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Report of the Staff Council on the Sec.-Gen's

Suggestions to the Salary Review Committee

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REPORT OF THE STAFF COUNCIL ON THE SECRETARY-GENERAL'S
SUGGESTIONS TO THE SALARY REVIEW COMMITTEE

~~REPORT~~ INTRODUCTION

The Staff Council has now had an opportunity to study the suggestions submitted by the Secretary-General to the Salary Review Committee. We believe that the information which he has submitted fully substantiates our proposal for an increase of at least 15% on present net salaries (after incorporation of the cost of living adjustment). In regard to the General Service staff, he has expressed the view that a small increase in salaries may prove justified. In his suggestions for the grading of professional staff, he has recognized the principle of a career service. In his suggestions for dependency credits, he has acknowledged, to some extent, the very high cost of maintaining families in the New York area, as well as the fact that, in this respect, the United Nations falls very far behind the practices of permanent delegations. He has also made suggestions, which we welcome, regarding improvements in the system of medical insurance.

Since the Secretary-General has not yet made any suggestion for a general increase in the present salaries of professional staff, it is difficult at this stage to express an opinion on his suggestions as a whole. In their present form, however, we are regretfully forced to the conclusion that his suggestions, by and large, are both disappointing and disturbing. In the first place, the improvements which he suggests are extremely uneven in their incidence, generally favouring the most highly paid staff members. Under his suggestions for the new professional salary scales, it is primarily the D-1 and above who would benefit appreciably; the majority of P-1 and P-3 staff would enjoy no immediate gain but would have the advantage of a longer scale of advancement; the P-2, P-4 and P-5, on the other hand, would gain virtually nothing, nor would there be any improvement in their promotion prospects. The P-2's and many P-1's, perhaps of many years' service and holding permanent contracts, would find themselves in an "Entry grade" where they might be left indefinitely, and the P-3's and P-4's, who form the greater part of the professional staff and many of whom have high academic and professional qualifications, would find themselves in a category whose pay scale and limited promotion possibilities would encourage mediocrity of the staff and make it extremely difficult to recruit the most qualified staff in accordance with Art. 101(3) of the Charter.^{1/} Moreover, we do not feel that sufficient emphasis has been given to the special qualities required of the General Service staff, and the problems

^{1/} The designation of "journeyman" for this category, moreover, carries with it an unsuitable connotation (although we cannot believe that this is the Secretary-General's intention).

faced by the internationally recruited staff in this category.

The Secretary-General's suggestions for increased dependency allowances also favour the more highly paid staff, so much so that a D-1 with wife and two children and a gross salary of \$18,000 would gain as much as \$1,200 in dependency allowances alone, while a staff member earning less than \$5,000 gross would gain virtually nothing.

Our unfavourable reaction to the highly uneven incidence of the improvements suggested by the Secretary-General is heightened by his suggestions for reductions in existing entitlements, notably annual leave and travel time, which would affect all staff, including those who gain nothing in other respects. Over the past ten years, the staff have suffered a gradual and substantial whittling away of their *original entitlements,* privileges, e.g. in the abolition of the expatriation allowance, the rental allowance and the extra ten days for home leave, the substantial reduction in mission allowances, the cancellation of compensatory time-off for professional staff, the discontinuance of home leave for American staff members, and the reduction by one-third in the amount of leave which may be accumulated. Adequate home leave, particularly, is a vital necessity to the expatriated staff member if he is to avoid the eventual denationalization or re-nationalization of himself and his family - a process which would surely be detrimental to the international character of the Secretariat of the United Nations.

We cannot accept as valid an argument that, if improvements are proposed in one direction, they must be offset by a reduction of rights in another direction. The temptation to governments, harrassed by their taxpayers, to accept the economies and reject the improvements must, in any case, be considerable.

We are also deeply concerned about the possible implications of the Secretary-General's suggestion that non-career staff might be increasingly employed within the Secretariat. We fear that, in practice (and especially under the salary scales suggested by the Secretary-General), qualified and experienced persons would refuse fixed-term appointments at any level lower than P-5. In that case, they would clearly reduce the already limited promotion prospects of the career staff. Any widespread use of non-career staff would not only be contrary to the principle of a career service but would also strike at the heart of the international civil service and endanger its primary loyalty to the United Nations.

It is with these considerations in mind that we submit the following comments on the specific suggestions of the Secretary-General.

I. Pay Scales of General Service

(a) Secretary-General's suggestions

(i) No change is proposed in the principle of basing General Service salary scales on "the best prevailing conditions of employment in the locality".

(ii) It is proposed to broaden the General Service category, to include certain jobs now classed as professional, and to redesignate it as "Technical and General Services". (See Part II below.)

(iii) It is recommended that the Review Committee await the results of the 1 October 1956 Commerce and Industry Association survey before making a final recommendation regarding General Service salary rates. The Secretary-General suggests that, if this survey shows that the rising trend (about 5% per annum) of commerce and industry salary rates has continued, an increase of from 5-7 1/2% in existing United Nations General Service rates and scales would be justified.

(b) Staff Council's Comment

(i) In view of the special conditions of service, the qualifications required, and the need for the United Nations to recruit staff of the highest possible calibre, we believe that General Service salary scales should be maintained at a level somewhat higher than "the best prevailing conditions of employment in the locality".

(ii) It is noted (A/AC.84/R.1, paragraph 49) that entry rates of General Service staff, when initially established in 1946, were based "on the average salaries actually received by staff employed in commercial organizations paying the 'best' average rates in the New York area". Between 1946 and 1954, the cost of living in the United States increased by 37%, while U.S. salaries for "clerical and kindred workers" increased by 72%.^{1/} General Service salary rates in the same period increased by only 24-65% (the smallest increase being in the highest, and the largest in the lowest, General Service grade). Nevertheless, the 1954 Local Salary Review Committee concluded that the U.N. General Service rates were "reasonably in line with the best prevailing community rates". We believe that this apparent disparity between what was "best" in 1946 and 1954 respectively calls for detailed examination. In particular, it should be noted that those in the highest grades, who have gained least, include those staff members whose qualifications are often much higher than the criteria used for the "best

1/ U.S. Bureau of Census Reports No. 60.

prevailing" local conditions. We are particularly concerned about the position of the large number of internationally recruited General Service staff. The problems of expatriation which they face are the same as those faced by the professional staff and, in view also of the increased cost of living, we would recommend that the non-resident's allowance be increased from \$200 (net) to \$300 (net)

(iii) In this connexion, we would draw attention to the following extracts from the report of the 1954 Local Salary Review Committee:

" To effect proper grouping of positions not lending themselves to matchability with the community, a modern method of internal evaluation would give reasonable assurance of properly grouping those positions within the appropriate job family groups. Such refinement is obviously beyond the purview of this Committee, but it is nevertheless an important area for consideration by the administration of the United Nations."

" The backbone of a study such as we have undertaken is provided by the United Nations structure of 'matchable' or 'anchor' jobs which can be compared with similar jobs in the 'better' community. These 'anchors' have been charted to show the relationship of United Nations rates to the community. This process does not, however, insure that the remaining United Nations jobs (other than anchor jobs) are necessarily properly placed within United Nations internal structure."

(iv) In view of the difficulty of comparing many General Service jobs with outside occupations, the special qualifications required of U.N. staff (see A/AC.84/R.15, paras. 19 and 20), as well as the present difficulties of recruitment, we believe that an evaluation should be made of individual General Service jobs at Headquarters, as recommended by the 1954 Committee (see (iii) above) to ensure that every General Service job is appropriately paid and graded. We understand that an evaluation of this kind is currently being made at the European Office as part of a General Service salary review which is being undertaken jointly by the Administration and representatives of the staff. We would welcome a similar review at Headquarters, with staff participation. To some extent, the present titles of General Service jobs tend to be misleading, and such a review might well indicate a need to increase the present number of grades in this category.

(v) Whether or not such an evaluation of jobs can be undertaken this year, we agree with the Secretary-General that there is justification for a general increase in General Service rates and scales. We are also in full agreement with his statement that "other evidence and factors besides the trends in outside rates should be considered". In this connexion, we believe that such advantages enjoyed by employees in outside occupations as unemployment insurance, shorter working hours, a more adequate system of financial compensation for overtime, bonus payments, better promotion prospects and more prompt adjustments for increases in the cost of living, should be given due weight in assessing the comparability of U.N. and outside rates. Taking such factors into account, and recalling the special

qualifications required of United Nations staff, we believe that a larger increase than that suggested by the Secretary-General would be justified, although not necessarily at a flat rate for all General Service grades, and recommend that this, together with the existing cost-of-living adjustment, should be incorporated in base salaries for pension purposes.

II. Suggested Technical and General Service Category

(a) Secretary-General's suggestions

The Secretary-General favours the extension of the present General Service category to comprise certain technical posts involving primarily service functions. He advances the following arguments in support of this proposal:

(i) Some types of work are more narrowly defined in range of skill required and would not significantly increase in worth with increasing experience. A long scale for such occupations would not be justifiable.

(ii) Access of the present General Service staff to the Professional category is necessarily affected by the geographical distribution factor. Extension of the General Service category upwards by adding three scales for technical posts would broaden the promotion avenue for General Service staff.

(iii) Such an extended category would facilitate filling service posts in duty stations away from Headquarters with more regard to local or regional conditions.

(iv) The salary scales proposed by the Secretary-General for the Technical and General Services category are as follows:

G.1 - G.5	\$ 2,235 - \$ 5,884 net
i.e. present rates including cost of living adjustment, but subject to possible increase of 5-7 1/2% (see I(a)(iii) above).	
New Grades:	\$ 5,375 - \$ 7,200 net
	6,500 - 8,550 net
	8,550 - 10,400 net

(b) Staff Council's Comments

(i) In order to permit us to express a definite opinion on the proposal to add a number of levels above G.5, we would welcome information on the specific jobs which it is intended to include in these new levels, and on the way in which it is envisaged that the new levels would improve promotion prospects for present General Service staff. We would in any case not regard any such change as an alternative to the measures which we have already proposed (A/AC.84/R.10, paragraph 44) regarding the General Service staff.

(ii) Pending such clarification, we have considerable doubt whether the establishment of these new levels would in fact constitute an improvement for the staff. The groups of posts which might fall into the Technical Service category might well constitute a considerable proportion of the present Professional category. The end result would seem to be that the new Technical and General Service category would be set apart from the Professional category, with even less opportunity for advancement, since the salary scales of the staff concerned would be essentially the same as at present, with apparently no possibility of promotion to the present P-5 level or above.

(iii) With these considerations in mind, we would welcome an assurance that the establishment of the suggested Technical and General Service category would not preclude the possibility of staff in existing General Service jobs being promoted to the Professional category.

III. Professional Salary Scales

(a) Secretary-General's suggestions

The Secretary-General's proposals on the structure of the Professional and the Director and Principal Officer categories, as put forward to the Salary Review Committee, involve a reduction in the number of grades and a modification in the range of the salary scales. Instead of the present five Professional grades, each comprising 8-10 partly overlapping steps, the Secretary-General proposes three grades of various ranges.

As regards the specific proposals, the Secretary-General envisages a relatively long entrance scale of about seven years, encompassing both the normal probationary years and a further period during which the junior officer would either earn his promotion into the next grade, or remain in that grade should he fail to develop a potentiality for more responsible work.

The Secretary-General's long intermediary level extending over 15-20 years would cover the present P-3 and P-4 grades, with an efficiency bar somewhere in the middle.

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	<u>Gross</u>	<u>Net</u>	<u>Present Net</u> ^{2/}
Under-Secretary	\$ 25,000	15,500 ^{3/}	16,500 ^{4/}
D.2	22,000	14,300	11,500 - 12,700
D.1	17-19,000	12-13,000	10,600 - 12,500
P.5	13-16,000	9,800-11,500	9,400 - 11,500
P.4)			
P.3)	8-14,000	6,500-10,400	6,550 - 10,100
Entrance scale	5,400- 9,000	4,520- 7,200	3,960 - 6,990 ^{5/}

(b) Staff Council's comment

We consider the Secretary-General's proposals regarding the reclassification of grades and modification of scales of professional staff as being, in some respects, an improvement over the present system. However, we feel that the Staff Council's proposals in respect of particular grades and scales offer certain advantages, for the following reasons:

(i) Entry grade

While we recognize that the Secretary-General's proposal for a relatively long entrance scale might have certain practical advantages, we feel that, in the existing situation, the number of steps which he proposes for the entry grade is too large.

One of our principal reservations about the Secretary-General's proposal is that it would appear to involve the inclusion in an "Entry grade" of the present P.2 staff and many of the present P.1 staff, who have already served a number of years ~~or~~ ^{and} have permanent contracts; this seems to us to be both illogical and highly inequitable. Moreover, by throwing P.1 and P.2 together, it would increase, rather than decrease, the pressure for promotion and reduce the promotion prospects of existing staff.

We feel that the somewhat higher entrance salary which we propose (\$5,000 net against \$4,520 net proposed by the Secretary-General) for this grade is justified by the arguments presented by the Secretary-General (A/AC.24/R.6, paragraphs 2-11).

1/ It may be recalled that the Staff Council submitted the following proposals:

	<u>Net</u>
Under-Secretaries	No proposal made
Director (present D.2)	\$12,900 - 15,000
Senior Officer (present D.1 and P.5)	11,000 - 13,500
Officer (present P.2, P.3, P.4)	6,000 - 12,000
Junior Officer (present P.1)	5,000 - 5,500

2/ Including cost of living allowance.

3/ In addition, it is proposed that Under-Secretaries be eligible for children's allowances and education grant.

4/ Including non-pensionable "basic allowance" of \$3,500.

5/ Figures cover P.1 and P.2 scales.

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(ii) Officer grade

We endorse the Secretary-General's proposal for a long scale which is generally in line with our own proposal. We are, however, convinced that the scale suggested (\$6,500 to \$10,400) is inadequate and would, in particular, discriminate against the officials at present in the P.4 level (a majority of whom are in the higher steps and are therefore already approaching the present ceiling of \$10,100). In this connexion (see A/AC.84/R.3) it should be borne in mind that, out of 1,102 present professional staff members (excluding D.1 and D.2), 281, or almost 25%, are in the P.4 category. Of these, 117, or approximately 42%, are aged 40-49. In view of the description of the kind of work entrusted to these categories of staff, and their comparatively adverse prospects of promotion, it seems unjustifiable to deprive them of any reasonable prospects of advancement.

We have noted that the Secretary-General himself has expressed doubts: "as to whether [the] figure [of] \$10,400 ceiling proposed for the so-called 'journeyman' level is entirely sufficient," but that he has been influenced by the desirability of avoiding too large an overlap with the scale above. In these circumstances we consider that the only means to (a) avoid such an overlap, (b) organize the new system of remuneration of staff members according to a system equitable to all of them, and (c) do justice to the recognized need to increase staff members' prospects, is to fix the salary ceiling of the Director (D.2) at a level such as that we have proposed (\$15,000 net), which would give the intervening scales sufficient leeway without excessive over-lapping. Furthermore, a higher ceiling for the officer grade would have the advantage of permitting adequate salaries to be offered to non-career staff, the great majority of whom would probably be recruited at this grade.

We feel that the application of our recommendations regarding the granting of multiple increments, coupled with the possibility of withholding an increment, is a more positive method of rewarding specially meritorious service than allowing a staff member to pass or be held at an "efficiency bar", particularly since our plan could be applied at any time in any grade rather than at a particular level.

(iii) Senior Officer and D.1 Grades

We note that, in these grades, the Secretary-General proposes no increase in the ceiling of P.5 and a small increase (\$500) in that of D.1. For reasons indicated above in regard to P.4 staff, we believe that the proposed ceiling for P.5 is inequitable to the staff at present in this grade. Moreover, we are not convinced that there is sufficient difference between the responsibilities of a D.1 and of many P.5s; this is evidenced by the fact that promotions from P.5 to D.1

are often only re-classifications. For these reasons we have proposed a merger of these two grades into a single Senior Officer category with a somewhat higher ceiling (\$13,500 net) than that proposed for D.1 by the Secretary-General (\$13,000 net).

(iv) Director (D.2)

Noting that the Secretary-General considers (A/AC.84/R.6, para. 24) that some of the posts now graded at D.2 would, under his proposed system, be more appropriately graded at D.1, we would see no objection to a single step in the D.2 grade, but believe, for reasons given above, that this should be at \$15,000 net rather than \$14,300 net as proposed by the Secretary-General.

In conclusion, we would re-affirm our belief that the great majority of posts in the above grades should be reserved for the career staff.

IV. Children's Allowance and Dependency Credits

(a) Secretary-General's suggestions

(1) Children's Allowance: \$250 gross. Subject to staff assessment.
(present rate, \$200 net)

(ii) Dependency Credits:

Before staff assessment is calculated, exemptions from gross assessable income to be granted as follows:

(a) \$600 gross for a dependent spouse or a dependent parent, brother or sister (but not more than one such dependent);

(b) \$600 gross for each dependent child (including mentally or physically incapacitated children over the age of 18). Children would be regarded as dependent upon the father unless he was incapacitated or earned less than say \$2,500 gross per annum.
(Present system, \$200 for spouse and \$100 for each child, deducted from staff assessment).

(iii) Reduced rates of staff assessment for staff with dependents.
(Present system, same rate of staff assessment for all staff).

(b) Staff Council's comments

(i) the net effect of the Secretary-General's proposals on staff members of different salary levels is shown in the following table (see next page).

(ii) It will be seen that, in the case of a staff member with spouse and two children, while a G.2, V-VII will lose \$20 net per annum, a D.1 will gain \$1,210 net per annum. In addition it must be borne in mind that, under the Secretary-General's proposal for increased salaries for D.1 and D.2, the actual increase in take-home pay for staff at present in Step I of these grades, with

EFFECT OF SECRETARY-GENERAL'S PROPOSED SYSTEM OF TAX EXEMPTIONS AND CHILDREN'S ALLOWANCES^{1/}

Gross Salary ^{2/}	Difference in tax between a single and married person (dollars)	Net salary of married person as per cent of net salary of single person		Difference in tax between married person with two children and single person ^{3/} (dollars)	Net increase over present dependency credits plus children's allowances (dollars)	Net salary of married person with two children as per cent of net salary of single person	
		Proposed	Present			Proposed	Present
3,000	202	108	108	780	- 20	131	131
4,000	232	107	106	816	+ 16	124	124
5,000	296	107	105	896	+ 96	121	119
7,000	410	107	103	1,038	+238	118	114
10,000	590	107	103	1,265	+465	116	110
12,000	720	108	102	1,430	+630	116	109
15,000	900	108	102	1,645	+845	115	107
18,000	1,230	110	102	2,010	+1210	116	106

^{1/} Present difference between a single and married person is \$200 at all salary levels and between a single and married person with two children is \$800 at all salary levels.

^{2/} Excluding proposed children's allowances.

^{3/} Including proposed children's allowances.

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spouse and two children (including the increased dependency allowances shown in the above table) will be of the order of \$2,245 - \$3,730 respectively.

(iii) While we welcome an increase in dependency credits and have no objection to the general principle of deductions from assessable income, we believe that the specific proposals of the Secretary-General are inequitable in that they provide virtually nothing for the lowest paid staff and very substantial increases for the highest paid staff. Although, under a strict interpretation of the "best prevailing conditions of employment in the locality", the children's allowances and dependency credits now paid to General Service staff in New York may be considered relatively favourable, we believe that, in this particular field, the United Nations should lead rather than follow local custom. Moreover, we are convinced that the Secretary-General's proposals, which, compared with the present system, are extremely regressive and at variance with the practices of many countries, would have a profoundly disturbing effect on the morale of the staff.

(iv) Accordingly, we would support the form of the Secretary-General's proposals for dependency exemptions for married staff members both with and without children, provided that the proposed children's allowance of \$250 gross were raised to, say \$400 and that the proposed assessment rates were somewhat more steeply graduated in the top salary levels. This would mean a larger net gain to staff at the lower salary levels and a lower net gain to those at the higher levels, e.g. for a married man with wife and two children with a \$3,000 gross base salary, it would mean an additional \$264 net over and above the Secretary-General's proposals.

(v) As an alternative to the above proposal for a flat allowance of \$400, and taking into account the established fact that the cost of a child increases substantially with its age, we would suggest consideration of a system of children's allowances varying according to the age of the child, e.g. 0-5 years, \$250 gross; 6-9 years, \$350 gross; 10 years and upwards, \$500 gross. A further alternative, bearing in mind the greatly increased cost of housing for families with more than two children, would be to increase the children's allowances according to the number of dependent children in the family, e.g. \$400 for each of the first two children, \$500 for the third, and \$600 each for the fourth and subsequent children.

(vi) The children's allowances suggested in paragraphs (iv) and (v) above would be coupled with the system of dependency exemptions proposed by the Secretary-General. However, as already stated, we believe that the assessment rates proposed by the Secretary-General should be somewhat more steeply graduated in the top salary scales.

(vii) In connexion with the existing system regarding allowances and benefits for dependents, we wish to draw attention to the fact that female staff members do not at present enjoy equal treatment. We believe that the administrative practice whereby a differentiation is made between female and male staff members as regards entitlement to benefits such as children's allowance, dependency credits, home leave, installation allowance or medical insurance, is incompatible with the principles of the United Nations, and that the Secretary-General's suggested definition of a dependent child, as it would apply to female staff members, is much more restrictive than the present practice.

V. Leave

1. Annual Leave

(a) Secretary-General's suggestions

The Secretary-General suggests that the present leave entitlements might be revised so as to reduce it in the early years of service while allowing extra time for home leave, and to increase leave entitlement for non-indigenous staff at certain duty stations for climatic or other reasons.

(b) Staff Council's comments

We strongly object to any proposal which would reduce the present annual leave. This would constitute a substantial encroachment on the rights of staff members as established in the Staff Regulations. In the case of General Service staff, it should be noted that the present leave entitlement approximately compensates for the longer working hours of U.N. staff, as compared with the best local conditions of employment. The same is true of Professional staff, for whom the present leave entitlement is also deemed to include compensation for overtime.

2. Home Leave

(a) Secretary-General's Suggestions

The Secretary-General states his belief that a change in the home leave cycle is not warranted. At the same time he indicates that he would not object if the extra travel time now allowed up to a maximum of thirty days were in principle limited to the air travel time.

(b) Staff Council's comments

(i) We fully share the Secretary-General's belief that no change in the home leave cycle of two years is warranted. We cannot, however, support the idea of limiting the time permitted for travel to air travel time. This would constitute a reduction of the acquired rights of staff members and would cause

hardship, especially in the case of staff with dependents having to travel great distances. It would also point up inequities between staff from different parts of the world. We therefore strongly favour retention of the present arrangements for home leave travel.

(ii) We have noted the practice of ICAO to give home leave to Canadians who live more than a certain distance from Montreal. We recommend that consideration be given to the possibility of re-instituting some such provision for United States nationals employed at U.N. Headquarters.

3. Sick Leave

(a) Secretary-General's suggestions

The Secretary-General notes that the present system is defective in that it does not give adequate protection in the case of very long illnesses. He therefore proposes that staff members with permanent contracts should be permitted sick leave for not more than six months on full salary and six months on half salary in any twelve-month period, provided that the total in any four consecutive years does not exceed eighteen months, the first nine on full salary and the second nine on half salary. Staff members with three-year contracts or three years' service would come under the same rule. A liberalization of the rules in this respect is also suggested for staff members holding appointments for less than three years or with less than three years' service.

(b) Staff Council's comments

We welcome the Secretary-General's proposals for the liberalization of the sick leave system as it applies to long illnesses.

4. Maternity Leave

(a) Secretary-General's suggestions

The Secretary-General makes no specific proposal or suggestion. He notes, however, that a number of Governments require maternity leave to be counted against sick leave and/or annual leave, and suggests that there may be a case for some revision in the United Nations rules, at least in the case of women with no dependents recognized as such by the Organization.

(b) Staff Council's Comments

We are strongly opposed to any change in the present maternity leave benefits. We believe that maternity leave should be kept entirely separate from annual and sick leave, since it is designed for a different purpose. In this connexion, we draw attention to the more favourable terms of the ILO staff rules with regard to maternity leave, which have obviously taken into account the provisions of the ILO Convention (No. 103) concerning Maternity Protection (revised 1952).

We feel that the dependency status of the staff member entitled to maternity leave is irrelevant.

VI. Other Allowances and Benefits

1. Group Medical and Hospital Insurance

(a) Secretary-General's suggestions

The Secretary-General notes that staff members are not covered against major medical costs and feels that the insurance arrangement should be improved to provide coverage in this respect. He does not think that the whole of any extra cost should fall on the Organization and, to obviate this, he proposes a revision of the present subsidy rate. The ratio tentatively suggested in the Secretary-General's paper (75-25 or 80-20) has now been modified as the result of discussions in the Medical Insurance Review Committee.

The proposed new subsidy scale would be as follows:^{1/}

<u>Salary</u>	<u>% of Subsidy to Premium</u>
To \$4,000	80%
\$4,001 - 6,000	75%
\$6,001 - 8,000	50%
Over 8,000	25%

The Secretary-General's paper contains no proposals on dental coverage, although an annex to it gives some data on the dental expenditures of staff members. The Medical Insurance Review Committee anticipated that should a dental plan eventually be worked out, the same subsidy formula would apply.

(b) Staff Council's Comment

We welcome the Secretary-General's suggestion that the medical insurance arrangement should be improved so as to provide cover for major medical costs. It is noted that the section of document A/AC.84/R.9 dealing with the subsidy scale has been superseded by the report of the Medical Insurance Review Committee, which

^{1/} To facilitate comparison, the existing subsidy scale is reproduced below:

<u>Salary</u>	<u>Subsidy</u>	
	<u>Single</u>	<u>Married</u>
\$ 3,590 and below	50%	80%
3,591 - 4,700	42%	69%
4,701 - 6,000	22%	57%
6,001 - 8,000	-	27%
8,001 -11,000	-	15%
11,001 -14,000	-	2%
14,000 and above	-	-

we endorse. In connexion with this report, we are strongly in favour of a dental scheme and note with appreciation that it is anticipated that the Organization would subsidize it.

2. Group Life Insurance

(a) Secretary-General's suggestion

The Secretary-General notes that experience with the scheme so far has been favourable with the result that premiums are at a level where the whole cost is borne by the staff member. Should the situation change, however (as a result of a larger number of over-age participants or an unexpectedly large number of claims), the premium might reach a level at which it would not be unreasonable for the United Nations to bear a small part of the cost - indeed, if the premium reached a certain level the Organization might be required by New York State Law to do so.

(b) Staff Council's Comment

We welcome the Secretary-General's statement that it is not unreasonable that the United Nations should be prepared to bear a small part of the cost of a group life insurance scheme. The present contract comes up for renewal at the end of 1956 and we feel that, well before that date, the existing arrangements should be studied to ascertain whether they are the best possible.

3. Service-Incurred Death, Injury or other Disability

(a) Secretary-General's suggestions

The Secretary-General suggests no immediate change in the provisional compensation scheme recommended by the 1949 Committee and now in force.

(b) Staff Council's comment

Inquiries indicate that this scheme is working well and we feel that no comment is called for at this stage.

4. Overtime

(a) Secretary-General's suggestions

The Secretary-General, in enumerating the allowances and benefits to which staff members are entitled under the present system, notes the additional payment or compensatory time off received by staff in some categories who are required to work in excess of the regular working week.

(b) Staff Council's comment

The Staff Council believes that the existing dual system of overtime compensation is not justified and considers that the principle of payment at the rate of time and a half (instead of compensatory time off) for all overtime should be

applied in all cases to General Service staff, as is the general practice locally. It may be noted that, in some cases, local employers pay double time for overtime.

5. Night Differential

(a) Secretary-General's suggestion

The Secretary-General indicates that he is now considering a proposal to increase the present additional payment of 10 per cent of the normal salary or wage to the lowest paid staff and possibly to discontinue the payment of a night differential to staff in higher salary levels.

(b) Staff Council's comment

The Staff Council welcomes the proposal to increase the amount of the benefit to the lower paid staff, and believes that the principle of night differential should apply to all staff members.

6. Language Allowance

(a) Secretary-General's Suggestions

The Secretary-General notes that the present arrangements with regard to the payment of an allowance to General Service staff for the use of two or more official languages are broadly satisfactory.

(b) Staff Council's comment

With regard to the language allowance, we note that only one additional increment is granted to a General Service staff member who qualifies in two or more of the official languages. In view of the importance attached by the Secretary-General to knowledge of languages on the part of all staff, we would favour a flat language allowance of \$250. We also recommend that further additional allowances be granted in respect of qualification in more than one official language.

7. Repatriation Grant

(a) Secretary-General's suggestions

The Secretary-General believes that the principle of this grant is sound for international staff who are expatriated for the major part of their careers, but that the maximum of the grant should be re-appraised from time to time in the light of the changing value of money and other factors. The meeting of the Salary Review Committee provides an obvious opportunity for such a re-appraisal.

(b) Staff Council's Comment

The Staff Council supports the proposal of the 1949 Committee of Experts for a maximum repatriation grant of \$10,000, especially since the cost of living has risen appreciably since 1949. To this end it would also be necessary to raise the number of weeks' salary paid.

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8. Termination Indemnity

(a) Secretary-General's Suggestions

The Secretary-General suggests that the present practice might be altered to provide for the payment of somewhat higher indemnities to staff terminated through no fault of their own and of lower amounts where the termination is due to some fault or shortcoming of the staff.

The Secretary-General also requests that the existing rule, which precludes the payment of a termination indemnity to a staff member who is also entitled to a disability pension, might be reconsidered.

As regards the provisions governing the employment of short-term appointees, the Secretary-General believes that it would be preferable to exclude such staff members from full coverage in the Pension Fund and to grant them instead a terminal gratuity.

(b) Staff Council's comment

(i) We support the Secretary-General's proposal to include staff entitled to a disability pension among those who would receive a termination indemnity. Regarding the Secretary-General's proposal for differentiating between staff terminated through no fault of their own and those terminated because of some fault or shortcoming, we support the Secretary-General's proposal to make larger payments to the first group of staff but not his suggestion to reduce the amounts paid to the second. We further recommend, in accordance with the resolution adopted by the Staff Council on 7 September 1955, that staff members who would receive less than one-third of their final average remuneration in the form of retirement benefits should, irrespective of their type of contract, be entitled to a severance allowance, computed on a basis of one month's salary per year of service, up to a maximum of nine years.

(ii) We reserve comment on the Secretary-General's suggestion regarding terminal gratuities for short-term appointees.

8 June 1956

REPORT OF THE STAFF COUNCIL ON THE SECRETARY-GENERAL'S
SUGGESTIONS TO THE SALARY REVIEW COMMITTEE

INTRODUCTION

The Staff Council has now had an opportunity to study the suggestions submitted by the Secretary-General to the Salary Review Committee. We believe that the information which he has submitted fully substantiates our proposal for an increase of at least 15% on present net salaries (after incorporation of the cost of living adjustment). In regard to the General Service staff, he has expressed the view that a small increase in salaries may prove justified. In his suggestions for the grading of professional staff, he has recognized the principle of a career service. In his suggestions for dependency credits, he has acknowledged, to some extent, the very high cost of maintaining families in the New York area, as well as the fact that, in this respect, the United Nations falls very far behind the practices of permanent delegations. He has also made suggestions, which we welcome, regarding improvements in the system of medical insurance.

Since the Secretary-General has not yet made any suggestion for a general increase in the present salaries of professional staff, it is difficult at this stage to express an opinion on his suggestions as a whole. In their present form, however, we are regretfully forced to the conclusion that his suggestions, by and large, are both disappointing and disturbing. In the first place, the improvements which he suggests are extremely uneven in their incidence, generally favouring the most highly paid staff members. Under his suggestions for the new professional salary scales, it is primarily the D.1 and above who would benefit appreciably; the majority of P.1 and P.3 staff would enjoy no immediate gain but would have the advantage of a longer scale of advancement; the P.2, P.4 and P.5, on the other hand, would gain virtually nothing, nor would there be any improvement in their promotion prospects. The P.2's and many P.1's, perhaps of many years' service and holding permanent contracts, would find themselves in an "Entry grade" where they might be left indefinitely, and the P.3's and P.4's, who form the greater part of the professional staff and many of whom have high academic and professional qualifications, would find themselves in a category whose pay scale and limited promotion possibilities would encourage mediocrity of the staff and make it extremely difficult to recruit the most qualified staff in accordance with Art. 101(3) of the Charter.^{1/} Moreover, we do not feel that sufficient emphasis has been given to the special qualities required of the General Service staff, and the problems

^{1/} The designation of "journeyman" for this category, moreover, carries with it an unsuitable connotation (although we cannot believe that this is the Secretary-General's intention).

faced by the internationally recruited staff in this category.

The Secretary-General's suggestions for increased dependency allowances also favour the more highly paid staff, so much so that a D.1 with wife and two children and a gross salary of \$18,000 would gain as much as \$1,200 in dependency allowances alone, while a staff member earning less than \$5,000 gross would gain virtually nothing.

Our unfavourable reaction to the highly uneven incidence of the improvements suggested by the Secretary-General is heightened by his suggestions for reductions in existing entitlements, notably annual leave and travel time, which would affect all staff, including those who gain nothing in other respects. Over the past ten years, the staff have suffered a gradual and substantial whittling away of their original entitlements, e.g. in the abolition of the expatriation allowance, the rental allowance and the extra ten days for home leave, the substantial reduction in mission allowances, the cancellation of compensatory time-off for professional staff, the discontinuance of home leave for American staff members, and the reduction by

one-third in the amount of leave which may be accumulated. Adequate home leave, particularly, *and on this we warmly welcome the Secretary-General's insistence that no change in the two-year cycle is warranted* is a vital necessity to the expatriated staff member if he is to avoid the eventual de-nationalization or re-nationalization of himself and his family - a process which would surely be detrimental to the international character of the Secretariat of the United Nations. We cannot accept as valid an argument that, if improvements are proposed in one direction, they must be offset by a reduction of rights in another direction. The temptation to governments, harrassed by their taxpayers, to accept the economies and reject the improvements must, in any case, be considerable.

We are also deeply concerned about the possible implications of the Secretary-General's suggestion that non-career staff might be increasingly employed within the Secretariat. We fear that, in practice (and especially under the salary scales suggested by the Secretary-General), qualified and experienced persons would refuse fixed-term appointments at any level lower than P.5. In that case, they would clearly reduce the already limited promotion prospects of the career staff. Any widespread use of non-career staff would not only be contrary to the principle of a career service but would also strike at the heart of the international civil service and endanger its primary loyalty to the United Nations.

It is with these considerations in mind that we submit the following comments on the specific suggestions of the Secretary-General.

I. Pay Scales of General Service

(a) Secretary-General's suggestions

(i) No change is proposed in the principle of basing General Service salary scales on "the best prevailing conditions of employment in the locality".

(ii) It is proposed to broaden the General Service category, to include certain jobs now classed as professional, and to redesignate it as "Technical and General Services". (See Part II below.)

(iii) It is recommended that the Review Committee await the results of the 1 October 1956 Commerce and Industry Association survey before making a final recommendation regarding General Service salary rates. The Secretary-General suggests that, if this survey shows that the rising trend (about 5% per annum) of commerce and industry salary rates has continued, an increase of from 5-7 1/2% in existing United Nations General Service rates and scales would be justified.

(b) Staff Council's Comment

(i) In view of the special conditions of service, the qualifications required, and the need for the United Nations to recruit staff of the highest possible calibre, we believe that General Service salary scales should be maintained at a level somewhat higher than "the best prevailing conditions of employment in the locality".

(ii) It is noted (A/AC.04/R.1, paragraph 49) that entry rates of General Service staff, when initially established in 1946, were based "on the average salaries actually received by staff employed in commercial organizations paying the 'best' average rates in the New York area". Between 1946 and 1954, the cost of living in the United States increased by 37%, while U.S. salaries for "clerical and kindred workers" increased by 72%.^{1/} General Service salary rates in the same period increased by only 24-65% (the smallest increase being in the highest, and the largest in the lowest, General Service grade). Nevertheless, the 1954 Local Salary Review Committee concluded that the U.N. General Service rates were "reasonably in line with the best prevailing community rates". We believe that this apparent disparity between what was "best" in 1946 and 1954 respectively calls for detailed examination. In particular, it should be noted that those in the highest grades, who have gained least, include those staff members whose qualifications are often much higher than the criteria used for the "best

^{1/} U.S. Bureau of Census Reports No. 60.

prevailing" local conditions. We are particularly concerned about the position of the large number of internationally recruited General Service staff. The problems of expatriation which they face are the same as those faced by the professional staff and, in view also of the increased cost of living, we would recommend that the non-resident's allowance be increased from \$200 (net) to \$300 (net)

(iii) In this connexion, we would draw attention to the following extracts from the report of the 1954 Local Salary Review Committee:

" To effect proper grouping of positions not lending themselves to matchability with the community, a modern method of internal evaluation would give reasonable assurance of properly grouping those positions within the appropriate job family groups. Such refinement is obviously beyond the purview of this Committee, but it is nevertheless an important area for consideration by the administration of the United Nations."

" The backbone of a study such as we have undertaken is provided by the United Nations structure of 'matchable' or 'anchor' jobs which can be compared with similar jobs in the 'better' community. These 'anchors' have been charted to show the relationship of United Nations rates to the community. This process does not, however, insure that the remaining United Nations jobs (other than anchor jobs) are necessarily properly placed within United Nations internal structure."

(iv) In view of the difficulty of comparing many General Service jobs with outside occupations, the special qualifications required of U.N. staff (see A/AC.84/R.15, paras. 19 and 20), as well as the present difficulties of recruitment, we believe that an evaluation should be made of individual General Service jobs at Headquarters, as recommended by the 1954 Committee (see (iii) above) to ensure that every General Service job is appropriately paid and graded. We understand that an evaluation of this kind is currently being made at the European Office as part of a General Service salary review which is being undertaken jointly by the Administration and representatives of the staff. We would welcome a similar review at Headquarters, with staff participation. To some extent, the present titles of General Service jobs tend to be misleading, and such a review might well indicate a need to increase the present number of grades in this category.

(v) Whether or not such an evaluation of jobs can be undertaken this year, we agree with the Secretary-General that there is justification for a general increase in General Service rates and scales. We are also in full agreement with his statement that "other evidence and factors besides the trends in outside rates should be considered". In this connexion, we believe that such advantages enjoyed by employees in outside occupations as unemployment insurance, shorter working hours, a more adequate system of financial compensation for overtime, bonus payments, better promotion prospects and more prompt adjustments for increases in the cost of living, should be given due weight in assessing the comparability of U.N. and outside rates. Taking such factors into account, and recalling the special

qualifications required of United Nations staff, we believe that a larger increase than that suggested by the Secretary-General would be justified, although not necessarily at a flat rate for all General Service grades, and recommend that this, together with the existing cost-of-living adjustment, should be incorporated in base salaries for pension purposes.

II. Suggested Technical and General Service Category

(a) Secretary-General's suggestions

The Secretary-General favours the extension of the present General Service category to comprise certain technical posts involving primarily service functions. He ~~advances the following arguments in support of this proposal:~~ *mentions the following considerations in connection with his suggestion:*

(i) Some types of work are more narrowly defined in range of skill required and would not significantly increase in worth with increasing experience. A long scale for such occupations would not be justifiable.

(ii) Access of the present General Service staff to the Professional category is necessarily affected by the geographical distribution factor. Extension of the General Service category upwards by adding three scales for technical posts would broaden the promotion avenue for General Service staff.

(iii) Such an extended category would facilitate filling service posts in duty stations away from Headquarters with more regard to local or regional conditions.

(iv) The salary scales proposed by the Secretary-General for the Technical and General Services category are as follows:

G.1 - G.5	\$ 2,235 - \$ 5,884 net
i.e. present rates including cost of living adjustment, but subject to possible increase of 5-7 1/2% (see I(a)(iii) above).	
New Grades:	\$ 5,375 - \$ 7,200 net
	6,500 - 8,550 net
	8,550 - 10,400 net

(b) Staff Council's Comments

(i) In order to permit us to express a definite opinion on the proposal to add a number of levels above G.5, we would welcome information on the specific jobs which it is intended to include in these new levels, and on the way in which it is envisaged that the new levels would improve promotion prospects for present General Service staff. We would in any case not regard any such change as an alternative to the measures which we have already proposed (A/AC.84/R.10, paragraph 44) regarding the General Service staff.

(ii) Pending such clarification, we have considerable doubt whether the establishment of these new levels would in fact constitute an improvement for the staff. The groups of posts which might fall into the Technical Service category might well constitute a considerable proportion of the present Professional category. The end result would seem to be that the new Technical and General Service category would be set apart from the Professional category, with even less opportunity for advancement, since the salary scales of the staff concerned would be essentially the same as at present, with apparently no possibility of promotion to the present F-5 level or above.

(iii) With these considerations in mind, we would welcome an assurance that the establishment of the suggested Technical and General Service category would not preclude the possibility of staff in existing General Service jobs being promoted to the Professional category.

III. Professional Salary Scales

(a) Secretary-General's suggestions

The Secretary-General's proposals on the structure of the Professional and the Director and Principal Officer categories, as put forward to the Salary Review Committee, involve a reduction in the number of grades and a modification in the range of the salary scales. Instead of the present five Professional grades, each comprising 8-10 partly overlapping steps, the Secretary-General proposes three grades of various ranges.

As regards the specific proposals, the Secretary-General envisages a relatively long entrance scale of about seven years, encompassing both the normal probationary years and a further period during which the junior officer would either earn his promotion into the next grade, or remain in that grade should he fail to develop a potentiality for more responsible work.

The Secretary-General's long intermediary level extending over 15-20 years would cover the present P.3 and P.4 grades, with an efficiency bar somewhere in the middle.

The specific proposals of the Secretary-General are as follows:^{1/}

	<u>Gross</u>	<u>Net</u>	<u>Present Net</u> ^{2/}
Under-Secretary \$	25,000	15,500 ^{3/}	16,500 ^{4/}
D.2	22,000	14,300	11,500 - 12,700
D.1	17-19,000	12-13,000	10,600 - 12,500
P.5	13-16,000	9,800-11,500	9,400 - 11,500
P.4)	8-14,000	6,500-10,400	6,550 - 10,100
P.3)			
Entrance scale	5,400- 9,000	4,520- 7,200	3,960 - 6,990 ^{5/}

(b) Staff Council's comment

We consider the Secretary-General's proposals regarding the reclassification of grades and modification of scales of professional staff as being, in some respects, an improvement over the present system. However, we feel that the Staff Council's proposals in respect of particular grades and scales offer certain advantages, for the following reasons:

(i) Entry grade

While we recognize that the Secretary-General's proposal for a relatively long entrance scale might have certain practical advantages, we feel that, in the existing situation, the number of steps which he proposes for the entry grade is too large.

One of our principal reservations about the Secretary-General's proposal is that it would appear to involve the inclusion in an "Entry grade" of the present P.2 staff and many of the present P.1 staff, who have already served a number of years and have permanent contracts; this seems to us to be both illogical and highly inequitable. Moreover, by throwing P.1 and P.2 together, it would increase, rather than decrease, the pressure for promotion and reduce the promotion prospects of existing staff.

We feel that the somewhat higher entrance salary which we propose (\$5,000 net against \$4,520 net proposed by the Secretary-General) for this grade is justified by the arguments presented by the Secretary-General (A/AC.84/R.6, paragraphs 2-11).

^{1/} It may be recalled that the Staff Council submitted the following proposals:

	<u>Net</u>
Under-Secretaries	No proposal made
Director (present D.2)	\$12,000 - 15,000
Senior Officer (present D.1 and P.5)	11,000 - 13,500
Officer (present P.2, P.3, P.4)	6,000 - 12,000
Junior Officer (present P.1)	5,000 - 5,500

^{2/} Including cost of living allowance.

^{3/} In addition, it is proposed that Under-Secretaries be eligible for children's allowances and education grant.

^{4/} Including non-pensionable "basic allowance" of \$3,500.

^{5/} Figures cover P.1 and P.2 scales.

(ii) Officer grade

We endorse the Secretary-General's proposal for a long scale which is generally in line with our own proposal. We are, however, convinced that the scale suggested (\$6,500 to \$10,400) is inadequate and would, in particular, discriminate against the officials at present in the P.4 level (a majority of whom are in the higher steps and are therefore already approaching the present ceiling of \$10,100). In this connexion (see A/AC.04/R.3) it should be borne in mind that, out of 1,102 present professional staff members (excluding D.1 and D.2), 281, or almost 25%, are in the P.4 category. Of these, 117, or approximately 42%, are aged 40-49. In view of the description of the kind of work entrusted to these categories of staff, and their comparatively adverse prospects of promotion, it seems unjustifiable to deprive them of any reasonable prospects of advancement.

We have noted that the Secretary-General himself has expressed doubts: "as to whether the figure \$10,400 ceiling proposed for the so-called 'journeyman' level is entirely sufficient," but that he has been influenced by the desirability of avoiding too large an overlap with the scale above. In these circumstances we consider that the only means to (a) avoid such an overlap, (b) organize the new system of remuneration of staff members according to a system equitable to all of them, and (c) do justice to the recognized need to increase staff members' prospects, is to fix the salary ceiling of the Director (D.2) at a level such as that we have proposed (\$15,000 net), which would give the intervening scales sufficient leeway without excessive over-lapping. Furthermore, a higher ceiling for the officer grade would have the advantage of permitting adequate salaries to be offered to non-career staff, the great majority of whom would probably be recruited at this grade.

We feel that the application of our recommendations regarding the granting of multiple increments, coupled with the possibility of withholding an increment, is a more positive method of rewarding specially meritorious service than allowing a staff member to pass or be held at an "efficiency bar", particularly since our plan could be applied at any time in any grade rather than at a particular level.

(iii) Senior Officer and D.1 Grades

We note that, in these grades, the Secretary-General proposes no increase in the ceiling of P.5 and a small increase (\$500) in that of D.1. For reasons indicated above in regard to P.4 staff, we believe that the proposed ceiling for P.5 is inequitable to the staff at present in this grade. Moreover, we are not convinced that there is sufficient difference between the responsibilities of a D.1 and of many P.5s; this is evidenced by the fact that promotions from P.5 to D.1

are often only re-classifications. For these reasons we have proposed a merger of these two grades into a single Senior Officer category with a somewhat higher ceiling (\$13,500 net) than that proposed for D.1 by the Secretary-General (\$13,000 net).

(iv) Director (D.2)

Noting that the Secretary-General considers (A/AC.34/R.6, para. 24) that some of the posts now graded at D.2 would, under his proposed system, be more appropriately graded at D.1, we would see no objection to a single step in the D.2 grade, but believe, for reasons given above, that this should be at \$15,000 net rather than \$14,300 net as proposed by the Secretary-General.

In conclusion, we would re-affirm our belief that the great majority of posts in the above grades should be reserved for the career staff.

IV. Children's Allowance and Dependency Credits

(a) Secretary-General's suggestions

(i) Children's Allowance: \$250 gross. Subject to staff assessment.
(present rate, \$200 net)

(ii) Dependency Credits:

Before staff assessment is calculated, exemptions from gross assessable income to be granted as follows:

(a) \$600 gross for a dependent spouse or a dependent parent, brother or sister (but not more than one such dependent);

(b) \$600 gross for each dependent child (including mentally or physically incapacitated children over the age of 18). Children would be regarded as dependent upon the father unless he was incapacitated or earned less than say \$2,500 gross per annum.
(Present system, \$200 for spouse and \$100 for each child, deducted from staff assessment).

(iii) Reduced rates of staff assessment for staff with dependents.
(Present system, same rate of staff assessment for all staff).

(b) Staff Council's comments

(i) the net effect of the Secretary-General's proposals on staff members of different salary levels is shown in the following table (see next page).

(ii) It will be seen that, in the case of a staff member with spouse and two children, while a G.2, V-VII will lose \$20 net per annum, a D.1 will gain \$1,210 net per annum. In addition it must be borne in mind that, under the Secretary-General's proposal for increased salaries for D.1 and D.2, the actual increase in take-home pay for staff at present in Step I of these grades, with

EFFECT OF SECRETARY-GENERAL'S PROPOSED SYSTEM OF TAX EXEMPTIONS AND CHILDREN'S ALLOWANCES^{1/}

Gross Salary ^{2/}	Difference in tax between a single and married person (dollars)	Net salary of married person as per cent of net salary of single person		Difference in tax between married person with two children ^{3/} and single person (dollars)	Net increase over present dependency credits plus children's allowances (dollars)	Net salary of married person with two children as per cent of net salary of single person	
		Proposed	Present			Proposed	Present
3,000	202	108	108	780	- 20	131	131
4,000	232	107	106	816	+ 16	124	124
5,000	296	107	105	896	+ 96	121	119
7,000	410	107	103	1,038	+ 238	118	114
10,000	590	107	103	1,265	+ 465	116	110
12,000	720	108	102	1,430	+ 630	116	109
15,000	900	108	102	1,645	+ 845	115	107
18,000	1,230	110	102	2,010	+ 1,210	116	106

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- 1/ Present difference between a single and married person is \$200 at all salary levels and between a single and married person with two children is \$800 at all salary levels.
- 2/ Excluding proposed children's allowances.
- 3/ Including proposed children's allowances.

spouse and two children (including the increased dependency allowances shown in the above table) will be of the order of \$2,245 - \$3,730 respectively.

(iii) While we welcome an increase in dependency credits and have no objection to the general principle of deductions from assessable income, we believe that the specific proposals of the Secretary-General are inequitable in that they provide virtually nothing for the lowest paid staff and very substantial increases for the highest paid staff. Although, under a strict interpretation of the "best prevailing conditions of employment in the locality", the children's allowances and dependency credits now paid to General Service staff in New York may be considered relatively favourable, we believe that, in this particular field, the United Nations should lead rather than follow local custom. Moreover, we are convinced that the Secretary-General's proposals, which, compared with the present system, are extremely regressive and at variance with the practices of many countries, would have a profoundly disturbing effect on the morale of the staff.

(iv) Accordingly, we would support the form of the Secretary-General's proposals for dependency exemptions for married staff members both with and without children, provided that the proposed children's allowance of \$250 gross were raised to, say \$400 and that the proposed assessment rates were somewhat more steeply graduated in the top salary levels. This would mean a larger net gain to staff at the lower salary levels and a lower net gain to those at the higher levels, e.g. for a married man with wife and two children with a \$3,000 gross base salary, it would mean an additional \$264 net over and above the Secretary-General's proposals.

(v) As an alternative to the above proposal for a flat allowance of \$400, and taking into account the established fact that the cost of a child increases substantially with its age, we would suggest consideration of a system of children's allowances varying according to the age of the child, e.g. 0-5 years, \$250 gross; 6-9 years, \$350 gross; 10 years and upwards, \$500 gross. A further alternative, bearing in mind the greatly increased cost of housing for families with more than two children, would be to increase the children's allowances according to the number of dependent children in the family, e.g. \$400 for each of the first two children, \$500 for the third, and \$600 each for the fourth and subsequent children.

(vi) The children's allowances suggested in paragraphs (iv) and (v) above would be coupled with the system of dependency exemptions proposed by the Secretary-General. However, as already stated, we believe that the assessment rates proposed by the Secretary-General should be somewhat more steeply graduated in the top salary scales.

(vii) In connexion with the existing system regarding allowances and benefits for dependents, we wish to draw attention to the fact that female staff members do not at present enjoy equal treatment. We believe that the administrative practice whereby a differentiation is made between female and male staff members as regards entitlement to benefits such as children's allowance, dependency credits, home leave, installation allowance or medical insurance, is incompatible with the principles of the United Nations, and that the Secretary-General's suggested definition of a dependent child, as it would apply to female staff members, is much more restrictive than the present practice.

V. Leave

1. Annual Leave

(a) Secretary-General's suggestions

The Secretary-General suggests that the present leave entitlements might be revised so as to reduce it in the early years of service while allowing extra time for home leave, and to increase leave entitlement for non-indigenous staff at certain duty stations for climatic or other reasons.

(b) Staff Council's comments

We strongly object to any proposal which would reduce the present annual leave. This would constitute a substantial encroachment on the rights of staff members as established in the Staff Regulations. In the case of General Service staff, it should be noted that the present leave entitlement approximately compensates for the longer working hours of U.N. staff, as compared with the best local conditions of employment. The same is true of Professional staff, for whom the present leave entitlement is also deemed to include compensation for overtime.

2. Home Leave

(a) Secretary-General's suggestions

The Secretary-General states his belief that a change in the home leave cycle is not warranted. At the same time he indicates that he would not object if the extra travel time now allowed up to a maximum of thirty days were in principle limited to the air travel time.

(b) Staff Council's comments

(i) We fully share the Secretary-General's belief that no change in the home leave cycle of two years is warranted. We cannot, however, support the idea of limiting the time permitted for travel to air travel time. This would constitute a reduction of the acquired rights of staff members and would cause

hardship, especially in the case of staff with dependents having to travel great distances. It would also point up inequities between staff from different parts of the world. We therefore strongly favour retention of the present arrangements for home leave travel.

(ii) We have noted the practice of ICAO to give home leave to Canadians who live more than a certain distance from Montreal. We recommend that consideration be given to the possibility of re-instituting some such provision for United States nationals employed at U.N. Headquarters.

3. Sick Leave

(a) Secretary-General's suggestions

The Secretary-General notes that the present system is defective in that it does not give adequate protection in the case of very long illnesses. He therefore proposes that staff members with permanent contracts should be permitted sick leave for not more than six months on full salary and six months on half salary in any twelve-month period, provided that the total in any four consecutive years does not exceed eighteen months, the first nine on full salary and the second nine on half salary. Staff members with three-year contracts or three years' service would come under the same rule. A liberalization of the rules in this respect is also suggested for staff members holding appointments for less than three years or with less than three years' service.

(b) Staff Council's comments

We welcome the Secretary-General's proposals for the liberalization of the sick leave system as it applies to long illnesses.

4. Maternity Leave

(a) Secretary-General's suggestions

The Secretary-General makes no specific proposal or suggestion. He notes, however, that a number of Governments require maternity leave to be counted against sick leave and/or annual leave, and suggests that there may be a case for some revision in the United Nations rules, at least in the case of women with no dependents recognized as such by the Organization.

(b) Staff Council's Comments

We are strongly opposed to any change in the present maternity leave benefits. We believe that maternity leave should be kept entirely separate from annual and sick leave, since it is designed for a different purpose. In this connexion, we draw attention to the more favourable terms of the ILO staff rules with regard to maternity leave, which have obviously taken into account the provisions of the ILO Convention (No. 103) concerning Maternity Protection (revised 1952).

We feel that the dependency status of the staff member entitled to maternity leave is irrelevant.

VI. Other Allowances and Benefits

1. Group Medical and Hospital Insurance

(a) Secretary-General's suggestions

The Secretary-General notes that staff members are not covered against major medical costs and feels that the insurance arrangement should be improved to provide coverage in this respect. He does not think that the whole of any extra cost should fall on the Organization and, to obviate this, he proposes a revision of the present subsidy rate. *It is understood that* The ratio tentatively suggested in the Secretary-General's paper (75-25 or 30-20) *may be* has now been modified *on the basis of the latest report of* as the result of discussions in the Medical Insurance Review Committee.

~~The proposed new subsidy scale would be as follows: 1/~~

<u>Salary</u>	<u>% of Subsidy to Premium</u>
To \$4,000	80%
\$4,001 - 6,000	75%
\$6,001 - 8,000	50%
Over 8,000	25%

The Secretary-General's paper contains no proposals on dental coverage, although an annex to it gives some data on the dental expenditures of staff members. The Medical Insurance Review Committee anticipated that should a dental plan eventually be worked out, the same subsidy formula would apply.

(b) Staff Council's Comment

We welcome the Secretary-General's suggestion that the medical insurance arrangement should be improved so as to provide cover for major medical costs. It is noted that the section of document A/AC.34/R.9 dealing with the subsidy scale *may be modified on the basis of* has been superseded by *the latest* report of the Medical Insurance Review Committee, which

~~1/ To facilitate comparison, the existing subsidy scale is reproduced below:~~

<u>Salary</u>	<u>Subsidy</u>	
	<u>Single</u>	<u>Married</u>
\$ 3,590 and below	56%	80%
3,591 - 4,700	42%	69%
4,701 - 6,000	22%	57%
6,001 - 8,000	-	27%
8,001 -11,000	-	15%
11,001 -14,000	-	2%
14,000 and above	-	-

we endorse. In connexion with this report, we are strongly in favour of a dental scheme and note with appreciation that it is anticipated that the Organization would subsidize it.

2. Group Life Insurance

(a) Secretary-General's suggestion

The Secretary-General notes that experience with the scheme so far has been favourable with the result that premiums are at a level where the whole cost is borne by the staff member. Should the situation change, however (as a result of a larger number of over-age participants or an unexpectedly large number of claims), the premium might reach a level at which it would not be unreasonable for the United Nations to bear a small part of the cost - indeed, if the premium reached a certain level the Organization might be required by New York State Law to do so.

(b) Staff Council's comment

We welcome the Secretary-General's statement that it is not unreasonable that the United Nations should be prepared to bear a small part of the cost of a group life insurance scheme. The present contract comes up for renewal at the end of 1956 and we feel that, well before that date, the existing arrangements should be studied to ascertain whether they are the best possible.

3. Service-Incurred Death, Injury or other Disability

(a) Secretary-General's suggestions

The Secretary-General suggests no immediate change in the provisional compensation scheme recommended by the 1949 Committee and now in force.

(b) Staff Council's comment

Inquiries indicate that this scheme is working well and we feel that no comment is called for at this stage.

4. Overtime

(a) Secretary-General's suggestions

The Secretary-General, in enumerating the allowances and benefits to which staff members are entitled under the present system, notes the additional payment or compensatory time off received by staff in some categories who are required to work in excess of the regular working week.

(b) Staff Council's comment

The Staff Council believes that the existing dual system of overtime compensation is not justified and considers that the principle of payment at the rate of time and a half (instead of compensatory time off) for all overtime should be

applied in all cases to General Service staff, as is the general practice locally. It may be noted that, in some cases, local employers pay double time for overtime.

5. Night Differential

(a) Secretary-General's suggestion

The Secretary-General indicates that he is now considering a proposal to increase the present additional payment of 10 per cent of the normal salary or wage to the lowest paid staff and possibly to discontinue the payment of a night differential to staff in higher salary levels.

(b) Staff Council's comment

The Staff Council welcomes the proposal to increase the amount of the benefit to the lower paid staff, and believes that the principle of night differential should apply to all staff members.

6. Language Allowance

(a) Secretary-General's suggestions

The Secretary-General notes that the present arrangements with regard to the payment of an allowance to General Service staff for the use of two or more official languages are broadly satisfactory.

(b) Staff Council's comment

With regard to the language allowance, we note that only one additional increment is granted to a General Service staff member who qualifies in two or more of the official languages. In view of the importance attached by the Secretary-General to knowledge of languages on the part of all staff, we would favour a flat language allowance of \$250. We also recommend that further additional allowances be granted in respect of qualification in more than one official language.

7. Repatriation Grant

(a) Secretary-General's suggestions

The Secretary-General believes that the principle of this grant is sound for international staff who are expatriated for the major part of their careers, but that the maximum of the grant should be re-appraised from time to time in the light of the changing value of money and other factors. The meeting of the Salary Review Committee provides an obvious opportunity for such a re-appraisal.

(b) Staff Council's comment

The Staff Council supports the proposal of the 1949 Committee of Experts for a maximum repatriation grant of \$10,000, especially since the cost of living has risen appreciably since 1949. To this end it would also be necessary to raise the number of weeks' salary paid.

8. Termination Indemnity

(a) Secretary-General's suggestions

The Secretary-General suggests that the present practice might be altered to provide for the payment of somewhat higher indemnities to staff terminated through no fault of their own and of lower amounts where the termination is due to some fault or shortcoming of the staff.

The Secretary-General also requests that the existing rule, which precludes the payment of a termination indemnity to a staff member who is also entitled to a disability pension, might be reconsidered.

As regards the provisions governing the employment of short-term appointees, the Secretary-General believes that it would be preferable to exclude such staff members from full coverage in the Pension Fund and to grant them instead a terminal gratuity.

(b) Staff Council's comment

(i) We support the Secretary-General's proposal to include staff entitled to a disability pension among those who would receive a termination indemnity. Regarding the Secretary-General's proposal for differentiating between staff terminated through no fault of their own and those terminated because of some fault or shortcoming, we support the Secretary-General's proposal to make larger payments to the first group of staff but not his suggestion to reduce the amounts paid to the second. We further recommend, in accordance with the resolution adopted by the Staff Council on 7 September 1955, that staff members who would receive less than one-third of their final average remuneration in the form of retirement benefits should, irrespective of their type of contract, be entitled to a severance allowance, computed on a basis of one month's salary per year of service, up to a maximum of nine years.

(ii) We reserve comment on the Secretary-General's suggestion regarding terminal gratuities for short-term appointees.

9. Education Grant

(a) Secretary-General's suggestion

The Secretary-General suggests no change in the present arrangements relating to the education grant.

(b) Staff Council's comment

We would refer to the suggestions which we have already submitted
(See A/AC.84/R.10, para. 43)