FICSA

Federation of International Civil Servants' Associations

ICSC Post adjustment classification memo for August 2026

Impact of margin management action

2026-09-18

Background information

FICSA

The Noblemaire Principle

The basis used for the determination of conditions of service of staff in the professional and higher categories. Under the application of the principle, salaries of the professional category are determined by reference to those applicable in the civil service of the country with the highest pay levels.

Background information

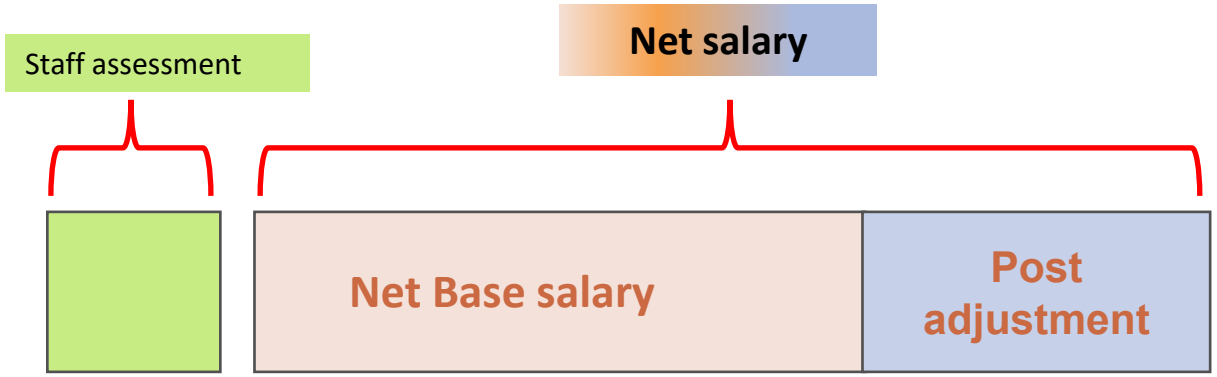
- Under the Noblemaire principle, UN pay is benchmarked against that of the highest-paid national civil service, currently the U.S. federal civil service. The difference between the two, taking account of cost-of-living differences, is known as the net remuneration margin. The established range is 10 to 20 percent above the U.S. federal civil service, with a desirable midpoint of 15 percent, with check levels at 13 and 17 percent. The current margin stands at 17 percent.

- If increases in New York's cost of living cause the margin to rise above the upper check level, the Commission takes action to maintain the margin at 17 percent. This process, known as margin management, involves maintaining New York net remuneration at a level that prevents the margin from exceeding the threshold. Operationally, this is achieved by scaling back the New York post adjustment index to keep the margin within the approved range. Any resulting loss in purchasing power in New York is then reflected in all other duty stations through the post adjustment system.

Background information

The post adjustment system

The overall goal of the post adjustment system is to equalize the purchasing power of the remuneration of UN officials serving in various locations around the world (about 200 duty stations) with the remuneration of their counterparts in New York, which is the base of the system.



PA is a significant component of UN salary structure

Background information

Operational Rules: 5% Rule

Objective: To account for high inflation between reviews

- Besides the regular monthly and annual reviews of PAMs described above, another review of PAMs may also be conducted within the 12-month review period, if the COLI updated for inflation only, increases by more than 5 percent (5 percent rule).

- If **this effect** results in an increase of **5% or more** in the level of the PAI, then a review is triggered, if not, then normal implementation of the 0.5% rule.

- The review is not implemented, if it is triggered 3 months or less before the next 12-month review.

What triggered the review in August 2026

A large increase in medical insurance costs

	New York PAI		
	Weight (%)	Index (Jul. 2026)	Index (Aug. 2026)
In-Area (excl. Housing)	31.78	123.61	123.16
Housing	38.37	128.80	129.18
Medical Insurance	11.04	126.26	151.82
Pension Contribution	9.81	120.31	120.31
Out-of-Area	10.00	116.41	116.78
COLI	**100.00**	**124.85**	**127.72**
Rebasing Factor		*1.44343423*	*1.44343423*
PAI		**180.21**	**184.35**

After rounding, this PAI would have led to a Pay Index = 184.4, which, compared to the prevailing Pay Index of 175.6, would have been 5.011% higher (184.4/175.6=1.05011).

Impact of margin management action

After rounding, this PAI would have led to a Pay Index = 184.4, which, compared to the prevailing Pay Index of 175.6, would have been 5.011% higher (184.4/175.6=1.05011). **However, since the margin was already at 117, the increase could not be implemented.**

Impact of margin management action

	New York PAI		
	Weight (%)	Index (Jul. 2026)	Index (Aug. 2026)
In-Area (excl. Housing)	31.78	123.61	123.16
Housing	38.37	128.80	129.18
Medical Insurance	11.04	126.26	151.82
Pension Contribution	9.81	120.31	120.31
Out-of-Area	10.00	116.41	116.78
COLI	**100.00**	**124.85**	**127.72**
Rebasing Factor		*1.44343423*	*1.44343423*
PAI		**180.21**	**175.56**

Operationally, the decline in purchasing power in New York was extrapolated to all duty stations by dividing the Rebasing Factor by 1.05011

Impact of margin management action

1. The *Noblemaire* principle, as determined in operational terms by the General Assembly, applies
2. As long as the margin is at the top threshold trigger (117), UN net remuneration in New York cannot grow to adjust for cost-of-living increases
3. This equates to a ***decline*** in purchasing power for staff in New York, the base of the post adjustment system
4. The post adjustment system is used as a tool to extrapolate the purchasing power of staff in New York to all duty stations: technically, via reductions (increases) of the Rebasing Factor, all PAIs are reduced (increased) with the same extent of the decline (gain) in purchasing power for staff in New York
5. Reductions in PAIs may not immediately translate into reductions of net remuneration, but ***sooner or later, via regular updating or implementation of survey results, net remuneration levels will converge to their theoretical targets***

FICSA
Federation of International
Civil Servants' Associations

THANK YOU!