

**FICSA/C/74/A&B/3**  
**Provisional agenda item 4**



**Reports on  
the status of the termination indemnity and installation  
fund,  
legal defence fund, staff development fund and  
training fund.**

*One strong Federation – One strong voice*

Geneva, 31 December 2020

## Report on the status of the Termination Indemnity and Installation Fund

The Termination Indemnity Fund was established by the 44<sup>th</sup> FICSA Council (ILO Geneva, 1991) to cover the Federation's liabilities for terminal payments to its secretariat staff should this become necessary (i.e. should the Federation wind up its activities and cease to exist). At the 45<sup>th</sup> FICSA Council (UNIDO Vienna, 1992), the Treasurer was requested to report annually to the Council on the status of this Fund. Additionally, the 56<sup>th</sup> FICSA Council (WHO/EURO Copenhagen, 2003) agreed that the liability for Professional staff should be held in US dollars and in Swiss francs for General Service staff.

Article 9 of the Financial Rules states that: 'the amount of such reserve fund shall be established by the Council annually which will also determine the type of investment'.

### 1. Termination liability

The UN rules for termination indemnity<sup>1</sup> specify that termination indemnity payments shall be made under appropriate circumstances relevant to the staff member's grade and years of service.

The rules also specify that the following termination indemnity payments shall be made under appropriate circumstances:

Completed years of service	Termination Indemnity
<i>Less than 1</i>	<i>One week for each month</i>
1	<i>of uncompleted service</i>
2	<i>subject to a minimum of</i>
3	<i>six weeks<sup>1</sup> and a maximum</i>
4	<i>of three months<sup>1</sup></i>
5	<i>indemnity pay</i>
6	3 months
7	5
8	7
9	9
10	9.5
11	10
12	10.5
13	11
14	11.5
15 or more	12

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<sup>1</sup> For Professional staff: months of gross salary less staff assessment.  
For General Service staff: months of pensionable remuneration less staff assessment.

## 2. Unused annual leave

Provision must also be made to commute up to 60 days of annual leave according to the type of contract of the staff member. The amount below is thus calculated on the basis of current accumulated leave, plus 10 days where the staff member is not already at the top of the scale.

## 3. Repatriation

The Council has requested that a provision be included to cover the Federation's potential liability for repatriation when required. Thus, in line with the UN rules for repatriation grants<sup>2</sup> the following payments shall be made under appropriate circumstances (i.e. for staff recruited non-locally): at the time of writing there are no staff members who would require repatriation.

## 4. Installation Fund

This chapter of funds are allocated for onboarding of staff in the International Professional Category. The normal expenses include Relocation Grant, Settling-in Grant Lump Sum and DSA (varies depending on number dependents), based on quotation provided by the Office of Human Resources.

It is provisioned at USD 58,000 for the P3 Information Officer, which would be sufficient to recruit and relocate a staff from anywhere around the world to take up the position at the FICSA headquarters in Geneva.<sup>3</sup>

## 5. Termination Payment made in 2020

In the year to 31 December 2020 there was one terminal indemnity payment which was made to a G4 staff member of the FICSA secretariat. The member of staff had completed 28 years of part time service (50%) which is equivalent to 14 years of full time service, payment details as follows:-

<b>General Service Staff Member</b>	<b>Payment Amount</b>
Termination Indemnity	93,721
Unused Annual Leave	13,645
<b>TOTAL (CHF)</b>	<b>107,366</b>

<sup>2</sup> For Professional staff: weeks of gross salary less staff assessment.

For General Service staff: weeks of pensionable remuneration less staff assessment.

<sup>3</sup> Based on calculation by HR based on current Information Officer

## 6. FICSA's current liability

The Federation's total liability (CHF) as at 31 December 2020 is:

General Service staff member	Termination grant	Unused annual leave	Installation Grant	TOTAL (CHF)
Administrative Assistant – G5 (80%)	89,684	11,256	-	100,940
<b>Professional Staff Member</b>				
Information Officer-P3	21,909 (USD 24,812)	-	51,214 (USD 58,000)	73,123
<b>TOTAL (CHF)</b>	<b>111,593</b>	<b>11,256</b>	<b>51,214</b>	<b>174,063</b>

As at 31 December 2020, the total Terminal Indemnity Fund requirement was CHF 174,063 i.e. CHF 100,940 for General Service staff and CHF 73,123 (USD 82,812 <sup>4</sup>) for Professional Staff.

The Termination Indemnity Fund Liability Account balance, which stands at CHF 185,467, is over provisioned slightly by CHF 11,404, therefore no adjustment is required to this fund.

The funds are held in a term deposit for the USD with 0.75% interest per annum, and an interest bearing savings account with the Coop Bank earning interest at approximately 0.067% per annum for the CHF.

Please note that the above does not provide for any grant upon death.

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### Report on the status of the Legal Defence Fund

1. The Legal Defence Fund was created as a result of a decision of the 48<sup>th</sup> Council (PAHO/WHO Washington DC, 1995) to provide, in matters of general importance, the Federation's financial support in eligible legal cases and procedures and appeals regulating access, coordination and administration. A further decision of the 49<sup>th</sup> Council (IMO London, 1996) specified that the Fund should be carried in Swiss francs only and, if used, should be replenished up to **CHF 60,000**.

2. At the 60<sup>th</sup> Council (IAEA, Vienna, 2007), the Standing Committee for Legal Questions requested the Federation to fund the retention of a lawyer to provide legal opinions on cases and recommend whether they were worth pursuing. This was then submitted by the Ad hoc Committee on Administrative and Budgetary Questions during the same Council session and approved. However, in recent years, it was felt that FICSA should strive to use more than one lawyer from its roster to avoid a situation where one lawyer has the monopoly.

<sup>4</sup> Calculation based on the United Nations USD exchange rate of 0.883 as at 31 December 2020

3. At the time of writing, financial support for legal costs has been advanced as per the following table:

Member	Subject	Year	Funds Advanced	Funds Repaid
UPU Staff Association	An Executive Committee decision provided that funds be advanced to Ms. Christine Bétrémieux as a contribution towards the legal costs of her appeal against UPU. There is an agreement that should the outcome of the legal proceedings be successful and costs awarded, the funds advanced would be recovered by FICSA.	2015	CHF 15,000	Case won, CHF 4,000 costs awarded. Multiple requests and follow-up made throughout the years for the amount CHF 2,000 owed to FICSA. <b>ExCom recommends 74<sup>th</sup> Council to close this subject. As a lesson learned, the Legal Defence Fund guidelines and agreement were updated.</b>
WIPO Staff Association	An Executive Committee decision provided that funds be advanced to the WIPO Staff Association as a contribution towards the legal costs of their appeal against the WIPO Director General's decision involving his interference in staff representation matters. There is an agreement that should the outcome of the legal proceedings be successful and costs awarded, the funds advanced would be recovered by FICSA.	2016	CHF 20,000	Judgement 4155 ILOAT states decisions. Costs of CHF 8,000 awarded to WIPO SA. Nov, 2019: FICSA will be seeking reimbursement from WIPO SA.
WIPO Staff Association	An Executive Committee decision provided that funds be advanced to Ms Miranda Brown before the WIPO Appeal Board regarding her case challenging the rejection of 23 April 2018 of her 27 February 2018 Request of the	2018	CHF 15,000	Case lost on 7 Dec 2020, judgement from the ILOAT. See below. The unspent balance of the legal funds of CHF 8,000 should be

	Review of the WIPO Director General's implied decision regarding her reinstatement at WIPO. There is an agreement that should the outcome of the legal proceedings be successful and costs awarded, the funds advanced would be recovered by FICSA.			refunded to FICSA.
PAHO/WHO Staff Association	PAHO legal appeals for P Compensation implementation test case	2018	USD 10,000	PAHO won the case at internal appeal board, but no legal cost was awarded. PAHO has filed a case at the ILOAT and will keep FICSA informed.

### Report on the Status of the FICSA Training Fund

In accordance with the decision made at the 73<sup>rd</sup> Council held in February 2020 in London the FICSA Council approved a new method of conducting training and workshops outside of the regular FICSA budget.

In principal, in future a FICSA member who is hosting training should bear all the costs and in return any income received for the training will go to the hosting member. For staff associations/unions with a budget too small to host a workshop, a workshop can be planned with the support of FICSA to assist its coordination, or by tapping into a dedicated training fund as a last resort. Full details can be seen in the [Guidelines on the Use of the FICSA Training Fund](#).

An amount of CHF 25,000 has been set aside in the 2020 annual accounts for the FICSA Training Fund. This fund was unused during 2020 due to the restrictions suffered due to the global pandemic.

### Report on the status of the Staff Development Fund

1. The Staff Development Fund was created as a result of a decision of the 59<sup>th</sup> FICSA Council (UNDP/UNFPA/UNOPS New York, 2006), to finance training opportunities, skills enhancement and career development of the FICSA Secretariat staff and specified that an amount of 1% of total salaries, funded from general expenses, should be placed each year in a special fund.
  2. In 2020, it has not been necessary to use the Fund at the time of writing this report.
  3. It was agreed by the 60<sup>th</sup> Council (IAEA Vienna, 2007) to treat this Fund in the same way as the Legal Defence Fund, namely that it would be maintained at 1% of total salaries, and any expenditure, plus the adjustment to the total from salary evolution, should be presented to the following Council for approval. Since the total liability of the Staff Development Fund, currently **CHF 6,026**, is greater than the salary expenditure for 2020, no action is proposed.
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