



ADMINISTRATIVE INSTRUCTION

To: Members of the staff

From: Assistant Secretary-General
for Financial Services

Subject: CURRENCY OF PAYMENT OF SALARIES AND ALLOWANCES

1. The purpose of this instruction is to announce a revision to the rules governing the currency of payment of salaries and allowances to staff in the Professional category and above and to technical assistance project personnel. The revision of the current payment formula is based on the agreement recently reached by the organizations of the United Nations system which apply common conditions of service.

2. The new formula, which will enter into effect as from 1 October 1980, will be as follows:

A minimum of 30 per cent of the total amount of the net base salary, post adjustment (including deductions for negative post adjustment classes), assignment allowance and dependency allowances will be paid in the currency of the duty station, and a maximum of 70 per cent in a single other currency.

In countries with a dual currency (dealing in both convertible and non-convertible local currency) the portion of emoluments payable at the duty station shall be paid in non-convertible local currency. For most duty stations the application of the new formula will result in an increased portion of the emoluments being paid in a single other currency.

3. Country-wide exceptions to the above formula may be granted, if special circumstances in a given duty station so warrant. Only two levels of exception will be granted, consisting of either 20 per cent or 10 per cent of the above remuneration elements in local currency instead of the normal minimum of 30 per cent. Under no circumstances shall payment be made of all emoluments in a currency other than that of the duty station. Therefore, at duty stations where currently

100 per cent of all emoluments are paid in a single other currency as of 1 October 1980, either 20 per cent or 10 per cent of those emoluments will be payable in local currency. The countries in which such exceptions are authorized are listed in annex I to the present instruction.

4. Contributions to the United Nations Joint Staff Pension Fund and other amounts payable in United States dollars, such as medical and group life insurance premiums, shall be deducted from the portion payable in the single other currency.

5. The local currency minimum provisions approved by the General Assembly for the dependency allowances, announced in information circular ST/IC/79/5 of 22 January 1979, will be taken into account in applying the revised formula. Under those provisions, the amount of the children's allowance and the secondary dependant's allowance will not be less than the local currency equivalents of the dollar amounts of those allowances at the time they were established or last revised (children's allowance was fixed at \$450 on 1 January 1975 and the secondary dependant's allowance at \$300 on 1 January 1977). The following procedure would apply to determine the dollar value of the dependency allowances for purposes of this formula (for illustration purposes reference is made to the children's allowance; the same procedure would apply in the case of the secondary dependant's allowance):

(a) If the United Nations operational rate of exchange in effect for a particular month is equal to or greater than that in effect on 1 January 1975, then the children's allowance will be included at the dollar rate of \$450/12 or \$37.50;

(b) If the United Nations operational rate of exchange for that month is less than that in effect on 1 January 1975, then the dollar value of the children's allowance for purposes of applying the current formula would be calculated as follows:

$$\begin{array}{l} \text{Children's} \\ \text{allowance} \\ \text{in} \\ \text{United States} \\ \text{dollars} \end{array} = \frac{\$450}{12} \times \frac{\text{United Nations operational rate of exchange at 1/1/75}}{\text{United Nations operational rate of exchange for month of payment}}$$

6. Housing subsidies, which are not included in the above formula, shall normally be paid in local currency. However, if staff members have been obliged to sign a lease calling for payment in another currency, the subsidy may be paid in that currency or in United States dollars.

7. The above formula will be applicable to all staff members in the Professional category and above and to project personnel, except as provided below:

(a) Staff members assigned to offices in New York and Geneva will receive 100 per cent of their emoluments in the currency of the duty station;

(b) Staff members specifically engaged for conference or other short-term service under the 300 series of the Staff Rules will receive their total salary payment in a single other currency of their choice, except for the subsistence portion, which will be payable in local currency;

(c) Staff members who are appointed under the 100 or 200 series of the Staff Rules for less than one year and are paid daily subsistence allowance in lieu of post adjustment will receive their base salary and dependency allowances, if any, in a single currency of their choice and the subsistence allowance in the currency of the duty station;

(d) Staff members who are on special mission assignments under staff rule 103.21 will receive their base salary, post adjustment and dependency allowances in United States dollars or the currency of the duty station from which they were detailed and the mission subsistence allowances in local currency.

8. As announced in administrative instruction ST/AI/230/Amend.3 of 14 February 1977, in order to assist the United Nations Development Programme (UNDP) in using some of its accumulated non-convertible currencies, the organizations have agreed to respond favourably to requests from staff members in the Professional category and above, including technical assistance project personnel, to receive a portion of their emoluments in those non-convertible currencies if they have a need for them. This arrangement will continue under the revised currency formula. At present, the currencies involved are those of the countries listed on page 2 of annex II. Any additional payment in a non-convertible currency would be taken from the convertible currency portion.

9. As from 1 October 1980, the United Nations will modify the present currency distribution automatically in accordance with the revised formula. For those countries listed in the annex for which exceptions have been authorized, payment will automatically be effected to reflect the maximum proportion indicated in the non-duty station currency. Staff members may request a change in the distribution to modify the portion payable in the currency of the duty station within the established limits, to change the designation of the single other currency, or to request payment of a percentage of emoluments in one of the non-convertible currencies listed on page 2 of annex II. In such cases, they should complete the form shown in annex II and return it to the appropriate office designated on the form.

10. Subsequent changes in the distribution or in the designation of the single other currency may be requested by a staff member not more often than once in any six-month period. Such requests should be submitted at least two months before the proposed date of implementation.

11. This instruction supersedes administrative instruction ST/AI/230 and Amend.1-7.

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Annex ILIST OF COUNTRY-WIDE EXCEPTIONS TO THE REVISED STANDARD
FORMULA FOR THE CURRENCY OF SALARY PAYMENTS

<u>Country</u>	<u>Percentage payable in:</u>	
	(a) <u>Duty station</u> <u>currency</u> (Minimum net monthly) %	(b) <u>Any single</u> <u>other currency</u> (Maximum net monthly) %
Angola	10	90
Cape Verde	10	90
Equatorial Guinea	10	90
Ethiopia	10	90
Ghana	20	80
Guinea	20	80
Guinea-Bissau	10	90
Lao People's Democratic Republic	10	90
Lebanon	10	90
Maldives	10	90
Mozambique	20	80
Sao Tome and Principe	10	90
Sudan	20	80
Viet Nam	10	90
Windward and Leeward Islands	10	90
Zaire	10	90

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Annex II

REQUEST FOR CHANGE IN SALARY DISTRIBUTION

To: 1/

From:

Index No. _____

Duty station: _____

I hereby request the following salary distribution to be effective: _____
day month year

1. Payable in local currency at the duty station

(a) Minimum 30 per cent of base salary, dependency allowances, post adjustment, assignment allowance

(b) I wish to receive the following higher percentage in local currency: _____ per cent

2. Payable outside duty station: (Complete box (a) only if you wish to receive a percentage of your salary in one of the countries listed overleaf.)

(a) UNDP ACCUMULATED NON-CONVERTIBLE CURRENCIES - PERCENTAGE <u>1/</u> (Optional - see listing overleaf)	(b) BALANCE (see note (i) below)
Name of bank _____	Name of bank _____
Address of bank _____	Address of bank _____
_____	_____
Account No. _____	Account No. _____
Currency of payment _____	Currency of payment _____

Date: _____

Signature: _____
(staff member)

NOTES:

- (i) Contributions to the United Nations Joint Staff Pension Fund and other amounts payable in United States dollars, such as medical and group life insurance premiums, shall be deducted from the convertible or balance portion payable outside the duty station.
- (ii) No action can be taken to effect payments to newly recruited staff or to change salary distribution of reassigned staff without this form.
- (iii) Subsequent changes in the distribution or in the designation of the other currency(ies) may be requested not more than once in any six-month period. Such requests shall be submitted at least two months before the date of implementation.

Date: _____

Signature of staff member: _____

1/ For project personnel, please send to the Administrative Section, Department of Technical Co-operation for Development. All others, send to your Executive Office for forwarding to the appropriate Payroll Section.

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List by country of accumulated non-convertible
currencies from which staff may choose to have
a part of their salary paid

Albania	Hungary
Algeria	India
Bulgaria	New Zealand
Burma	Pakistan
Cuba	People's Republic of China
Czechoslovakia	Poland
German Democratic Republic	Union of Soviet Socialist Republics
Greece	Yugoslavia
