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## FINANCE COMMITTEE

### Hundred and Fifty-seventh Session

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**Developments and Progress in the Review of the Compensation Package by the International Civil Service Commission and Resolutions adopted by the United Nations General Assembly related to the Conditions of Service of Staff**

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EXECUTIVE SUMMARY

- The purpose of this paper is to inform the Committee of the developments and progress made in the Review of the Compensation Package by the International Civil Service Commission and of the resolutions adopted by the United Nations General Assembly related to the conditions of service of staff.

GUIDANCE SOUGHT FROM THE FINANCE COMMITTEE

- The Finance Committee is invited to take note of the contents of this document.

## **COMPREHENSIVE REVIEW OF THE COMMON SYSTEM COMPENSATION PACKAGE**

1. In response to the Committee's request at its 156th Session in November 2014, this document provides a brief update on the progress made by the International Civil Service Commission (ICSC) in the Review of the Compensation Package of internationally-recruited staff in the Professional and higher categories.
2. From the outset of the review, the Commission agreed that the detailed consideration and analysis of issues would be implemented by working groups consisting of Commission members, with participation of the organizations and staff representatives.
3. The exploratory phase, during which the necessary research and analysis of the existing package was conducted by the Commission, is now completed. Based on these, and subsequent feedback from both the working groups and the Commission, some general directives were agreed upon.
4. In the on-going phase of the review, the working groups are expected to finalize the pending issues, in particular, the focus will be on expatriate and relocation related allowances. The remuneration structure, in particular the number of grades and steps, will be examined alongside the matter of compression of the salary scale. The working groups will also coordinate to consider the viability of the proposed structure to maintain the competitiveness of the common system and to create a performance-oriented environment. Subsequent recommendations from the working groups, as well as from the Advisory Committee on Post Adjustment Questions (ACPAQ) regarding modifications of the operational rules governing the post adjustment system, designed to improve the predictability, transparency, and sustainability of salary adjustments over time, will be reviewed at the eightieth session of the Commission, in 2015.
5. At its eightieth session, the Commission will then appraise the revised compensation package in a holistic manner, to ensure that it fully corresponds to the attributes agreed upon by the Commission and the General Assembly. These attributes include its sustainability, overall competitiveness and the acquired rights of staff. The question of possible transitional measures will also be discussed. At its eighty-first session, in summer 2015, the Commission will finalize its package proposal and present it to the General Assembly for consideration at its seventieth session.

### **HEALTH INSURANCE**

6. The General Assembly approved the Commission's recommendation to maintain at their existing ratios the current apportionment of health insurance premiums between the United Nations organization and both active and retire staff in United States and non-United States health insurance plans.

### **MANDATORY AGE OF SEPARATION**

7. The General Assembly decided to raise the mandatory age of separation to 65 for UN-staff recruited before 1 January 2014 taking into account the acquired rights of staff, and requested the ICSC to revert to the General Assembly with an implementation date at its earliest opportunity but no later than its seventy-first session after consultations with all the organizations of the Common System, that is in 2016.

### **BASE/FLOOR SALARY SCALE FOR STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES**

8. The General Assembly approved, with effect from 1 January 2015, the revised base/floor salary scale for staff in the Professional and higher categories as recommended by the Commission. The revised scale reflects a 1.01 per cent adjustment implemented by increasing the base salary and commensurately reducing post adjustment multiplier points, resulting in no change in net take-home pay.

