation project on housing at field duty stations, a revised rental subsidy scheme, granting of expatriate entitlements to staff living in their home countries while stationed at duty stations located in other countries and the methodology for the determination of dependency allowances (sect. IX). In the same section, the Assembly requested the Commission to report, at the earliest opportunity, on the differences between United Nations and United States net remuneration at individual grade levels;

(c) General Service salary survey methodology (sect. X).

18. The General Assembly deferred until 1992 a decision on the recommendations of ICSC regarding the conditions of service of staff of the organizations of the United Nations common system at the Assistant Secretary-General, Under-Secretary-General and equivalent levels; (sect. VII).

III. UNITED NATIONS PENSION SYSTEM

19. In resolution 46/192 of 20 December 1991, the General Assembly approved, without a vote, a modification of the pension adjustment system. The resolution also addressed, *inter alia*, the actuarial situation of the Fund and the pensionable remuneration and pensions of staff in the General Service and related categories and of ungraded officials.

A. Modification of the pension adjustment system

20. The modification of the pension adjustment system relates to the provisions governing the determination of the initial local currency pensions of participants in the Professional and higher categories separating on or after 1 April 1992 who provide proof of residence in a high-cost country (i.e., higher than at New York). It will provide greater compensation for the cost-of-living differences. Its application to participants in the General Service and related categories will be considered later, in the context of the comprehensive review of their pensionable remuneration and pensions.

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21. Unlike the earlier INTERIM MEASURE, which expired on 31 December 1990, and the subsequent TRANSITIONAL MEASURE, which expires on 31 March 1992, the modification does NOT apply fixed "floor" conversion rates to derive the initial local currency pensions from the dollar pension entitlements under the Regulations. Instead, the conversion will be based on the use of cost-of-living differential factors, where applicable, and of 36-month average exchange rates. The cost-of-living differential factors vary according to the extent by which the cost of living in the country of residence is higher than in New York, the place used as the basis for establishing the initial dollar pension entitlement. For participants in the Professional and higher categories, such factors will apply when the number of classes of post adjustment in the country of residence exceeds that of New York, as averaged over the 36 calendar months up to and including the month of separation, by at least one class.

22. In addition to reducing the current threshold for triggering the application of cost-of-living differential factors from four post adjustment classes to one class, the modification increases the levels of such factors for each class above the threshold; increases the limit on the portion of the final average remuneration to which the cost-of-living differential factors apply, from an amount not exceeding the pensionable remuneration at grade P-2, top step, to an amount not exceeding the pensionable remuneration at grade P-4, top step; and increases from 12 to 15 classes the number of post adjustment classes above those at New York for which compensation is made. The cost-of-living differential factors will be reduced according to a "special index for pensioners" in countries where the taxes applicable to United Nations pensions are lower than the staff assessment rates.

23. With respect to the cost of the modification, the Pension Board informed the General Assembly of its intention to monitor the actual costs of the modification over time and to make a judgement on the occasion of the next valuation of the Fund as to the need for and, if so, the timing of changes in the contribution rate. The General Assembly requested the Board to determine, on the basis of the actual cost experience, whether any "fine tuning" of the modification was warranted in order to limit the cost, bearing in mind previous guidelines established by the General Assembly to the effect that adjustments for country-to-country differences in the cost of living should be limited so as to ensure that changes in the pension adjustment system do not require increases in the financial liabilities of Member States. It requested the Board to continue to consider economy measures at its next regular session, including, in particular, a change of the "120 per cent cap" provision under the two-track pension adjustment system, given the increased protection provided by the modification of the system. The "120 per cent cap" provides that, when the adjusted dollar track pension amount exceeds the adjusted local currency track pension amount, no more than 120 per cent of the local currency track amount can be paid.

24. The effective date of the modification is 1 April 1992; however, it will apply retroactively to survivors' benefits due to deaths in service and disability benefits awarded between 1 January 1991 and 31 March 1992, in respect of participants in the Professional and higher categories.

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25. More detailed explanations of the modification, as well as the texts of the consequent changes in sections C and D of the pension adjustment system are set out in the January 1992 letter of the Secretary of the Board to the participants and beneficiaries of the Fund.

B. Comprehensive review of the pensionable remuneration and pensions of staff in the General Service and related categories

26. In their respective reports to the General Assembly, ICSC 3/ and the Pension Board 4/ reported on their review of the evolution of the methodology used to determine the pensionable remuneration and consequent pensions of staff in the General Service and related categories since the establishment of the Fund and examined a number of alternatives to the current methodology. The Pension Board and ICSC agreed that the current methodology should be continued pending further studies of some of the alternatives, including, in particular: (a) determining General Service pensionable remuneration and/or pensions by reference to the local practices of the employers used in the salary surveys; (b) the use of the income replacement approach followed in determining the pensionable remuneration of staff in the Professional and higher categories; and (c) the use of local taxes (rather than universally applicable dollar-based staff assessment rates) to derive the gross salary and, hence, the pensionable remuneration from the net pensionable salaries. The Board also indicated its intention to consider further other related issues, such as the definition of pensionable remuneration for General Service staff; minimum pensions; the procedures for determining the final average remuneration; the adjustment of pensions in countries with high-inflation rates; and pension entitlements of internationally recruited staff.

27. The General Assembly, in section II of its resolution 46/192, concurred with the recommendations of ICSC and the Pension Board that further studies were required of possible alternative methodologies in order to determine the most equitable solution for all parties concerned: staff, administrations and Member States. It also took the position that the recommendations of the Commission and the Board should aim to eliminate current anomalies in the system and that the further studies should be completed within the time-frame indicated by ICSC, namely, recommendations should be submitted to the Assembly at its forty-seventh session, in 1992. The Assembly requested the Commission and the Board in their further studies to take into account the views expressed in the Fifth Committee, particularly those related to the administrative and financial implications of determining pensions in accordance with local practices of employers used in salary surveys, and to the alternative of reflecting local conditions in the determination of the pensionable remuneration through the application of local tax rates to gross up net pensionable salaries.

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C. Pensionable remuneration and pensions
of ungraded officials

28. On the basis of the respective reports of ICSC and the Board, the General Assembly, in section III of the resolution: (a) reiterated its concern at the divergent practices that had emerged since 1984 in respect of the pensionable remuneration of ungraded officials, and in particular of the executive heads of member organizations that were participants in the Fund; (b) endorsed the methodology recommended by the Commission for determining the pensionable remuneration of such officials and its subsequent adjustment; (c) urged the governing bodies of the other member organizations of the Fund to adopt that methodology, and to review the levels of pensionable remuneration of their ungraded officials who are currently participants in the Fund, with a view to eliminating divergencies, taking into account the need to protect acquired rights derived from earlier decisions by the governing bodies concerned; and (d) requested the Board to consider again amendments to the Regulations of the Fund to incorporate provisions governing the pensionable remuneration of ungraded officials and to extend the provisions placing a limit on the highest levels of pensions to cover all participants in the Fund, including ungraded officials.

D. Actuarial situation of the Fund

29. Actuarial valuations of the Fund are carried out every two years. The primary purpose of these valuations is to determine whether the present and estimated future assets of the Fund will be sufficient to meet its liabilities. The Board reported to the General Assembly that the actuarial valuation of the Fund as at 31 December 1990 indicated a reduction in the imbalance from 3.71 per cent of pensionable remuneration as at 31 December 1988 to 0.57 per cent. The reduction was due, in the main, to the measures approved by the Assembly with effect from 1 January 1990 - namely, the increase in the rate of contribution from 22.5 to 23.7 per cent of pensionable remuneration, the increase in the normal retirement age under the Fund's Regulations from 60 to 62 for participants entering or re-entering the Fund on or after 1 January 1990 and delaying cost-of-living adjustments of new deferred retirement benefits until the participant reached age 55 (instead of age 50) - and to the favourable investment returns in recent years. In its resolution, the Assembly took note with satisfaction of the improvement in the actuarial situation of the Fund. It also took note of the decision of the Board to retain the current 6.5 per cent interest rate for lump-sum commutations and of its intention to review, in the light of the results of the next actuarial valuation of the Fund, both the interest rate and the possibility of increasing the maximum number of years of creditable contributory service in the Fund (currently 35 years).

E. Other matters

30. In its report to the General Assembly, the Pension Board also addressed other matters of interest to Fund participants, including the investments of the Fund and the transfer of pension rights, which are described in the January 1992 letter of the Secretary of the Board to the participants and beneficiaries of the Fund.

Notes

1/ Composition of the Secretariat (A/46/370); list of staff of the United Nations Secretariat (A/C.5/46/L.2); respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (A/C.5/46/4 and Add.1); improvement of the status of women in the Secretariat (A/46/377); alternative options for desirable ranges for the geographical distributions of staff of the Professional category (A/C.5/46/2); administration of justice in the Secretariat (A/C.5/46/7); secondment from government service (A/C.5/46/9); amendments to the Staff Regulations (A/C.5/46/16); and amendments to the Staff Rules (A/C.5/46/13).

2/ Official Records of the General Assembly, Forty-sixth Session, Supplement No. 30 (A/46/30), vol. I, annex 5.

3/ Ibid., Supplement No. 30 (A/46/30).

4/ Ibid., Supplement No. 9 (A/46/9).

Annex I
SALARY SCALE FOR THE PROFESSIONAL AND HIGHER CATEGORIES SHOWING ANNUAL GROSS SALARIES
AND NET EQUIVALENTS AFTER APPLICATION OF STAFF ASSESSMENT*

(In United States dollars)

Effective 1 March 1992

Level	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
Under-Secretary-General															
USG															
Gross	137 508														
Net D	81 304														
Net S	73 003														
Assistant-Secretary-General															
ASG															
Gross	124 560														
Net D	74 571														
Net S	67 436														
Director															
D-2															
Gross	101 163	103 504	105 844	108 183	110 523	112 863									
Net D	62 405	63 622	64 839	66 055	67 272	68 489									
Net S	57 375	58 382	59 388	60 394	61 400	62 406									
Principal Officer															
D-1															
Gross	89 026	90 992	92 958	94 923	96 889	98 855	100 817	102 840	104 842						
Net D	55 964	57 026	58 068	59 109	60 151	61 193	62 235	63 277	64 318						
Net S	51 673	52 605	53 537	54 469	55 400	56 332	57 255	58 096	58 957						
Senior Officer															
P-5															
Gross	78 037	79 783	81 558	83 338	85 117	86 894	88 674	90 433	92 230	94 009	95 789	97 566	99 345		
Net D	50 140	51 083	52 026	52 969	53 912	54 854	55 797	56 740	57 682	58 625	59 568	60 510	61 453		
Net S	46 433	47 289	48 133	48 977	49 820	50 663	51 506	52 350	53 192	54 035	54 879	55 721	56 565		
First Officer															
P-4															
Gross	63 635	65 313	67 015	68 717	70 420	72 122	73 824	75 528	77 230	78 931	80 645	82 383	84 117	85 851	87 587
Net D	42 349	43 269	44 188	45 107	46 027	46 946	47 865	48 785	49 704	50 623	51 542	52 463	53 382	54 301	55 221
Net S	39 368	40 198	41 032	41 866	42 701	43 535	44 369	45 204	46 038	46 871	47 701	48 525	49 346	50 168	50 991
Second Officer															
P-3															
Gross	51 421	52 937	54 453	56 002	57 573	59 162	60 713	62 284	63 855	65 433	67 031	68 631	70 230	71 830	73 430
Net D	35 560	36 424	37 288	38 151	39 015	39 878	40 742	41 606	42 470	43 334	44 197	45 061	45 924	46 788	47 652
Net S	33 227	34 014	34 801	35 582	36 361	37 139	37 919	38 698	39 477	40 257	41 040	41 824	42 608	43 392	44 176
Associate Officer															
P-2															
Gross	40 903	42 214	43 522	44 832	46 181	47 535	48 891	50 246	51 602	52 956	54 311	55 691			
Net D	29 483	30 256	31 028	31 801	32 573	33 345	34 118	34 890	35 663	36 435	37 207	37 980			
Net S	27 679	28 388	29 095	29 804	30 508	31 211	31 916	32 618	33 321	34 024	34 727	35 428			
Assistant Officer															
P-1															
Gross	30 638	31 656	33 072	34 290	35 524	36 781	38 061	39 298	40 556	41 815					
Net D	23 339	24 082	24 824	25 567	26 309	27 051	27 794	28 536	29 278	30 021					
Net S	22 034	22 718	23 401	24 086	24 768	25 449	26 130	26 810	27 491	28 172					

D = Rate applicable to staff members with a dependent spouse or child.

S = Rate applicable to staff members with no dependent spouse or child.

* This scale represents the result of a consolidation of six multiplier points of post adjustment into net base salary. There will be consequential adjustments in the post adjustment indices and multipliers effective 1 March 1992. Thereafter, changes in post adjustment classifications will be effected on the basis of the movements of the newly consolidated post adjustment indices.

Annex II

STAFF ASSESSMENT RATES FOR GENERAL
SERVICE AND RELATED CATEGORIES
EFFECTIVE 1 JANUARY 1992

Total assessable payments (United States dollars)	Assessment (percentage)
First \$2 000 per year	15
Next \$2 000 per year	18
Next \$2 000 per year	20
Next \$2 000 per year	21
Next \$4 000 per year	22
Next \$4 000 per year	23
Next \$4 000 per year	24
Next \$6 000 per year	25
Next \$6 000 per year	25.5
Next \$6 000 per year	26
Next \$8 000 per year	26.5
Next \$8 000 per year	27
Next \$8 000 per year	27.5
Next \$8 000 per year	28
Remaining assessable payments	29
