



Twentieth session
Agenda item 77

REVIEW OF SALARY SCALES OF THE PROFESSIONAL AND HIGHER
CATEGORIES OF THE INTERNATIONAL CIVIL SERVICE:

- (a) REPORT OF THE INTERNATIONAL CIVIL SERVICE ADVISORY BOARD;
- (b) REPORT OF THE SECRETARY-GENERAL

Report of the Fifth Committee

Rapporteur: Mr. Vladimír PRUSA (Czechoslovakia)

1. The Fifth Committee considered agenda item 77 (Review of salary scales of the professional and higher categories of the international civil service) at its 1078th, 1080th, 1081st, 1083rd and 1084th meetings, held between 27 October and 2 November 1965. For its consideration of the item, the Committee had before it reports of the Secretary-General (A/5918), the International Civil Service Advisory Board^{1/} (A/5918/Add.1) and the Advisory Committee on Administrative and Budgetary Questions (A/6056), containing the following among other material:

- Views and proposals submitted to ICSAB by the executive heads of the twelve organizations in the United Nations common system A/5918/Add.1, paras. 28-60
- Comments and recommendations of ICSAB A/5918/Add.1, paras. 61-69
- Secretary-General's proposals to the General Assembly A/5918, paras. 14, 19-22
- Comments and recommendations of the Advisory Committee A/6056, paras. 36-50

2. The Secretary-General's proposals to the General Assembly (A/5918, para. 14), based on recommendations of ICSAB (A/5918/Add.1, paras. 61-69), are as follows:

^{1/} Referred to throughout the present report as ICSAB or the Board.

(a) To revise the gross salary scales of the professional and higher categories, by incorporating three classes of post adjustment (at the present dependency rate), and by increasing the net remuneration of staff with dependants by amounts ranging approximately from 4 1/2 per cent at level P-1 to 8 1/2 per cent at level P-5 and 7 per cent at level D-2. At the same time, the number of incremental steps in each of the levels P-1 to P-4 would be increased by one;

(b) To revise the staff assessment rates;

(c) To revise the schedule of post adjustments;

(d) To decide that, with effect from 1 January 1966, a new class 1 post adjustment should be paid at Geneva, and that the figure of 105 should be established as the appropriate cost-of-living index for Geneva on that date; and to adjust the indices at other duty stations accordingly.

3. The Secretary-General also proposes amendments to General Assembly resolution 2007 (XIX) of 10 and 18 February 1965 in respect of the pensionable remuneration of the staff. The texts of these amendments are contained in draft resolution B attached in annex I.

4. The salient points of difference between the recommendations of ICSAB and the proposals of the executive heads (A/5918/Add.1, paras. 28-60) were that the latter provided as follows:

(a) To incorporate two classes of post adjustment (at the present dependency rate);

(b) To increase the net remuneration of staff with dependants by from 6 per cent at level P-1 to 13 per cent at level P-5, and 11 per cent at level D-2. The percentage increases proposed by the executive heads exceeded those recommended by ICSAB by about one third.

5. Introducing the report of the Advisory Committee (A/6056), the Chairman of that Committee emphasized the following points:

(a) In view of ICSAB's acknowledged competence in respect of pay and personnel problems - a competence expressly defined in General Assembly resolution 1981 B (XVIII) of 17 December 1963, the Advisory Committee had not attempted an exhaustive, detailed study of the Board's recommendations - that would have been a mere duplication of work done by eminent experts of the highest integrity. Instead, the Committee had confined itself to the wider implications of the recommendations and their administrative and financial consequences;

(b) The Advisory Committee welcomed ICSAB's intention to undertake in 1966 a thorough review of the principles which should underlie the establishment of salaries for the international civil service;

(c) The Committee had weighed the advisability of recommending the deferment of a decision on the Secretary-General's proposals pending the completion of further review. The Committee had, however, decided against such a course, for the reasons set forth in paragraph 46 of its report;

(d) The Committee had also reached the conclusion that it would not be desirable to isolate certain of the Secretary-General's proposals for later decision. On the assumption that the revised salary scales were approved by the General Assembly, those proposals should be implemented as a whole;

(e) The Committee was conscious of the responsibility it had assumed in submitting a recommendation of major import for the United Nations family of organizations, a recommendation calculated to affect the conditions of service in fifteen organizations and five special programmes accounting for an aggregate of about 7,500 posts (apart from numerous posts for project staff). For 1966, the net cost was estimated at \$2.7 million for the United Nations and at between \$6.5 and \$7 million for all organizations adhering to the common system. Yet, having regard to all the relevant factors, the Advisory Committee was of the opinion that the course of action proposed by the Secretary-General was justified, for the issue affected the interests of Member States, the international organizations and many thousands of staff members.

6. Delegations favouring the Secretary-General's proposals (A/5918, para. 14), in which the Advisory Committee concurred (A/6056, para. 47), referred to the fundamental principle that the United Nations and its specialized and related agencies should be good employers and, as such, pay adequate salaries to their staffs. Emoluments should be fair, not solely in the interest of the staff members, but also in that of the organizations concerned, which needed to recruit and retain staff of the highest standard of efficiency, competence and integrity. The paramount question was how to determine appropriate levels of remuneration. The Secretary-General, in common with the executive heads of the organizations concerned, ICSAB and the Advisory Committee were in agreement as regards the cardinal principle that should govern those levels. That principle - first

formulated in 1921 by the Noblemaire Committee - had been accepted from the earliest days of the United Nations, confirmed by review bodies in 1949, 1956 and 1961, and approved on each occasion by the General Assembly. It was true that the Noblemaire formula, to the effect that international salaries should be based on the salary scales of the highest-paid national service, might appear, at first glance, to be open to question, as leading to unnecessarily high salaries and consequent cost to Member States. Nevertheless, it had not proved possible over the years since 1921 to devise any alternative formula that was not open to graver objections; and it might be doubted whether ICSAB, in its proposed "review of the principles which should underlie the establishment of salaries for the international civil service", would in that regard be more successful than its many predecessors.

7. As regards the suggestion - mentioned but not endorsed in the three reports under consideration - of postponing action on salaries until ICSAB had completed its further review, these delegations felt that it would be unfair to the staff to await the solution of all present problems. So complex and time-consuming was the process of salary determination in the international civil service that such a course might be tantamount to consigning entirely legitimate claims to a remote future. The Board itself had indicated that more than one session might be needed. By the same token, the suggestion that the Board should be asked to expedite its further review (see para. 12 (b) below) could not commend itself, for the Fifth Committee would thereby be advocating a hurried examination of the basic philosophy of the salary system. The prospective study, which would affect the staffs of so many organizations, was a most delicate one, and nothing should be done to frustrate the hope that the Board would succeed in laying down a definitive set of principles that would not need to be revised for a considerable period of time. It was beyond doubt that over the past four years salaries in the international service had been falling increasingly behind the movement of salaries in national services; an adjustment after that interval of time was not therefore unduly precipitate. The comparative tables presented by ICSAB, which were based on detailed information furnished by seven countries, showed that in most of them salary levels had risen considerably in the period since October 1961, the base date to which - for purposes of comparison - the present salary scale was linked. Furthermore, in most national services the salary increases had overtaken successive rises in the cost of living.

It followed that changes in post-adjustment classifications could no longer, of themselves, afford a satisfactory solution, even if the question of pensionable remuneration were left out of account. There was also a risk that a postponement of action might undermine the common salary system, since some of the agencies were proposing or had already decided to adopt the ICSAB recommendations once the General Assembly had taken an affirmative decision. It was a cardinal feature of that system that the salaries of international officials should be fixed on a co-ordinated basis, and it would not be desirable to penalize the staffs of the specialized agencies because of the financial problem facing the United Nations. Above all, it should be remembered that ICSAB's terms of reference had been revised and strengthened two years ago. As a truly impartial body composed of eminent members, its views should not lightly be set aside: it was not surprising that the executive heads had accepted the conclusions of the Board even though they fell short of their own proposals by an appreciable margin.

8. Many representatives expressed agreement with the views set forth in paragraphs 61 to 69 of the ICSAB report. Even if further study failed to yield a better alternative to the central (Noblemaire) principle, there was need to take a second look at the application of the formula and seek to correct the anomalies and illogical results which appeared to arise, for example, out of the application to the base city of Geneva of a salary scale related primarily to rates of salary in the United States, and therefore having some reference to the cost of living in that country and not to Geneva. The cost-of-living index for Geneva was 15 per cent lower than that for New York. ICSAB had in that connexion cited the fact that a United States, French or Italian staff member received higher remuneration while working in his own country than when he was working in Geneva. Support was also voiced by several representatives for the proposed changes in the rates of staff assessment and in the post-adjustment system. The former proposal (A/5918, para. 14, II) was particularly important because of its bearing on pensionable remuneration, which since 1 March 1965 had been based on full gross salary. Since comparisons with national salary scales were made on a net basis, unduly high rates of assessment would produce too high a level of pensionable remuneration and hence of contributions to the Pension Fund. The proposed new rates seemed reasonable in relation to national rates of taxation.

9. Delegations which argued in favour of postponing a decision pointed out that the proposals before the Committee were not intended to cope with cost-of-living rises. As the post-adjustment system was available for that purpose, staff members would suffer no hardship if the Committee decided to await the completion of ICSAB's review. The proposals resulted from the application of the Noblemaire principle, which provided that the salaries of international civil servants should be based on those of civil servants in the wealthiest countries, and they were designed to overcome certain difficulties, in any case limited, in the recruitment of experts and technicians from North America. It should, however, be borne in mind that when that principle was introduced in 1920 the membership of the League of Nations had been small, being drawn mainly from Western Europe and Latin America; Africa had been represented only by Liberia and South Africa, and subsequently by Ethiopia; in the early years neither the United States nor the Soviet Union, nor even Germany had been members of the League. Today, the membership of the United Nations was almost three times as large as that of the League of Nations, while the gap between the standards of living in the different countries had widened tremendously. The assessment rate of some fifty Member States of the United Nations was set at the minimum of 0.04 per cent; to many of them even that level was proving onerous. It might therefore be asked whether the moment was propitious for increasing the financial burden of the Member States by some \$2.7 million, or - account being taken of all the organizations in the common system - by some \$7 million. Certainly the Noblemaire principle should not be retained automatically, without review or adjustment, for the mere purpose of facilitating the recruitment of North American nationals. Moreover, the shortage of highly qualified personnel was a global problem, the solution of which was not linked solely to financial considerations. ICSAB itself had given attention to that point, having decided to undertake in 1966 a study of the basic principles to govern the salaries of international civil servants. Similarly, the Advisory Committee had pondered the advisability of postponing action. In any case, the Fifth Committee should have before it the results of a full review before voting for an increase in salaries; otherwise it might be compelled, in two or three years' time, to undertake a further revision of the entire salary system.

10. Other delegations - likewise opposed to immediate action - emphasized that their attitude was in no way inimical to the welfare of the staffs. While recognizing that international civil servants were entitled to adequate remuneration, these delegations bore in mind that the question at issue was of direct importance not only to the members of the secretariats, who were shielded from hardship by a quasi-automatic system of cost-of-living adjustments, but to the Member States, whose taxpayers had to foot the bill. Admittedly, the time had come for a review of the United Nations salary scales, and the more so since, the previous review, undertaken in 1961 by ICSAB, had been somewhat inconclusive. Although that review had disclosed defects and inconsistencies in the salary system, the Advisory Committee had refrained at the time from making firm recommendations, on the ground that the data before it were not sufficiently dependable. It had been hoped that, with the extension of ICSAB's terms of reference, the latest review would be of so exhaustive a character as to produce a set of clear-cut principles by which salary changes could be judged. That hope had not been fulfilled. In their initial proposals the executive heads had not touched upon the basic principles of the salary system; they had merely sought to restore the relationship that had existed in 1961 between the United Nations scales and those of the United States civil service. ICSAB, on the other hand, while rejecting as excessive the claims of the executive heads, had failed to work out any scientific basis for new salary scales, contenting itself with an obvious half-measure, namely the mechanical reduction of the proposed increases by one third.

11. It also appeared to these delegations that the ICSAB report posed a number of puzzling questions: if, as stated in paragraph 10 of annex A, "precise comparisons were not possible because of uncertainty regarding the equivalence between United Nations grades and those of national services", it was not clear on what grounds grade P-1 in the United Nations scale was equated with grade G-7 in the United States service while grade P-3 (two grades higher in the United Nations scale) was equated with grade G-12 (five grades above G-7 in the United States scale). The uneven manner in which an equivalence had been established between the two scales - the one comprising seven levels, the other twelve^{2/}

^{2/} From GS-7 to GS-18 in the United States civil service.

levels - lent weight to ICSAB's admission that "there has never been a thorough examination to see whether those comparisons were correct". To ensure a true alignment of grade levels between the two systems, detailed job comparisons and analyses were indispensably required. ICSAB has also rightly queried the method of applying the Noblemaire principle in the United Nations. If it were accepted that the international civil servant should not be treated more favourably than his national counterpart in the home country, his remuneration should not exceed by more than a slight margin that paid at the equivalent level in the highest-paid civil service. But the proposed differentials were inordinately high, and in New York showed surprising variations: 40 per cent at P-3 (married); 14 per cent at D-1. The United Nations was not a private undertaking competing with the United States Government for qualified staff, and in view of the present composition of the Secretariat, it had no pressing reason to attract candidates from the United States labour market. The proposals were defective also in providing for a lower percentage increase at the P-1 level than at the P-5 and D-2 levels. For all of the foregoing reasons, it would be well to await the completion of the comprehensive review, in the course of which ICSAB would doubtless take note of the observations made in the Fifth Committee.

12. Other members of the Committee, taking an intermediate position, made the following points:

(a) Countries with low per capita incomes could hardly show enthusiasm for so costly a set of proposals; indeed, all delegations were most anxious to economize. Nevertheless, two considerations should weigh heavily in the balance: first, the importance, under Article 101 (3) of the Charter, of attracting staff of the highest qualifications; and secondly, the need to ensure equality of remuneration throughout the organizations in the common system. For practical reasons, the Noblemaire principle might be accepted, subject to certain modifications which the operation of the post-adjustment system and, more generally, the changes in the world since 1921 dictated. Deferment of action would mean that far larger increases would be proposed in 1967 or 1968, and with a more damaging psychological effect;

(b) The consideration of questions relating to recruitment, promotion and conditions of service should precede any decision on the salary scales. Otherwise, it might prove necessary in 1966, in the light of ICSAB's further review, to modify arrangements already authorized on the basis of incomplete findings. Accordingly, the Fifth Committee, while recognizing that there was a prima facie case for revising the salary scales, might (i) request ICSAB to expedite its study, for consideration by the General Assembly in 1966, and (ii) recommend that any salary increases authorized at that time should be made retroactive to 1 January 1966;

(c) It was axiomatic that international civil servants were entitled to emoluments consistent with their responsibilities and qualifications, and adjusted to the local cost of living. But when the bill (for the entire family or organizations) amounted to \$7 million, it might be asked whether that figure was reasonable at a time when many countries had to enforce a policy of austerity because of the decline in exports, falling commodity prices and the consequent flight of capital. In such a situation, compromise proposals, designed to soften the impact on the budget, were clearly in order. For example:

- (i) To recommend a flat 5 per cent salary increase (as compared with the proposed range of 4 1/2-8 1/2 per cent); or
- (ii) To recommend that 50 per cent of the proposed increases should be granted in 1966 and the balance in 1967;

Furthermore, in view of the considerable number of post reclassifications proposed in the 1966 estimates, the Committee might recommend that no staff member should receive a salary increase from more than one source, i.e., change in salary scale coupled with reclassification of post.

(d) Even though the Committee might, on balance and for sound reasons, concur in the proposals, some reservations might be entered. It was thus not easy to understand how ICSAB had found it possible, without a thorough re-examination of the Noblemaire principle, to arrive at its conclusions. If United Nations salary scales were permanently based on those of the highest-paid national civil service, a disproportionate part of the budget would invariably be devoted to the salary bill. Together with a radical review of the Noblemaire principle, a study of the tenure of appointments in the international civil service (with particular reference to the practice in the League of Nations of making appointments for

periods of seven years, renewable) would be welcome. Perhaps ICSAB would also consider the possibility of recommending five- or seven-year appointments at levels D-1 and above.

13. The representative of the Secretary-General pointed out that the recommendations of ICSAB and the Advisory Committee fully accorded with the policy decisions which the Fifth Committee itself had laid down, and which - unless modified by the General Assembly - the Secretary-General was in duty bound to observe. It was of course understandable that in the nine years since the 1956 review, which led to the present salary system, certain weaknesses and anomalies should have been revealed in the working of the system. ICSAB, recognizing that fact, was planning to re-examine the principles and procedures previously endorsed by the General Assembly. That was a major task that could hardly be completed in less than two, or even three, years, and it would therefore be a grave injustice to deny to the staffs concerned the modest measure of improvement which a comparison with outside scales clearly justified. So complex and interdependent were the component parts of the international salary system that it would be virtually impossible to pick and choose among the immediate proposals submitted by ICSAB and endorsed by the executive heads and the Advisory Committee; those proposals formed a unified whole. As regards the suggestions for postponing action, ICSAB itself had been opposed to such a course, observing in its report that "having regard to outside pay increases since 1960, the Board would not be justified in recommending deferment of any increase in the salaries in the United Nations common system until such an examination could be made". For his part, the Secretary-General hoped that the Committee would recognize that a case had been made, and that deferment of action, apart from constituting a repudiation of the Board, would do an injustice to the staffs which had awaited the settlement of legitimate claims with patience and understanding. Finally, since the question of the post reclassifications proposed for 1966 had been linked by some representatives to the recommended salary increases, it should be noted (a) that the number of posts for reclassification under the Advisory Committee's recommendation did not exceed 80-90 out of some 2,300 established posts; (b) that the reclassification of posts had absolutely no connexion with a given person or the performance of that person; it rested on the fact that, in an organizational

context, the responsibilities attaching to the post had grown over the years, and accordingly justified review of its appropriate level. It was of course possible, but by no means automatic, that, upon reclassification of the post, the present incumbent would be promoted.

DECISIONS OF THE COMMITTEE

14. At the 1084th meeting, the Committee decided:

(a) By 56 votes to 13, with 8 abstentions, to recommend to the General Assembly that it approve the proposals on the review of salary scales of the professional and higher categories of the International Civil Service which the Secretary-General, in agreement with the executive heads of the other international organizations in the United Nations common system and in accordance with the recommendations of the International Civil Service Advisory Board (ICSAB) in its report (A/5918/Add.1), had submitted in paragraph 14 of his report (A/5918) and in which the Advisory Committee on Administrative and Budgetary Questions, in paragraphs 47 and 48 of its report (A/6056), had concurred; and

(b) By 53 votes to 12, with 13 abstentions, to recommend to the General Assembly that it approve the proposals submitted by the Secretary-General in paragraphs 19 to 21 of his report (A/5918), as concurred in by the Advisory Committee on Administrative and Budgetary Questions in paragraph 56 of its related report (A/6056), regarding a modification of the system of adjustments in pensionable remuneration arising from changes in post adjustments.

RECOMMENDATIONS OF THE FIFTH COMMITTEE

15. The Fifth Committee therefore recommends to the General Assembly the adoption of draft resolutions A and B attached as annex I.

16. Annex II contains the amended texts of certain staff regulations, and annex III the amended texts of sections I and II of General Assembly resolution 2007 (XIX) of 10 and 18 February 1965. Both sets of amendments are contingent upon the adoption of the above-mentioned draft resolutions.

ANNEX I

REVIEW OF SALARY SCALES OF THE PROFESSIONAL AND HIGHER
CATEGORIES OF THE INTERNATIONAL CIVIL SERVICE

A

AMENDMENTS TO THE STAFF REGULATIONS OF THE UNITED NATIONS

The General Assembly,

Having considered the report of the Secretary-General^{1/} together with the relevant reports of the International Civil Service Advisory Board^{2/} and the Advisory Committee on Administrative and Budgetary Questions,^{3/}

Decides that:

1. With effect from 1 January 1966 in the case of staff in the professional and higher categories, and from such date as the Secretary-General may determine in the case of other staff, regulation 3.3, paragraphs (a) and (b), of the Staff Regulations of the United Nations shall be amended to read as follows:

Regulation 3.3: (a) An assessment at the rates and under the conditions specified below shall be applied to the salaries and such other emoluments of staff members as are computed on the basis of salary, excluding post adjustments, provided that the Secretary-General may, where he deems it advisable, exempt from the assessment the salaries and emoluments of staff engaged at locality rates.

(b) The assessment shall be calculated according to the following rates:

<u>Total assessable payments</u> <u>(US dollars)</u>	<u>Assessment</u> <u>per cent</u>
First \$1,000 per year	5
Next \$1,000 per year	10
Next \$1,000 per year	15
Next \$1,000 per year	20
Next \$6,000 per year	25
Next \$6,000 per year	30
Next \$8,000 per year	35
Next \$8,000 per year	40
Next \$8,000 per year	45
Remaining assessable payments	50

1/ A/5918.
2/ A/5918/Add.1.
3/ A/6056.

The resulting net salary may be rounded to the nearest \$10. In the case of staff whose salary scales are established in currencies other than United States dollars, the relevant amounts to which the assessment rates apply shall be fixed at the local currency equivalent of the above-mentioned dollar amounts at the time the salary scales of the staff concerned are approved.

2. With effect from 1 January 1966, annex I to the Staff Regulations shall be amended as follows:

(a) In paragraph 1, substitute "\$US30,000" for "\$US27,000";

(b) In paragraph 3, delete the first two sentences and the words "In addition," in the third sentence so that the paragraph shall open with the words: "The Secretary-General is authorized...";

(c) Under paragraph 4, substitute the following salary scales:

(In US dollars)

Principal Officer and Director category

Director	\$24,050 by increments of \$650 to \$26,000
Principal Officer	\$20,000 by increments of \$650 to \$23,900

Professional category

Senior Officer	\$17,400 by increments of \$500 to \$21,900
First Officer	\$13,900 by increments of \$430 to \$18,630
Second Officer	\$11,270 by increments of \$360 to \$15,590
Associate Officer	\$ 9,050 by increments of \$310 to \$12,150
Assistant Officer	\$ 6,920 by increments of \$280 to \$ 9,440

(d) In paragraph 5, substitute the words "above step IV of the Principal Officer level" for the words "to a salary step above \$US18,500";

3. The step at which staff in service on 1 January 1966 shall enter the new salary scales shall be determined in accordance with the proposals contained in paragraph 14 I (c) of the report of the Secretary-General (A/5918);

4. In applying paragraph 9 of annex I of the Staff Regulations:

(a) The amounts of post adjustment for each 5 per cent variation in the cost of living above or below the new base level shall, at all the main headquarters

areas and normally at all other offices, be those specified in annex I of the report of the Secretary-General (A/5918);

(b) The United Nations post-adjustment index at Geneva as at 1 January 1966 shall be deemed to be 105, and a class 1 post adjustment shall be payable at Geneva from that date;

(c) The post-adjustment indices at other offices as at 1 January 1966 shall be adjusted so that they bear the same percentage relationship to the new Geneva index of 105 as they bore to the old Geneva index on 31 December 1965. Post adjustments shall be payable according to the class determined by the new index figure.

B

PENSIONABLE REMUNERATION OF THE STAFF

The General Assembly

Decides that its resolution 2007 (XIX) of 10 and 18 February 1965 shall be amended as follows:

(a) In section I, paragraph 1 (a), delete the words following the words "of the United Nations";

(b) In section I, insert a new paragraph 2 as follows (renumbering the present paragraph 2 as paragraph 3):

"2. Further decides that in the case of staff in the professional and higher categories:

(a) During the period 1 March to 31 December 1965, the pensionable remuneration established under paragraph 1 (a) above shall be increased by 5 per cent;

(b) With effect from 1 January 1966, for each complete 5 per cent by which the weighted average of the post-adjustment classifications of the headquarters and regional offices of the member organizations of the United Nations Joint Staff Pension Fund varies from the weighted average as of 1 January 1966, the pensionable remuneration established under paragraph 1 above shall be increased or decreased, as the case may be, by a corresponding 5 per cent; for this purpose the weighted average shall be calculated as of March and September of each year and any consequent variation shall take effect from the following 1 July or 1 January respectively;"

(c) In section II, replace the present text of sub-paragraph (a) by the following:

"(a) In the case of staff in the professional and higher categories during the periods 1 January 1959 to 31 December 1961 and 1 January to 28 February 1965, pensionable remuneration shall be deemed to have been increased by an additional 5 per cent;"

ANNEX II

STAFF REGULATIONS OF THE UNITED NATIONS

In the event of the adoption of draft resolution A (annex I to the present report), the Staff Regulations would be amended to read as follows:^{a/}

Regulation 3.3: (a) An assessment at the rates and under the conditions specified below shall be applied to the salaries and such other emoluments of staff members as are computed on the basis of salary, excluding post adjustments, provided that the Secretary-General may, where he deems it advisable, exempt from the assessment the salaries and emoluments of staff engaged at locality rates. (b) The assessment shall be calculated according to the following rates:

<u>Total assessable payments</u> (US dollars)	<u>Assessment</u> per cent
First \$1,000 per year	5
Next \$1,000 per year	10
Next \$1,000 per year	15
Next \$1,000 per year	20
Next \$6,000 per year	25
Next \$6,000 per year	30
Next \$8,000 per year	35
Next \$8,000 per year	40
Next \$8,000 per year	45
Remaining assessable payments	50

The resulting net salary may be rounded to the nearest \$10. In the case of staff whose salary scales are established in currencies other than United States dollars, the relevant amounts to which the assessment rates apply shall be fixed at the local currency equivalent of the above-mentioned dollar amounts at the time the salary scales of the staff concerned are approved.

Annex I, paragraph 1

An Under-Secretary shall receive a salary of \$US30,000 (subject to the Staff Assessment Plan provided in staff regulation 3.3 and to post adjustments wherever applied) and, if otherwise eligible, shall receive the allowances which are available to staff members generally.

^{a/} Although paragraph (a) of regulation 3.3 is not affected by the proposed revision of the staff assessment rates, the existing text needs to be reconciled with other provisions under which certain emoluments - for example, education grant and language allowance - are payable in flat net amounts. The text has been amended accordingly.

Annex I, paragraph 3

The Secretary-General is authorized, on the basis of appropriate justification and/or reporting, to make additional payments to Directors to compensate for such special costs as may be reasonably incurred in the interest of the Organization in the performance of duties assigned to them by the Secretary-General. The maximum annual payment for any one Director shall be \$1,000.

Annex I, paragraph 4

Except as provided in paragraph 6 of the present annex, the salary scales for staff members in the Principal Officer and Director category and in the Professional category shall be as follows (subject to the Staff Assessment Plan provided in staff regulation 3.3 and to post adjustments wherever applied):

(In US dollars)

Principal Officer and Director category

Director	\$24,050 by increments of \$650 to \$26,000
Principal Officer	\$20,000 by increments of \$650 to \$23,900

Professional category

Senior Officer	\$17,400 by increments of \$500 to \$21,900
First Officer	\$13,900 by increments of \$430 to \$18,630
Second Officer	\$11,270 by increments of \$360 to \$15,590
Associate Officer	\$ 9,050 by increments of \$310 to \$12,150
Assistant Officer	\$ 6,920 by increments of \$280 to \$ 9,440

Annex I, paragraph 5

Subject to satisfactory service, salary increments within the levels set forth in paragraph 4 of the present annex shall be awarded annually, except that any increment above step IV of the Principal Officer level shall be preceded by two years at the previous step.

ANNEX III

REPORT OF THE UNITED NATIONS JOINT STAFF PENSION BOARD

(General Assembly resolution 2007 (XIX) of 10 and 18 February 1965)

In the event of the adoption of draft resolution B (annex I to the present report), the provisions of sections I and II of General Assembly resolution 2007 (XIX) of 10 and 18 February 1965 would be amended to read as follows:

I

PENSIONABLE REMUNERATION OF THE STAFF

1. Decides that, for the purpose of article I.3 of the Regulations of the United Nations Joint Staff Pension Fund, the pensionable remuneration of United Nations staff shall, with effect from 1 March 1965, consist of the sum of:

(a) The amount of the salary of the official established in accordance with regulation 3.1 of the Staff Regulations of the United Nations;

(b) The amount of any personal allowance to which the official may be entitled under staff rule 103.10;

(c) The amount of any non-resident's and/or language allowance payable to the official after the deduction for staff assessment;

2. Further decides that in the case of staff in the professional and higher categories:

(a) During the period 1 March to 31 December 1965, the pensionable remuneration established under paragraph 1 (a) above shall be increased by 5 per cent;

(b) With effect from 1 January 1966, for each complete 5 per cent by which the weighted average of the post adjustment classifications of the headquarters and regional offices of the member organizations of the United Nations Joint Staff Pension Fund varies from the weighted average as of 1 January 1966, the pensionable remuneration established under paragraph 1 above shall be increased or decreased, as the case may be, by a corresponding 5 per cent; for this purpose the weighted average shall be calculated as of March and September of each year and any consequent variation shall take effect from the following 1 July or 1 January respectively;

3. Recommends that, in the interest of maintaining the common system of salaries, allowances and conditions of service, the other member organizations of the Fund should take appropriate action to ensure that the pensionable remuneration of their staff is brought into conformity with that of United Nations staff as of the same date.

II

APPLICATION OF PENSIONABLE REMUNERATION TO FUTURE AND CURRENT BENEFITS

1. Decides that benefits which accrue on or after 1 March 1965 shall, subject to article X.4 of the Regulations of the United Nations Joint Staff Pension Fund, be calculated as though the pensionable remuneration had at all times been established in accordance with section I above, save that:

(a) In the case of staff in the **professional** and higher categories during the periods 1 January 1959 to 31 December 1961 and 1 January to 28 February 1965, pensionable remuneration shall be deemed to have been increased by an additional 5 per cent;

(b) The language allowance shall be deemed to have been included in the pensionable remuneration before 1 March 1965 at the rate applicable before the deduction for staff assessment;

2. Decides that benefits which accrued before 1 March 1965 shall be recalculated in accordance with paragraph 1 above and shall accrue in the recalculated amounts with effect from that date, save that no additional entitlement shall accrue in respect of any benefit of which payment was received as a lump sum except in so far as a part remains which is payable in the form of a periodic benefit, and in respect of that part in the proportion which it bears to the benefit as originally calculated.