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REPORT OF THE INTERNATIONAL CIVIL SERVICE COMMISSION  
COMPARISON OF CONDITIONS OF SERVICE OF THE FEDERAL CIVIL SERVICE OF  
THE UNITED STATES OF AMERICA AND THE UNITED NATIONS COMMON SYSTEM

Note by the Chairman of ICSC

1. The following information is provided in response to the request made by the representative of Belgium at the meeting of the Fifth Committee on 10 November 1976. It is based on material contained in the Commission's report (A/31/30) or provided to the Commission in working documents prepared for it (copies of which are available to representatives who may wish to consult them).

I. COMPARISON OF NET REMUNERATION

2. As stated in the Commission's report (para. 150), remuneration of employees of the United States federal (home) civil service consists of a single element, gross salary. There are no generally payable allowances. As explained in paragraph 143, this salary is adjusted once a year, usually on 1 October. By law, civil service salaries are based on "comparability" with those paid for equivalent jobs in non-government employment. These outside rates are ascertained by surveys conducted by the Bureau of Labor Statistics, covering a very wide range of occupations comparable to those of the civil service throughout the United States. The annual adjustment of civil service salaries is decided by the President, on the recommendation of the Chairman of the United States Civil Service Commission and the Director of the Office of Management and Budget. Congressional concurrence is required if the increase proposed by the President differs from that shown to be appropriate by the survey of outside rates. As stated by the Chairman of ICSC in his introductory remarks, the salaries of the United States "General Schedule" (which covers the majority of clerical and professional staff of the home civil service) were increased with effect from 1 October 1976 by an average of 4.8 per cent; the increases vary by grade from 4.2 per cent to 9 per cent. At the four grades retained by the Commission (para. 141) for comparison with United Nations grades, the increases averaged 6.89 per cent. However, for the reasons

explained in paragraph 143 of the report, these increases would not be immediately taken into account in the comparison of United States and United Nations remuneration, but would be included in a comparison to be made over a 12-month period October 1976-September 1977, together with any increases which might occur in United Nations remuneration during that period through the operation of the post adjustment system.

3. The salary scales of the "General Schedule" are applied uniformly throughout the continental United States, no allowance being made for differences in cost of living in different parts of the country (differentials are however applied in Alaska and Hawaii). However, as described in paragraph 161 of the report, various measures are employed to improve the level of remuneration in New York, in view of difficulties which the United States civil service experiences in recruiting staff in New York or transferring staff there from elsewhere at the standard salary rates.

4. The salaries of the United States civil service are stated in gross terms. In order to permit comparison with United Nations remuneration, they must be converted to net, as described in paragraph 150; further details of the calculations made are given in annex V. It will be noted from table 4 that the net income produced by a given gross salary is on average 2.4 per cent less in New York than in Washington; this is because income taxes are higher in New York than in the area of Washington D.C. (by some 8 per cent according to the United Nations post adjustment index). This disparity in the real value of United States civil service salaries as between New York and Washington was one of the factors which led the Commission to recommend, as explained in paragraphs 166-167 of the report, that comparison be made between United States remuneration at Washington, as the headquarters of the United States civil service and United Nations remuneration at New York, as the Headquarters of the United Nations system.

5. The Commission has recommended (para. 154) that the United Nations remuneration to be used for comparison be that which is generally payable, i.e., net salary, plus post adjustment at the point of comparison, plus spouse allowance (under the existing system; this allowance would disappear under the Commission's recommendations - see para. 7 below). It has also recommended that the comparison continue to be made in terms of a married official without children; the recommended ratios of differentiation between remuneration of staff members with and without dependants produce results comparable to those produced in the United States system (cf. paras. 204-206).

6. The comparison of net remuneration of United States civil servants and United Nations officials in Washington and in New York at the grade equivalencies recommended by the Commission are shown in tables 4 and 5 of annex V of the report. As regards comparisons at other grade levels, the Commission did not establish equivalencies of grades between the two systems below grade P-3 and above P-5, for the reasons given in paragraph 141. It would therefore not be appropriate in the present document to suggest such equivalencies which were not established by the Commission. However, the net remuneration of United States civil servants in grades GS-5 to GS-11 and in grades GS-16 and above, and that of United Nations officials in grades P-1 and P-2 and D-1 to USG are given in the annex to this document.

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7. Information was also requested regarding the inclusion in the revised base salary of the amount of the existing spouse allowance. The elimination of this allowance as a separate benefit was a logical corollary of the recommendation that the differentiation between staff with and those without dependants be effected in base salary through differentiated rates of staff assessment. If the amount of the allowance had not been included in the revised base salary of staff members with dependants, they would have suffered a loss in over-all remuneration, which would have been contrary to the Commission's premise that their remuneration should be unchanged. However, this inclusion was offset in two ways:

(a) by new scales of staff assessment which (without consolidation) yield a new net base salary equal to the total of the present net base salary plus spouse allowance;

(b) by lower percentage rates for the new scales of post adjustment to allow for the fact that the net salary on which the value of a class of post adjustment is based had been increased by \$400.

The effect of these two measures is that the new net base salary (without consolidation) is the same as the existing net base salary plus spouse allowance and the new over-all remuneration (with or without consolidation) of a staff member with dependants is the same as at present. Similarly, the inclusion of these \$400 does not increase the level of pensionable remuneration which, because of the new scales of staff assessment, is at most grades slightly lower than the existing level. It cannot be said that staff members without dependants gain by the inclusion of the amount of the spouse allowance in base salary, because their new level of remuneration is determined by the ratio between their remuneration and that of staff with dependants recommended by the Commission (which, by design, is lower than the existing level at low post adjustment classes and higher at high post adjustment classes - see graph attached to report of the Advisory Committee on Administrative and Budgetary Questions, A/31/8/Add.6 (Part II)).

## II. OTHER ENTITLEMENTS

8. The entitlements of a United Nations official other than base salary are compared below with corresponding entitlements of a United States civil servant.

9. Post adjustment is already taken into account in the above comparison of over-all net remuneration. It must be emphasized that the "Noblemaire comparison" is made in terms of over-all net remuneration including, on the United Nations side, post adjustment. Hence, consolidation of classes of post adjustment into base salary, which does not affect the level of over-all remuneration, does not affect the "Noblemaire comparison" (see para. 226 of the report).

10. Spouse allowance would be eliminated under the Commission's recommendations. As said above, the comparison of over-all net remuneration takes into account the tax benefits available to a married United States taxpayer (which range from \$400 at gross income of \$12,000 to \$4,000 at gross income of \$50,000) and the proposed ratios of differentiation between single and married staff members are designed so as to reflect the effect of these benefits on United States net remuneration (cf. para. 214 of report).

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11. Children's allowance is at present \$450 per child, irrespective of grade or duty station, and the Commission does not recommend any change in this amount. Its equivalent on the United States side is the tax deduction available to a taxpayer with dependent children. As stated in paragraph 254 of the report, the Commission rejected proposals for increasing or indexing the amount of the allowance because "the current amount ... was comparable to the benefits receivable in the United States as tax abatement in respect of a child".

12. Secondary dependant's allowance: as stated in paragraph 262, the Commission noted that "the practice of the comparator country relating to tax abatements for secondary dependants might provide grounds for some change in the conditions of the allowance"; for example, a tax reduction can be claimed for a secondary dependant in addition to those claimed for primary dependants (whereas the United Nations system allows payment of a secondary dependant's allowance only to staff who do not claim in respect of primary dependants, and for not more than one secondary dependant). Nevertheless, the Commission has recommended that the amount of the allowance, which had not been revised since 1956, be increased only in the proportion by which the children's allowance was increased on 1 January 1975, i.e., by 50 per cent.

13. Detailed comparisons were provided to the Commission of other conditions of service i.e., health insurance, life insurance, annual leave, official holidays, sick leave, overtime, severance pay and pension. These are available to members of the Fifth Committee who wish to examine them. In general, it can be said that the conditions are roughly equivalent, United States civil service conditions being more favourable than those of the United Nations as regards health insurance, life insurance and maximum pension entitlement: United Nations conditions are better as regards annual leave in comparison to the United States home civil service (but not in comparison to the Foreign Service). As regards pension entitlements, it will be recalled that the Commission intends to make an in-depth comparison of United States and United Nations conditions in 1977 (cf. para. 238 of report).

14. Expatriation benefits: the "Noblemaire comparison" is made with the home civil service of the comparator country; the Commission considered (para. 179) that the fact that the vast majority of United Nations staff members are expatriates, serving outside their own country, should be reflected by a margin of the general level of United Nations remuneration above that of the home civil service of the comparator country. Certain other entitlements are provided by the United Nations system only to staff members who are expatriate e.g. education grant, repatriation grant, home leave. Obviously no equivalents to these are found in the United States home civil service and comparison can be made only with the conditions which the United States provides to those of its civil servants whom it posts abroad, e.g., the Foreign Service, USAID. In making these comparisons the Commission was fully conscious that there are differences between a national diplomatic service and international organizations (cf. para. 179). It had before it information about the additional entitlements of United States Foreign Service officials serving abroad (document ICSC/R.30). These consist (in addition to travel and removal entitlements and leave entitlements which are comparable to those of the United Nations) of "post allowance" (to compensate for difference in cost of living between the duty station and Washington); "living quarters allowance"

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(to cover the cost of "suitable and adequate living quarters" where government quarters are not provided); "post differential" ("to compensate for serving at a post where extraordinarily difficult or notably unhealthful conditions or excessive physical hardships differ substantially from those in the continental United States and warrant a recruitment and retention incentive"); and allowances for educational expenses. As stated in paragraph 179, exclusive of the allowance for difference in cost of living, the Foreign Service margin varies, according to the classification of the foreign duty station and to grade, between 30 and 80 per cent of home base salary (for example, in Addis Ababa, 47 per cent at GS-7 level and 26 per cent at GS-14; in Teheran, 79 per cent at GS-7 and 47 per cent at GS-14). On the United Nations side, the corresponding expatriation benefits even in the most favourable conditions do not exceed 25 per cent (margin over United States home civil service salaries included in base salary: 13 per cent; maximum education grant of \$2,250, representing 7 per cent of salary at P-4 step V; repatriation grant at maximum level: 5 per cent of salary).

ANNEX

NET REMUNERATION OF UNITED STATES CIVIL SERVANTS  
AND OF UNITED NATIONS OFFICIALS

\*Grades used by the ICSC for comparison are indicated by an asterisk  
and are taken from table 5 of annex V of the report.

I. UNITED STATES FEDERAL CIVIL SERVICE

Net remuneration after payment of income taxes at rates applicable in  
Washington area: married official without children (before 1 October 1976  
salary increases):

	GS-5/1	\$7,761
	GS-7/1	9,536
	GS-9/1	11,436
	GS-11/1	13,506
*	GS-12/1)	} average 17,071
	GS-13/1)	
	GS-14/1	21,050
	GS-15/1	24,000
	GS-16/1	27,173
	GS-18/1	34,400

(plus Executive levels V to I extending up to \$43,000).

II. UNITED NATIONS

Net remuneration (base salary plus spouse allowance and post adjustment for New York at weighted average for 12-month period October 1975-September 1976): staff member with dependants:

	P-1/1	\$13,699
	P-2/1	17,364
*	P-3/1	20,924
	P-4/1	25,008
	P-5/1	30,188
	D-1/1	33,490
	D-2/4	40,750
	ASG	45,917
	USG	50,027

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