

INTERNATIONAL CIVIL SERVICE
COMMISSIONCOMMISSION DE LA FONCTION
PUBLIQUE INTERNATIONALE

10th Floor, Two United Nations Plaza, New York, NY 10017
Fax: (212) 963-0159 / 963-1717

ICSC-PADJ-0520-02

DATE: 14 May 2020

TO: Recipients of Post Adjustment
Classification Memo

THROUGH: Mr. Larbi Djacta
Chairman, ICSC

FROM: Ibrahim S. Yansaneh
Chief, Cost-of-Living Division

SUBJECT: Mid-month post adjustment classification memo for May 2020

1. I am pleased to send you the post adjustment multipliers for May 2020. Note that **only duty stations with changes in post adjustment multipliers** as compared to the previous memo ICSCPADJ-0520-01 are listed.

2. Given the extraordinary circumstances being experienced by United Nations common system staff in Professional and higher categories serving around the world due to the impact of the COVID-19 pandemic, the ICSC Chair, under his delegated authority, has decided to approve the promulgation of some special measures for group II duty stations, designed to ensure that there is no reduction in net take-home pay (NTP) until further notice. See document ICSC/CIRC/GEN/05/2020 for details. **Please note that none of these special measures was warranted for the two group II duty stations for which post adjustment multipliers are reported in this memorandum.**

Group II duty stations

3. Based on the results of the most recent cost-of-living surveys for group II duty stations, the revised post adjustment multiplier listed in Table 1 is applicable effective 1 May 2020.

Table 1. Revised post adjustment multiplier as a result of cost-of-living surveys – May 2020

DUTY STATION	MULTIPLIER
Guyana	44.2

4. Cost-of-living survey results did not trigger a change in multiplier for **Kazakhstan**.

5. Based on the results of the most recent cost-of-living surveys for group II duty stations, the revised applicable rental subsidy thresholds listed in Table 2 below, are effective 1 May 2020.

Table 2. Group II duty station with revised rental subsidy thresholds

DUTY STATION	RENTAL SUBSIDY THRESHOLDS (PER CENT)	
	With Spouse/Single Parent Allowance	<u>Without</u> Spouse/Single Parent Allowance
Guyana	22	23

6. The waiver of the 40 per cent of rent limit on rental subsidies is **no longer applicable** for **Kazakhstan** effective 1 May 2020.

cc. Mr. Aldo Mantovani
Ms. Genet Amdeberhan

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ICSC/CIRC/GEN/05/2020

11 May 2020

ICSC 60-2

**TO: Human Resources Managers of Participating Organizations
Representatives of Staff Federations**

**FROM: Ibrahim Yansaneh, Chief
Cost-of-Living Division**

SUBJECT: Special measures to mitigate the negative impact of the COVID-19 global pandemic on post adjustment classifications of group II duty stations

1. The inevitable disruptions in global markets, and the attendant lockdowns, both legally established or de facto, due to the impact of the COVID-19 pandemic, have made it impracticable to do any data collection for purposes of cost-of-living comparisons across duty stations. As a result, the ICSC suspended its survey programme, as of April 2020, until further notice. Surveys that were already completed before the advent of COVID-19 are being processed in accordance with the Commission-approved methodology but will be implemented in accordance with the provisions stipulated by the relevant special measures, as specified below.

2. It should be noted that the pandemic negatively affects not just the conduct of comprehensive cost-of-living surveys, but also the macro-economic indicators, such as local currency exchange rates and consumer price indices, on which the determination of post adjustment multipliers depends. The ICSC secretariat has indeed observed some negative effects, manifested mainly in widespread depreciation of local currencies, especially in field duty stations. For the time being, these impacts can be effectively addressed by the existing operational rules. For instance, thanks to the Four Month Review (FMR) cycle, the net take-home pay (NTP) of staff in field duty stations will not change, no matter the local macro-economic conditions, until July 2020, the scheduled date of the next post adjustment classification (PAC) review, unless a cost-of-living survey is to be implemented.

3. However, a sustained and severe negative impact on the above-referenced indicators may indeed lead to significant negative adjustments of post adjustment multipliers, which, without the possibility of conducting cost-of-living surveys, may not be sufficiently mitigated by the existing operational rules. Given the extraordinary circumstances being experienced by United Nations common system staff in Professional and higher categories serving around the world, the ICSC Chair, under his delegated authority, has decided to institute the following special measures, designed to ensure that there is no reduction in NTP until further notice.

4. The proposed special measures are designed to address any situations that might lead to reductions in NTP. They are even more favorable to staff than the recommendations of the Working Group on operational rules, which have found favor with both organization and staff representatives. Such special measures would prevent the reduction of NTP (in some cases, even increase the NTP) for eligible staff, no matter what the economic circumstances of the duty station, and, at the same time, grant increases in NTP, if warranted by the results of surveys or interim adjustments based on inflation and exchange-rate movements.

Duty station with active special measures

5. Special measures are already in place to protect the NTP of eligible staff from specific local macro-economic circumstances (not related to the COVID-19 global pandemic) faced by a number of duty stations, including Zimbabwe, Venezuela, Iraq and Syria.

Duty stations with pending implementation of survey results

6. For surveys that are already conducted, with results pending implementation, new post adjustment multipliers (PAMs) will be:

- (a) Implemented, in an unrestricted manner, as usual, if they lead to NTP increases;
- (b) Frozen, if they lead to decreases of less than 3 percent; and
- (c) Determined by application of a revised gap closure measure if the decrease is 3 or more per cent.

Modification of the gap closure measure (GCM)

7. This modification provides for:

- (a) The usual augmentation of the survey-based post adjustment index (PAI) by 3 per cent that would form the basis for the applicable PAM; and
- (b) The calculation of a personal transitional allowance (PTA) that would be applied to all staff, both existing and new.
- (c) Keeping the PTA fixed and not revised until the special measures are lifted, at which point the regular PTA revision cycle would begin to apply, adding 6 further months of stable PTA and subsequent downward revisions every 4 months until PTAs are phased out.
- (d) Applying consolidation to the PTAs whenever triggered by new base/floor salary scales, in order to avoid undue increases in remuneration levels;

Duty stations with ongoing PTAs

8. There are, currently, four duty stations in which PTAs are currently being paid, following earlier implementation of gap closure measures. These are shown in the table below, along with their PTAs and review dates. For these duty stations, there will be no further downward adjustment of PTA during the period of application of the COVID-19 special measures. The PTA revision cycle will be frozen as of 1 April 2020 and will resume its regular course upon the lifting of the special measures. Furthermore, the existing PTA will be applied to new staff as well.

Duty Station	PTA starting date	Existing PTA	Next Revision date
Qatar	Oct-19	11.1	Aug-20
Russia	Oct-19	3.0	Aug-20
Zimbabwe	Feb-20	22.5	Aug-20
Angola	Mar-20	9.1	Sep-20

Modification of the Four-month Review (FMR) rule

9. The four-month review rule will be implemented extremely asymmetrically to protect NTP of eligible staff. In other words:

- (a) New PAMs will be implemented only if they lead to salary increases;
- (b) Otherwise they are frozen at the prevailing levels, no matter the size of the warranted decrease, until the special measures are lifted, meaning that the 10-Point rule is effectively suspended.
- (c) The regular operation of the FMR rule will resume on the first statutory date after the lifting of the special measures.

Implications of the special measures for the post adjustment system

10. It must be noted that these special measures represent the most significant departure from the principle of purchasing power parity of net remuneration, the bedrock principle underpinning the post adjustment system. In fact, they have a much stronger protection of NTP than the recommendations of the Working Group on operational rules that were recently submitted to the Commission. Their overall impact is to increase the gap between post adjustment and pay indices, which will impede NTP increases based on interim adjustments in the future, as these will be absorbed by more frequent phasing out of the PTAs.

11. Heads of Human Resources are hereby requested to alert the payroll offices of their organizations about these special measures, as their implementation would require a change in some established procedures, such as the management of the PTA, now held fixed and applied to all staff (both existing and newly assigned). The accompanying annex provides a side-by-side comparison of current arrangements in the application of the existing operational rules for determination of the applicable PAM, versus the changes stipulated by the special measures.

12. I am at your disposal for any questions you may have, or any clarifications you may need.

Annex

Simplified summary of changes

Implementation of survey results	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> Surveys resulting in positive results or no-change are implemented; Severely negative results are implemented under the regular gap closure measure (GCM) 	<ul style="list-style-type: none"> Surveys resulting in severely negative results are implemented according to a modified GCM.
Newly implemented Gap Closure Measure (GCM)	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> Augmentation by 3% of survey results and payment of Personal Transitional Allowance (PTA) to existing staff 	<ul style="list-style-type: none"> Augmentation by 3% of survey results and payment of PTA to all staff (including new staff assigned to the duty station after the date of implementation of survey results) until the special measures are lifted.
<ul style="list-style-type: none"> PTA revised 6 months from implementation date of survey results; every 4 months afterwards 	<ul style="list-style-type: none"> The PTA revision cycles are frozen until the special measures are lifted.
<ul style="list-style-type: none"> The PTA is maintained upon implementation of higher base/floor salary scale 	<ul style="list-style-type: none"> The PTA is consolidated upon implementation of higher base/floor salary scale
Ongoing PTAs	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> PTA is paid only to existing staff, already on post on the date of the implementation of survey results 	<ul style="list-style-type: none"> PTA is paid to all staff, including to new staff assigned to the duty station after the date of implementation of survey results
<p>The PTA revised 6 months from implementation date of survey results; every 4 months afterwards</p>	<ul style="list-style-type: none"> The PTA revision cycles are frozen until the special measures are lifted.
<ul style="list-style-type: none"> The PTA is maintained upon implementation of higher base/floor salary scale 	<ul style="list-style-type: none"> The PTA is consolidated upon implementation of higher base/floor salary scale
Four-Month Review (FMR) rule	
<i>Current arrangements</i>	<i>What changes?</i>
<ul style="list-style-type: none"> If a decrease in PAM of 10 points or less is due according to FMR calculations, it is implemented; otherwise, the 10-point rule is triggered 	<p>If a PAM decrease is due according to FMR calculations, the new lower PAM is not implemented; the existing PAM is maintained, no matter how large the decrease from the FMR calculations; the 10-Point rule is effectively suspended.</p>