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Human resources management

Employment of retired former staff

Report of the Secretary-General

Summary

The present report is submitted in compliance with General Assembly resolution 57/305 of 15 April 2003, sections VI and VII, in which the Secretary-General was requested to submit a report to the General Assembly at its fifty-ninth session on the employment of retired former staff, including the criteria for selection of staff in the Professional categories, the number of staff hired for periods exceeding two years and the number of retired former staff serving in posts affecting the decision-making process, in particular in the areas of recruitment and promotion within the Secretariat and in the field, instances in which responsibilities of representation before intergovernmental bodies were assigned to retired staff and retention of staff beyond the mandatory age of separation.

The report also conforms to the request made by the General Assembly in paragraph (f) of its decision 51/408 of 4 November 1996, in which it requested the Secretary-General to report every two years on all aspects of the use of retired former personnel, including possible revision of the ceiling on annual earnings, and to provide information concerning retired former staff recruited on a short-term basis in all categories and at all levels, as well as under special service agreements. The report also contains information on the use of former staff 55 years of age and older who took a withdrawal settlement. It covers the biennium 2002-2003.

* A/59/150.

I. Introduction and definitions

1. By paragraph (f) of its decision 51/408 of 4 November 1996, the General Assembly requested the Secretary-General to report to it every two years on all aspects of the use of retired personnel, including possible revision of the ceiling on annual earnings and information concerning retired former staff recruited on a short-term basis in all categories and at all levels, as well as under special service agreements.

2. The definition of the term “retiree”, as proposed in paragraph 4 of the report of the Secretary-General of 20 October 1998 (A/53/526) and endorsed by the General Assembly in its resolution 53/221 of 7 April 1999, is “a former staff member 55 years of age or older who, consequent upon service exceeding five years, is in receipt of a pension benefit from the United Nations Joint Staff Pension Fund.”

3. This definition includes all staff 60 years of age or older with a permanent appointment (or, for staff who joined the Organization after 1 January 1990, 62 years of age or older) who separated under the administrative action of retirement. It also includes all other staff 55 years of age or older, most of whom held fixed-term appointments, who qualified for and are in receipt of a pension benefit even if they separated under the administrative action of expiry of contract or early retirement. The definition excludes former staff members who are not in receipt of a pension benefit from the United Nations Joint Staff Pension Fund, for example, staff members who opted to withdraw their benefit. Individuals who were not staff members prior to age 60 and were over 60 years of age at the time of engagement are excluded as retirees, as are staff who, having exceeded the mandatory age of retirement, continue to work under an extension of appointment or upon reappointment and continue to contribute to the Pension Fund.

4. Furthermore, as recommended by the Advisory Committee on Administrative and Budgetary Questions in paragraph 10 of its report of 20 November 1998 (A/53/691) and endorsed by the General Assembly in its resolution 53/221, the present report also provides statistics on persons who have retired after age 60 or 62 but who have been re-employed for a period for six months or more, including those who have elected to receive a withdrawal settlement.

5. Pursuant to the request made by the General Assembly in section VI, paragraph 5, and section VII, paragraph 2, of its resolution 57/305 of 15 April 2003, the present report provides information on the criteria for the selection of staff in the Professional categories, the number of staff hired for periods exceeding two years and the number of retired former staff serving in posts that affect the decision-making process, in particular in the areas of recruitment and promotion within the Secretariat and in the field, instances in which responsibilities of representation before intergovernmental bodies are assigned to retired staff and on the retention of staff beyond the mandatory age of separation.

6. Owing to its character as an inter-organizational body, the United Nations Joint Staff Pension Fund is no longer included in reports pertaining to the United Nations Secretariat. Any retired former staff members engaged by the Fund during the reporting period are therefore not reflected in the present report.

7. Relevant data for the period from 1 January 2002 to 31 December 2003 can be found in tabular form in the annex to the present report.

II. Ceiling on annual earnings

8. In its decision 51/408, the General Assembly decided to set a ceiling on earnings of \$22,000 per calendar year for retired staff who received a pension benefit from the United Nations Joint Staff Pension Fund, with the exception of language-services staff, for whom the ceiling was set at \$40,000 per calendar year, and to limit such employment to no more than six months per year.

9. In its report of 14 October 2002 (A/57/469), the Advisory Committee on Administrative and Budgetary Questions concurred with the proposal of the Secretary-General to set the maximum limit on the employment of retired language staff in terms of workdays rather than as a dollar amount. The Advisory Committee recommended that the limit be set at 125 workdays per year. In this way, it would not be necessary in future to consider frequent revisions to the limit in order to accommodate cost-of-living adjustments to the daily rate. The Assembly, in paragraph 1, section VI, of its resolution 57/305, endorsed the recommendation.

III. Statistical data

Observations and analysis

10. The statistical data provided in the annex to the present report show that 620 retired former staff were engaged during the biennium 2002-2003. This is 245 more (65 per cent) than during the previous biennium 2000-2001, which in turn was higher (9.6 per cent; 33 retirees) than in 1998-1999. The number of days worked during the biennium increased (from 49,759 days in 2000-2001 to 99,201 days in 2002-2003, an increase of 99 per cent), as has the cost of employing retired staff (from \$10.5 million to \$26.9 million, an increase of 156 per cent).

11. Table 1 of the annex shows the use of retirees (numbers of retirees engaged, number of days worked and total fees) by type of engagement. Table 2 contains a breakdown by category of engagement along the same parameters. A total of 42 per cent of the engagements were retired former staff in the Professional and higher categories and 25 per cent were in the Field Service and General Service and related categories. Some 32 per cent of the engagements were by special service agreement, covering both consultants and individual contractors, and 54 per cent of the engagements were on a short-term basis. The overall trend is an increase along all parameters (number engaged, days worked and fees) since 1998: 81 per cent more engagements, 86 per cent more days worked and a 162 per cent increase in cost. More retirees have been engaged for an increased number of workdays and at an increasing cost.¹ Figures 1, 2 and 3 illustrate graphically the evolution of the three basic parameters: the number of retirees engaged, the total number of days worked and the total fees paid over the past three bienniums (1998-1999, 2000-2001, 2002-2003).

¹ The increase is due partly to improved reporting arising from the implementation of the Payroll release for the Integrated Management Information System, which was completed by mid-2002.

Figure 1
Number of retirees engaged

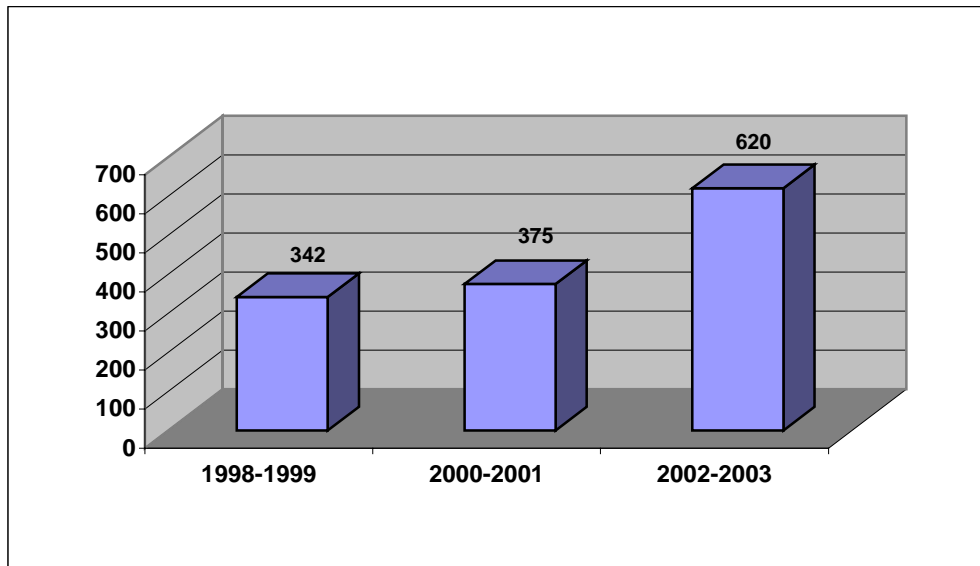


Figure 2
Number of days worked by retirees

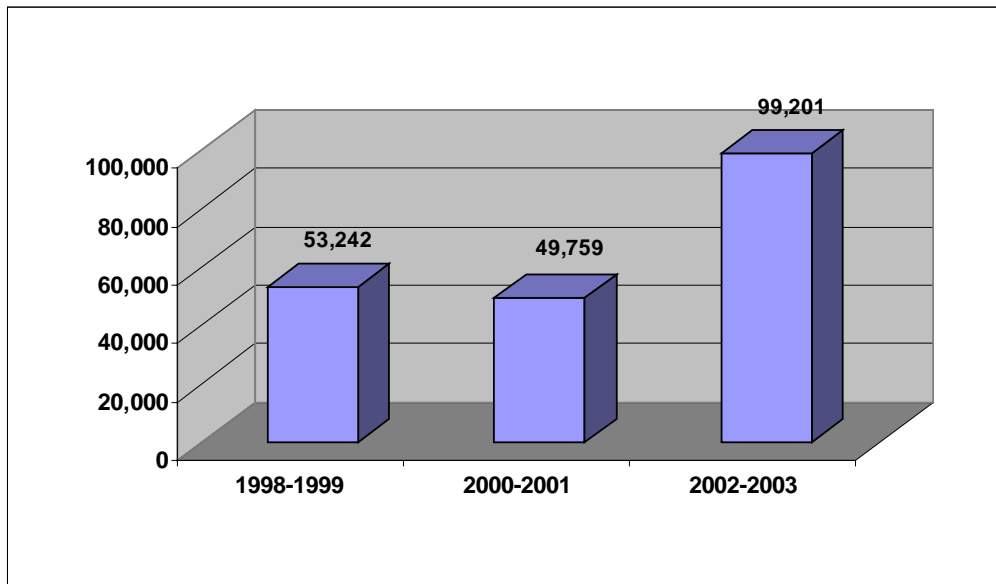
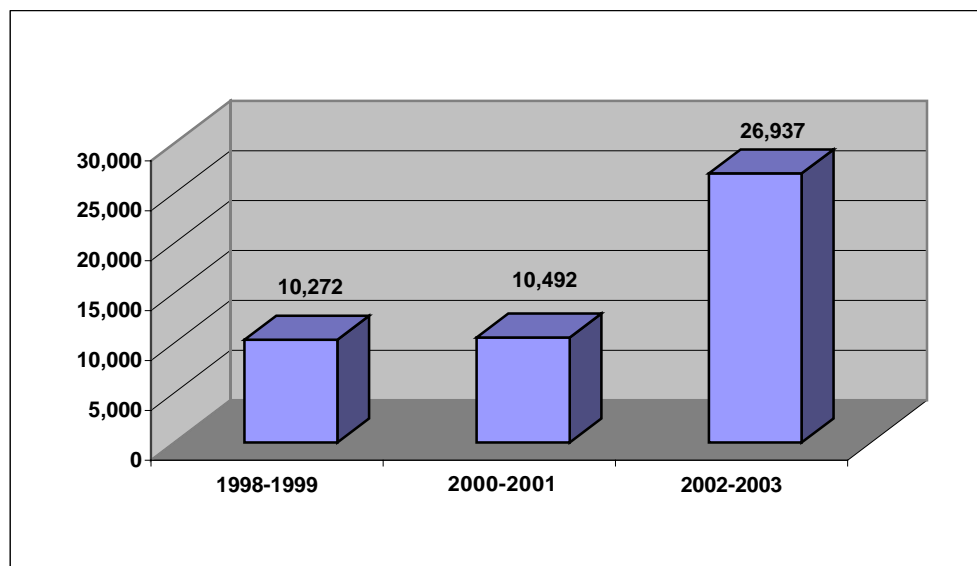


Figure 3

Total fees paid to retirees (thousands of United States dollars)



12. Table 3 of the annex indicates that the use of retirees in the language services of the Department for General Assembly Affairs and Conference Management have increased, which accounted for 220 engagements over the biennium (32.5 per cent of the total) and 33,539 workdays at a cost of \$10.7 million in fees and salaries, making that department the single largest user of retired staff. The United Nations Office at Geneva, the second largest user of such staff, accounted for 71 engagements (10.5 per cent of the total) for 7,533 workdays at a cost of \$2.3 million. The Department of Economic and Social Affairs had 56 engagements (8.3 per cent) for 5,015 working days at a cost of \$1.4 million. Increased demand for mission support has resulted in the hiring of retired staff by the Department of Peacekeeping Operations, with 38 engagements (5.6 per cent) for 9,152 working days at a cost of \$3.2 million. The Economic Commission for Latin America and the Caribbean had 47 engagements for 7,894 working days at a cost of \$1.1 million. Other departments and offices that spent between \$0.5 and \$1 million employing retirees in 2002-2003 were the Department of Management, the Department of Public Information, the United Nations Office at Vienna, the United Nations Conference on Trade and Development, the Department of Political Affairs, the Office for the Coordination of Humanitarian Affairs and the Economic and Social Commission for Asia and the Pacific.

13. The reasons for the increases in the number of retirees engaged, the number of days they worked and their fees during the biennium 2002-2003 can be grouped into two broad categories. First, conference services in major duty stations experienced an increase in the number of meetings and required documentation at a time when there was a simultaneous increase in the number of retirements. This necessitated the hiring of retirees with specialized skills, such as translators, interpreters and editors, for limited periods. Retirees were hired as a temporary measure while the regular staff selection process was under way. Second, major increases in peacekeeping and humanitarian activities in the field required rapid reinforcement

of backstopping capacity in the relevant departments. Many new posts were authorized for this purpose and were temporarily filled with retirees pending the appointment of candidates through the regular process. The use of retirees was a stopgap measure to provide the offices concerned with staff having the required competencies and experience. In both cases, the use of retirees is considered to be the most cost-effective way to meet short-term operational needs.

14. With regard to the use of retired former staff by nationality and gender (see annex, table 4), nationals of 88 countries were engaged (13 more than in 2000-2001, a 17 per cent increase). There were 131 engagements of nationals of the United States of America (21.1 per cent), 59 of nationals of France (9.5 per cent), 49 of nationals of Egypt (7.9 per cent), 43 of nationals of Chile (6.9 per cent), 35 of nationals of the United Kingdom of Great Britain and Northern Ireland (5.6 per cent), 20 of nationals of Argentina (3.2 per cent), 17 of nationals of China (2.7 per cent), 17 of nationals of the Russian Federation (2.7 per cent), and 14 of nationals of the Philippines (2.3 per cent). Thirteen countries accounted for 69.44 per cent of all engagements, and 44 per cent of the retired former staff engaged were women. Figures 4 and 5 show graphically the evolution of the percentage of retirees who are women and the number of Member States of origin over the bienniums 1998-1999, 2000-2001 and 2002-2003.

Figure 4
Percentage of retirees who are women

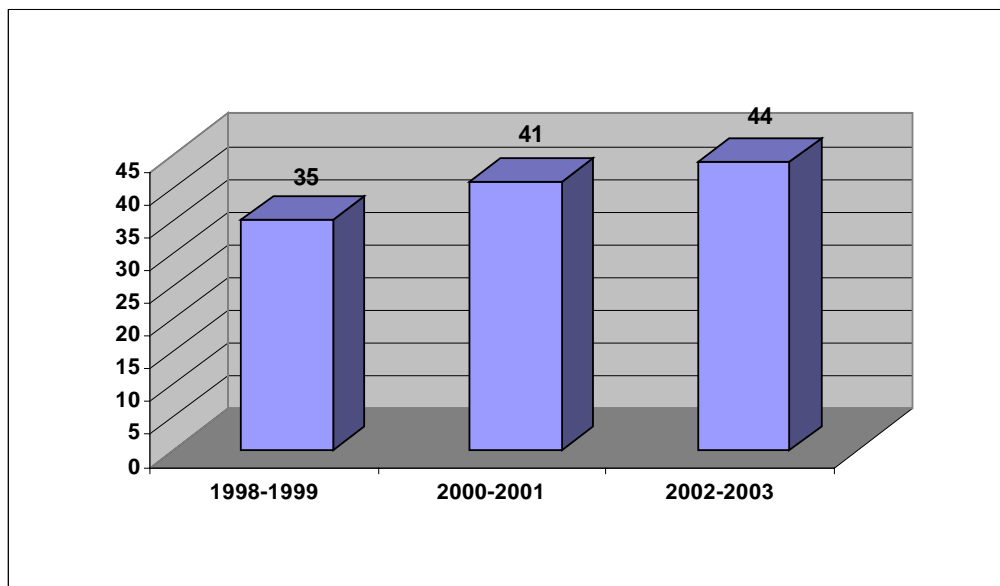
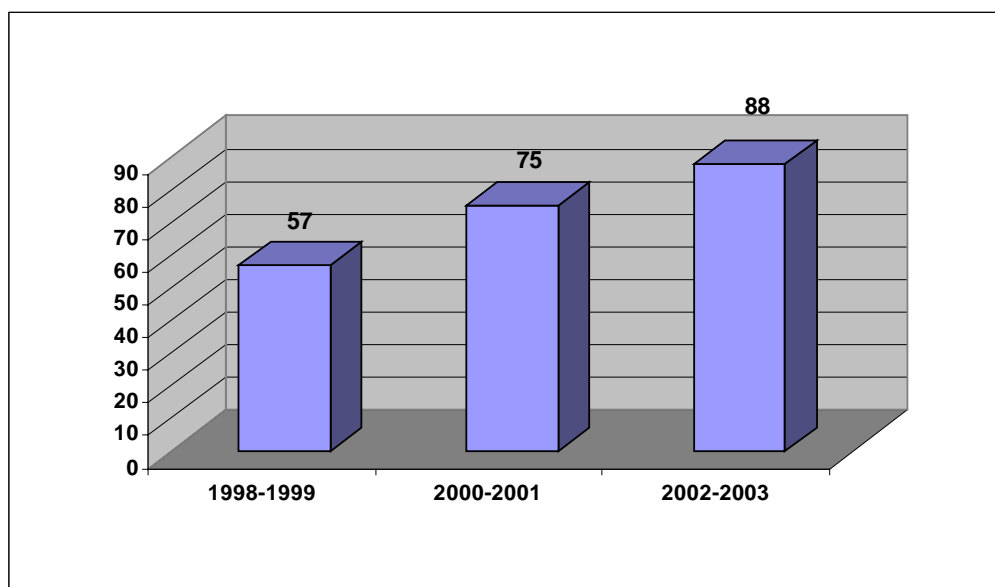


Figure 5
Number of Member States of origin



15. Three main groups of functions were carried out by retired former staff in 2002-2003 (see annex, table 5): 35 per cent of engagements were for language services, in particular revisers and interpreters, 26 per cent were for administrative functions and 23 per cent were for political, economic, social, environmental, humanitarian, advisory and technical assistance functions.

16. The two largest age groups of retired former staff engaged during the biennium were those aged 60 to 70 years (79 per cent) and those aged 55 to 60 years (17 per cent) (see annex, table 6).

17. Fees and salaries for retired former staff in the biennium 2002-2003 totalled \$26.9 million, of which language services accounted for \$11.8 million (43.7 per cent).

18. In the biennium 2002-2003, no retirees were engaged for a period exceeding two years.

19. In the biennium 2002-2003, 24 retirees served in 12 departments and offices² in posts that affected the decision-making process in the areas of recruitment and promotion within the Secretariat. The selection criteria for retirees in the Professional and higher categories are identical to those in effect for the selection of all staff and fully respond to the merit requirements of article 101, paragraph 3, of

² Office for the Coordination of Humanitarian Affairs, Department of Management, Office of the Secretary-General, Department for General Assembly Affairs and Conference Management, Department of Public Information, United Nations Office at Geneva, Economic Commission for Latin America and the Caribbean, Department of Peacekeeping Operations, Economic Commission for Europe, Office of Legal Affairs, Department of Political Affairs and Office of Internal Oversight Services.

the Charter of the United Nations. The Secretariat has found no evidence suggesting that responsibilities of representation before intergovernmental bodies had been assigned to retired staff in 2002-2003.

20. With respect to the retention of staff beyond the mandatory age of separation, there were 149 such staff in 2002 and 166 in 2003. The Department for General Assembly Affairs and Conference Management and the Office of Mission Support of the Department of Peacekeeping Operations together accounted for more than 35 per cent of the retentions. The issuance in November 2003 of an administrative instruction on retention in service beyond the mandatory age of separation and employment of retirees (ST/AI/2003/8), which is being vigorously applied, will lead to a reduction in both categories.

IV. Use of retired former staff as compared with the previous biennium

21. Compared with the biennium 2000-2001, the number of engagements in 2002-2003 increased by 65 per cent and the number of retired former staff engaged rose by 245. Retired former staff were engaged for longer work periods, as indicated by the increase of 99 per cent in the number of days worked over the biennium. Fees and salaries rose by 156 per cent. The overall trend is clearly one that has been on the rise since 1998.

22. In the biennium 2002-2003, 105 more retired former staff were engaged in the Professional and higher categories than in the biennium 2000-2001 and 104 more were hired under special service agreements. The use of retired former staff in language services increased in terms of the number engaged (127 more staff, a 105.8 per cent increase), the number of days worked (20,285 days more, an increase of 131.7 per cent) and fees and salaries paid (\$11.8 million in 2002-2003 as compared with \$4.2 million in 2000-2001, an increase of 180 per cent). The average duration of engagement of retired former staff in the language services increased from 4.4 months in 2000-2001 to 4.8 months in 2002-2003 (a 9 per cent increase). The number of retired former staff performing functions in the political, economic, social, environmental, humanitarian, advisory and technical assistance areas increased by 117 (254 per cent) and the number of working days increased by 19,376 (392 per cent) in 2002-2003 as compared with 2000-2001, whereas the cost increased by \$5.7 million (630 per cent). The engagement of retired former staff for those functions became more expensive in 2002-2003 (\$270 per day) as compared with 2000-2001 (\$182 per day). In administrative services, the use of retired former staff in 2002-2003 has remained practically unchanged since the end of 2001; however, the number of working days in 2002-2003 as compared with 2000-2001 increased by 7,981 days (40 per cent), as did the cost, by \$2.6 million (81 per cent). Employment of retired former staff in 2002-2003 in other services also increased as compared with 2000-2001, in the number of persons engaged (45 persons more, or 74 per cent), the number of working days (1,800 days, or 19.3 per cent) and fees paid (\$0.58 million more, or 27 per cent). The employment of female retirees has increased by 3 per cent (increasing from 41 per cent of the total in 2000-2001 to 44 per cent in 2002-2003). This is less steep than the 6 per cent increase between 1998-1999 and 2000-2001.

23. Retired former staff came from 14 more countries in 2002-2003 than in 2000-2001, and more departments and offices (34) employed retired former staff. Costs related to the engagement of retired former staff from the United States increased in 2002-2003 by \$4.3 million as compared with 2000-2001. The same happened with respect to retirees from Egypt, with an increase of \$1.8 million, and France, with an increase of \$1.4 million.

24. In 2002-2003, the average cost of each engagement of a retiree increased to \$39,497 from \$26,765 in 2000-2001 (a 48 per cent increase). The average retiree cost per day in 2002-2003 was \$272, an increase from \$211 per day (29 per cent) in 2000-2001.

V. Statistical analysis of former staff 55 years of age or older who received a withdrawal settlement and were re-employed for six months or more

25. In accordance with article 31 of the Regulations of the United Nations Joint Staff Pension Fund, a withdrawal settlement is payable to a participant of the Pension Fund whose age on separation is less than the normal retirement age or if the participant is the normal retirement age or more on separation but is not entitled to a retirement benefit. The settlement shall consist of the participant's own contributions to the Pension Fund if the contributory service of the participant was less than five years or the participant's own contributions increased by 10 per cent for each year in excess of five, up to a maximum of 100 per cent, if the contributory service of the participant was more than five years.

26. Aggregation of the number of retired former staff with the number of staff 55 years of age or older who took a withdrawal settlement results in a new global baseline for all activities performed by those staff. The baseline for the biennium 2002-2003 is 57 persons engaged for a total number of 14,323 days worked and a total cost of \$3.8 million. Statistical information on retired former staff together with the number of staff 55 years of age or older who took a withdrawal settlement is provided in tables 7 to 12 of the annex.

27. During the biennium 2002-2003, there were 57 engagements of former staff over the age of 55 who took the withdrawal settlement from the Pension Fund. Of those, 48 per cent were in the Professional and higher categories and 27 per cent were in the Field Service and General Service and related categories. The remaining 25 per cent were engaged by special service agreement. Those former staff were employed by 18 departments and offices, especially the Department of Peacekeeping Operations (15 staff, or 24 per cent) and the Department for General Assembly Affairs and Conference Management (14 staff, or 22 per cent). A total of 57 persons were engaged from 25 countries. Seven countries³ (28 per cent) had at least one person engaged, and 35 per cent were women. The number of days worked totalled 14,323 over the biennium, representing a cost in salaries and fees of \$3.8 million.

³ United States, United Kingdom, Russian Federation, France, Australia, Sweden and Canada.

28. Of the former staff over the age of 55 who took the withdrawal settlement, 42 per cent were engaged for activities in political, economic and social affairs, environment, humanitarian assistance, advisory services, technical assistance and similar services (6,198 workdays, \$1.7 million), 26 per cent worked in administrative services (3,534 workdays, \$0.6 million) and 20 per cent were in language services (3,329 workdays, \$1 million). Some 57 per cent of staff in this category were between 55 and 60 years of age, whereas 40 per cent were between 60 and 70.

VI. Comparison between the use of retired former staff and former staff 55 years of age or older who took a withdrawal settlement and were re-employed for a period of six months or more

29. Comparing the use of retired former staff and former staff 55 years of age or older who took a withdrawal settlement, the latter group represents 10 per cent of the total number of persons engaged during the biennium 2002-2003. Their activities constitute 14 per cent of the number of days worked and 12 per cent of the cost. As a consequence of their smaller number, former staff who took the withdrawal settlement have been employed across a smaller number of departments and offices and less diverse countries of origin. The priority areas of engagement are almost identical for both categories.

VII. Recommendation

30. **The General Assembly is invited to take note of the present report.**

Annex

Statistical tables on the use of retirees during the biennium 2002-2003

- Table 1. Use of retirees by type of engagement
- Table 2. Use of retirees by category of engagement
- Table 3. Use of retirees by entity
- Table 4. Use of retirees by country of origin and gender, 2002-2003
- Table 5. Use of retirees by function, 2002-2003
- Table 6. Use of retirees by age group, 2002-2003
- Table 7. Use of former staff who received a withdrawal settlement, by type of engagement
- Table 8. Use of former staff who received a withdrawal settlement, by category of engagement
- Table 9. Use of former staff who received a withdrawal settlement, by entity
- Table 10. Use of former staff who received a withdrawal settlement, by country of origin and gender
- Table 11. Use of former staff who received a withdrawal settlement, by function, 2002-2003
- Table 12. Use of former staff who received a withdrawal settlement, by age group, 2002-2003

Explanatory notes

All data on the number of days of service in the tables have been rounded to the nearest 10 days. All data on fees and salaries have been rounded to the nearest thousand United States dollars.

The baseline used in the report and annex is 620 individual retired former staff employed over the biennium for a total of 99,201 days of service at a cost of \$26.9 million.

The database records the number of individuals engaged during each year of the reporting period. Differences in the number of persons engaged that appear in the totals of the tables are the result of the variable count of the engagements against different parameters. Similarly, the number of engagements by department or office may exceed the baseline because some retirees were employed in more than one department during the reporting period. Counts by nationality and by age group are closest to the baseline, since the recording of retirees under different nationalities or in different age groups is not likely to occur.

Compared with the previous report on the employment of retired former staff, the present report provides more refined data on retirees employed on short-term “when actually employed” contracts. This improvement is related to the calculation of actual days worked by each such retiree rather than the total duration of their contracts, as has been done previously.