

FICSA CIRCULAR



FICSA/CIRC/1206
Ref: Offorg/ICSC

Geneva, 21 August 2015

To: Chairs, Member Associations/Unions
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Presidents, Federations with Observer Status
Chairs and Vice-Chairs of Standing Committees
Task Force, Compensation Review

From: Diab El Tabari, President

REPORT ON THE OUTCOME OF THE COMPENSATION REVIEW OF THE PROFESSIONAL CATEGORY

8th SESSION OF THE INTERNATIONAL CIVIL SERVICE COMMISSION (ICSC)

(IAEA Vienna, 27 July to 7 August 2015)

Salary scale

Situation

There will be one salary scale for all staff (instead of the current single and dependent scales).

Staff with spouses not employed or earning less than G-1, step 1 will get a 6 per cent spouse allowance to reflect the difference in tax treatment in the United States. The new scale will be almost 6 per cent less than the current dependency scale, so that staff with non-working spouses will be paid the same as now. Single staff will in most cases get more, by up to US\$ 2,000 per year.

Staff with dependent children will receive a child allowance of US\$2,929 per year for each child.

The big change will be for the 7,500 staff with working spouses, who are paid on the current dependent scale as a result of their first dependent child. Under the new system, these staff will not receive a spouse allowance and will only be paid the child allowance for each of their children. This could result in a reduction in pay of between 3 and 6 per cent. The same will apply to single parents. As a transitional measure, affected colleagues will have their salary cut by one percentage point a year until they reach the new lower level.

Staff position

The staff federations are very concerned at the effect this will have on staff with dependents, especially single parents, who through no change in their family or work circumstances will see cuts to their pay. Both staff federations and management had proposed payment protection for these staff so that their pay would not be cut when there had been no change in their circumstances. Staff and management had also proposed a single parent allowance to help with higher childcare costs - many foreign services have an equivalent allowance called head of household allowance. The single parent allowance would be the same as the spouse allowance. However, the ICSC declined to approve this.

Progression through the salary scale*Situation*

The new salary scale has 13 steps in each grade (except D-2 with 10 steps). Staff at D-1 and D-2 will therefore have more steps in their grade and will be able to earn more within their grade. Staff at P-3 and P-4 will no longer be able to access steps 14 and 15, although staff on those steps are protected. At the same time new steps are added in the P-1 and P-2 grade, below step 1. And the minimum salary at the P-1 level is reduced by 6 percent. Step increments after step 7 will be awarded every two years.

No changes will be made to the basis on which pension is calculated (pensionable remuneration) for the time being.

Staff position

The increase in steps at the D-2 level means that proposed new remuneration for ASGs and USGs increases by 10 per cent. More generally it increases pay inequality between the top and bottom ends of the scale. This sends the wrong message. The elimination of steps 14 and 15 at the P-3 and P-4 level will have consequences on within-grade pay progression. The staff federations had argued against their removal as it will be demotivating for the largest group of staff, who are at those levels. The awarding of steps every two years from step 7 delinks step progression from the annual performance cycle and rewards it solely for longevity.

Performance-related pay*Situation*

Those organizations that wish, will be able to implement performance-related pay using funds they may have identified.

Staff position

Staff federations have pointed out impracticalities relating to performance-related pay including difficulties in measuring individual contributions to team performance. Furthermore, the abandonment of performance-related pay by companies such as Accenture and Microsoft has been well-documented. We do not see the point of adopting a system that the private sector, with the exception of investment banks, now believes to be obsolete.

Education grant

Situation

Education grant is maintained for primary, secondary and tertiary levels.

However, the ICSC has recommended that boarding not be covered for staff in H duty stations (e.g. New York, Vienna, Geneva, Rome, Paris) except if they are in mobile functions. The ICSC argued that there are adequate private day schools in these duty stations and that boarding expenses are not justified. Each organization will define their interpretation of mobile functions.

A new global sliding scale is established to reimburse education fees but is now limited to tuition and tuition-related costs. The cheaper the school, the higher the rate of reimbursement. At the higher cost end, staff paying US\$ 35,000 will nevertheless receive an overall level of reimbursement of 75 per cent.

Staff position

Staff federations worked hard to keep the tertiary coverage. The decision to no longer cover costs such as food and transport will have implications for staff. The higher thresholds (which should in our view be higher) compared to current low ceilings will compensate to a certain but not sufficient extent. Furthermore, it is not clear that the higher reimbursement rate is an effective incentive as cheaper schools are not available in many duty stations, both at headquarters and in the field.

Staff federations believe that with the implementation of mobility policies, boarding may be required for continuity of education regardless of the duty station. Only 343 children whose parents work in H duty stations attend boarding school, therefore the cost difference is minimal. However, it can be an important incentive for mobility.

Rest and recuperation (R&R)

Situation

The current R&R system will be maintained but accelerated home leave in C to E duty stations will be discontinued.

Staff position

The staff federations are pleased that the ICSC decided to maintain the current R&R system and were able to demonstrate together with management that contrary to the ICSC's assumptions, the R&R system did not lead to unreasonable absences by staff from non-family duty stations, and that R&R was an essential part of staff well-being. However, we are concerned that accelerated home leave has been removed for C to E family duty stations. We believe that for health and other reasons it is important for families to be able to leave more frequently than once every two years. We are also disappointed that the ICSC decided not to put in place a payment to contribute to accommodation costs for staff while they are on R&R leave.

Hardship allowance

Situation

The current five hardship levels will be maintained. However, single staff and those with dependents will receive the same, with no loss for dependents but gains for singles.

For staff posted to non-family duty stations, the Additional Hardship Allowance, now called Non-Family Service Allowance (NFSA) is maintained. However, there is no longer a difference in payment by grade.

Staff position

For the hardship payments, the increase in payments for single staff is welcome. For the NFSA, the ICSC had earlier wanted to decrease payments to staff with families who needed to rent a second home for their families. Following our intervention, this was reversed and the result is acceptable to staff.

Mobility allowance

Situation

A mobility allowance will be paid as an upfront payment every year for five years following a move to a non H duty station.

Staff position

The position of staff federations and management was that the mobility allowance should also apply to staff who move to H duty stations as mobility is disruptive regardless of destination. This was not retained.

Relocation allowances (settling in and shipping costs)

Situation

Staff will continue to receive 30 days of DSA for themselves and 15 days of DSA per dependent in order to help with temporary lodging while they look for proper accommodation. Out-of-pocket expenses will be covered with one month salary and post adjustment at P-4 step 6.

The payment for shipping costs has still not been agreed and has proved complex for the ICSC.

Staff position

Staff are pleased that settling costs were maintained and had to argue hard for this along with management. Staff are concerned at the lack of progress on shipping costs in case the result penalizes staff.

Repatriation grant

Situation

This is maintained. For new staff it will start after five years of service.

Staff position

The result is acceptable to staff.
