

FICSA CIRCULAR



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To: Chairs, Member Associations/Unions
Members of the Executive Committee
Chairs, Members with Associate Status
Chairs, Associations with Consultative Status
Presidents, Federations with Observer Status
Chairs and Vice-Chairs of Standing Committees

From: Brett Fitzgerald, General Secretary

UPDATE ON THE COMPREHENSIVE REVIEW OF THE COMPENSATION PACKAGE

WHAT IT MEANS FOR PROFESSIONAL SALARIES

At the recent 68th session of the General Assembly, the UN passed a resolution on the common system (A/RES/68/253). FICSA reported on this in a news item on 6 January 2014. Now some of the impacts of those decisions on Professional compensation are becoming clearer.

A key element of the resolution addressed the Comprehensive Review of the Common System Compensation Package (“Compensation Review” for short), but other actions were taken that will begin having an immediate impact on compensation.

The Compensation Review is a complete analysis of the remuneration structure for Professional staff. All elements of remuneration, including monetary and non-monetary elements, are under review with the stated objective of achieving a pay system that is simple and easy to administer. The International Civil Service Commission (ICSC), the Advisory Committee on Post Adjustment Questions (ACPAQ) and established working groups will be meeting through 2014 and 2015, with staff being represented in the discussions by FICSA, CCISUA and UNISERV and with representatives of the common system organizations, to prepare proposals for a new compensation structure for Professional staff. This exercise will later be applied to other categories. It is anticipated that the report of the current Compensation Review will be presented to the UN General Assembly in late 2015.

But the recent decisions of the General Assembly will also have immediate short-term implications for Professional compensation. Because the Compensation Review may change how salaries, allowances and post adjustment are calculated in the future, the ICSC concluded that it could not

be in a position to proceed with scheduled “place-to-place surveys” for headquarters duty stations. The impact of this is that for HQ duty stations where there are significant cost-of-living increases, these may not be captured in the post adjustment. Cost-of-living adjustments may therefore lag for a few years in some duty stations until the place-to-place surveys can be resumed after decisions are taken on the Compensation Review, especially in situations where the routine monitoring of cost-of-living indices falls significantly out of line with adjustments that would have been identified through the place-to-place surveys.

In addition the General Assembly also noted that UN salaries were at the high end of the margin range (119.6) in 2013.¹ As a result, the General Assembly resolution has called for the ICSC to “manage the margin” and “not increase the post adjustment for New York in 2014”. A memorandum from the ICSC sent on 31 January 2014 noted that in normal circumstances New York would have been due for a cost-of-living increase of 1.96 per cent, but that this would not be applied. Because New York is the reference point for post adjustments, this will have a ripple effect throughout the common system. Duty stations’ post adjustment rates are thus being scaled back proportionally throughout the common system. The practical implication of this is that if the duty station has a cost-of-living increase of up to 1.96 percent, you will see no change in your post adjustment; if your duty station has a cost of living higher than 1.96 percent, you will receive the net increase (e.g. a cost-of-living increase of 3%, minus 1.96% would equal a net increase of 1.04%).

FICSA is following these issues closely. At the recent 67th session of the FICSA Council, the member associations/unions had an opportunity to formally discuss compensation issues with the ICSC Chairman, Mr. Kingston Rhodes; the ICSC Vice-Chairman, Mr. Wolfgang Stoeckel, and the ICSC Chief of the Salaries and Allowances Division, Mr. Yuri Orlov. Also at the Council a decision was made to establish a special task force to advise the FICSA Executive Committee on the compensation review. FICSA will be actively participating in the ICSC working groups and will continue to advocate for fair and competitive salary and working conditions.

¹ The margin is “the relationship between the net remuneration of United Nations staff in the Professional and higher categories in New York and the comparator civil service (US federal civil service)”. The margin establishes that UN salaries should be within a range of 110-120 per cent and be around the midpoint of 115 relative to the comparator civil service.