

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(78)12
3 May 1978

ADMINISTRATIVE AND FINANCIAL QUESTIONS

Deviation from the United Nations Staff Rules

Pensionable Remuneration upon Promotion from the General Service to the Professional Category

Note by the Director-General

1. In accordance with the Decision of the CONTRACTING PARTIES whereby the Director-General is required to report deviations from the application of the United Nations Staff Rules involving financial commitments, the Director-General wishes to report the following matter.
2. Under the existing conditions in Switzerland promotion from the General Service to the Professional category would, in principle, result in a reduction in the level of pensionable remuneration. This is due to the depreciated value of the US dollar in relation to the Swiss franc, and to the fact that practically all the components of the remuneration of General Service staff members are pensionable, whilst an important part (post adjustment) of the total remuneration of a Professional staff member is not.
3. In order to protect those staff members not wishing to have their pensionable remuneration reduced upon promotion, the Consultative Committee on Administrative Questions (CCAQ) agreed some years ago (Ref: CO-ORDINATION/R.733) that each organization should take ad hoc action by adopting the following guideline:

"Where a promotion from the General Service to Professional category would result in a reduction in the level of the pensionable remuneration, this remuneration may, at the option of the official, be maintained at its previous level (with contributions accordingly) until such time as this level is surpassed by the level of pensionable remuneration in the new or higher grade."

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This guideline was adopted by four organizations in Geneva (WHO, ITU, ILO and WMO). Staff members in these organizations who are promoted from the General Service to the Professional category are consequently free to choose between the previous (higher) level and the post-promotion (lower) level of pensionable remuneration.

4. The United Nations, whose Staff Rules GATT follows, did not associate itself with the advice given by CCAQ. The pertinent Staff Rule, 103.16(c), stipulates that "the level of pensionable remuneration reached prior to the promotion shall be maintained until it is surpassed by the level based on the staff member's salary in the Professional category", leaving the staff member so promoted without freedom of choice as obtaining in the majority of organizations in Geneva.

5. The disparity between the pensionable remuneration of senior General Service staff and Professional officers has reached proportions which render it awkward and illogical in every case to follow indiscriminately the rigid rule of the United Nations in the matter, and in particular in those instances where the staff members so promoted are of a relatively young age. Therefore, the Director-General has decided that with effect from 1 January 1978, staff members on promotion from the General Service to the Professional category will be allowed to opt for the pensionable remuneration of their choice in accordance with the CCAQ guideline quoted in paragraph 2 above and in conformity with the practice followed by the majority of the Geneva-based organizations.

6. The implications of this recommendation in financial terms, if any, will be to decrease slightly the organization's expenditures since it will have the effect of reducing GATT's contribution to the Pension Fund on behalf of those staff members desirous of accepting the option offered,

Submitted for information.