

FICSA CIRCULAR



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To: Chairs, Member Associations/Unions
Members of the Executive Committee
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Presidents, Federations with Observer Status
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From: Diab El-Tabari, President

FICSA REPORT ON THE 79TH SESSION OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (ICSC)

21 July to 1 August 2014, IFAD Rome

The International Civil Service Commission (ICSC) held its 79th session at the IFAD Headquarters in Rome from 21 July to 1 August 2014. FICSA was represented by Diab El-Tabari, President, and Brett Fitzgerald, General Secretary, during the full session. Matthew Montavon, Member of the Executive Committee, and several local staff representatives also assisted at various times.

The three major topics were:

1. The compensation review
2. Health insurance
3. Mandatory age of separation

FICSA in its opening statement (document ref. FICSA/CIRC/1175) recalled that the Commission was created as an independent expert body and that FICSA trusted that the Commission would not compromise the very foundation of its existence despite political efforts to influence it.

The Federation's interventions on all issues are reported in document FICSA/CIRC/1175/Add.1.

1.1 The compensation review

1.1.1 *Differentiated rate of pay (S and D)*

The ICSC's direction is to adopt one rate of pay for dependents and single staff members. A new scale would be developed during the next Working Group meeting. The ICSC's rationale for moving to a single scale instead of the current scale was to follow the principle of equal pay for equal work and to establish a flat-rate spouse allowance to replace the difference in the current scale between single and dependents. The ICSC confirmed that the principle of acquired rights would be respected. FICSA will propose by the time of the next working group meeting a scale that would not erode salaries. The basis for the proposal would be to start from the dependents rate and adjust accordingly.

1.1.2 *Education grant*

Some members of the Commission wanted to follow the comparator with a 100 per cent reimbursement from K-12 and to discontinue the reimbursement of tertiary (University) education. This issue was returned to the Working Group for further analysis based on:

(a) The fact that the education grant was an essential element of the compensation package and an important tool to attract and retain a globally mobile workforce. The purpose of the grant was to assist expatriate staff in covering additional expenses relating to the education of their children while serving at a duty station away from their home country, thus an expatriate benefit.

(b) Continuing the review of the grant scheme and agreeing on the following directives:

- (i) The scheme should continue to be based on the cost-sharing principle between the organization and the staff member;
- (ii) The level of grant would no longer be based on claim data but rather be determined through alternative means so as to prevent the admissible expense maxima from being driven by a few excessively large claim amounts;
- (iii) For the primary/secondary level education, the option of establishing ceilings for maximum admissible expenses in reference to educational institutions at the place of duty of the staff member should be explored. However, different arrangements might be applied where there were no adequate educational institutions available within commuting distance or where frequent/urgent needs for the staff member to relocate would disrupt the education of the child;
- (iv) For the tertiary level, options should be developed based on a detailed analysis of the overall cost of the scheme and its assessment in reference to that of the comparator; the option of a global lump sum, using a ceiling approach, should also be explored;
- (v) The admissible expenses should be revised for further consideration to include tuition only or tuition and enrolment-related fees with the option of providing a lump-sum reimbursement based on actual tuition fee data; and
- (vi) The reimbursement of non-refundable capital assessment fees would be administered by the organizations outside the education grant scheme.

(c) The following proposals should also be developed further:

- (i) New zones;

- (ii) A sliding reimbursement scale or a lump-sum of the grant at both the primary/secondary and tertiary levels;
- (iii) The concept of adequate representative schools and tuition fees which would be a basis for setting the ceiling; and
- (iv) The conditions under which boarding expenses and the cost of education travel would be considered acceptable in the grant scheme.

FICSA would come up with a proposal for the next working group meeting which will protect the education grant in its current value while reducing administration costs and the time in processing applications. It is worth noting that the time and paper work in processing each application is cumbersome and the cost is estimated at \$US 500.

1.1.3 Independent children's allowance, secondary dependent's allowance and leave

1.1.3.1 Dependent children's allowance

The Commission decided to discontinue the practice of substituting the first child for the spouse, however, if the staff member is a single parent the allowance for the first child would be higher than the standard child allowance. The level of the new allowance was yet to be set. The staff federations would support an allowance that is equal to the spouse allowance, but the ICSC Secretariat has not yet made proposals in this regard.

1.1.3.2 Secondary dependent's allowance

The views of the commissioners in the Working Group earlier to this ICSC session were to discontinue the allowance. However, the draft Commission report of the session stated that the allowance should be maintained at its current level. The decision of the Commission was therefore to maintain the allowance.

1.1.3.3 Annual leave

No change. However, in order to reduce costs, the ICSC encouraged organizations to ensure that staff use their leave days and not accumulate them to the permitted 60-days level.

1.1.4 Location and relocation related elements of the compensation system

1.1.4.1 Hardship allowance

The current system would be maintained. The Commission requested the working Group to study if the additional hardship allowance could be included as a category of the hardship allowance classification.

1.1.4.2 Additional hardship allowance

The Commission was in favour of streamlining this allowance within the normal hardship classification system. The Working Group would study the issue further. The Commission was in favour of adopting an equal allowance for single staff (currently at 37.5% of the level for dependant) based on the principle that all staff face equal hardship. The allowance would be based on the rate currently provided to dependent staff.

1.1.4.2 Mobility allowance

Discussions varied from discontinuing the allowance to reducing it considerably. However based on interventions by the staff and organizations, supported by several Commissioners, it was recommended to establish an annual flat amount for each geographical reassignment based on the degree of hardship for a maximum of 5 years without taking into account the family status, grade or history of past moves. H duty stations would be completely excluded from the mobility allowance. The upcoming Working Group would explore streamlining and integrating the mobility allowance and the assignment grant into one system.

1.1.4.3 Other benefits in the field under the mobility and hardship scheme

(a) Additional freight entitlement

The Commission recommended discontinuing the 50kg additional freight entitlement for home leave.

(b) Additional education grant, travel and additional reimbursement of school boarding costs

The Commission decided to study this allowance within the education grant revision during the forthcoming Working Group.

1.1.4.4 Additional reimbursement of the cost of basic medical examinations

The Commission wanted to discontinue the reimbursement of the cost of basic medical examination of the family of the staff member as it could be covered by the family's insurance scheme. FICSA was not in agreement with this as this would lead to a rise in the insurance premium. Data was requested from the ICSC Secretariat on the costs involved and whether these examinations were mandatory or not. The issue would be address in the next meeting of the Working Group.

1.1.5 Assignment and DSA portion for initial cost of assignment or reassignment

The Commission requested the Working Group to look further into integrating the DSA portion of the assignment and reassignment grant into the mobility allowance. FICSA will be participating in the Working Group and will ensure that any change would not reduce or discontinue any entitlement.

1.1.6 Shipment/removal related payments

The Commission considered the discontinuation of the additional one-month salary currently being paid at the beginning of the third year in the field duty station when staff opt for non-removal of house hold goods. FICSA requested further data on the cost involved and requested details on the rationale as to how this one month salary came about before the Commission should agree to terminate it. The Commission also requested the ICSC Secretariat to group the non-removal allowance under relocation related payments instead of the mobility and hardship scheme as well as conduct further studies in order to simplify and streamline all shipment/removal related elements and present suitable options to its Working Group for further deliberation.

FICSA will participate in the Working Group and will monitor the situation to ensure that entitlements are maintained at an appropriate level to meet staff needs.

1.1.7 Rest and recuperation and acclimated home leave

Discussions focused on time actually spent in the duty station carrying out the work. At no point were there doubts as to its importance to the health of the staff member or on the interest of the operation. It was simply a discussion to try to streamline the potential overlap in leave benefits coming out of a mistaken perception that staff in these situations spent little time at duty station. The recommendation was for the working group to find ways of either combining R&R with the accelerated home leave or terminating the accelerated home leave. The final recommendation was left pending and the Working Group would study the issue again in its forthcoming meeting.

1.1.8 Basic floor salary scale and review of staff assessment rates used in conjunction with gross salaries

FICSA noted the interest of the Commission in returning the margin to the desired 115 per cent ratio vis-a-vis the comparator and supported a long-term perspective that would allow minor increases on the path to reaching it... However, the Commission recommended the option of continuing the freeze on the base salary to achieve quicker results.

1.1.9 Post adjustment matters

The Commission decided that all headquarters duty stations should be reviewed only once a year i.e. on the anniversary date of the post adjustment classification review for New York. Also the Commission deferred the question of the continued use of the 5 per cent rule for group I duty stations, for consideration by the Advisory Committee on Post Adjustment Questions (ACPAQ) in the context of its review of the operational rules governing the post adjustment system, at its next session. FICSA supported the first recommendation and would continue to advocate for maintaining the 5 per cent ceiling or even setting it lower. The issue will be brought up at the next ACPAQ session.

1.1.10 ACPAQ report

The Report of ACPAQ was supported by FICSA and the Commission recommended no changes.

2. Health insurance

The Commission was aware of the shortfall in budget and recommended continuation of the current budget practice of pay-as-you-go while taking measures to reduce future liabilities, although this would not tackle the larger problem of long term deficits. The Commission was of the opinion that the General Assembly would not run away from its commitments and would come up with shortfalls if any. FICSA requested further data on the budget situation and reiterated the staff concern that not all organizations of the UN common system had set aside the appropriated funding.

3. Mandatory age of separation

FICSA was disappointed in the way the commissioners were lobbied by the organizations not to go ahead with last year's recommendation to implement 65 as the age of separation for existing staff as of 2016 and that the Commission would report to the General Assembly (GA) on the discussions of the Commission which clearly left the issue open for various interpretations and further delayed implementation. In the view of FICSA the organizations did not come up with solid argument to postpone the implementation to 2018. The Commission will probably only report that clarifications requested by the GA were looked into with no further recommendation on the matter.
