



## Secretariat

ST/IC/87/67  
30 December 1987

## INFORMATION CIRCULAR

To: Members of the staff

From: The Controller

Subject: DEFERMENT OF INCREASES DUE IN 1986 FOR STAFF IN THE  
GENERAL SERVICE AND RELATED CATEGORIES AT EIGHT MAIN  
DUTY STATIONS (ADDIS ABABA, BAGHDAD, BANGKOK,  
GENEVA, NAIROBI, NEW YORK, SANTIAGO AND VIENNA)

1. The staff was informed in circular ST/SGB/217 of 20 March 1986 that, in the context of the economy measures the Secretary-General had to take to meet the expected cash shortfall in 1986, he had decided to defer the implementation of cost-of-living adjustments in the salaries of staff in the General Service and related categories at eight main duty stations. These measures were announced to the General Assembly in the report of the Secretary-General on the "current financial crisis of the United Nations" (A/40/1102) dated 12 April 1986.
2. Three staff members appealed the validity of the deferment to the Administrative Tribunal.
3. The Tribunal, which heard the appeals at its fall session in 1987, decided to join the cases since they raised similar issues of general application. On 5 November 1987, the Tribunal delivered Judgement No. 395 holding that the deferment implemented by the Secretary-General was valid, but only from 9 May 1986, i.e. the date on which the General Assembly decided that the Secretary-General should proceed according to the proposals made in his report (A/40/1102), taking into account the report of the Fifth Committee which had stated that the cancellation of the measures related to the staff, including, inter alia, the one described in paragraph 1 above, should not be applied retroactively. In this regard the Tribunal stated that, on 9 May 1986, the withholding of the cost-of-living adjustment for the General Service staff prospectively ceased being a temporary withholding and the staff's entitlement was effectively abolished until such time as the Secretary-General decided to lift the deferment.

4. As a result the Tribunal ordered that the three claimants were entitled to either the implementation of the increased salary scales for the period from 1 February 1986 up to and including 9 May 1986 or to the payment of damages equal to the amount that would have been paid had the new scales been promulgated as a result of the implementation of the relevant cost-of-living adjustments.
5. Even though the Judgement addressed the situation of the three applicants only, the Secretary-General has decided that, in accordance with established practice, the same arrangement will be applicable to all similarly situated staff, i.e. to all staff members in the General Service and related categories at the eight duty stations, bearing in mind for each duty station the precise date at which the deferment started.
6. The Secretary-General has decided to pay damages to all staff members concerned. Damages will be computed as the difference between the amount the staff member would have received from the original date of deferment up to 9 May 1986, after application of revised salary scales including the cost-of-living adjustment due (taking into account related changes in pensionable remuneration, child allowance and medical insurance where applicable) and the amount actually received by the staff member during that period.
7. The original date of deferment and the percentage increase of cost of living deferred on which the computation of damages is based are as follows:
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| Addis Ababa: | 1 January 1986; 4.7 per cent                                 |
| Baghdad:     | 1 April 1986; 4.3 per cent                                   |
| Bangkok:     | 1 January 1986; 2.4 per cent                                 |
| Geneva:      | 1 April 1986; 2.3 per cent                                   |
| Nairobi:     | 1 January 1986; 4.2 per cent                                 |
| New York:    | 1 February 1986; 4.3 per cent                                |
| Santiago:    | <del>1 January 1986</del> ; 4.3 per cent      1 APRIL 1986 * |
| Vienna:      | General Service: 1 February 1986; 3.4 per cent               |
|              | Manual Workers: 1 April 1986; 3.2 per cent                   |
8. Payment will be made to every staff member in the General Service and related category who was serving at any of the eight duty stations indicated above for the totality or part of the period for which damages should be paid. In the latter case, damages will be computed in relation to the actual period of employment of the staff member concerned. It is the intention of the Secretary-General to proceed with actual payments no later than 31 March 1988.
9. Former staff members who have separated from service but were employed by the Organization at any of the eight duty stations between the relevant date indicated in paragraph 7 above and 9 May 1986 are eligible to recover the damages related to their past period of service upon presentation of a written claim to their former administrative office within one year of the date of issuance of this circular.

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