



Federation of International
Civil Servants' Associations

Review of the Post Adjustment Operational Rules

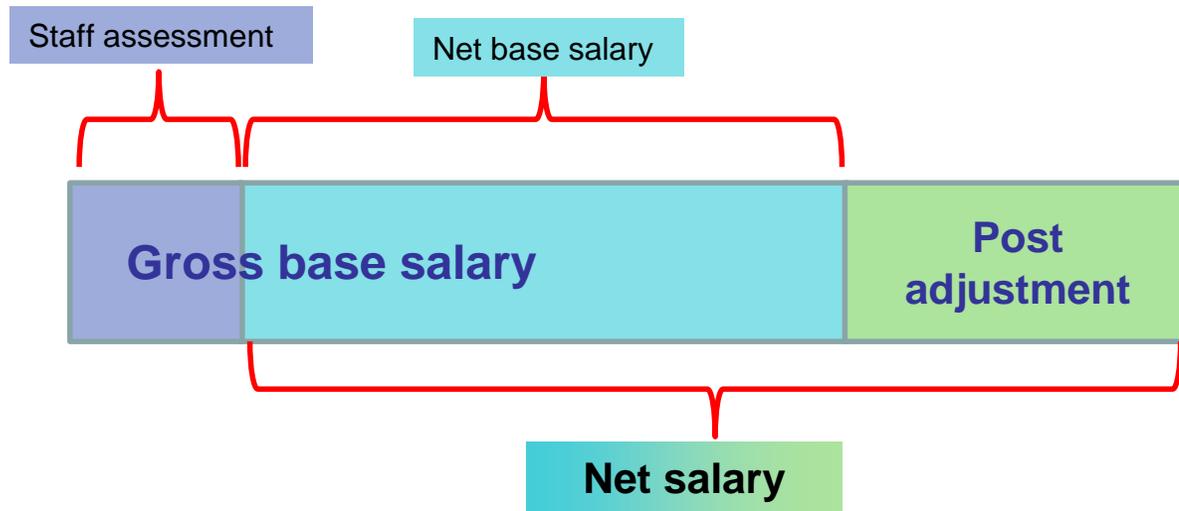
*Presentation to the Standing Committee on Professional
Salaries and Allowances, 74th FICSA Council*

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Application to the UN Salary Structure



**PA is a significant component of UN salary structure:
System-wide ~ 30% of net salary**

Post Adjustment

Post adjustment for a given duty station varies according to the following scenarios:

- Monthly adjustments for exchange rate only, according to the 0.5% rule, for group I duty stations;
- Annual consolidation of post adjustment in conjunction with revision of base/floor salary scale;
- Annual reviews, according to the 12-month review rule, to account for local inflation, movements in other components of the PAI, namely, housing, medical insurance, pension contribution, and out-of-area, in addition to exchange rates;
- Periodic reviews, according to 5% rule, to account for local inflation, and movements in other components of the PAI, in addition to exchange rates;
- Reviews related to the implementation of new survey results.

Operation of the Post Adjustment System

Grouping of Duty Stations

Two groups of duty stations are established for the purpose of determining post adjustment:

Aim
To stabilize NTP in local currency

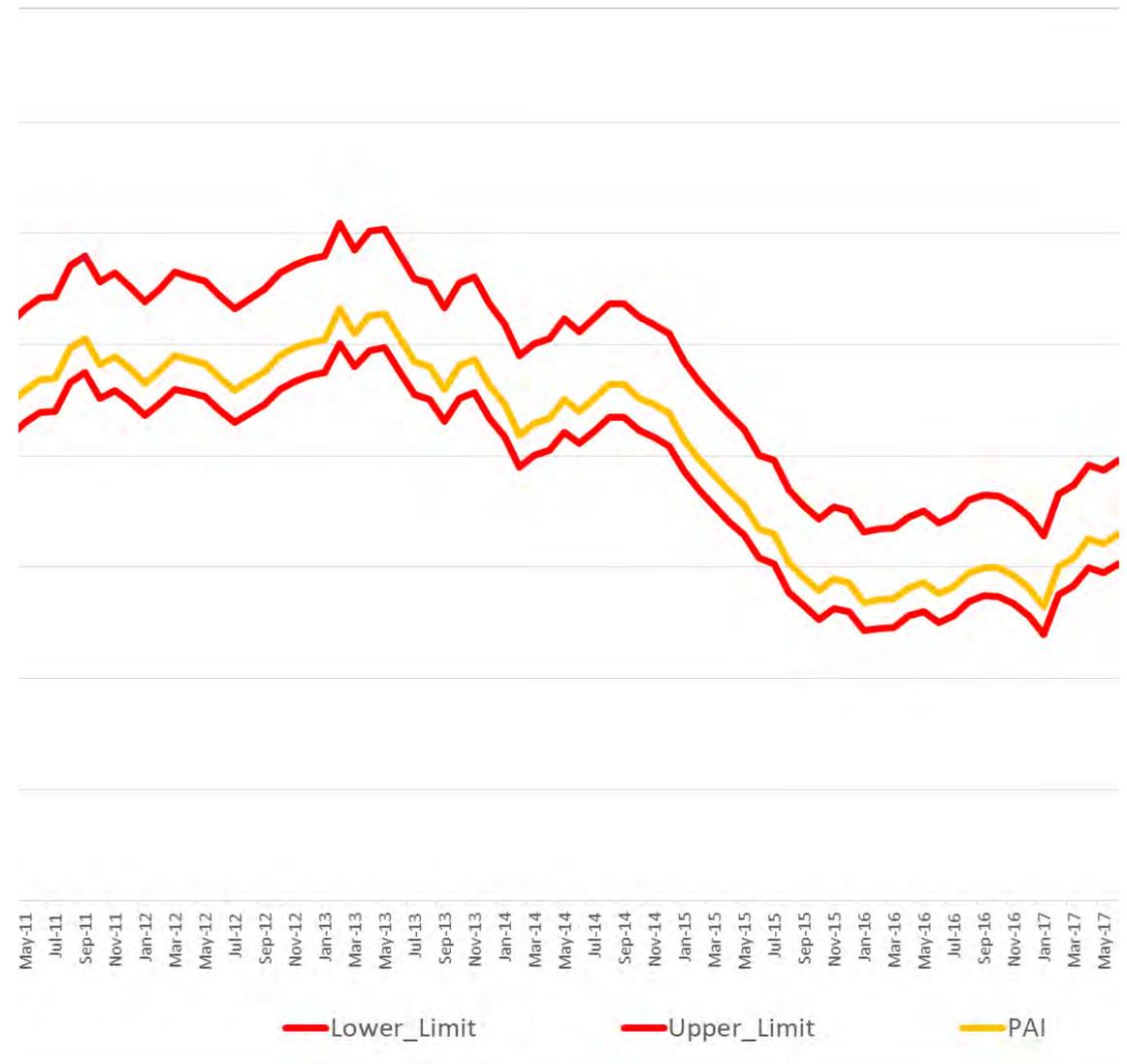
Group I: “Hard currency” duty stations
Headquarters and other developed European, Asian
and North American duty stations - 48

Aim
To stabilize NTP in US \$

Group II: “Soft currency” duty stations
Mainly field duty stations - 167

Operational rules for determining post adjustment multipliers

The second pillar of the PAS entails the determination of PAMs that reflect salary levels of United Nations common system Professional staff. These multipliers are derived from the PAIs calculated from data collected through COL surveys, and a set of operational rules and procedures approved over the years by the Commission. These rules and procedures are based on practical or financial considerations aimed at an optimal trade-off between accuracy of the PAI and stability of remuneration.



Operational Rules

- Survey Implementation Rules
- Updating Rules
- Calendar Rules
- Trigger Survey Rule
- Rental Subsidy Rules

Report of the working group on operational rules

- The second meeting of the working group on operational rules was held in Paris, from 24 to 28 February 2020.
- The overall purpose of the meeting was to review certain specified modifications to the existing rules and revise the system of operational rules in such a way as **to ensure higher accuracy, stability, predictability, simplicity and transparency in the adjustment of salaries.**

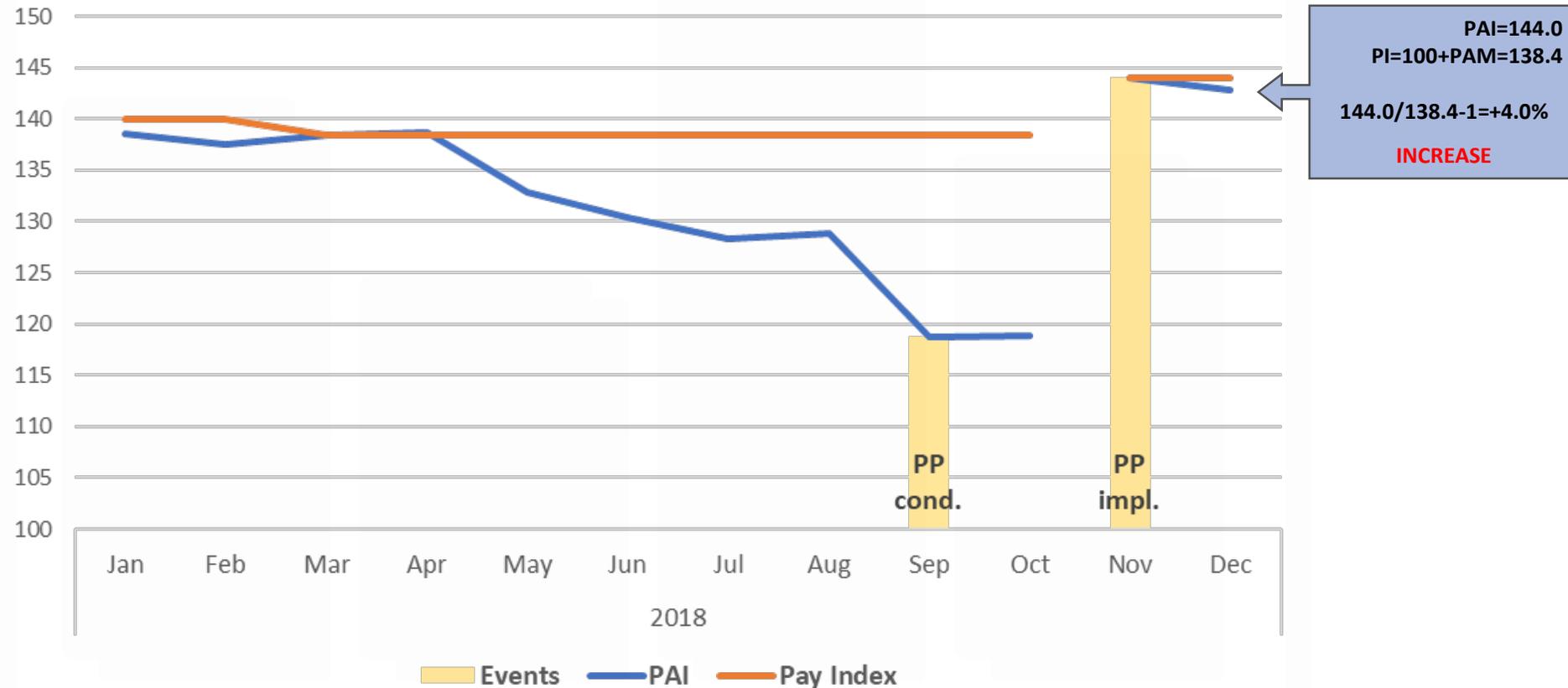
Report of the working group on operational rules

- **GA Resolution 72/255:**

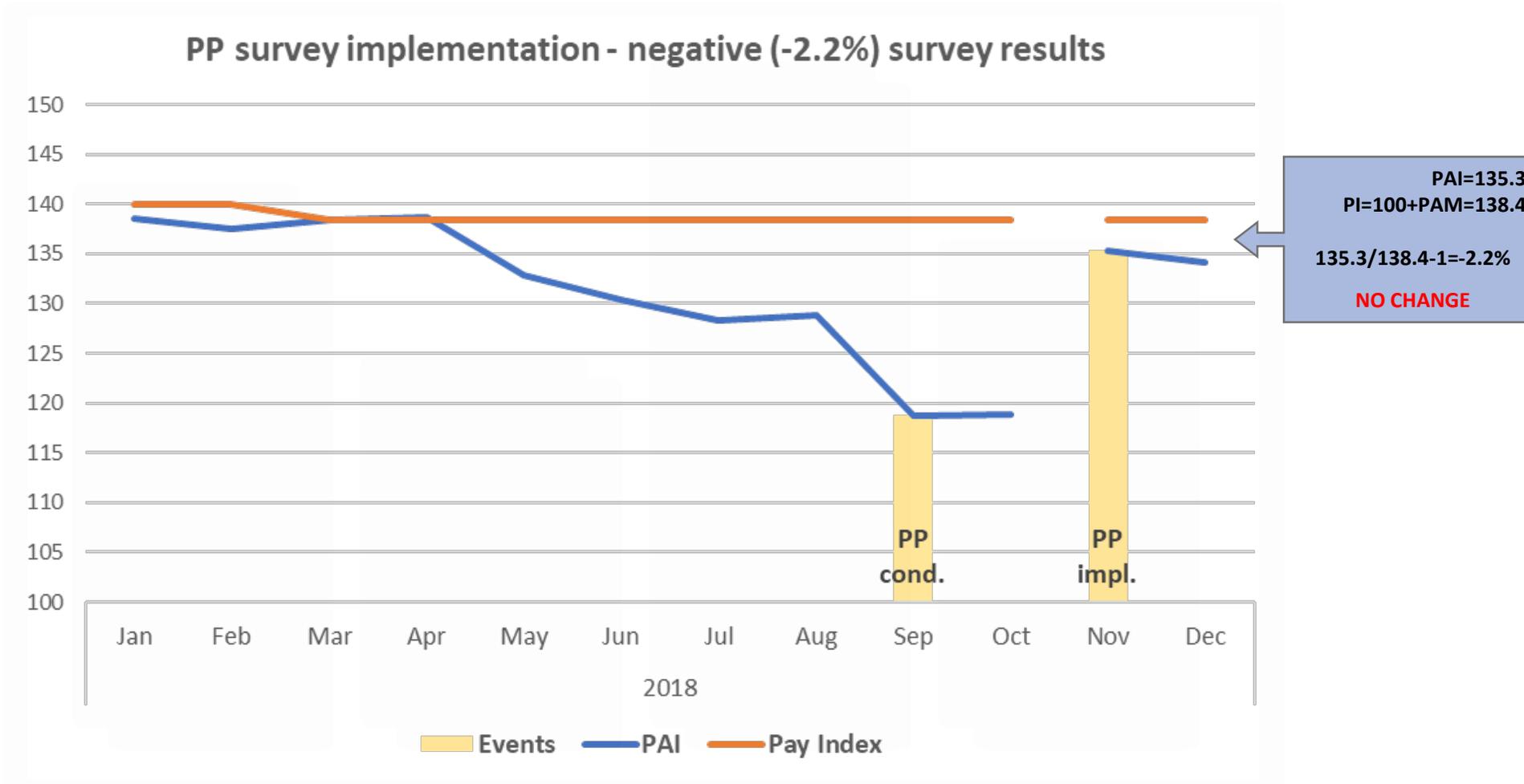
The Commission to continue its efforts to improve the post adjustment system in order to minimize any gap between the pay indices and the post adjustment indices and, in this context, to consider the feasibility of more frequent reviews of post adjustment classifications of duty stations as well as to review the gap closure measure in the post adjustment system during its next round of cost-of-living surveys.

Gap closure measure

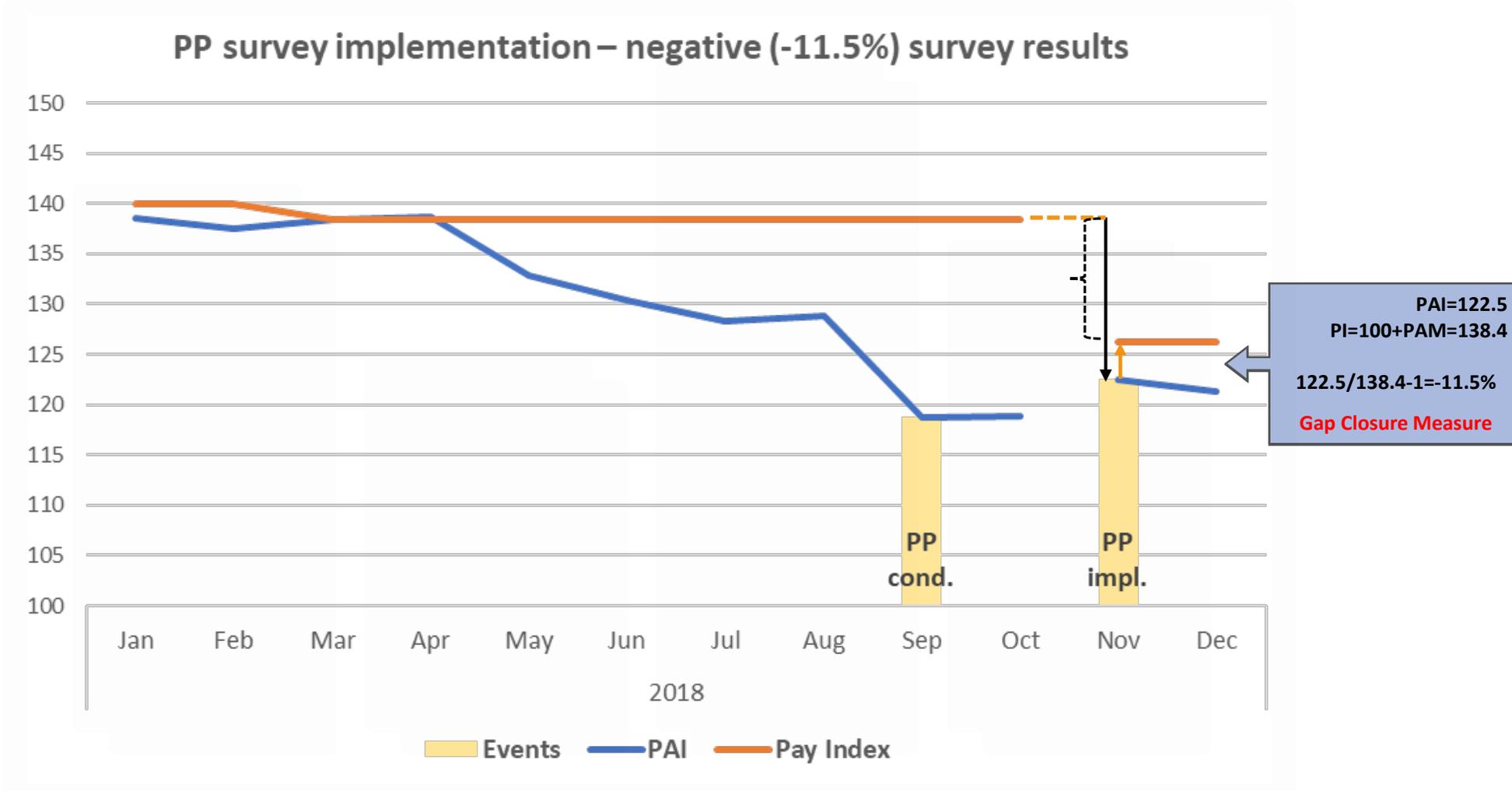
PP survey implementation – positive (+4.0%) survey results



Gap closure measure



Gap closure measure



Gap closure measure

Features	2010 round	2016 round
Augmentation	5%	3%
Period of full PTA	3 months	6 months
PTA revised downwards	Every 3 months	Every 4 months
Pay index for existing staff reduced by	5%	3%

12-month review rule (Group I Duty Stations)

PAMs are reviewed on an annual basis (12-month rule) to account for local inflation, and movements in such components as housing, medical insurance, pension contribution, and out of-area.

Starting with the 2016 round, annual reviews of PAMs for all duty stations are synchronized with New York, meaning that these reviews are conducted at the same time as the review of the PAM for New York (February of each year).

12-month review rule (Group I Duty Stations)

Use 3 per cent added to zero, or the lowest level of the gap attained since the introduction of the results of the latest cost-of-living survey, to define a duty station-specific threshold against which the gap between post adjustment index and pay index is assessed. Should the gap amount to either the duty station-specific threshold or 5 per cent or more for two consecutive times, a price survey is triggered at the duty station, to be conducted within 6 months. No price survey will be conducted if triggered 18 months or less, before the first survey at the duty station under the next round of surveys.

Four-month review rule (Group II Duty Stations)

Cap to minus 3 post adjustment multiplier points the decrease of a first four month review, while allowing for a full decrease of the next four-month review, unless this would be minus 7 post adjustment multiplier points or more, in which case the 10-point rule would be triggered.

10-point rule (Group II Duty Stations)

cap the total decrease within a year to less than minus 10 post adjustment multiplier points. If a potential decrease of minus 10 or more post adjustment multiplier points would be due within a year, thus from two or three consecutive negative reviews, the post adjustment multiplier should be frozen and a new out-of-cycle place-to-place survey conducted within four months, and this would take precedence over the provisions of the four-month review rule. Except for reasons of force majeure, if a place-to-place survey is not conducted within four months, at each of the next four-month reviews, the post adjustment multiplier is reduced by 10 post adjustment multiplier points, unless this would bring the post adjustment multiplier less than post adjustment index minus 100, in which case the post adjustment multiplier becomes equal to the post adjustment index minus 100.

10-point rule (Group II Duty Stations)

Cumulative 10 points at during any period– New Scenario

N	N	S
(Negative)	(Negative)	(Survey)
-3	-7 to -9.9	??
(New FMR)	(10 Point rule Survey)	Implement COL

✓ Possible

Calculation of the personal transitional allowance (PTA)

“The implementation of place-to-place survey results supersede the updating of results from previous surveys. Upon implementation of survey results, if the survey-PAI is lower than the prevailing Pay Index by more than 3 per cent, then the Pay Index must be reduced to a level 3 per cent above the survey-PAI, with transitional measures provided to existing staff; otherwise the prevailing Pay Index is maintained.”

Calculation of the personal transitional allowance (PTA)

Consistent personal transitional allowance:

It would apply the decreasing factor to the net take-home pay of existing staff, and then the personal transitional allowance required to keep the net take-home pay stable within revision periods is calculated accordingly.

The personal transitional allowance would be phased out when, at a revision point in time, the net take-home pay for existing staff would coincide with that for all staff at the duty station.

This approach ensured higher levels of predictability and stability of the net take-home pay for existing staff.



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