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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1959

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1960

Salary Scales for Headquarters General Service Staff

(Report of the Secretary-General)

1. The Secretary-General has completed a review of local employment conditions in the New York area and has reached the conclusion that an increase of 5 per cent in the Headquarters General Service salary scales is justified. The Secretary-General has further concluded that the effective date for applying the new scales should be 1 October 1959.
2. Analysis of the data relating to base salaries indicates that a case might be made for revising the scales at a somewhat earlier date, but taking all relevant factors into consideration, the proposed date of 1 October 1959 is deemed appropriate. A summary of the facts leading to the above conclusions is given in the attached annex.
3. In the Foreword to the Budget Estimates for the financial year 1960 and again at the 711th meeting of the Fifth Committee, the Secretary-General foresaw the possibility of increased budgetary requirements for this purpose. The following table details the effect on the United Nations budget of action on the above lines. Adjustments in Sections 4, 6, 7 and Part D of the estimates are involved. There would be a partially offsetting increase in income from staff assessment.

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	<u>1959</u> \$	<u>1960</u> \$
Increases in Sections 4, 6 and 7	122,000	502,000
Additional costs in Part D, resulting in reduced income	9,000	36,000
Increase in the income from Staff Assessment	26,000	111,000

4. The authority of the Secretary-General to fix the rates stems from paragraph 7 of Annex I of the Staff Regulations. The action has financial implications both for 1959 and 1960 and the Secretary-General submits for the Assembly's consideration the question of approving the necessary credits. Given the possibility of further changes in the level of the supplementary provisions for some sections of the 1959 budget, in addition to those sections noted above, no definitive proposals on the level of the 1959 supplementary estimates are made at this time. The Secretary-General believes, however, that the Assembly would wish to be informed as early as possible of the action in respect of General Service salaries prior to its further review of the 1959 budgetary situation and to the first reading in the Fifth Committee of the relevant budget sections for 1960.

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ANNEX

REVIEW OF SALARY SCALES FOR GENERAL SERVICE STAFF AT HEADQUARTERS

1. The existing Headquarters General Service salary scales were established as of 1 January 1958. They were approved by the Secretary-General following a series of comparisons made with the 1 October 1957 survey of clerical and secretarial jobs in private employment published by the Commerce and Industry Association of New York and following a study of other available data. The Commerce and Industry Association carried out a further survey on 1 June 1958 and, most recently, completed a survey as at 1 June 1959. This survey reported salary rates for a total of 76,158 employees in 442 firms. In addition, General Service rates have been kept under review by comparison with data made available at other times by institutional surveys as well as by certain selected private and public employers, including the United States Government.

2. The weighted average salary rise for all secretarial and clerical jobs covered by the Commerce and Industry surveys from 1 October 1957 to 1 June 1959 was 6.7 per cent; in relation to a selected group of ten typical General Service posts the movement was approximately 6.5 per cent over the same period.

3. As distinct from the movement in outside rates, comparisons have been made with actual salaries paid by outside employers over the period 1 October 1957 to 1 June 1959. A comparison with ten typical General Service jobs covered by the Commerce and Industry survey shows that United Nations rates as at 1 June 1959 were behind outside rates by percentages varying from 5.4 to 5.9 per cent. Although it had been known for some time that United Nations rates were lagging behind best prevailing rates in the area, the Secretary-General did not feel that the difference was large enough to warrant action earlier this year. It has been the position of the Secretary-General, in agreement with the Heads of specialized agencies, not to authorize increases in General Service salaries unless the movement in best prevailing rates in the locality is significant and recognizable, i.e. justifying an increase of the order of 5 per cent. But as the difference as at 1 June 1959 exceeds 5 per cent, the Secretary-General considers that a 5 per cent increase is now justified.

4. In addition to comparisons of salary rates, conditions of employment other than salary provided by more liberal private employers have been kept under review; these employment benefits may be grouped under the following headings:

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- (a) hours of work and leave;
- (b) pension fund schemes and other benefits;
- (c) medical and life insurance provisions.

While it is difficult to make precise comparisons in respect of these benefits, the Secretary-General believes that a fair summary of the situation in commercial firms is as follows:

- (a) The annual leave granted to United Nations General Service staff is more generous than paid vacations which comparable employees receive in the New York area; however, the regular hours worked in the United Nations are longer, with the result that the total time worked during a twelve-month period is about equal.
- (b) Pension fund schemes in private employment are supplemented by the employee's participation in the United States Social Security scheme; as a result the total benefits to be derived in outside employment tend to be equal to, or better than, those available under the United Nations Joint Staff Pension Fund; at the same time, staff contributions to the Pension Fund in the United Nations are higher than the outside employee's combined contributions to pension fund and United States Social Security. On the other hand, dependency benefits in the United Nations tend to be larger than the amounts granted as income tax exemption in respect of dependants to outside employees in the New York area.
- (c) Medical, hospitalization and life insurance plans are generally available in private employment in the New York area, with employer and employee sharing in the cost of the plans; accordingly, these benefits are very closely comparable to the benefits available to United Nations staff.
