



Sixty-ninth session

Item 139

United Nations common system**Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2014****Report of the Advisory Committee on Administrative and Budgetary Questions on the programme budget for the biennium 2014-2015****I. Introduction**

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General ([A/C.5/69/3](#)) in accordance with rule 153 of the rules of procedure of the General Assembly on the administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 2014 ([A/69/30](#)). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General and of the secretariat of the Commission, who provided additional information and clarifications, concluding with written responses received on 3 October 2014.

II. Conditions of service of the Professional and higher categories

Base/floor salary scale and review of staff assessment rates used in conjunction with gross salaries

2. In its resolution 44/198, the General Assembly introduced the concept of the base/floor salary scale for staff in the Professional and higher categories, set by reference to the corresponding net salary levels of officials in comparable positions serving in the base city of the comparator civil service (the federal civil service of the United States of America) with effect from 1 July 1990. The adjustments are implemented by means of the standard method of consolidating post adjustment



points into the base/floor salary, that is, by increasing base salary while commensurately reducing post adjustment.

3. In paragraph 3 of his statement, the Secretary-General states that a 1 per cent increase had been implemented in the comparator's base General Schedule scale effective 1 January 2014. Minor changes were also introduced in the United States tax schedule at the federal level for 2014. In accordance with the normal adjustment procedure, in order to reflect the salary increase in the General Schedule as well as the impact of the tax changes referred to above, the base/floor scale would need to be adjusted upward by 1.01 per cent as of 1 January 2015. This would be implemented through the standard no-loss-no-gain procedure, that is, by commensurately decreasing post adjustment. While generally cost-neutral in terms of net remuneration, the base scale adjustment procedure would have implications in respect of separation payments.

4. The annual financial implications arising from such an adjustment in the base/floor salary scale for the United Nations and other participating organizations of the common system referred to in the report of the Commission amount to approximately \$509,000 in respect of the scale of separation payments.

5. In paragraphs 5 and 6 of his statement, the Secretary-General states that in the context of the review of base/floor salary scale, the Commission also reviewed staff assessment rates used in conjunction with gross salaries and was informed by the United Nations Secretariat that the present balance of the Tax Equalization Fund did not require any adjustment to staff assessment rates at the present time.

6. The financial implications resulting from the adjustment to the base/floor salary scale for the programme budget of the United Nations are estimated at \$65,800 for the last 12-month period of the biennium 2014-2015 and at \$131,600 for the biennium 2016-2017 (24 months). The Advisory Committee was informed that the estimated financial implications of \$65,800 would represent 0.00263 per cent of the staff cost of \$2.5 billion of the initial appropriation for the biennium 2014-2015. As indicated in paragraph 15 (a) of the Secretary-General's statement, should the General Assembly approve the recommendations of the Commission, requirements for the biennium 2014-2015 for the United Nations will be addressed as necessary in the context of the performance report for the biennium 2014-2015 and requirements for the biennium 2016-2017 will be taken into account in the context of the proposed programme budget for the biennium 2016-2017.

7. The financial implications resulting from the adjustment to the base/floor salary scale for the budgets of peacekeeping operations are estimated at \$66,400 for the last six-month period of the financial period from 1 July 2014 to 30 June 2015 and at \$132,800 for the financial period from 1 July 2015 to 30 June 2016.

III. Conditions of service of the General Service and other locally recruited categories

Survey of the best prevailing conditions of employment in Madrid

8. As a result of its survey of best prevailing conditions of employment of the General Service and other locally recruited staff in Madrid with a reference date of October 2013, the Commission recommended a new net salary scale for the General

Service category of the organizations of the common system in Madrid, which is 2.9 per cent higher than the current Madrid salary scale. The financial implications of implementing the recommended salary scale are estimated at approximately \$110,000 per annum for the United Nations common system.

9. The Secretary-General indicates in paragraph 13 of his statement that, since there were no General Service and other locally recruited staff funded from the programme budget in Madrid as at 31 December 2013, there is no financial implication with respect to the recommendation to implement the recommended salary scale for General Service and other locally recruited staff in Madrid for the United Nations programme budget for the biennium 2014-2015.

10. As indicated in paragraph 11 of the statement, dependency allowances for the General Service staff of the common system organizations in Madrid would not be adjusted pending the decision by the General Assembly on the Commission's recommendations on the comprehensive review of the compensation package.

IV. Conclusion

11. The Advisory Committee notes the financial implications and proposals reflected in paragraphs 14 and 15 of the Secretary-General's statement. **The Committee has no objection to the financial implications and proposals.**
