



Manual for Salary Surveys in Duty Stations other than Headquarters and similar duty stations (Methodology II duty stations)

**Manual for the conduct of surveys of the best prevailing conditions of
employment at duty stations other than headquarters and similar duty
stations – methodology II**

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INTRODUCTION

Of vital importance to the success of United Nations programmes worldwide is the support of highly skilled and dedicated national staff. From its inception, the United Nations has recognized the central role of its locally recruited staff in its work. As nationals, these men and women bring first-hand knowledge about the countries in which they live and provide continuity in the ongoing work of the United Nations Common System organizations. They shoulder primary responsibility for maintaining working relationships with national institutions and with the local community.

The Flemming Principle

0.1 In 1948, in recognition of the important contribution of national staff, the General Assembly established the founding principle for setting compensation for locally recruited staff. With the Flemming Principle, named for the Committee which first enunciated this policy, the General Assembly established and maintained that conditions of service for locally recruited staff should reflect the best prevailing conditions found locally for similar work. Linking United Nations salaries for locally recruited staff to dynamic, progressive employers in each locality has enabled the United Nations to remain a competitive employer and, more importantly, to recruit and retain staff of a high level of skill and integrity essential to its work.

The Methodology

0.2 In order to make the Flemming Principle a working reality, consistently applied in each duty station, the International Civil Service Commission (ICSC) approved a comprehensive methodology in 1984 for the conduct of salary surveys in non-Headquarters duty stations. This methodology provided the first clear, consistent guidelines for evaluating local labour market conditions, identifying leading employers and establishing accurate comparisons with these employers to ensure that United Nations' salaries reflect best prevailing conditions.

0.3 Since 1985, numerous comprehensive salary surveys have been carried out under the non-Headquarters methodology. Through the experience gained in these surveys, the survey process has been streamlined and refined. A common classification standard for General Service posts at all duty stations has been implemented that further facilitates and enhances the salary survey programme.

0.4 In 1993, 1997, 2003, and 2011, the ICSC carried out a comprehensive review of the non-Headquarters methodology. In addition to confirming the applicability of the methodology in determining conditions of service for locally recruited staff, the Commission recognized the extensive efforts on the part of the organizations to effectively implement the methodology. In its reviews of the methodology, the Commission approved several revisions which reflected the experience of the organizations and the evolving views of Member States.

0.5 The latest review of the methodology for surveys of best prevailing conditions of employment at duty stations other than Headquarters and similar duty stations (Methodology II) be found on the OHRM salary survey website: http://www.un.org/depts/OHRM/salary_survey/index.htm

The Manual

0.6 The United Nations Common System organizations have been equally committed to ensuring the consistent and accurate application of the Flemming Principle in the different locations. With ICSC approval of the methodology, representatives of the organizations drafted a step-by-step manual for Local Salary Survey Committees. This Manual provides detailed guidance on the survey process and greatly facilitates the conduct of salary surveys under the methodology.

0.7 This edition of the Manual reflects changes approved by the ICSC in the methodology. In detailing the steps of the survey process, it also reflects practical experience gained over the past several years. The Manual provides greater precision in each part of the survey process. It reflects the impact of job classification at the duty stations and the extensive use of computer technology in the survey process.

0.8 In issuing this edition of the Manual, the organizations of the Common System recognize that, while the fundamental principle underlying United Nations conditions of service remains unchanged, the process for assessing local labour market conditions must remain dynamic. The refinements contained in this Manual reflect continuing efforts to improve the methodology and the related salary survey process.

0.9 The Manual can be found on the OHRM salary survey website: http://www.un.org/depts/OHRM/salary_survey/index.htm

Understanding the Respective Roles of the Participants

0.10 There are four main participants involved in the salary survey process: the Responsible Agency, the coordinating agency, the Salary Survey specialist, the Local Salary Survey Committee (LSSC). For surveys under the responsibility of the United Nations, a Headquarters Salary Steering Committee has been established. The respective roles and responsibilities of these participants are as follows:

The Responsible Agency. The United Nations and the World Health Organization are known as the responsible agencies. These agencies have been designated by Chief Executives Board for Coordination (CEB). The Responsible Agency draws up a schedule for comprehensive salary surveys based on a five year periodicity. Headquarters of the Responsible Agency notifies the duty station in advance of the scheduled survey so that the duty station can begin the preparation for the salary survey. No salary survey (comprehensive or interim) may be initiated without the concurrence of Headquarters. The Headquarters of the Responsible Agency also appoints the Salary Survey specialist(s), approves the salary survey results and constructs the salary scales.

The Coordinating Agency. Some United Nations organizations have been given operational responsibility for organizing and coordinating the salary surveys in the duty station in consultation with the Responsible Agency. The Coordinating Agency calls for the formation of the Local Salary Survey Committee and appoints its chairperson. Through its headquarters and in consultations with other organizations present at the duty station, the Coordinating Agency may also provide any additional comments or information pertinent to the salary survey for review by the Responsible Agency. The Coordinating Agency is usually the agency with the largest number of staff in the duty station and is appointed by the CEB.

The Coordinating Agency is responsible for convening the Local Salary Survey Committee (LSSC) and appointing a senior internationally-recruited official as Committee chairperson.

The Salary Survey specialist. An individual specialized in salary survey techniques, normally appointed by the Headquarters of the Responsible Agency, is assigned to conduct the survey with the LSSC. In certain cases, more than one specialist may be assigned to conduct a survey.

0.11 The assigned Salary Survey specialist acts on behalf of the responsible agencies. As such, the specialist has delegated authority to make on-the-spot decisions about technical matters where immediate decisions are necessary for the survey to proceed. Essentially, the role of the specialist is to guide the LSSC, especially at the stages of the survey preparation and data collection phases. The Salary Survey specialist has the following major responsibilities:

- To review the initial preparations made by the LSSC and to participate in the final field preparations for the survey;
- To brief the survey team on the objectives of the survey interview and on interview techniques, including job matching;
- To participate in data collection as the data collection team leader;
- To perform data analysis, construct salary scale and provide feedback to the LSSC on the preliminary salary survey results for subsequent review and approval by the Responsible Agency.

The Local Salary Survey Committee (LSSC). The LSSC coordinates survey activities at the duty station under the guidance of the Salary Survey specialist. The LSSC comprises administration and staff representatives from United Nations organizations at the duty station. The coordinating agency must ensure that agencies at the duty station participate in the LSSC. A close and continuous dialogue between administration and staff during all four phases of the survey is crucial.

0.12 If no LSSC exists, the coordinating agency should take the necessary steps at the local level to establish one that reflects a balanced representation of administration and staff of all the organizations at the duty station. To be effective the LSSC should have between 12 – 20 members.

The Headquarters Salary Steering Committee. For those duty stations where the United Nations is the Responsible Agency, a Headquarters Salary Steering Committee has been established as a coordinating management mechanism chaired by the United Nations and consisting of representatives of the administrations of the United Nations, UNDP and UNICEF.

Representatives of the ICSC secretariat attend the meetings in an observer capacity. The role of the Committee is to deal with issues related to salaries of the General Service and related categories. The Committee reviews the recommendations made by the Salary Survey specialist and the LSSC. The Steering Committee is required to ensure that the applicable salary survey methodology was adhered to in the conduct of the salary survey by the salary specialist and the LSSC. Following the technical review by the Steering Committee, the United Nations promulgates the resulting salary scales and the level of allowances. For more about the Headquarters Salary Steering Committee see Chapter 6.

Comparator Employers

0.13 Comparators are public and private sector employers representing a cross-section of economic activity in the duty station. Selection of the best local employers is made through a process of data gathering and comparative analysis of the remuneration package of locally-recruited staff.

0.14 Salaries for locally recruited staff are established through labour market surveys of the employers presumed to be among the best in the locality. On a five year cycle, comprehensive salary surveys are carried out to identify the employers that offer the best overall conditions against which to reference United Nations salaries. Between comprehensive salary surveys, interim surveys are conducted to update information on changes in salaries and benefits for the retained comparator employers.

An Overview of the Comprehensive Salary Survey Process

The Comprehensive Salary Survey

0.15 There are four phases in the conduct of a comprehensive salary survey:

The Preparation Phase begins with notification by the Headquarters of the Responsible Agency that a comprehensive survey will be carried out. This phase includes: convening the Local Salary Survey Committee (LSSC); selection of comparator employers to be surveyed; updating information on personal income taxation in the duty station and the compilation of statistics on the job and grade distribution of local staff for all United Nations agencies in the duty station.

The Data Collection Phase usually begins with the arrival of the Salary Survey specialist and the briefing of the data collection team and includes interviews with the selected comparator employers to collect their data on salaries, allowances and other conditions of service leading to the completion of the employer questionnaire for each surveyed employer for data analysis;

The Data Analysis Phase begins with the analysis of individual employer data to establish total net salary figures, at minimum and maximum, for each job matched in each employer leading to the selection of the best employers and the calculation of the overall weighted average difference or increase represented by the selected best employers over current United Nations salaries.

The Salary Scale Construction Phase adjusts raw survey findings into a balanced and accurate salary scale reflecting labour market trends and promoting internal consistency and equity.

0.16 These phases, with guidance concerning the creation of United Nations allowances and the finalization and approval of revised salary scales are described in detail in Part I of this Manual: *The Comprehensive Salary Survey*.

The Interim Adjustment

0.17 Between comprehensive salary surveys, the LSSC is required to monitor and update salary and benefit information for the retained comparator employers. This interim survey process builds on the foundation established in the comprehensive salary survey. The procedures to be followed for the interim survey process are detailed in Part II of this Manual: *The Interim Adjustment*.

Special Measures

0.18 Flexibility is built in the methodology to effectively address the wide range of labour market conditions found around the world. Experience has shown that, in situations of extreme economic and social volatility, it may be necessary to temporarily go beyond the approach provided for in the methodology. Guidance regarding these situations and possible alternative approaches which may be considered are detailed in Part III of this Manual: *Special Measures*.

Salary Scales in Multiple Duty Stations in a Single Country

0.19 Salary scales developed for duty stations with established United Nations offices in capital cities should normally apply to staff working at locations countrywide. There are a few cases where more than one salary scale is in effect in the same country. The application of different salary scales for different duty stations in a single country can be authorized in specific circumstances by the Responsible Agency, either the United Nations or World Health Organization.

The issue of the secondary scale is addressed in Chapter 6 of this Manual.

PART I – The Comprehensive Salary Survey

Chapter 1 **The Preparation Phase**

Once the Headquarters of the Responsible Agency schedules a comprehensive survey, the preparatory process begins when the LSSC gathers information and monitors salary movements and related developments in the local labour market. The preparation phase may take between three to six months.

Assembling the Labour Market Information

1.1 The survey process is based on a comparison of current local employers' remuneration package with that offered to locally recruited United Nations staff at the duty station. In order to identify those employers, who offer the best prevailing conditions of employment, the LSSC initiates the process of labour market research and contacts the comparator employers used for the final data analysis in the previous comprehensive salary survey. In addition, local employers known to be competitive from participation in past surveys should also be contacted. These guidelines eliminate undue fluctuations from one survey to the next and ensure that salary levels are not temporarily set by reference to all new employers. Areas to be monitored include:

- Basic salaries of local employers;
- Allowances and benefits offered by local employers;
- New legislation changing local income taxes;
- Adjustments in official working hours without corresponding adjustment in basic salaries.

Identification of Potential Employers

1.2 Potential employers to contact to be included in the survey could be obtained from the following sources:

- Local chamber of commerce;
- Organizations and associations of employers within the same industry, unions and other labour organizations;
- Published materials;
- Previously surveyed comparators; and,
- Headquarters information on multinational employers which are found to be highly competitive.

Developing a List of Comparator Employers

1.3 Using the best possible sample of employers ensures that the salary scales resulting from the survey reflect the best prevailing conditions of employment in the locality. The LSSC should compile a list of local employers reputed to be amongst the best that should be surveyed. It is also useful to have a reserve list of employers in case some of the initial employers scheduled to be surveyed suddenly decline to participate, or are unable to provide sufficient data for analysis after the data collection has commenced. All selected employers must meet the criteria specified below and must be approved by the Responsible Agency.

1.4 Once the LSSC has compiled a proposed list of comparator employers, it should be forwarded to the Headquarters of the Responsible Agency for review and approval. Only with the approval of the list by Headquarters should the employers be formally approached to participate in the survey.

Key Criteria for Employer Selection

1.5 The following criteria should be observed in the selection of employers to be surveyed:

- Employers selected should represent a broad cross- section of competitive economic sectors (including the national civil service and embassies or parastatal institutions), with no sector unduly dominating the sample;
- In duty stations, listed in Annex IV of the methodology, the national civil service as represented by the ministry of foreign affairs must be invited to participate. Where it is not possible to survey the ministry of foreign affairs, the Responsible Agency will select an appropriately representative alternate civil service employer after consultation with the Chairman of the ICSC and the local salary survey committee;
- The employers to be surveyed should have been established in the locality for approximately five years;
- They should have an established salary structure and personnel system including systematic method of ranking jobs;
- They should have at least 20 employees engaged in office work in duty stations required to retain five employers. In duty stations where the number of employers to be retained is seven, ten or fifteen, it is required that these employers have at least 50 employees engaged in office work. A degree of flexibility may be applied with regard to the 50 employee minimum if an employer has a well-structured compensation system based upon globally applied job classification standards, was previously retained or to facilitate participation of employers from the public sector. However, employers with 20 or fewer employees engaged in office work should be excluded;
- There should be a high degree of continuity in the employers surveyed from one survey to the next, with a majority of employers from the previous survey normally being retained for data collection and analysis; and,

- An outside employer who uses the United Nations salary scales as the primary basis for setting its salaries should not be selected for comparison.

1.6 Prior to the formal interviews, the LSSC should have determined whether each employer to be surveyed meets the above criteria. If criteria are not met the employer should not be surveyed.

Number and Sector Representation of Employers to be Included in the Survey

1.7 Methodology II has established five categories of duty stations. Duty stations in categories I, II, III and IV require the retention of 15, 10, 7 and 5 employers respectively. No comprehensive salary surveys are required for duty stations in category V, where the number of General Service staff is 30 or fewer. The list of duty stations by category appears in Annex III (Categorization of duty stations as at 1 January 2011).

The determination of the category in which a duty station has been classified is based broadly on two criteria: the size of the United Nations local staff population (fewer than 30 or more than 30 staff in the General Service category) and, the degree of dynamism of the local labour market. A revision of the category is subject to the approval of the Chairman of the ICSC.

1.8 In addition to establishing criteria for the retention of employers which vary by category of duty stations, the ICSC also requires that the list of retained employers in the final analysis be representative of a range of economic sectors. Representation of employers drawn from the public sector including, where possible, the national civil service, is also a requirement at all duty stations. A minimum of twenty five percent of retained employers must be from the public/non-profit sector, including, where possible, the national civil service as represented by the ministry of foreign affairs. Where it is not possible to include national civil service employers in the analysis, the representation of the public/non-profit sector should be increased by at least one additional employer. No more than twenty five percent of employers may be included from the five private sub-sectors listed in Annex II of Methodology II. For certain duty stations under category I (refer to Annex IV of the Methodology II), the ICSC has mandated that the national civil service must be included among the retained comparators. At these duty stations, if it is not possible to survey the ministry of foreign affairs, the Responsible Agency will select an appropriately representative alternate civil service employer after consultation with the Chairman of ICSC and the local salary survey committee.

1.9 It is often not possible to establish, prior to the survey interviews, whether the various limiting criteria can be met by each employer surveyed. In view of this, in duty stations where 5 employers must be retained, up to 3 additional employers must be surveyed; to retain 7, 10 and 15 employers, up to 5 additional employers must be surveyed. When, under the previous comprehensive survey, the number of employers retained separately for the General Service and National Professional Officer categories combined was greater than the number of employers required by the present categorization of the duty station, the additional number of employers to be surveyed should be up to five above the combined number of employers retained for the two categories.

Making Appointments

1.10 A letter is sent to the Human Resources Manager or administrative official of each employer selected for the formal survey to announce the survey and request cooperation for an interview. It should be emphasized in the letter that a personal interview is necessary to obtain accurate and complete information. It should also be stressed that all data obtained will be kept strictly confidential. A sample letter is given in Annex III, Letter A. The employer should be contacted three to four days after the letter has been sent to ensure receipt. At this time the name and position of the employer representative who will participate in the interview should be confirmed.

Letters to Comparator Employers

1.11 Shortly thereafter, a follow-up letter is sent to the person designated to participate in the survey (see the sample in Annex IV, Letter B), with a sample copy of the employer questionnaire. By receiving materials in advance of the appointment, employers are able to compile information ahead of time. It should be made clear in the appointment confirmation letter that, although it would be helpful if the sample questionnaire were completed before the interview, it should not be returned, but kept for discussion during the interview.

1.12 Although the interviewee has received a list of United Nations benchmark jobs, the actual matching of jobs should be done, not by the employer before the interview, but by the survey team during the interview process.

1.13 Formal appointments with comparator employers should be made one week (see Annex V, Letter C) before the Salary Survey specialist arrives, and confirmed the day before. The timing of appointments should be staggered and limited to no more than three per day. One to two hours for each appointment is normally allowed.

Employer Questionnaire

1.14 The sample of the employer questionnaire that is sent to the employer is a summary of the document the salary survey team uses during the interview. By supplying the form ahead of time, the interview is better structured. The employer questionnaire form used in the survey process is provided to the LSSC by the Salary Survey specialist during the survey preparation phase. The form has been designed to incorporate various data elements, and has been found to meet the needs for surveys at all duty stations.

Gathering Local Information

1.15 Not only must the LSSC be aware of salaries, benefits and allowances since the last survey, but also additional information and material must be collected as part of the preparation phase before the new survey begins. This includes gathering information on relevant local labour legislation, other legislation governing conditions of service of local staff (e.g., social security provisions, hours of work etc.). The LSSC must ensure that this information and material are complete and available for the survey team members prior to comparator employer interviews.

Tax Information

1.16 As United Nations staff members generally are not taxed on their income, organizations and staff tend not to be very familiar with tax legislation applicable at the duty station. Information about taxation is, however, very important because it is used to derive outside net salaries from gross salaries, and to calculate dependency allowances. The LSSC must also collect or update data on taxation during the early stages in the preparation phase and provide official sources of information.

1.17 A clear and detailed summary of the income tax system should be provided on the tax information form, which is sent to the LSSC with the comprehensive survey authorization package. In some cases, a tax specialist needs to be consulted for the preparation of this form. The following tax information should be gathered:

- Up-to-date information about tax laws, regulations and tables, tax provisions and rates;
- Up-to-date information about the maximum and average levels of exemptions, deductions, rebates and allowances, as well as about the taxability of certain types of benefits; and,
- Information on type of income tax applicable (e.g., national, state and local);
- Copies of the actual documents describing the existing income tax system and up-to-date income tax return forms.

1.18 Once updated tax information is compiled, a copy of this information (translated into English, if required) should be sent well in advance of the survey to the Headquarters of the Responsible Agency. The Salary Survey specialist will begin analysis of the tax provisions and prepare the employer worksheets prior to his/her departure.

Other Information

1.19 In addition, information about provision of uniforms and transportation arrangements should be gathered from each agency during the preparatory phase.

Survey Benchmark Jobs

1.20 Using the ICSC job classification standard, the following 18 most common General Service jobs have been identified for use as salary survey benchmarks:

United Nations Grade	Job No.	Benchmark Title
G-1	1	Messenger/Mail Clerk
G-2	2	Driver
G-3	3	Senior Driver
	4	Clerk/Office Assistant
G-4	5	Team Assistant/Secretary
	6	Admin Assistant
	7	Finance Assist
G-5	8	Staff Asst/Secretary
	9	Admin Assistant
	10	Finance Asst
	11	IT Support Assistant
G-6	12	Office Asst/Secretary
	13	Administrative Assistant
	14	Finance Assistant
	15	IT Support Asst
G-7	16	Sr. Admin Assistant
	17	Senior Finance Assistant
	18	Sr . IT/System Asst

1.21 The 18 benchmarks fall within the five most common occupations found in duty stations for which comparable positions are most readily found in outside employers: Non-clerical office support, Secretarial, Administration, Finance and IT. Since the internal United Nations population serving in these specific benchmark jobs usually is a significant proportion of the General Service population, the 18 benchmarks provide a representative basis for salary comparisons. The 15 jobs surveyed should be the most populous benchmark jobs.

1.22 The common salary survey benchmarks do not necessarily describe every duty carried out in each grade by each agency at the duty station. The focus of these benchmarks is to present the principal duties and provide for a clear progression of functions within each occupational series to compare United Nations jobs to those found in outside employers. The use of the standard salary survey benchmarks provided in Annex IV of the Methodology II ensures that the comparison of United Nations General Service posts is carried out in a uniform manner.

1.23 With the approval by the ICSC of a common job classification standard for the General Service category at all duty stations and the adoption of these standards as salary survey benchmarks, the Local Salary Survey Committee should not debate the content of survey benchmarks to determine their applicability to actual posts in local United Nations

agencies. Variations in the classified levels for posts of similar functions among organizations at the duty station should be referred to the appropriate classification authority within each respective organization and should not be considered in the context of the salary survey. For the National Professional Officer (NPO) category, benchmark jobs in programme management, finance and human resources would normally provide a meaningful basis for comparing jobs. Using the ICSC Master Classification Standard, the following 5 NPO jobs have been identified for use as salary survey benchmarks:

UN Grade	Job Number	Title
NO-A	19	Programme Off/Analyst
	20	NPO-Admin
NO-B	21	Programme Officer
	22	NPO-Admin
NO-C	23	Programme Officer / Programme Manager

Compilation of Staff Inventory

1.24 As part of the preparatory phase, an inventory of all locally-recruited staff for all agencies with offices in the country must be compiled. This common staff inventory identifies staff population by job and grade.

1.25 A format for the staff inventory is provided in Annex II. In compiling the inventory, jobs performing the same function in the same grade are grouped under the same job title despite variations which exist between organizations. The eighteen survey benchmark jobs have been specifically highlighted in the inventory. Where there are no staff members performing the function of one of the eighteen benchmarks, a notional weight of 0.5 should be entered in the inventory to ensure that the salary data are included in the analysis.

1.26 The survey benchmark jobs and grade populations are essential in the later phase of data analysis. When compiling the inventory, the LSSC should not address issues related to the classification of job in individual agencies. The populations should be compiled as presented by each agency.

1.27 A complete inventory of local staff should be forwarded well in advance of the survey to the Responsible agency. The inventory is needed for weight analysis in averaging data.

Briefing and Training the Data Collection Team

1.28 Interviews with the selected employers are normally conducted by teams composed of the Salary Survey specialist and no more than one representative of staff to whom the resulting scales will apply. If there is a third team member representing the administration, he or she must be an international staff member in the Professional and higher category. Both the staff and administration representatives must be part of the LSSC. Under exceptional circumstances it may be necessary to include an independent interpreter in the survey team (see paragraph 2.4 below).

1.29 The LSSC representatives selected for the survey team should have prior experience or training in job matching and interview techniques.

1.30 Selected LSSC representatives and the Salary Survey specialist should function as a team in data collection. They carefully review the 23 survey benchmark descriptions (for both the General Service and National Professional Officer categories) and questionnaire, the elements needed for the analysis of the data (especially, the detailed quantification of fringe benefits), and all material collected on pertinent labour, tax and other legislation in order to ensure that they have a common vocabulary and thorough understanding of the material to be used in the interview, and the various elements involved in the survey process.

1.31 As part of the preparation for data collection, the data collection team members study the United Nations benchmarks jobs provided in Annex VI in the Methodology II. To ensure consistency in the job matching process the team members should develop a common understanding of the grade determining distinctions in the United Nations benchmarks for each grade level within each occupational series. If necessary, additional briefings of the team should be organized by staff members who have been trained in the principles of job classification in order to discuss the structure of the benchmarks.

1.32 The survey team reviews the analysis criteria for specific benefits as provided in Chapter 2 and Annex VI of this Manual before they collect detailed information on all allowances and benefits offered by employers. Irrespective of whether these benefits are included in the determination of salary, information should be collected to enable comparison with conditions of service in the United Nations organizations.

Confidentiality of the Survey Process

1.33 Data collection teams are committed to confidentiality with regard to information obtained during the conduct of the survey, although survey-related information may be shared with the LSSC (a model confidentiality pledge letter is shown in Annex VIII). The team will, moreover, be bound by the provisions of United Nations Staff Regulation 1.2 (i) as follows:

"Staff members shall exercise the utmost discretion with regard to all matters of official business. They shall not communicate to any Government, entity, person or any other source any information known to them by reason of their official position that they know or ought to have known has not been made public except as appropriate in the normal course of their duties or by authorization of the Secretary-General. These obligations do not cease upon separation from the service; "

Chapter 2

The Data Collection Phase

The **Data Collection Phase** of the comprehensive salary survey begins with in-person interviews of comparator employers by the data collection team. The team collects information about salaries, allowances and other conditions of service from comparator employers. The **Data Collection Phase** ends with the completion of a master survey questionnaire for each completed interview.

Conduct During the Interview

2.1 Even though there is a great deal of communication between the LSSC and the employer during **The Preparation Phase**, an employer may still be reluctant to give salary information to local staff representatives. The data collection team should reassure the employer that the team represents the United Nations.

2.2 Every effort should also be made to utilize the time provided by the employer effectively and efficiently. For example, time should not be wasted on items of minor importance; details can be followed up later. Care should be taken not to abuse employer's cooperation by embarking on lengthy, unnecessary discussions. An employer who becomes impatient will shorten the interview. Discussions among team members, particularly entering into points of disagreement, should not take place at the time of the interview. In addition, employers should not be criticized for personnel or salary policies, or private opinions. **The Salary Survey specialist leads the interview by asking the majority of questions.**

2.3 In the case of more complex or incomplete issues, supplementary information should be obtained, if possible, and discussed by the team members after the interview.

2.4 Given the importance of the data collected from employers during the interviews, the members of the data collections team should be conversant in the local language. Where the local employers are in general not conversant in an official language of the organization, it may be necessary to include the services of an independent interpreter. The decision to do so rests with the Responsible Agency.

Interpreter. In exceptional circumstances, when a need for an interpreter arises, the LSSC arranges for an interpreter to be present during employer interviews, as well as afterwards, if needed. One or two alternative interpreters should be identified in order to quickly replace the initial interpreter in cases of illness or other factors where his/her participation in interviews is no longer possible.

- 2.5. **Introduction.** Four points to cover with the employer in the Introduction:
- The United Nations appreciates their participation;
 - They were selected because they are a progressive employer and one of value for salary comparison;
 - The interview and the data obtained are confidential; and,
 - They will receive summary results of the salary survey, including revised United Nations salaries and a comparison of their compensation against other participants in the survey.

Structure of Data Collection

- 2.6 The data collection team gathers information in three categories from each employer:
- General information; Human Resources including Pay Policies, Salary Scales and Ranges;
 - Comparison of United Nations benchmark jobs with employer's jobs; and,
 - Salaries, allowances, benefits and other conditions of service.

2.7 The survey team(s) collects the data in the above order, covering each category as thoroughly as possible within the constraints of time and employer cooperation. The questionnaire is structured to allow the team to collect the full range of data required in a systematic manner.

Gathering General Information

2.8 Each comparator employer interviewed must clearly present the structure of the organization so that the salary survey team can identify functional areas where jobs similar to United Nations positions are found. It is important to determine the overall number of employees and particularly the number of those employees occupied in jobs corresponding to the General Service and National Professional Officer (NPO) categories working for the organization. The data on the number of employees in jobs corresponding to the General Service and NPO categories is used in the final analysis to give relatively greater weight to larger employers. In addition, the team establishes the length of time the employer has been conducting business locally as an indication of the employer's involvement in the local labour market. (See employer questionnaire).

Salary Scales and Ranges

2.9 In pre-interview correspondence sent to the comparator employer, the salary survey team specifically requests that the employer discuss formal salary scales and ranges with the team during the interview. If the employer offers a scale or range, either in written or verbal form, the team clarifies certain aspects of the scale, such as: effective date of the scale; whether the scale is strictly adhered to or whether, in reality, hiring takes place on a flexible basis; and what triggers a scale or range adjustment, either across-the-board or for individual jobs.

2.10 *Every effort should be made by the data collection team to obtain a copy of the actual employer salary scale. When the employer provides a copy, the team should immediately examine the scale structure. Important mechanics of the salary scale must be understood regarding hiring rates, grade structure, staff progression within a single grade*

to the grade maximum and on to higher grades. The purpose of this examination is not to assess the level of salaries but to gain insight into employer grade structure. This understanding is very useful during the job matching exercise.

2.11 In addition, if collective bargaining agreements exist, the employer should be asked for a copy of the appropriate agreement(s).

2.12 Once data on employer salary scales and ranges, general human resources including pay policies are collected, the team has an overview of the employer's organizational structure and approach to grading and salaries.

Comparing United Nations Benchmark Jobs

2.13 As noted in Chapter 1, fifteen benchmark jobs out of 18 for the General Service category should be selected for the purpose of job matching. The 15 benchmark jobs must be selected and approved prior to the data collection phase.

2.14 Accurate matching between United Nations jobs at the duty station and those of the surveyed employer is fundamental to the entire salary survey process. Once jobs are matched, the data collection team can proceed to obtain accurate information on salaries, bonuses, allowances and other conditions of service. If an interview with a comparator employer reveals that there are no job matches with United Nations benchmark jobs, or an insufficient number of matches exist, the interview should terminate and a comparator employer on the reserve list be contacted as an immediate replacement.

2.15 Job-matching is undertaken based on the following elements:

Job Matching: The Four Elements

Structure. Detail organization structure in the comparator employer of all levels of responsibility for the four occupational groups, including levels both above and below those represented by the survey benchmarks.

Content. Specify grade-determining content for each level in the comparator organization structure and the relationship of jobs in the hierarchy. Identify jobs and levels where the comparable functions of the United Nations survey benchmarks are found.

Progression. Chart the occupational progression within the comparator office structure to detail the career stream for staff. Identify experience and training requirements for each level.

Qualifications. Finally, for each level of responsibility, identify the educational requirements. Identify supervisory and managerial levels.

2.16 Within the four selected occupational groups, the data collection team should create organization charts to clarify the comparator structure and the placement of each job within an occupation. The survey team asks questions about the actual functions performed in each

comparable job and at each salary level within the company. With structural placement and functional assignments clarified, the survey team ascertains the qualifications required of the jobs in terms of education and typical years of experience.

2.17 Each of the United Nations occupational groups has unique characteristics which should be taken into account in the job matching process. Specific points to be addressed include:

Non-clerical support - This occupational area contains several jobs which are unrelated. For examples, while messengers are predominantly involved in the internal movement of documents and materials within an organization, they may also make outside deliveries of materials and correspondence. Therefore, all these responsibilities should be considered within the typical range of functions for comparable jobs. United Nations drivers, however, function primarily as chauffeurs of people, and vehicle operation is limited to automobiles, not trucks.

Secretarial - Required skills for jobs within this occupational area normally vary depending on the level of the person or people for whom the secretary is working. For an accurate job match, it is important to identify all the secretarial positions, from that of basic typist to senior secretary and to clarify the intervening levels, defining the functions attached to jobs at each level and typical career progression.

Finance - Jobs in the finance occupation are usually found in a centralized organizational setting. Finance and accounting operations are usually highly structured with clearly defined levels for verification, certification and approval. Jobs most comparable to United Nations finance jobs in a duty station are usually found in comparators within a general accounting section or a larger finance department. Discussions concerning these jobs should proceed with delineation of the organization structure, and identification of the functions attached to each level in the office structure, with particular attention to levels where processing and verification, certification and approval occur.

Administration - This occupational area often involves a variety of functions throughout a organisation. In order to identify all administrative jobs, it is necessary to review the organization structure of several operational areas of the company. The discussion should begin with the structure of the human resources section, and, if necessary, proceed to sections responsible for building or general services, transport/travel services and supply. With the organization structure as a guide, it is possible to develop a clear picture of the functional assignments at each level. Having discussed the structure of the various occupations, a clear understanding of the classification system used by the employer is established.

Information technology – Jobs in the IT occupation are normally located in an information technology group providing centralized information technology services to an entire organization or decentralized support to a major department or office of the organization.

2.18 It should not be anticipated that complete function-by-function matches with United Nations jobs can be achieved. The establishment of accurate job matches depends on the comparability of primary functions. Variations in office structures will result in some disparity between United Nations jobs and employer jobs.

2.19 By proceeding with the data collection interview in the order indicated above, the survey team progressively expands its understanding of each employer's organization and human resources structure. At the conclusion of the matching process, the team should know the hierarchical progression within the employer for the surveyed occupations and the relationship between occupations.

2.20 Finally, the survey team asks questions concerning the typical career progression within the company for jobs within an occupation as an employee ascends the organizational ladder. Through this general approach of examining the structure, functions, qualifications and progression for jobs within an occupation in the comparator employer, job matches with United Nations jobs should become clear.

2.21 It should be noted that jobs within the General Service category do not require university degrees. Matches can be made in comparator employers with jobs where university degrees are a requirement when such positions are encumbered by individuals who may possess the equivalent in training and/or experience but who do not necessarily have the actual degree. The job-matching must be made in accordance with the Classification Standards approved by the ICSC.

2.22 Copies of the benchmark job descriptions as contained in **Annex VI of the Methodology II** should be available during the interview for reference. Prior to beginning data collection, all team members should have studied the benchmarks thoroughly and be completely familiar with the progression of functions for each occupation. During the interview the data collection team aims to understand the employer's occupational structure and not to spend time explaining the structure of United Nations jobs to the employer.

2.23 The focus of discussions in the job matching exercise should be the distribution of functions and corresponding structure within the employer for the four occupations. It would be entirely inappropriate to request the employer to speculate on the corresponding match between a job in the company and the United Nations structure. It is the responsibility of the data collection team to gather sufficient information to establish the job matches themselves.

Split Matches and Linked Grades

Split matches - Responsibilities for a United Nations job are frequently divided among two or more jobs within an employer. It is indispensable to discuss the occupation as a whole, as well as the corresponding employer organization structure.

2.24 Split matches indicate that the content of a United Nations job is shared among jobs in the comparator employer at different grade levels. In such cases, it is inappropriate to establish the match with either the highest or lowest grade level. The split match must identify primary survey benchmark functions in different level employer jobs.

Important Note: A United Nations benchmark G-7 Finance Assistant job typically has responsibility for both certification of payments and verification of financial reports and statements. In a large outside employer, payments and financial reporting may be carried out in separate organizational units. If the administration of these activities in the employer is carried out by different posts at different grade levels, a split match may be justified.

Linked grades - In some instances a United Nations benchmark job is matched with an employer's job where the employee receives an automatic promotion to a higher position within the company with no change in functions or posts. Linking two or more grades together in the classification of employer jobs is not uncommon. To establish the match with a United Nations job where employer linked grades are in use, the data collection team must determine the grade that will be assigned to the job when an employee is recruited, the conditions under which the promotion to the higher level is given, and whether all incumbents of similar posts can qualify for such a linked grade movement. The team must identify the full range of grade levels the employer has established for the job in question.

Example: A United Nations G-4 secretarial job is matched to a job of junior secretary in a company. It is found that the recruitment level in this company is grade 1 but incumbents in such posts are found in both grades 1 and 2. If it is determined that movement to grade 2 is automatic and consistent with the normal progression of staff in this job in the employer, a linked grade match of 1 and 2 is established.

2.25 It should be noted that split matches or linked grades should not be used as a form of compromise in cases of disagreement among team members regarding job matching. Where disagreements occur, additional information from the employer must be gathered to clarify the points of contention. If the team members cannot, after seeking clarification from the employer, arrive at a consensus, the Salary Survey specialist should establish the job match on a provisional basis. Other team members are free to attach written, alternative viewpoints to the survey questionnaire for review and decision by the Steering Committee.

2.26 Once the information about job content has been collected and job matching is generally clear (subject to further review following the interview), if possible, the team should try to ascertain the number of employees in each position in the employer. Where positions are encumbered by only one individual, care must be taken to ensure that the salary level of the position reflects the employer's assessment of the value of the job rather than incumbent-related compensation. With this information collected, the team proceeds to document salaries, allowances, benefits and other conditions of service.

Data on Minimum Salaries

2.27 As a first step, the team verifies whether the minimum salaries listed on the salary scale are used as hiring rates. If the employer's current hiring rates are found to be different from the scale minima, these different hiring rates should also be recorded and the questionnaire annotated accordingly. If certain individuals are hired at rates above or below the minimum, while others are hired at the minimum, the team should not necessarily conclude that the hiring rate is different from the minimum. In these cases, the employer should be asked whether qualified candidates can be recruited at the minimum rates. The object is to have realistic data on minimum hiring salaries for use in the data analysis.

Data on Maximum Salaries

2.28 When collecting data on maximum salaries, information should also be obtained on the conditions under which salary increases occur and whether they are applied consistently. This information enables the team to identify situations where it is inappropriate to accept the employer's official maximum scale or range figures. For example, increases based solely on exceptional merit or personal circumstances should be excluded. If a maximum salary theoretically exists but is never paid, or paid only to a limited number of staff, the actual salary achievable by the majority of employees in the job would be a more realistic figure to use in reporting employer salary maxima.

2.29 During interviews, the team should not debate what might be considered appropriate salary maxima for an employer job. For maxima data, there is no fixed reference or definition as with minimum data and hiring rates. For different employers, maxima salaries are attained after variable years of service. Maxima data are examined for the trend it represents with respect to the progression from hiring rate to the ceiling rate attainable for the same job.

Data on Allowances and Benefits

2.30 The survey team should review the analysis criteria for specific benefits as described in Annex VI of this Manual before collecting detailed information on all allowances and benefits offered by the employer in cash or in-kind, both quantifiable and non-quantifiable. Irrespective of whether these benefits and allowances are included in the determination of salary, information is collected to enable comparison with conditions of service in the United Nations organizations.

2.31 The data collection team asks the employer for detailed explanations regarding the allowances and benefits offered by the company. The collection of data on allowances and benefits should proceed in an organized manner. While allowances are paid in cash, benefits are often provided in-kind. Benefits can be divided between a) those to which a value cannot easily be assigned, or non-quantifiable benefits, and b) those to which a value can easily be assigned, or quantifiable benefits. For allowances and benefits to be quantified and added to salary figures for an employer, they should meet all the following criteria:

- Be offered across-the-board to all employees or to an identifiable group of jobs (e.g. finance assistants) or to particular grades, under similar conditions whether they are cash or non-cash.
- Be provided by the employer on a regular and recurring basis over a reasonable period of time (i.e., be a well-established practice of the employer), whether they are cash or non-cash;

- Be utilized by at least 75% of the employees in the company. If the benefit is only granted to a limited number of jobs, it should apply to approximately 75% of the employees in the job series concerned.

2.32 Annex VI of this Manual provides guidelines concerning the type of data which should be collected to establish the value of quantifiable non-cash benefits. The following examples cover the most common benefits of this nature, and exemplify the information required for the quantification of other non-cash benefits. Employers typically group benefits in broad areas:

- General cash allowances: structured as bonuses or profit-sharing plans available to all staff, sometimes under variable conditions;
- Allowances or benefits related to transportation: structured as cash amounts or in-kind services which may extend to the provision of vehicles for personal use;
- Allowances or benefits related to housing: structured as cash amounts or in-kind services which may extend to the provision of housing and related services (i.e. utilities and domestic services);
- Allowances or benefits related to meals: structured as cash amounts or in-kind benefits;
- Allowances or benefits related to recreational activities, such as health club membership fees; and,
- Provision of credit through low interest or subsidized loans: detailed information on the loan policy should be elicited with particular attention to the purpose of the loan (i.e. housing or personal), amounts which can be borrowed, terms of repayment and renewal, service requirements and rates of interest levied.

2.33 Employer Benefits which should be excluded from quantification in all cases include:

- Illegal benefits or payments;
- Training courses provided to staff for work related reasons; Airline tickets provided by airline companies;
- Beverages/refreshments provided for consumption during working hours;
- Company Sponsored Activities such as parties or other gatherings during the holidays;
- Termination payments, indemnities or severance payments;
- Salary supplements based on seniority or longevity. These are grants in addition to salary, usually paid in a single installment after a fixed number of years, to compensate for long service; and,
- Benefits related to pension plans, provident funds and other after-service payments.

2.34 For ease of reference, individual employer benefits which are being quantified in salary calculations should be recorded.

2.35 The data collection team should inquire from each employer on the above areas to determine specific allowances or benefits, the categories of staff which are eligible, the conditions for receipt of the benefit (e.g., number of years of service), the current degree of utilization currently for the eligible staff population and the taxability of allowance or benefit.

2.36 Information should be collected on employer practice regarding payment of dependency allowances (child, spouse, secondary dependent), as well as any dependency allowances mandated by government legislation. Such information may include, but is not limited to, monthly or yearly payments to employees in respect of dependents, one-time payments on the birth of a child or on marriage, educational assistance for children's studies (tuition fees, book or uniform fees). Information should also be gathered on employer assistance to cover family member funeral expenses, if applicable.

Other Conditions of Service

2.37 Information on other conditions of service (i.e., leave provisions, pension/retirement schemes, social security benefits, insurance coverage, etc.) provided by outside employers is used only to verify that reasonable overall comparability exists between the conditions of service for United Nations national staff and those working for outside organisations. This information is quantified. The information is recorded on the section of the questionnaire worksheet relating to general conditions of service.

2.38 General information should also be sought on employer practice regarding overtime and shift differentials.

2.39 In the area of social benefits (medical and dental plans, retirement or pension schemes), it should be sufficient to obtain information on the amount of the employer's and employee's respective contributions and a copy of any information describing the scheme(s). Where such documentation is not available, data should be obtained on the main features of the plans. The information to be obtained in such cases typically includes:

a) Medical and dental plans: Information as to whether the scheme is contributory; and, the maximum reimbursement per insured person; the total number of days of hospitalization per annum (or a maximum amount) for which coverage is provided and the rate of reimbursement for hospital and medical treatment; whether coverage extends to family members;

b) Retirement or pension schemes: information on whether the scheme is contributory and the formula used to compute the retirement benefit and/or the maximum pension which can be earned expressed as a percentage of the salary figure used in the benefit formula (e.g., 50 per cent of the average salary is based on earnings for the highest three years). In many cases a much less complex scheme may be available, such as a provident fund. In all cases, the information to be collected should be of a general or summary nature. The team, however, should ask whether employee contributions to such plans are tax deductible.

Taxation

2.40 As much information as possible concerning tax deductions and rebates should be collected to assist in the analysis of data. These items might include: rental deductions, life insurance premiums, pension schemes, unemployment insurance, charitable payments, mortgage interest deductions, etc. Information on the average utilization of deductions/rebates by local employees should be obtained from the tax authorities, tax records or official statistical bulletins.

Ending the Interview

2.41 The team concludes the interview with the first four points which began the interview. They thank the employer for participating and request permission to follow-up if necessary. The team repeats the commitment to send the employer the results of the salary survey.

Completing Master Questionnaire

2.42 Promptly after each interview with a comparator employer, the members of the survey team should jointly complete a master copy of the survey questionnaire for that employer, taking into account the data gathered by each team member. The master copy of the questionnaire, supplemental worksheets, as well as documentation collected (job descriptions, salary scales, collective agreements, information booklets on social security plans, etc.) complete the file for each employer. The team should have all the elements needed to permit quantification of the various benefits and allowances during Phase III, Data Analysis. The team decides which salary figures for each job match should be recorded as the minimum and maximum comparison points to be used in the Data Analysis phase. Agreement should be reached on all issues of factual information.

2.43 When the master copy of the questionnaire for each employer is completed, the salary team should confirm the accuracy of data by:

- Checking whether data are broadly compatible with information obtained from the same employer if interviewed during the previous survey and verifying consistency among employers interviewed in the same field;
- Verifying the information obtained complies with relevant local labour legislation; and,
- Verifying the overall consistency of survey data, e.g. the salary ranges for junior, intermediate and senior assistants should reflect a reasonable rate of progression between consecutive levels of responsibility.

2.44 Each member of the survey team should sign the final copy of the Employer Data Form, signifying agreement with its contents. The team is expected to reach consensus on the Master Questionnaire for each employer. If there are conflicting views, the Salary Survey specialist has the authority to decide what should be recorded on the Master Questionnaire. Team members may attach a brief summary of any dissenting views.

2.45 Once the Master Questionnaire for each employer is completed, all notes and other information obtained from each surveyed employer are returned to the Salary Survey specialist in order to ensure confidentiality and in the event they are needed again for reference and for archive purposes.

2.46 If an employer does not meet the required criteria described in paragraph 1.5 above, as a result of the interview, a decision whether to keep or eliminate the employer will be made before the data analysis phase.

Chapter 3

The Data Analysis Phase

Phase III, Data Analysis, has been largely computerized. Since the publication of the original Local Salary Survey Manual, the time and effort required to analyze data and determine salary scales have been reduced by the development of a customized software program that has been used in several rounds of interim and comprehensive surveys. Nevertheless, it is still important to understand the methodology for deriving the total net salaries for each job in each employer and for selecting the final comparator employers from which the new United Nations salary scales are developed.

3.1 The Data Analysis Phase is divided into two sections.

Section One: Individual Employer Analysis concentrates on each comparator employer interviewed and the raw data from each Employer Data Collection form developed in Data Collection. Through a series of calculations, total net incomes are determined for employer jobs where matches have been established with United Nations benchmark jobs.

Section Two: All Employer Analysis, groups on a summary table all the comparator employers and the total net incomes for each job match made into their equivalent United Nations grade levels. Through an additional series of calculations, the list of original comparator employers interviewed is reduced to the best employers to be retained for comparison with current United Nations salaries. As noted in Chapter One, all duty stations with greater than 30 General Service staff members have now been categorized for employer retention whereby comparison with United Nations salaries will be made with the best fifteen, ten, seven or five employers surveyed depending upon the category of the duty station. The best-retained employers are used to establish an Overall Weighted Average external salary comparison to current United Nations salaries.

Given the need to maintain the integrity of the analytical results and limited time frame of the survey, it is desirable to conduct a thorough review of the data. This quality check for accuracy is done by the Salary Survey specialist after leaving the duty station and is reviewed by another Salary Survey specialist, who did not take part in the survey, to ensure transparency and integrity of the survey. In order to maintain full transparency of the process, minimize areas of potential disagreement and ensure mutual trust, ongoing communication should be maintained between the Salary Survey specialist and the LSSC until approval of the final results by the Responsible Agency. Any changes introduced as a result of the quality check should be documented and shared with the committee by the specialist within a reasonable time frame, normally not exceeding four months from the reference date of the survey. The committee should be given 30 days to respond. If no response is received within this time frame the survey will be presented to the Responsible Agency for review by the Steering Committee, decision and promulgation of the scale.

The Analysis Team

3.2 With automation, data analysis for each employer begins with computer input of data following the employer interview.

3.3 Analysis of All Employer Data leading to the selection of the best comparators, computation of the survey data increase and construction of the recommended salary scale take place once all the data collection interviews have been completed.

3.4 Every comparator employer used for the salary survey must meet the specific selection criteria outlined in the Preparation Phase. Once again, the Salary Survey specialist and the participating LSSC review the criteria for selection of comparator employers used in the Preparation Phase and verify that all the employers meet these criteria.

Section 1: Individual Employer Data Analysis

3.5 Once these criteria are met, all aspects of compensation for each employer job selected against United Nations benchmark jobs are carefully analyzed to determine total net incomes for each job. The following flow chart illustrates the progression necessary in determining total net income for each job, and the notes that follow provide a general explanation of the methodology involved.

FLOW CHART – DETERMINING TOTAL NET INCOME

Establish Annual Base	Establish the annual base salaries to be used as minimum and maximum comparison points for each employer.
<i>Multiplied by</i>	Note 1
Workweek Ratio	Adjust the base salary for each job in each employer for differences in hours of work. (This is a ratio established by dividing the United Nations common work week by the established employer work week).
<i>Equals to</i>	Example: United Nations work week 37.5 hours / employer work week 40 hours = ratio of .93 75. Employer annual salaries should be adjusted by 93.75%.
	Note 2
Adjusted Base	Adjust base salary by work week ratio.
<i>Plus</i>	Bonuses and allowances expressed in terms of base salaries are calculated on the basis of the “Adjusted Base”.
	Note 2
Taxable Allowances/Benefits	Quantify and add the actual taxable allowances and benefits granted by each employer for each job concerned to obtain annual total gross income. Note 3
<i>Equals to</i>	
Total Gross Income	Add adjusted base salary plus taxable allowances and benefits.
<i>Minus</i>	
Tax Deduction	For each employer, calculate the applicable deductions allowable under local taxation at the single income earner level to obtain the annual taxable income.
<i>Minus</i>	
Tax	Apply the amount to be deducted from gross income based upon application of the tax schedule.
<i>Equals to</i>	
Net Income before Non-taxable Allowances/Benefits	Deduct tax from total gross income to obtain net income.
<i>Plus</i>	
Non-Taxable Benefits	Add non-taxable allowances and benefits
<i>Equal</i>	
Total Net Income	

Establishing the Minimum and Maximum Comparison Points (*Note 1*)

3.6 **Minimum** If minimum salaries reflect the actual hiring rates used by employers, no adjustment to the minimum data collected is required.

3.7 **Maximum** The maximum comparison point for the purpose of analysis is the top regular step of the employer scale, or the top of the employer range for a particular job. Maximum salaries reported by the comparators must be actual, achievable (rather than theoretical maxima), and should not include additional payments for longevity or long service. It is not necessary to adjust external maximum salary data to reflect the salaries that would be earned after a length of service equivalent to the top United Nations regular step.

Analysis of Split Matches and Linked Grade Matches

3.8 Where a split match occurs (in the case of a United Nations match with two different employers jobs), a straight (i.e., non-weighted) average should be taken of the minimum and maximum comparison points of the two jobs. In the case of linked grade matches with outside jobs where the employee receives an automatic promotion after a specified period of time to a higher grade, the lower of the two minimum points should be taken as the minimum, and the maximum of the higher grade taken as the maximum salary.

Adjustment for Differences in Hours of Work (*Note 2*)

3.9 Differences in hours of work (i.e., the length of the workweek) between the retained employers and the established common workweek of the local United Nations Common System organizations must be reflected in salary calculations.

3.10 Calculations are based on a straight proportional adjustment to salaries, accounting precisely for the full difference in hours worked. The adjustment is made on an employer-by-employer basis to the base annual gross salaries for each job, as well as to all other bonuses or allowances which are expressed in terms of base salaries, e.g., one month bonus, 5% of base salary as cost-of-living allowance.

3.11 Common workweek hours are used in the analysis of survey data. On rare occasions when common workweek hours have not been established among the local United Nations organizations, a weighted average of the hours of work followed by the various organizations is calculated and used for comparison with outside employers. A longer workweek may be maintained for certain jobs, usually drivers and messengers, both within the United Nations and/or in outside employers. Any difference in the number of hours per week worked by certain occupations should be reflected in the final salary scale issued by the United Nations.

Establishing the Value of Allowances (*Note 3*)

3.12 Some allowances are expressed as a daily value, e.g. meal or transportation allowances and attendance bonuses. These are converted to an annual value for each retained employer by multiplying the amount by the United Nations work year of 222 days. Where allowances are expressed as a percentage of base salary, the amounts taken in quantification should be based upon the adjusted base salary after adjustment for hours of work

3.13 Where the amount of the allowance remains essentially unchanged or has steadily increased (by the same amount or percentage) over the previous few years, the current amount is used. If the amount of the allowance varies significantly from year to year (e.g., profit-sharing bonus), it may not be appropriate to use the current amount. In this case, an average amount over the previous three years is used.

3.14 An average is also used if an allowance, such as profit-sharing, was not paid in the year preceding the survey for reasons extraneous to the comparator's compensation system (e.g., the company did not make a profit), but remains an official part of the employer salary package. In such a case, a zero value for the last year would be included in the calculation of the average.

Establishing Monetary Value of Non-cash Quantifiable Benefits

3.15 The guidelines given in the case of allowances are also applicable to quantifiable non-cash benefits. Quantifiable non-cash benefits are converted into monetary terms on the basis of their cost to the employer rather than market value. Detailed information is solicited from the employer concerning the structure of each benefit to establish its cost basis. For certain benefits provided to the entire employee population, such as recreation facilities and vacation packages, the total cost to the employer for all employees should be divided by the number of employees eligible for the benefit in the comparator's workforce at the locality.

Adjustment for Utilization

3.16 A benefit must be utilized by 75 per cent or more of the eligible staff to be quantified. With 75 to 100 per cent utilization, quantification should be adjusted by the utilization percentage. The monetary value of the benefit is then multiplied by the number of users per annum and divided by the total number of employees eligible for the benefit in the comparator's work force at the locality.

3.17 More detailed guidance on the approach to benefit quantification can be found in Annex VI of this Manual. Information on the basis of each benefit should be recorded clearly on the employer questionnaire.

Comparison of Non-quantifiable Benefits

3.18 It is not normally necessary to conduct a detailed review of benefits in this category. The entire employer package of social benefits is compared with that offered by the United Nations. Experience shows that the social benefit package offered by the United Nations tends to be superior to that provided by most comparator employers.

Application of Taxation (*Note 4*)

3.19 Salaries of United Nations staff are net of taxes, while the salaries (and most allowances) of outside employers are usually subject to taxation. For this reason, survey data on gross or pre-tax salaries and allowances are converted to net terms by applying tax regulations to ensure that United Nations employees are in an equivalent after-tax position to employees in the surveyed firms.

3.20 Appropriate local taxes, at the single person rate, are deducted from the taxable annual gross income per job, thus giving annual net income per job. This computation applies to minimum and maximum salaries used for the data analysis. Single person tax rates are applied, since tax benefits relating to spouse and children (e.g. exemptions and deductions) are fully taken into account when establishing the level of the spouse and child allowances (see Chapter V). Any state or local taxes imposed in addition to national tax must also be taken into account, provided that they represent a direct tax on income. The tax levels used should be applicable to the reference month of the survey. If this information is not available, current tax rates are normally applied.

3.21 In converting taxable income from gross to net, all deductions, exemptions, allowances and rebates normally granted should be taken into account in amounts typical for the category and salary level of employees concerned. The deductions applied may be standard ones, or an average of itemized deductions. Care must be taken to identify those elements that are considered taxable under local legislation as opposed to those that are non-taxable so that when gross salaries are converted to a net basis, the correct taxable base is chosen. This is particularly important for benefits and allowances.

3.22 The “netting down” process can be divided into four steps

Procedure

Example

1. Determination of Total Gross Salary

Establish annual total gross income by adding taxable allowances and bonus to the basic annual gross salary (adjusted for differences in hours of work) keeping non-taxable allowances and benefits separate, since these will be added later to the annual after-tax-income.

Basic annual gross salary adjusted	30,000
for hours of work + taxable	6,000
allowances and bonuses =	
Annual Total Gross Income	36,000

2. *Establishment of Taxable Income*

Subtract from annual total gross income any standard exemption and/or deduction (standard or average itemized) as appropriate. Depending on the local tax laws, these deductions may include such items as medical expenses or mortgage interest and compulsory social security contributions (provided the latter are tax deductible).

Standard exemptions	2,500
Itemized deductions	500
Social security contributions	1400
Annual Taxable Income	31,600

3. *Computation of Total Tax Payable*

Calculate income tax by applying local tax rates, reduced by tax rebates if any. To determine the tax payable, there is usually either a detailed published table where the taxable income and the corresponding tax can be found, or else there is a simple formula for the application of one of several tax brackets.

Income Tax +	7,500
30% of excess of over 30,100	450
Total Tax Payable	7,950

4. *Determination of Annual Net Income*

Subtract from annual total gross income the total tax payable.

Annual Gross Income –	36,000
Total Tax	7,950
Annual Net Income	28,050

Section 2: All Employer Data Analysis

3.23 The goal of this phase of data analysis is to reduce the list of individual comparator employers interviewed in the Data Collection Phase to a representative list of the best local employers on which to base the Salary Scale Construction. Again, as noted in Chapter One, the criteria for selection of the group of best employers depends upon the category in which the duty station has been classified (providing for retention of either fifteen, ten, seven or five employers) and the sectoral representation of the group of final retained employers as well the majority of the previously retained employers. The group of employers, including a majority of the previously retained employers, which meet both the number required for the duty station's category and the sectoral representation criteria, that provides the highest overall weighted average increase (OWAI) represents the best employers as established by the survey.

Selecting the Best Comparator Employers

3.24 Selecting the best comparator employers is an iterative process, below are the steps that should be followed:

Flow Chart
(Data Analysis Process – All Employer Data)

- A. Consolidate individual employer total net salary data
- B. Eliminate employers with insufficient matches
- C. Enter job and grade weights
- D. Enter current UN minima and maxima
- E. Perform iterative testing of various employer combinations
 1. Select sample of employers (five, seven, ten or fifteen).
 2. Eliminate job data with insufficient matches.
 3. Establish job averages at the minimum.
 4. Establish weighted averages at the minimum for each grade.
 5. Establish job averages at the maximum and complete minimum/maximum span per job.
 6. Compute the weighted average span by grade.
 7. Examine spans by grade to determine if there is a cluster or trend.
 8. Compare survey minimum salaries by grade with UN minimum salaries.
 9. Compute survey maxima salaries.
 10. Compare survey maxima salaries by grade to UN maxima salaries.
 11. Compute average increase by grade.
 12. Establish overall weighted average increase (OWAI).
 13. Determine the final best selection of employers.

3.25 The following information provides a more in-depth look at the process involved in reducing the list of original comparator employers to the final best five/seven/ten/fifteen that will be used to establish new salary scales in the duty station surveyed.

A. Consolidate individual employer total net salary data

3.26 Using the completed analysis of individual employers, the total net salaries for each employer are consolidated into a summary table to facilitate the selection of the best five/seven/ten/fifteen employers.

B. Eliminate employers with insufficient matches

3.27 In order to retain an employer in final data analysis, matches must exist for a minimum of one-third of the surveyed benchmark jobs. These benchmark jobs must cover a minimum of one-half of the surveyed grades. In the National Professional Officer analysis, each retained employer should normally provide data for at least two out of the three surveyed grades. Given that data are sometimes limited and in order to ensure a greater correlation with employers retained for the General Service survey, an employer may be retained with data for a single job, provided that the same employer is also retained in the General Service analysis and the job match follows in a logical career stream. Wherever possible, jobs matched should be encumbered by more than one employee.

C. Enter job and grade weights

3.28 To support data analysis, the job populations for the 15 benchmark jobs are entered on the comparison worksheet. These are taken from the staff inventory compiled during the Preparation Phase. Similarly, the total staff by grade or grade weight should also be entered to support the analysis of maximum salaries and the computation of the overall weighted average increase, i.e., the comparison of survey data to United Nations salaries.

D. Enter current UN salary minima and maxima

3.29 On the comparison table, the current United Nations net step 1 and top net regular step salaries are entered for all grades to form the basis of comparison with the survey employer data.

E. Perform iterative testing of various employer combinations

3.30 Different combinations of employers are compared to the current United Nations scale. To guide selection of the best employers, the ICSC decided that the best employers should represent a cross-section of economic sectors. Among any final combination of employers, a minimum of twenty five percent must be drawn from the public sector when the national civil service is included in the retained employers, or alternately, thirty three percent of the employers retained when it is not. No more than twenty five percent may be drawn from any individual sector of the private sector.

The public sector is defined as those employers that function on a not-for-profit basis. Typically, these employers are found in the embassy community, international organizations, parastatal organizations, non-governmental organizations, educational institutions and foundations and the national, regional and municipal governmental authorities. As indicated above, employers from the public/non-profit sector should represent a minimum of 25 per cent of the retained employers when the national civil service employer as represented by the ministry of foreign affairs is retained. Where the national civil service employer cannot be retained because it does not meet the requirements of the methodology, the minimum representation from the public sector should be increased by at least one additional employer. The retention of the ministry of foreign affairs is a requirement for the following duty stations in category I: Chile, Greece, Israel, Kuwait, Mexico, Saudi Arabia and Turkey. Where it is not possible to survey the ministry of foreign affairs, the Responsible Agency will select an appropriately representative alternate civil service employer after consultation with the Chairman of ICSC and the LSSC.

A breakdown of economic sectors as defined by the ICSC is provided in Annex I. No more than 25 per cent of the retained employers from the private sector should be from the same economic subsector. Exceptions to include one additional employer over the 25 per cent maximum may be made only when a single subsector significantly dominates the economy.

It should be noted that as long as the surveyed employers meet the criteria of the methodology, they cannot be dropped in favour of use of external data. Only when the required number of employers could not be surveyed, or, if surveyed employers were eliminated because they did not meet the requirements of the methodology, can external data be used to substitute for some employers.

Illustration of Process

3.31 The following steps describe the iterative method used to determine the best five/seven /ten and fifteen employers:

E.1. Select sample of employers

3.32 The selection of the best employers is an iterative process in which a cycle of calculations is replicated. To determine which set of employers is the best, this process should be repeated until it has been reasonably determined that no other combination of employers provides a higher overall weighted average increase and meets the criteria for economic sector representation and the majority of the previously retained employers.

E.2. Eliminate job data with insufficient matches

3.33 For categories I and II surveys requiring the retention of 15 and 10 employers respectively, at least 5 retained should provide data for a given job. For categories III and IV surveys requiring the retention of seven and five employers respectively, at least three retained employers should provide data for a given job for it to be retained.

E.3. Establish job averages at the minimum

3.34 For the employers selected, the average net salary at the minimum for each retained job is calculated. This is done through a weighted averaging of the minimum total net salaries and a logarithm of the overall number of staff in jobs comparable to the General Service and National Professional Officer in the duty station for each retained employer.

E.4. Establish weighted averages at the minimum for each grade

3.35 Fifteen survey benchmarks are used to represent the major General Service occupations found in duty stations other than Headquarters and similar duty stations. Each survey benchmark has a population of staff. The number of local staff occupying each survey benchmark is recorded in the Inventory of Staff by Job and Grade which the LSSC compiles during the preparation phase. This population reflects the relative prevalence of each job to the overall category. Similarly, each grade has a population which represents its overall weight or prevalence to the category. In analyzing employer salary information it is important to reflect United Nations weights or population of each benchmark and each grade.

3.36 Weighted average grade minimum salaries are computed using the job populations for each retained benchmark and average job salaries. In the example below, job 3 and job 4 are benchmarks which represent grade G-3. By taking the average outside salaries for these two benchmarks, weighted by the respective benchmark population, the resulting grade average gives greater emphasis to the job with the larger population. For example:

Job No.	Average Salary	Job Population
3	15,000	20
4	18,000	8
$((15,000 \times 20) + (18,000 \times 8))/28 = 15,857$		

E.5. Establish job averages at the maximum and compute min/max span per job

3.37 As with minimum salaries, the average outside salary per job should be computed at the maximum. The logarithm of the overall number of staff in jobs comparable to the General Service and National Professional Officer in the duty station for each retained employer is used in the calculation of weighted average outside salary per job at the maximum. The maximum salary for each job is compared with the minimum salary for the same job to establish the percentage relationship or span which exists between the minimum and the maximum. See following example below for Job 3 and Job 4:

Job No.	Min Salary	Max Salary	% Span
3	15,000	20,000	33
4	18,000	22,000	22
$(20,000/15,000)-1 = 33\%$			

Note: Different Treatment of Maxima Data from Minima Data. Unlike minimum salaries, maxima salary data are examined to establish the average relationship or trend relative to minima salaries. This approach recognizes that a consistent definition or concept exists among employers with respect to minima salaries, (i.e. the hiring rate for a job), but maxima salaries reflect pay and personnel policies which may vary significantly from employer to employer. Therefore, in examining the data for all employers, the objective in the analysis of maxima data is to identify the overall trend present for the retained employers with respect to the average movement from the hiring rate to the attainable maximum.

E.6. Compute the weighted average span by grade

3.38 In the computation of grade minimum salaries, weighted average spans by grade are established through use of job spans. For example, by using the span computed for job 3 and job 4 and multiplying by the weights for these jobs, the weighted average span for the G-3 grade is 29.9%. This grade span represents the trend for this selection of employers at this grade for the progression of salaries from the hiring rate to the attainable maximum.

Job No.	% Span	Population
3	33	20
4	22	8
$(33\% \times 20) + (22\% \times 8) = 29.9\%$		

E.7. Examine spans by grade to determine if there is a cluster or trend

3.39 Working with the weighted average span for each grade, the overall weighted average span for all survey data is then computed. Firstly, the spans-by-grade are examined to determine whether the spans for a majority of grades "cluster" or reflect a trend. In the example given below, grade spans for a given set of employers have been computed. It is obvious that the spans for the G-4 and G-6 grades are anomalous in comparison with the spans for the other grades. The spans for the other grades reflect a trend or cluster. In computing the overall weighted average span for this selection of employers, it would be appropriate to exclude span data for the G-4 and G-6 grades.

Grade	% Span	Weight
G-1	35	5
G-2	28	35
G-3	29.9	28
G-4	10	30
G-5	33	17
G-6	53	12
G-7	30	4

The clustered weighted average span is computed as follows:
 $(35\% \times 5) + (28\% \times 35) + (29.9\% \times 28) + (33\% \times 17) + (30\% \times 4) / 89 = 30\%$

E.8. Compare survey minimum salaries by grade with United Nations minimum salaries

3.40 With grade minimum salaries computed, the percentage difference between the survey minimum for each grade with the current United Nations minimum salaries is calculated.

Grade	UN Min	Survey Min	Difference
G-1	9,000	9,500	5.6
G-2	12,000	14,000	16.7
G-3	15,000	18,357	22.4
G-4	20,000	26,200	31.0
G-5	26,000	30,000	15.4
G-6	31,000	32,000	3.2
G-7	38,000	36,500	-3.9

E.9. Compute survey maxima salaries by applying overall weighted average span to the survey minima salaries

3.41 Once survey minima salaries are computed by grade, and the overall weighted average span is calculated, survey maximum salaries are calculated by applying the weighted average span to each of the survey grade minimum salaries. For example, in the earlier example, a weighted average span of 30% was calculated. This span is now applied to each of the survey minimum salaries to establish the survey maximum salaries.

Grade	Survey Min		Survey Max
G-1	9,500	30% Span	12,350
G-2	14,000		18,200
G-3	18,357		23,864
G-4	26,200		34,060
G-5	30,000		39,000
G-6	32,000		41,600
G-7	36,500		47,450

E.10. Compare survey maxima salaries by grade to United Nations maxima salaries

3.42 As with the comparison of survey minima to United Nations minima, the percentage difference between the survey maxima and the United Nations maxima is calculated:

Grade	UN Max	Survey Max	% Diff
G-1	12,150	12,350	1.6
G-2	16,200	18,200	12.3
G-3	20,250	23,864	17.8
G-4	27,000	34,060	26.1
G-5	35,100	39,000	11.1
G-6	41,850	41,600	-1.0
G-7	51,300	47,450	-7.5

E.11. Compute average increase by grade

3.43 With minima and maxima increases now computed, the average increase by grade is established by taking the simple average of the increases at the minima and maxima. For example:

Grade	UN Min	Survey Min	% Diff	UN Max	Survey Max	% Diff	Avg
G-1	9,000	9,500	5.6	12,150	12,350	1.6	3.6
G-2	12,000	14,000	16.7	16,200	18,200	12.3	14.5
G-3	15,000	18,357	22.4	20,250	23,864	17.8	20.1
G-4	20,000	26,200	31.0	27,000	34,060	26.1	28.6
G-5	26,000	30,000	15.4	35,100	39,000	11.1	13.3
G-6	31,000	32,000	3.2	41,850	41,600	-1.0	1.1
G-7	38,000	36,500	-3.9	51,300	47,450	-7.5	-5.7

E.12. Establish overall weighted average increase (OWAI)

3.44 With the average increase now established for each grade, the overall weighted average increase is computed for this set of survey data using grade weights.

Gr	UN Min	Survey Min	% Diff	UN Max	Survey Max	% Diff	Avg	Wt
G-1	9,000	9,500	5.6	12,150	12,350	1.6	3.6	5
G-2	12,000	14,000	16.7	16,200	18,200	12.3	14.5	35
G-3	15,000	18,357	22.4	20,250	23,864	17.8	20.1	28
G-4	20,000	26,200	31.0	27,000	34,060	26.1	28.6	30
G-5	26,000	30,000	15.4	35,100	39,000	11.1	13.3	17
G-6	31,000	32,000	3.2	41,850	41,600	-1.0	1.1	12
G-7	38,000	36,500	-3.9	51,300	47,450	-7.5	-5.7	4

E.13. Determine the Final Selection of Best Employers

3.45 By testing different employer combinations in groups of five, seven, ten or fifteen depending upon the category of the duty station, it is possible to determine the best overall combination of employers. The Overall Weighted Average salary Increases (OWAI) is compared for each different set, and the combination of employers with the highest OWAI is selected. The raw data of best employers are used for establishing the salary scale in Phase IV, *Salary Scale Construction*.

Use of External Data

3.46 The use of external data may be applicable to surveys at duty stations under categories I and II when the list of employers surveyed is less than the minimum required under the methodology. Only when the required number of employers could not be surveyed or, if surveyed, employers were eliminated because they did not meet the requirements of the methodology, can external data be used to substitute for some employers.

3.47 As many employers as possible from both the public and private sectors will be surveyed within the established data-collection period. Where the national civil service is retained, the required minimum number of retained employers from the public/non-profit sector would be three for 10-employer retention surveys and four for 15-employer retention surveys. Where the national civil service cannot be retained, the minimum number of employers retained from the public/non-profit sector should be increased by at least one additional employer. No more than 25 per cent of the retained employers should be from any one subsector of the private sector. Any exceptions must receive the approval of the Responsible Agency. The standard data analysis as established by methodology II will be applied to the data thus obtained to calculate a comparison percentage for the surveyed employers.

3.48 In exceptional circumstances where the participation from the required number of employers cannot be achieved, the following procedures would be applicable.

(a) For category I, which under normal circumstances requires the retention of 15 employers, the survey may be completed with data from fewer than 15 employers; however, under no circumstances should the number of retained employers be fewer than 11;

(b) For category II, which under normal circumstances requires the retention of 10 employers, the survey may be completed with data from fewer than 10 employers; however, in no circumstances should the number of retained employers be fewer than 7.

3.49 The Responsible Agency will purchase data from two reputable external sources that show the percentage change in salaries for support positions comparable to the General Service. The data purchased must relate to the period between the most recent review of the United Nations salary scale in effect and the reference date of the survey in progress. Any adjustment to the data to bring it to a uniform base will be done by the Salary Survey specialist. The external salary movement percentage will be established as a simple average of the data of the two vendors adjusted for the gross to net relationship based on the tax regulations at the duty stations.

3.50 The survey result will represent a weighted average of the internal comparisons and the external salary movement percentages obtained from vendors, with weights corresponding to the number of employers retained and the number of employers substituted by external data, respectively. For example, if the survey is for category I and only 13 employers are retained, there are 2 employers less than the full requirement of 15 employers. The data collected from the employers would be given a weight of 13 and the external data would be given a weight of 2.

Chapter 4

The Salary Scale Construction Phase

Immediately following the completion of the Data Analysis Phase and the selection of the best employers, the process of creating the actual recommended salary scale begins.

The Importance of a Balanced and Accurate Salary Scale

4.1 Since an official salary scale clearly defines the relationship of every job and staff member to every other job and staff member within the duty station, it is extremely important that the scale be correctly and fairly structured. If the salary scale is well structured, it promotes internal harmony within the General Service category. If it is unfairly structured, it affects attitude and productivity throughout the duty station. It is a difficult task to strike the right balance between current job market trends and United Nations policies to promote internal equity. However, every effort should be made to ensure a faithful reflection of the local conditions while keeping in mind the requirements of the organizations and fair treatment of staff, given the degree of complexity and skill required for their jobs. This perception of fairness results from a salary scale that has a patterned progression in net salary from one grade to the next. A scale is fair when it has a reasonable structure, and net salaries increase smoothly from the G-1 to the G-7 level as skill requirements and responsibility increase.

Characteristics of a Balanced Salary Scale

4.2 A recommended salary scale must meet specific criteria to be approved by the Responsible Agency:

- A smooth pattern (ascending, descending or constant) in inter-grade differentials;
- An overall weighted average increase which varies no more than plus or minus one percentage point of the final raw data survey result of the best five, seven, ten or fifteen employers; and,
- Uniform step increments or within grade spans.

4.3 These criteria ensure that the recommended scale reflects external labour market trends while simultaneously providing an internally consistent and equitable scale of remuneration for United Nations locally-recruited staff. For example, as a grade salary progresses from minimum to maximum, (lowest entry step to last regular step, the value that has been established for each year of experience is remunerated consistently by the same percent increase for each step or within-grade increment (WGI). A consistent pattern in grade differences also ensures that as staff members are promoted from one level to another (G-1 to G-2, G-2 to G-3), the value for each grade promotion progresses in a manner that appropriately reflects increased responsibility. By adhering to a plus or minus one percentage point variance from OWAI, the resulting salary scale reflects labour market data.

The G-4 Pivot Point

4.4 The General Service salary scale at the duty station essentially reflects two different labour markets: non-clerical support (G-1 to G-3) and clerical/specialized support positions (G-4 to G-7). In order to create a scale that can accommodate these labour markets simultaneously, salary scale construction starts in the middle where these two groups meet at the G-4 level. Construction builds upward from G-4 and provides a consistent rate of salary increase for skilled clerical/secretary and semi professional jobs, and downward from G-4 to create appropriate descending scales for non-clerical support staff.

Smoothing the Data – An Illustration of the Process

4.5 The raw data results in the previous example from the *Data Analysis Phase* show the established OWAI is 16.5%. However, the grade by grade increases range from a high of 31% at the G-4 minimum point to a low of -7.5% at the G-7 maximum point. The survey data in this example, while providing the overall magnitude of increase cannot serve as the direct basis for salary scale construction due to a wide variance in the grade-by-grade survey findings. In addition to this variance, when survey findings are compared to current United Nations salaries, two other important pieces of information are revealed. First, the salary survey data span is 30 percent while the current United Nations duty station span for all grades is 35%, leading to lower increases at the maximum compared to the minimum. Further, raw survey data findings indicate that, in general, higher level increases are found for grades G-1 to G-4 than for G-4 to G-7. This pattern of increases indicates that the existing grade increases should be narrowed, thus providing for proportionately higher salary differentials for the grade levels G-1 to G-4 and lower salary increases for grades G-4 to G-7.

4.6 In the process of salary scale construction, relativities may be modified to achieve a fairly balanced scale.

4.7 The approach to testing different scale profiles uses the G-4 minimum salary as a pivot point. The increase between the current G-4 minimum and a revised G-4 minimum is applied, uniform spans are determined, and a grade differential pattern is set. With a desired structure in place, the overall weighted average of a recommended scale is refined to fall in line with the OWAI of the survey data.

4.8 The following examples illustrate various issues to consider in the salary scale construction:

Judgement 1: Setting the Span

4.9 The recommended salary scale must have a uniform span. When constructing the scale, the span can be established using the survey data span, or the span of the current scales or some point between the two positions. In the example, the current span is 35 percent, the survey overall weighted average data span is 30 percent. Where a sizable difference exists, the current span may be modified to reflect the outside market. While the entire difference need not be eliminated in one comprehensive survey, some movement towards the survey data pattern would be appropriate.

4.10 In this example, the difference is 5 percent. The current General Service span could be maintained to achieve a balance in the rate of increase from minimum to maximum within the same grade. By maintaining the current span, the eventual increases in the recommended scale will be the same at the minimum and maximum point for each grade.

4.11 Table I illustrates this first step by applying a 35 percent span in salary scale construction and maintaining the current grade differentials and the survey data increase of 31 percent at the G-4 level. This first step results in a recommended scale with an OWAI of 27.10%, well in excess of our survey data findings. *Adjustments need to be continued to arrive at a WAI of 16.50 percent.*

Table I

Survey Data

	Current	Survey	% Diff	Current	Survey	% Diff	Average	Weight
	Min	Min		Max	Max			
G-1	9,000	9,500	5.56%	12,150	12,350	1.65%	3.60%	5
G-2	12,000	14,000	16.67%	16,200	18,200	12.35%	14.50%	35
G-3	15,000	18,357	22.38%	20,250	23,864	17.85%	20.10%	28
G-4	20,000	26,200	31.00%	27,000	34,060	26.15%	28.60%	30
G-5	26,000	30,000	15.38%	35,100	39,000	11.11%	13.20%	17
G-6	31,000	32,000	3.23%	41,850	41,600	(0.60)%	1.30%	12
G-7	38,000	36,500	(3.95)%	51,300	47,450	(7.50)%	(5.70)%	41
Weighted Average Increase (RAW DATA)							16.50%	131

Recommended Scale

Grades	Current Min.	% Incr (Midpt)	Incr-Gr Diff	Recomm Min	% Diff	Current Max	New Span	Recomm Max	% Diff	Average	Weight
G-1	9,000		33.00%	11,136	23.73%	12,150	35.00%	15034	23.74%	23.70%	5
G-2	12,000		33.00%	14,811	23.43%	16,200	35.00%	19995	23.43%	23.40%	35
G-3	15,000		33.00%	19,699	31.33%	20,250	35.00%	26594	31.33%	31.30%	28
G-4	20,000	31.00%		26,200	31.00%	27,000	35.00%	35370	31.00%	31.00%	30
G-5	26,000		22.00%	31,964	22.94%	35,100	35.00%	43151	22.94%	22.90%	17
G-6	31,000		22.00%	38,996	25.79%	41,850	35.00%	52645	25.79%	25.80%	12
G-7	38,000		22.00%	47,575	25.20%	51,300	35.00%	64226	25.20%	25.20%	4
Weighted Average Increase (RECOMMENDED)							27.10%				131

Judgement #2: Adjusting the Grade Differentials

4.12 The survey data findings show that the lower grade levels G- 1 to G-3 should have a higher increase than grade levels G-4 to G-7. As noted earlier, it is usual to find a pattern which supports proportionately higher or lower increases for jobs which fall above or below the G-4 level. This reflects the different nature of external labour markets for non-clerical and office oriented work.

4.13 To adjust the pattern or differential between grades, the current percentage difference between grades as measured from step one of the lower grade to step one of the next higher grade must be examined. Where the survey results support higher increases for grades below the G-4 level, the grade differentials should be narrowed in relationship to the G-4 grade thus pulling up the salaries for the lower grades. Similarly where lower increases are warranted from survey data results for the higher grade levels, the grade differentials proceeding upward from G-4 should be narrowed thus pulling down the salaries for the upper grade levels.

Table II

Survey Data

	Current Min	Survey Min	% Diff	Current Max	Survey Max	% Diff	Average	Weight
G-1	9,000	9,500	5.56%	12,150	12,350	1.65%	3.60%	5
G-2	12,000	14,000	16.67%	16,200	18,200	12.35%	14.50%	35
G-3	15,000	18,357	22.38%	20,250	23,864	17.85%	20.10%	28
G-4	20,000	26,200	31.00%	27,000	34,060	26.15%	28.60%	30
G-5	26,000	30,000	15.38%	35,100	39,000	11.11%	13.20%	17
G-6	31,000	32,000	3.23%	41,850	41,600	(0.60)%	1.30%	12
G-7	38,000	36,500	(3.95)%	51,300	47,450	(7.50)%	(5.70)%	41
Weighted Average Increase (RAW DATA)							16.50%	131

Recommended Scale

Grades	Current Min.	% Incr (Midpt)	Incr-Gr Diff	Recomm Min	% Diff	Current Max	New Span	Recomm Max	% Diff	Average	Weight
G-1	9,000		30.00%	11,379	26.43%	12,150	35.00%	15,362	26.40%	26.40%	5
G-2	12,000		30.00%	14,793	23.27%	16,200	35.00%	19,971	23.30%	23.30%	35
G-3	15,000		30.00%	19,231	28.21%	20,250	35.00%	25,962	28.20%	28.20%	28
G-4	20,000	25.00%		25,000	25.00%	27,000	35.00%	33,750	25.00%	25.00%	30
G-5	26,000		20.00%	30,000	15.38%	35,100	35.00%	40,500	15.40%	15.40%	17
G-6	31,000		20.00%	36,000	16.13%	41,850	35.00%	48,600	16.10%	16.10%	12
G-7	38,000		20.00%	43,200	13.68%	51,300	35.00%	58,320	13.70%	13.70%	4
Weighted Average Increase (RECOMMENDED)							22.90%				131

4.14 For example, to provide higher increases for levels G-1 to G-3, narrower grade differentials (currently at 33 percent from G-1 to G-4, and 22 percent from G-4 to G-7) need to be implemented. The next step is to slightly adjust the differentials at G-1 to G-4 to 30 percent, while maintaining 22 percent grade differentials from G-4 to G-7.

4.15 If the current span is maintained at 35 percent an adjustment at the minimum salary is required to compensate for the wider span. In this case, the G-4 minimum point is adjusted by revising the survey data increase of 31 percent to 25 percent (Table II). The resulting salary structure, with a new pattern of grade differentials and a lower increase at the G-4 pivot point, provides for an OWAI of 22.90 percent. This result is still in excess of the 16.5 percent survey data finding.

Judgement #3: Refining the Scale Profile

4.16 At this point, a decision is made whether further adjustments to grade differentials are warranted, or whether the established pattern is desirable and adjustments should now be made in the level of increase at each grade to refine the OWAI to correspond to the new survey data OWAI. In this example, it is decided to maintain the revised grade differential pattern and to adjust the overall scale by lowering the increase at the pivot point of G-4 to 18.5 percent.

Table III

Survey Data								
	Current	Survey	% Diff	Current	Survey	% Diff	Average	Weight
	Min	Min		Max	Max			
G-1	9,000	9,500	5.56%	12,150	12,350	1.65%	3.60%	5
G-2	12,000	14,000	16.67%	16,200	18,200	12.35%	14.50%	35
G-3	15,000	18,357	22.38%	20,250	23,864	17.85%	20.10%	28
G-4	20,000	26,200	31.00%	27,000	34,060	26.15%	28.60%	30
G-5	26,000	30,000	15.38%	35,100	39,000	11.11%	13.20%	17
G-6	31,000	32,000	3.23%	41,850	41,600	(0.60)%	1.30%	12
G-7	38,000	36,500	(3.95)%	51,300	47,450	(7.50)%	(5.70)%	41
Weighted Average Increase (RAW DATA)							16.50%	131

Recommended Scale

Grades	Current Min.	% Incr (Midpt)	Incr-Gr Diff	Recomm Min	% Diff	Current Max	New Span	Recomm Max	% Diff	Average	Weight
G-1	9,000		30.00%	10,788	19.87%	12,150	35.00%	14,564	19.87%	19.90%	5
G-2	12,000		30.00%	14,024	16.87%	16,200	35.00%	18,932	16.86%	16.80%	35
G-3	15,000		30.00%	18,231	21.54%	20,250	35.00%	24,612	21.54%	21.50%	28
G-4	20,000	18.50%		23,700	18.50%	27,000	35.00%	31,995	18.50%	18.50%	30
G-5	26,000		20.00%	28,440	9.38%	35,100	35.00%	38,394	9.38%	9.30%	17
G-6	31,000		20.00%	34,128	10.09%	41,850	35.00%	46,073	10.09%	10.00%	12
G-7	38,000		20.00%	40,954	7.77%	51,300	35.00%	55,288	7.77%	7.70%	4
Weighted Average Increase (RECOMMENDED)							16.50%				131

4.17 By applying an 18.5 percent increase at G-4 (Table III), revised inter-grade differential patterns and a uniform span of 35%, the recommended scale provides for an OWAI of 16.50%, identical to the survey finding. The recommended scale shown below now passes all three tests which have been established for construction of a salary scale: uniform spans, patterned grade differentials, and equal to the raw results of the survey's findings. In exceptional circumstances, in order to address an imbalance within the salary scale, an OWAI +/-1 percent of raw data findings may be applied to the scale.

Interrelating the Grade Overlap

4.18 In practice, the choice of the inter-grade differentials, the grade spans, the number of steps and the extent of the overlap are all interrelated.

4.19 Grade overlap is now examined to ensure that the value of the highest step in each grade falls neither too low nor too high in the next higher grade. For an acceptable overlap, the top step of one grade should generally fall around Step 3 or Step 4 of the next higher grade. An overlap beyond the mid-step of the next grade should normally be avoided.

Computation of Non-Pensionable Components

4.20 A final step in the *Salary scale construction phase* is to determine whether a non-pensionable component of net base salary should be introduced, revised or discontinued. Non-pensionable components exist in the United Nations common system because gross pensionable remuneration is derived from net salary. As part of the *Data analysis phase*, employer benefits and allowances which should not be part of the pensionable remuneration have been included in the calculation of total net salaries. While it is a primary objective of the salary survey process to fully reflect benefits and allowances in the computation of net salaries, it would not be appropriate for a significant number of non-pensionable employer benefits to be used in the determination of United Nations pensionable remuneration.

4.21 Since pensionability of allowances and benefits varies significantly from employer to employer, the ICSC has decided to revise the criteria for inclusion of allowances in the pensionable net salary. ICSC has decided that the following cash allowances should be in all instances, whether taxable or non-taxable, treated as pensionable:

- Additional months salary;
- Profit sharing payments (excluding schemes that provide supplemental retirement income);
- Housing-related allowances;
- Performance payments;
- Bonuses such as year end, thirteenth month and Christmas;
- Food-related allowances (excluding meal allowances);
- Cost of living allowances.

4.22 To support the examination of non-pensionable allowances and benefits as part of total net salaries, a non-pensionable component worksheet has been developed. Non-pensionable allowances and benefits are examined using the benchmark jobs at the G-4 level for the General Service and the NO-B level for the National Officer categories, respectively. For retained employers with matches for these jobs, non-pensionable allowances and benefits are totaled, at the minimum, and compared as an average percentage to total net salaries.

4.23 When the resulting percentage is less than 10 percent, a non-pensionable component is not established. Where the resulting percentage exceeds 10 percent, a non-pensionable component should be established for the percentage amount greater than 10 percent. In no case, however, should the non-pensionable component exceed 20 percent. Non-pensionable components are capped at this level.

4.24 The salary survey results in a scale of net salaries. Gross and gross pensionable salaries are then derived from those net salaries (less any non-pensionable amount for gross pensionable salaries) according to a staff assessment scale issued by ICSC and applicable to locally-recruited staff at all duty stations. This assessment scale is subject to adjustment from time to time by the ICSC. In applying the formula, net salaries (excluding non-pensionable component for gross pensionable salaries, if any) are converted into US dollars according to an exchange rate, which is the average of the 36-month period preceding the effective date of the scale. The gross and gross pensionable salaries resulting from the application of the formula are then converted back into local currency using the same average exchange rate.

4.25 Gross and gross pensionable salaries, being derived from net salaries, are adjusted whenever a new salary scale is issued.

Chapter 5

Dependency, Other Allowances and Charges

The United Nations provides allowances to its General Service staff in addition to salary to meet several purposes. Up to five basic allowances may be established or revised as a result of a comprehensive salary survey: child allowance, spouse allowance, secondary dependant allowance, language allowance and funeral allowance. A General Service staff member's eligibility for a specific allowance is determined on an individual basis according to established criteria.

5.1 In addition to these basic allowances, some duty stations have established charges to be paid by local staff members who utilize United Nations provided transport.

5.2 During the *Data collection phase* of the comprehensive salary survey, information on any and all allowances offered by comparator employers is gathered. The value of allowances offered by comparator employers for family dependents is calculated by the Salary Survey specialist in consultation with the LSSC. In addition, on the basis of the information provided by the LSSC, the Salary Survey specialist also determines what amount, if any is paid for a dependant under local legislation and factors in the value of any tax abatements available under local tax provisions.

Family Dependents

5.3 The United Nations examines the possibility of establishing three types of allowances for family dependents:

- Spouse;
- Child; and,
- Secondary.

5.4 In considering these allowances, the Salary Survey specialist in consultation with the LSSC ascertains whether they are set by reference to local practice based on tax abatement, given as a "social benefit" through local legislation, and/or created by direct payment of comparator employers. If these allowances are subject to income tax, the net equivalents are used in calculations.

Net Mid-Point of the Salary Scale

5.5 For the United Nations, the reference point for analysis of dependency benefits is the arithmetic midpoint of the recommended General Service salary scale. The data analysis team calculates (the Salary Survey specialist along with the LSSC the net midpoint based upon the lowest step (G- 1, Step I) and the highest step (G-7 top step including all long service or longevity steps.) . The retained comparators are examined for the jobs matched at the mid-grade (G-4 level or benchmark jobs 5, 6, 7) . If the employer has not provided matches at the G-4 level, benefits offered to employees at the G-5 level should be taken into account.

5.6 A spouse allowance is established where supported by local practice, therefore, there is *no guaranteed minimum* or floor amount established by the United Nations for a dependent spouse allowance.

5.7 To calculate spouse allowance, the Salary Survey specialist along with the LSSC computes the *taxes* paid at the midpoint of the recommended salary scale at the single level and at the married level with no children. To find this figure, the Salary Survey specialist along with LSSC calculate the gross midpoint of the net midpoint of the salary scale by entering the tax code and net midpoint onto the computer worksheet.

5.8 The difference between the tax paid as a single individual and a married individual without children is the tax abatement for the dependent spouse. Note that for retained comparator employers which are exempt from national income tax, such as other international organizations, the tax abatement is zero, since the employees enjoy a tax exempt status.

5.9 Once the tax abatement for a spouse is computed, the Salary Survey specialist along with the LSSC examine the allowances offered by the five/seven/ten/fifteen retained comparators, the average of any government allowances available to dependent spouses at this level of salary, and the *average* tax abatement. The LSSC averages the sum of the tax abatements, government subsidies, and allowances provided by the five/seven/ten/fifteen retained comparator employers to calculate the spouse allowance to be provided by the United Nations.

Calculating Child Allowance

5.10 Within the United Nations Common System, the child allowance functions as a social benefit available to all eligible staff regardless of local practice. To that end, the United Nations has established a minimum or floor amount for the child allowance. In 1997, the ICSC revised this floor amount to *2.5 percent of the net midpoint* of the General Service salary scale. Where local practice exceeds this floor amount, the higher amount serves as the basis for the child allowance.

5.11 The child allowance is determined by *averaging*:

- All payments related to children made by the comparator employers retained for data analysis;
- Amounts paid for dependent children by the government according to existing legislation, and
- Tax abatements for dependent children.

5.12 There are several steps involved in determining the average value of child benefits for the five/seven/ten/fifteen retained comparator employers. The Salary Survey specialist computes the tax abatement for the dependent children. The net salary of an individual (who is married with one dependant) is compared to the net salary of a married individual with no dependent children. The resulting difference represents the tax savings or the tax abatement for the first dependent child. Since the United Nations pays a child allowance up to a maximum of six children, the Salary Survey specialist also computes any tax abatement for a second child, by again applying the tax abatement for a married individual with two children,

and comparing this resulting figure to the salary that had been established for a married individual with one child. As more and more exemptions are applied progressively, the employee's taxable income falls into a lower tax bracket. The tax saving per dependant lessens as the number of dependents increases. It is necessary to compute the amount of the tax abatement for each of the six possible dependent children in order to arrive at the average tax savings to be used as the amount of tax abatement.

5.13 After the average tax abatement has been computed, other child -related benefits offered in the locality are calculated. The summary information in Part III of the employer data collection form prepared during the **Data collection phase**, lists all child benefits or child-related allowances provided by each of the retained employers. Some child-related payments may be payable only once or for a limited number of years. For example:

Birth Bonus. This bonus is divided by 18 to establish its annualized value. (*Note: United Nations dependency benefits are paid from birth through 18 years old, unless a child pursues a program of post-secondary education.*)

School Allowances. For allowances such as school fees paid in support of education, the annual school fee for 12 years of primary and secondary education is averaged over the 18 years for which the United Nations pays child allowances.

5.14 Once the various child allowances offered by all the retained comparators are averaged, all the information needed to calculate the average outside child benefit is available.

Example Calculating the Outside Child Benefits

	Emp B	Emp C	Emp D	Emp E	Emp G
Employer	200	0	450	300	600
Allowances					
Govt. Allowances	534	534	534	534	534
Tax Abatement	914	914	914	914	0*
TOTAL	1648	1448	1898	1748	1434
Avg Outside					1575
*Salaries of employer G are tax-exempt					

5.15 The final figure for child allowances based on local practice is compared to the United Nations floor amount of 2.5 per cent of the net midpoint of the recommended General Service salary scale. In the majority of duty stations, the 2.5 per cent floor amount exceeds outside practice. The Salary Survey specialist along with the LSSC recommend the higher figure (either the floor amount or local practice) as the basis for the revised child allowance.

Calculating Secondary Dependent Allowance

5.16 As with the spouse allowance, there is no guaranteed minimum floor amount established by the United Nations for a secondary dependant allowance. If there is local tax abatement available for secondary dependents, the legally allowable exemptions are calculated in the same way the spouse allowance is calculated, using the net General Service midpoint as a starting point. Any allowance provided by comparator employers should be taken into account as well as tax abatements.

5.17 Secondary dependant allowances are rarely created. Very few tax codes offer specially identified abatements for secondary dependents, and employers generally do not provide special allowances for secondary dependents either.

Calculating Language Allowance

5.18 The United Nations, as a matter of policy, pays each General Service staff member an allowance for proven knowledge of a second or third official language. This language allowance is based on 5 percent of the G -5, Step I level of the salary scale for the second official language. The amount is revised at each scale revision. Fifty percent of this amount is paid for the knowledge of a third official language. Payment of language allowance is granted upon certification through the established United Nations language examination.

Calculating Funeral Allowance

5.19 Comprehensive salary surveys have indicated that comparator employers in some countries provide financial assistance to employees in the event of the death of a dependent child or spouse, and in some cases, the death of parents or siblings. A funeral allowance may be created to be paid in the event of death of a dependent if the funeral grant is offered by at least *three of five or four of seven, six of ten or eight of fifteen* retained comparator employers. Where different amounts are established for the death of a child, spouse, dependent parent or sibling, the funeral allowance is also established with varying dependency situations.

Important Note: *No funeral allowance may be established for the death of a staff member. Such assistance is provided through the established provisions governing death grants.*

Implementation of New/Revised Allowances

5.20 Normally, new or revised dependency allowances become effective on the same date as the revised salary scale.

5.21 If an existing dependency allowance becomes redundant or is reduced because local practice no longer supports such payments, staff in receipt of the allowance continue to receive the higher amount while staff hired after the promulgation date of the revised scale receive the new, lower amount.

Chapter 6

The Finalization and Approval Phase

Once the survey data have been analyzed by the Salary Survey specialist after consultation with the LSSC, the survey enters the final process of review and approval. This process is carried out by the Responsible Agency. The LSSC reviews the survey findings and includes its comments, if any, in a report prepared by the Salary Survey specialist. For duty stations for which the United Nations is the Responsible Agency, the Salary Survey specialist submits the report (including a proposed salary scale and effective date) to the United Nations Headquarters Steering Committee for review on compliance with the salary survey methodology. The LSSC should be duly informed about the outcome of that review and be given the copy of the report. Following final approval of the scale, which includes the establishment of United Nations gross and net salaries, the scale is formally issued and the respective parties are informed.

Review by the Local Salary Survey Committee

6.1 The Salary Survey specialist provides to the LSSC for review the Best employer worksheet and the Comprehensive Salary Survey Summary report (Annex VII of this Manual), which are prepared in a pdf format and summarize the findings of the survey. The Comprehensive Salary Survey report should include the following information:

- Employers surveyed and retained, specifying any changes in relation to the previous survey;
- Reasons for elimination of employers and/or jobs; Special conditions prevailing in the economy or in the labour market;
- Findings on job matching, with special focus on any changes from previous surveys; Jobs retained for analysis;
- Major changes regarding fringe benefits and fringe benefit quantification;
- Any other changes in relation to the previous survey and any deviations from the approved methodology;
- Recommended salary scale and its main characteristics (e.g., span and inter-grade differentials);
- Amounts of allowances;
- Non-pensionable component worksheet; Problems encountered;
- Potential implications of the survey for internal personnel matters; and,
- Information on effective date, proposed interim survey frequency and other issues.

6.2 All survey-related correspondence should be addressed to the Chairperson of the LSSC, with a copy to the United Nations Resident Coordinator (RC) or head of office of the Coordinating Agency in the duty station . Similarly, all survey -related inquiries from the LSSC should be addressed to the Responsible Agency through its Chairperson with a copy to Resident Coordinator or head of the office of the Coordinating Agency in the duty station

6.3 The LSSC should review each of the main points described in the Comprehensive Salary Survey report seeking additional clarifications, if required.

6.4 After a prompt review of the survey findings, the LSSC provides feedback to the Salary Survey specialist, who then prepares and presents the survey for the review and

approval process to the Steering Committee meeting. If there any disagreements or different points of views exist between the Salary Survey specialist and the LSSC, they should be reflected in the report or in a separate document and will be made available to the Responsible Agency and the Steering Committee members, if applicable, for the final determination.

Review by Headquarters of the Responsible Agency

6.5 All surveys for which the United Nations is designated as the Responsibility Agency are reviewed by the United Nations Headquarters Steering Committee. The Committee is chaired by the UN Secretariat and consists of representatives from the UNDP, UNICEF and the ICSC. The Steering Committee reviews the survey, focusing on any departures from previous surveys and from the methodology. Special attention is paid to contentious issues of the survey, if any. The Steering Committee is responsible for ensuring that salaries of locally recruited staff are established in full compliance with the Flemming principle as reflected in the methodology for duty stations other than Headquarters and similar duty stations.

6.6 After reviewing the survey findings, the Steering Committee either validates the outcome of the survey and its conformity with the methodology or proposes appropriate modifications. The Steering Committee concentrates on any major departures from previous surveys, overall compliance with the methodology, problems encountered and recommended scale, allowances and interim adjustment procedure. The Steering Committee should pay special attention to written, alternative viewpoints attached to the survey questionnaire, if any. Meetings of the Steering Committee may be conducted through virtual means. In cases where deliberations may require interaction beyond the facilities provided by the electronic tools, subsequent deliberations shall be initiated as warranted through telephone or videoconferences. All meetings of the Steering Committee should be carefully documented.

6.7 After completing its review, based on the findings of the Steering Committee, the Responsible Agency may introduce modifications to the survey results, which it considers justified, resulting in the approval of results different from those recommended by the Salary Survey specialist and/or the LSSC. The Responsible Agency informs the LSSC of the reasons for the changes but is not expected to consult with the LSSC or request LSSC agreement.

6.8 The review concludes with the approval of the salary scale and other allowances by the Responsible Agency.

6.9 When the final salary levels are announced, they should be forwarded to the duty station along with a report covering any adjustments made, elements of data excluded during final consideration of the salary scales and policy decisions taken in establishing the scale, including such features as inter-grade and inter-step differentials. In order to ensure full transparency, the report should also include the outcome of deliberations on any issues raised by the local salary survey committee.

6.10 When the salary survey is approved, the date on which the new salary scale goes into effect is established by the Responsible Agency. The effective date is established on the basis of the reference date of the salary survey data collection. Retroactivity in the effective date of a scale prior to the reference month of the survey should not be considered.

6.11 With the approval of the salary scale, other allowances and the effective date, the United Nations Secretariat formally issues the revised salary scale. This is the official notification to all organizations of the United Nations common system that revised salary scales should be applied.

6.12 In instances where comprehensive salary surveys yield negative results, a secondary scale(s) will be promulgated and will be applied for new staff recruited as of the month following the issuance of the secondary scale(s). A threshold of five per cent will be applied for introducing secondary scales. So only if a survey yields a negative result of more than five per cent a secondary scale will be issued in a duty station other than headquarters or similar duty stations. The reasoning is that at duty stations with less stable labour markets and more volatile survey results, the introduction of a secondary scale at these locations – where as few as five employers are retained for the final analysis- may be short-lived.

6.13 The United Nations salary scale contains the following elements:

- Name of the duty station;
- Effective Date of the salary scale;
- Currency of denomination of the salary scale (usually local currency)
- Rate of exchange (36-month average) used to determine gross salaries from the net salaries;
- Annual salaries expressed as: Gross, Gross Pensionable, Total Net, Net Pensionable, Non-pensionable Component (see Glossary)
- Amount of allowances (dependency and language allowances, funeral allowance, if any);
- Number of the scale revision (numbering in chronological order for each duty station);
- Month in which scale is issued; and,
- Common work week at duty station, i.e., hours of work upon which the scale is based (including differences in hours of work for certain occupations/grades).

6.14 All current United Nations salary scales are available at the UN Salaries and Allowances website: http://www.un.org/Depts/OHRM/salaries_allowances/salary.htm

6.15 The final step in completing the comprehensive survey process is the preparation of a brief summary of the survey results to be provided to the comparator employers who co-operated in the survey. This report is compiled by the Salary Survey specialist, as soon as Responsible Agency has approved the survey results and forwarded its report to the field.

6.16 The purpose of the report to employers is twofold. It thanks the employer for participating in the survey and makes the exchange of salary information a mutual and ongoing process. Employers appreciate receiving survey findings, and even expect this, in return for their participation. By reporting to comparators on the survey, it makes it easier to seek future information for the periodic monitoring of employer salaries. Care must be taken to protect the confidentiality of the data of the various employers surveyed.

6.17 The report should be sent to all employers surveyed, including those who were not retained in the final analysis of data. For an employer whose salary data were analyzed, but not retained in the final analysis, the standard report applies.

6.18 Each individual employer receives the completed employer questionnaire and analysis worksheet for that employer revealing only the employer code to the concerned employer.

6.19 All employers included in data analysis receive:

- summary tables on benefits and allowances;
- summary tables reflecting the local labour market profile; and,
- the revised United Nations salary scale.

6.20 For other employers whose salary data were not analyzed (because of insufficient job matches, lack of a systematic approach to salaries, etc.), the standard report is not sent. A short letter thanking the employer for cooperating and a copy of the United Nations scale is provided.

PART II – The Interim Adjustment

Chapter 7

Interim adjustment procedures

Comprehensive salary surveys normally take place in five-year cycles and are used to identify the best employers in the local labour market, establish precise reference points within these employers for United Nations benchmark jobs and identify allowances and benefits paid in addition to base salaries. The best five, seven ten or fifteen employers retained for final data analysis now represent the labour market against which duty station salaries are established until the following comprehensive salary survey. Within the normal five-year cycle, interim adjustment may be carried out in either one of the two methods: mini-survey or indexation. When one method is chosen, it is not possible within the 5-year survey cycle to alter the method of interim adjustments, except for those duty stations in category V that shall be migrated to a form of indexation as a consequence of their categorisation.

The objective of an interim adjustment process is to ensure that United Nations salaries continue to reflect the salary movement trend of the retained employers. It is not designed as a mechanism for maintaining between surveys either the purchasing power of salaries or their value in terms of convertible currency. The interim adjustment procedure is also intended to ensure that the United Nations salary scales are adjusted with the same frequency as that of the majority of comparator employers.

7.1 The mini-survey method monitors the movement of remuneration of retained comparator employers. The timing of local employer cycles of adjustment is recorded, analyzed and applied to United Nations salary scales.

The indexation method is new to duty stations other than Headquarters and similar duty stations. Therefore, the primary approach to interim surveys would be to conduct a mini-survey. The decision to apply indexation will be made by the responsible agencies on a case-by-case basis taking into consideration the correlation of the particular indices to the past survey results.

Differences between Comprehensive and Mini-Surveys

7.2 Mini-surveys are intended to update specific reference points established during the comprehensive survey. Therefore, while conducting the mini-survey, the following rules must be observed:

- No introduction of new comparator employers;
- No changes in job matches;
- No changes in the quantification formula of benefits;
- No change in the reference points for minimum salaries;
- No modification of span or grade differentials;

- No alteration in the United Nations job or grade weights even though the population of United Nations standard benchmarks and grades may have changed. This ensures that salary reference points established in the comprehensive salary survey are constant throughout the interim period and facilitates data collection;
- No comparison of United Nations salaries with comparators salaries;
- No change in the retained jobs; and,
- No introduction of new benefits (in cash or in-kind).

7.3 It is stressed that the appropriateness of matching or the quantification of allowances are not discussed at this time. All these issues must be resolved at the time of the comprehensive salary survey. Any issues arising during the interim period regarding the accuracy of job matching or benefit quantification are recorded and discussed at the next comprehensive salary survey.

Frequency of Mini-Surveys

7.4 Frequency of interim adjustment either by mini-surveys or indexation is based on local practice for salary revision among retained comparators and determined during the comprehensive survey usually takes place once a year and should not be more frequent than the retained comparators.

Preparing for the Mini Surveys

7.5 Mini-surveys follow the same four-step approach outlined for conducting a comprehensive salary survey: preparation, data collection, data analysis and promulgation of a revised salary scale.

7.6 One month prior to the effective date of salary scales, the LSSC contacts the Responsible Agency and requests an authorization to conduct an interim survey. The Local Salary Survey Committee monitors the retained comparators, to determine if salary adjustments scheduled to take place as recorded during the comprehensive salary survey have actually taken place. Once it has been determined that the comparators have adjusted their salary scales, the coordinating agency in the duty station convenes the LSSC to request approval from Headquarters of the responsible agency to conduct a mini-survey. *Headquarters' authorization is required prior to conducting a mini-survey.*

7.7 The LSSC formally approaches the retained comparators to request their participation in a mini-survey. They assure employers again of confidentiality and future exchange of salary information. The LSSC collects updated information about taxation to be applied in the analysis of the revised salary and benefit data. The LSSC establishes a data collection team, usually drawn from data collectors who participated in the comprehensive salary survey. This team is provided with records from the previous survey in order to familiarize themselves with the comparison points to be updated.

Collecting Data

7.8 It is the objective of the mini-survey to update reference points established at the time of the comprehensive salary survey. Salary data for all comparator grades for which United Nations job matches have been established should be updated on the interim template by the employer. Each interim template must be duly signed and certified by the comparator. As in the comprehensive salary survey, it is extremely important to obtain updated copies of employer salary scales.

7.9 Data recorded for revised base minimum salaries as captured during the previous comprehensive salary survey, must reflect the actual updated changes to salary data implemented by employer. This is best confirmed through official copies of updated comparator salary scales. The minimum salaries must exclude personal salaries, increments within the grade, or individual performance/merit increases.

7.10 Allowances and benefits that have been variable over a period of years are updated based upon the average of *the last three years*. Benefits that are not utilized by 100 per cent of the eligible staff in the company should maintain the same utilization percentage as established at the time of the comprehensive salary survey.

7.11 In-kind benefits will be maintained as established during the comprehensive survey. Any changes to the quantification of in-kind benefits will be made at the time of the next comprehensive salary survey.

Analyzing Data

7.12 With data collected from retained comparators, it is necessary to arrive at *revised total net salaries at the minima* for each of the benchmark jobs where comparisons had been established during the comprehensive salary survey. Total net salaries for each of the comparator employers should be aggregated on the analysis worksheet developed for the mini-survey. With the data for the employers assembled, the updated average minimum salary for each benchmark job is established.

7.13 The data analysis is done by the Responsible Agency. In order to conduct the analysis, the LSSC should provide:

- Employer Salary Scales and other employer documentation concerning revisions in salaries, allowances and benefits; and,
- Updated documentation on national taxation used in data analysis;

Movement in Averages

7.14 The purpose of the mini-survey is to assess the general movement in salary for retained comparators since the time of the previous survey. The salary data collected in the mini-survey is compared *only* with previous salaries from the same comparators and not with the current United Nations salary scale at the duty station.

7.15 During the comprehensive salary survey, grade differentials and spans are adjusted to establish a balanced salary scale, which reflects the external labour market trends. The sole purpose of interim adjustment is to reflect movement of salaries of retained comparators. To ensure that this movement is consistently measured, it is necessary to compare the updated job salaries for the comparator employer to their prior job salaries. The process requires comparison of the new average minima job salaries to the *raw*, prior average minima job salaries as recorded in the previous comprehensive or interim survey. With this percentage movement computed for each benchmark job, and by using the job weights from the comprehensive salary survey, it is possible to compute movement by grade, and finally, using grade weights from the comprehensive salary survey, it is possible to compute overall average movement in salaries for the mini-survey.

Exclusion of Comparator Employers

7.16 In the period between comprehensive salary surveys it may be necessary to exclude data from one of the comparator employers. Exclusion of a comparator employer from an interim survey is usually for one of the two reasons:

- The comparator has ceased operations and is no longer present in the duty station; and,
- The comparator has significantly restructured its compensation plan or job structure which makes reference to the comparison points established during the comprehensive survey impossible.

7.17 The fact that a comparator employer has not revised salaries and/or allowances since the previous review, or did not participate in the survey, or is perceived as non-competitive while other comparators have revised salaries, is not sufficient justification for exclusion from the interim survey. When an employer is excluded from a mini-survey the analysis must adjust the comparison point from the previous survey accordingly to ensure a consistent basis for comparison.

7.18. If the mini -survey is based only on the reduced number of employers, the comparison of the average for these remaining employers is made only to the previous computed average for the same comparator employers.

Construction the Salary Scale and Effective Date

7.19 During data analysis, the overall weighted average movement in minima salaries is computed and represents an average percentage increase in salaries for the retained employers. In the comprehensive salary survey, the goal in salary scale construction was to meet both the internal needs of the United Nations community in terms of an equitable distribution of pay and reflect the trends in the external labour market. The mini-survey is focused exclusively on measuring movement in salaries in the external market. The results from the mini survey are generally applied uniformly across-the-board to the existing United Nations salary structure. No changes in span or grade differentials are considered in conjunction with an interim adjustment unless, by not doing so, difficulties may be encountered at the time of the next comprehensive survey in the structure of the scale(s).

Indexation

7.20 Where valid, reliable and relevant indices are available, they may be used for adjusting salaries between surveys. Care should be taken to ensure that a reasonable correlation can be established between a reliable official index (which may be wage or consumer price index) or data from a reliable vendor and the movements of the United Nations salary scale. The following methodology should be used in making adjustments on the basis of indices:

- The adjustment should be based on an appropriate wage or price index or a combination of indices;
- Indices selected should be shown to produce salary movements that tend to be confirmed by successive salary surveys;
- Indices should be reputable, published on a regular (preferably monthly or quarterly) basis without lengthy delays; they should relate to the same geographical area as that covered by the salary survey and, when related to specific economic sectors, should largely correspond to those covered in the salary survey;
- At the time a new scale is established following a salary survey, a base date for the reference index should be selected. The base date for the interim adjustment process should be chosen using recently available reference index information, but with a view to avoiding retroactive payments when subsequent salary scales are established;
- Adjustments to salary scales should be made when the reference index has moved by 5 per cent or more, as measured from the base date or, if there has been an interim adjustment since the survey, from the level of the reference index that triggered the most recent adjustment; the adjustment should normally be effected as soon as possible following the publication of the index showing the requisite movement;
- In the event that the reference index does not move by the required 5 per cent within a period of 12 months, an adjustment should nevertheless be made on the basis of the movement of the index in the 12-month period following the date of the index that triggered the previous adjustment, reduced by a factor that would be most appropriate to local conditions, provided that the adjustment would not exceed 90 per cent. In such cases, the adjustment to the scale should be made effective 12 months following the previous adjustment;
- The percentage adjustments to the net salary scale should be uniform at all levels, thereby leaving the structure of the salary scale intact, and should be equal to the movement of the reference index reduced by a factor at a level most appropriate to the local conditions, provided that the adjustment would not exceed 90 per cent. The index movement should hence be governed by a factor of up to 0.9 for purposes of periodic adjustments between surveys.

Allowances

7.21 In constructing a recommended salary scale resulting in an across-the-board increase in salaries, dependency allowances are reviewed as they were established during the comprehensive salary survey.

7.22 Where a spouse or secondary dependent allowance has been established for the duty station, the LSSC should collect updated information on both tax abatements and employer benefits available for dependent spouses. The same procedures as specified in same section on allowances for the computation of a revised spouse allowance if any during mini-survey.

7.23 The language allowance should be updated on the basis of 5% of the revised G-5 step I. The allowance for the second language should also be revised.

7.24 A funeral allowance, if any, is not updated during the interim salary survey.

7.25 As with the comprehensive salary survey, the effective date of salary adjustments following a mini-survey is normally based on the reference month of data collection for the mini-survey and is decided by the Responsible Agency.

PART III – Special Measures

Chapter 8 Alternative Approaches

Special measures can only be implemented in critical circumstances where acute economic distress has occurred or long-term economic/social instability has prevailed.

8.1 It is recognized that extreme conditions may develop where it is necessary to apply exceptional measures in the maintenance of local salaries. It is important for the LSSCs to understand that the application of special measures does not imply the suspension of the normal methodology for establishing salaries. Special measures, when applied, take place as a parallel and supplemental process to the ongoing application of the normal methodology.

8.2 LSSCs have a major responsibility for monitoring and reporting in detail any conditions in the duty station which serve as the basis for assessment of special measures. Before the LSSC embarks on developing a proposal for special measures, guidance from the Responsible Agency must be sought. It should be noted that any special measure can only be approved by the Responsible Agency after consultations with all concerned parties.

Conditions where Special Measures can be Considered
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8.3 Conditions that support the application of special measures fall broadly into two categories: acute economic distress and long term economic/social instability. Specific situations within these categories include rapid inflation following significant devaluation, civil unrest or warfare and labour markets with extremely limited employer activity. In each situation, as a first step, the LSSC reports in detail the actions being taken by the currently retained comparator employers. It has been found that in the majority of instances solutions to difficult economic conditions can be found in the approaches taken by employers in the local labour market. With detailed reporting by the LSSC of actions being taken by employers, it is usually possible to quickly adjust national staff salaries to reflect these actions and maintain stability in compensation.

8.4 Finally, it is most important to understand that the application of special measures cannot fully insulate national staff from the prevailing economic and social conditions in the duty station. The remedial assistance provided by special measures is intended to provide partial stability in compensation. Fundamentally, local salaries remain based on prevailing conditions in the local labour market. Special measures offer partial and temporary relief during periods of extreme volatility.

Payments in Convertible Currency

8.5 During periods of economic volatility, LSSCs often request, on an exceptional basis, that national staff salaries be denominated and paid in convertible currency, usually US dollars. The HR Network of the United Nations Chiefs Executive Board has drawn up specific guidelines which govern payments to national staff in currencies other than the local currency. Proposals by LSSCs to provide full or partial payments to national staff in convertible currency must meet these three criteria:

- The majority of retained comparator employers provide full or partial payments to national staff in convertible currency;
- It is legal practice under applicable national regulations for nationals to receive convertible currency as direct payments from employers;
- Guidance from the Treasury of the Responsible Agency on whether it would be feasible to provide convertible currency on a sustained basis at the locations through the use of regular banking channels.

8.6 In presenting proposals for payment in convertible currency, the LSSCs should provide specific information on comparator employer practice with particular attention to:

- The amount provided in convertible currency;
- The method by which this amount is computed (i.e., the exchange rate used by the employer in establishing the convertible currency amount and its local currency equivalent);
- The staff groups eligible to receive the convertible currency;
- The conditions which govern payment of the convertible currency (e.g., requirements for travel by the staff member outside the country to receive the payment);
- The modality of convertible currency payments (i.e., through local or offshore bank deposits, cheques or in cash).

8.7 With respect to documentation required on national regulations, the LSSC should provide actual copies of the applicable regulations with translations if necessary. For convertible currency payments to be approved, the national regulations must permit in-country payments in currencies other than the local currency to nationals.

8.8 Where these criteria are met, the usual approach is to establish a non-pensionable supplement to the local salary scale which reflects the average salary component paid by comparators in convertible currency. Where convertible currency makes up a majority of the payments made by the retained comparators, the local salary scale is denominated in convertible currency with the non-pensionable supplement established in local currency reflecting the balance or remaining proportion of salaries.

8.9 In some cases payments in convertible currency do not represent an ongoing feature of comparators' payment practices but rather annual one-time events. Where this situation exists, the United Nations salary scale remains fully denominated in local currency with authorization provided to make a one-time annual payment in convertible currency using the prevailing United Nations operational rate of exchange at the time of the payment. The amount to be converted is based upon the average percentage provided by comparator employers.

8.10 In all cases where authorized convertible currency payments are made to national staff, approval by the United Nations Controller must be obtained by the responsible agency. The modality of payment to national staff is either through direct deposit in locally established convertible currency accounts or through convertible currency denominated cheques drawn on local bank accounts maintained by United Nations agencies. In most exceptional cases are convertible currency payments made in cash.

8.11 Payments to national staff in convertible currency are temporary in nature and are reviewed on a regular basis. The LSSC must continue to monitor and report on both the prevailing comparator employer practice and the governing national regulations. Failure of the LSSC to provide updated information at the time of periodic reviews will lead to a suspension of convertible currency payments.

Non-pensionable Bonuses Following Significant Devaluation and Hyper-inflation

8.12 In situations where volatile economic conditions occur, it may exceptionally be necessary to provide short-term assistance pending the completion of a comprehensive or interim salary survey. These situations usually arise in conjunction with rapid inflation preceded by significant devaluation of local currencies.

8.13 There is no fixed formula for the computation of bonuses to be paid in response to hyper-inflationary conditions. For special measure consideration, it is typically expected that a rapid or immediate devaluation of the local currency by 50 percent or more has occurred followed by local price inflation of 50 percent or more within a one or two month period.

8.14 When these situations arise, the response by the comparator employers may not be immediate or constant. Comparator employers themselves require time to assess volatile and often confusing economic situations. The objective of special measures during periods of hyperinflation is to anticipate the eventual response of the comparators, provide a short term remedial relief to partially stabilize salaries and to permit a thorough assessment by the LSSC of the comparator response.

8.15 It is typical in such circumstances to approve a short-term non-pensionable bonus. The bonus amount is not intended to provide full protection of local staff purchasing power but rather to anticipate the eventual revision in salaries by the retained comparator employers. In presenting a proposal for special measures following a significant devaluation and hyperinflation, the LSSC must report to the extent possible, on developments taking place in the comparator employers. While all comparators may not have implemented revisions, proposed adjustments may be pending and some comparators may have taken rapid action to approve exceptional bonuses or advances.

8.16 A non-pensionable bonus may not accurately reflect the eventual adjustments made by the comparators. Such non-pensionable bonuses are approved for a maximum period of three months. Following the approval of the bonus, the LSSC must complete a full interim salary survey as soon as feasible. With approval of a salary scale revision based upon the interim survey results, the non-pensionable bonus is suspended. Bonus payments made after the effective date of the revised salary scale will be recovered against payment of the scale revision.

Adjustments for Limited Labour Markets

8.17 A range of labour market conditions exists across the duty stations covered by the methodology for duty stations other than Headquarters and similar duty stations. Criteria that govern employer selection and retention are broadly written to apply to the majority of duty stations.

8.18 In a small minority of countries, labour market conditions have not evolved to support a wide selection of long-standing employers in a range of economic sectors. In such cases, the LSSC, at the time of a comprehensive salary survey, may recommend that salaries be based on employers which may not fully meet the criteria established for employer selection/retention.

8.19 It may be necessary to retain employers with fewer than twenty employees in positions comparable to United Nations benchmarks. It may be necessary to retain more than two employers from the same economic sector among the final best five employers, drawn from the same economic sector. It may be necessary to retain an employer that has not been established in the locality for around five years. Finally, in extremely rare instances, it may be necessary to base the comparison of outside labour market conditions on fewer than five local employers. Decisions on each of these issues are taken by the Responsible Agency on the advice of the LSSC and the Steering Committee, if applicable.

8.20 It is always the responsibility of the LSSC to provide detailed justification for the exceptional measures requested. The primary criteria for selecting employers for final retention are a structured approach to compensation setting and reliable job matching.

8.21 In cases where labour market conditions are limited and it is necessary to retain employers which do not fully meet the retention criteria or to retain fewer than five employers, the LSSC has a special responsibility to monitor the changing labour market conditions closely. The arrival of new employers meeting the criteria for selection and providing a broader basis for referencing United Nations salaries should be reported. In duty stations with limited labour markets where economic conditions are volatile, there may be reasons to consider an accelerated comprehensive prior to the normal 5 year duration. Accelerated comprehensive salary surveys, where approved by the Responsible Agency in consultation with the ICSC Chairman, ensure that the most recent changes in the labour market are captured thus ensuring that local United Nations salaries are current and reflect methodology criteria.

Family Expenditure Surveys in Response to Civil Unrest and the Breakdown of the Labour Market

8.22 Due to the nature of the work of the United Nations system, it is often necessary for the United Nations to maintain effective operations in very difficult and hostile conditions. Where warfare has broken out most, if not all, labour market activity ceases. In such situations, special measures aim to provide relative stability in salaries through extremely volatile social and economic conditions.

8.23 As with all special measure circumstances, as a first step, the LSSC reports on the situation of comparator employers. Have the comparators maintained operations or closed? Where the comparators have closed, have they instituted any procedures for paying their staff during this period or has most of the staff been terminated? Comparators often close and do not provide any useful reference for the maintenance of salaries during special measure circumstances.

8.24 In these cases it is unlikely for accurate statistics to be available to measure local cost of living. It is therefore necessary for the LSSC to construct a simple mechanism for measuring local cost of living: a local Family Expenditure Survey (FES). The LSSC establishes a baseline to measure future cost of living movement by examining the typical pattern of expenditures for local staff across several categories of expenditure.

8.25 In order to measure price movements, in consultation with the LSSC, the Responsible Agency establishes a sample basket of goods and services from the following categories:

- Food
- Hygiene Products
- Housing
- Transportation
- Clothing
- Miscellaneous

The data should be obtained from an independent data source.

8.26 With the data on the sample basket of goods and services, it is possible on a periodic basis, usually every three to six months, to re-price the items included in the original survey and calculate the price movement for the same basket of items.

8.27 This approach is not intended to address the issue of "adequacy" of existing salaries. Use of current salary levels as a budget ceiling ensures that the survey relates to current levels of compensation. The price movement of the sample basket serves to partly stabilize purchasing power during periods of civil unrest. On the basis of the measured average movement in prices, a non-pensionable bonus equal to 80 percent of the movement is implemented.

8.28 The family expenditure survey special measure option is used extremely rarely and only after the complete collapse of the labour market. Establishing and updating cost of living bonuses based upon the sample basket of goods and services is usually approved for periods of six months and subject to further review. The LSSC must report any labour market developments, which facilitate a return to the normal methodology. Once it is possible to again re-establish references against local employers, the payment of the cost of living bonus is suspended and salaries are once again established by reference to comparator employers.

8.29 The special measure options outlined above have evolved based upon experience gained in addressing difficult local circumstances issues faced by field offices. Other options may be developed as new problems and issues are encountered. The summary information provided here is intended to generally guide LSSCs concerning the conditions where special measures are applied and the types of measures which are in use.

8.30 Conditions where special measures are warranted vary greatly from place to place. The LSSC must contact the Responsible Agency for guidance concerning the approach to be taken in each specific situation that arises.

PART IV – Reference Checks

Chapter 9 Non-survey Duty Stations

Reference check salary survey methodology: salary adjustments at duty stations with fewer than 30 general service staff (Category V)

Preamble

9.1 At its seventy-second session, the International Civil Service Commission (ICSC) approved the revised methodology for conducting surveys of the best prevailing conditions of employment at duty stations other than headquarters and similar duty stations (Methodology II, ICSC/72/R.11). Under the methodology, alternate modalities other than comprehensive surveys would be applied to adjust the salary scales at duty stations with 30 or fewer General Service staff members. Based on the most recent statistics available, there are 48 such duty stations and they are listed in Annex IX of this chapter.

9.2 Following the implementation of Methodology II, the category V duty stations are now referred to as non-survey duty stations. Given the small numbers of staff at these duty stations, a more pragmatic approach needed to be adopted to review the salaries vis-à-vis categories I-IV. Annex V of Methodology II provides for reference checks to be conducted every five years to determine if United Nations salaries have maintained their competitive position in the local labor market. However, it should be noted that the purpose of a reference check is not to emulate a comprehensive salary survey, otherwise the entire intent for which this category was introduced would be lost. The below procedures aim to ensure that the salaries of local staff in duty stations with 30 or fewer General Service staff continue to be amongst the best prevailing, without the need for a comprehensive survey.

Introduction

9.3 In order to uphold the Fleming Principle and to ensure that United Nations salaries have maintained their position amongst the best prevailing local conditions, wherever it is possible, external remuneration data on the labor market for the most populous jobs at the duty stations should be purchased. A reference check involving a comparison of United Nations salaries for the benchmark jobs under review with the prevailing labor market for similar jobs will provide valuable information on whether United Nations salaries have remained competitive. It should be recognized that certain circumstances could arise where a degree of flexibility may be required. The Local Salary Survey Committee may provide their inputs; however, it must be recognized that the final decision lies with the responsible agency.

Two possible modalities for reference checks are foreseen as follows:

Using External Data

9.4 The benefit of using external labor market data is that the remuneration data will provide reliability, consistency and objectivity through the inclusion of a broader representation of the labor market. The application of external data should lead to increased stability in the results of the salary review process without the need for a comprehensive survey.

Mini-survey of Reduced Number of Employers

9.5 When external data is not available, a mini-survey of a reduced number of global comparators should be undertaken in the first instance. Should global comparators not be available, a mini-survey of employers with a well-structured compensation system based upon established job classification standards may substitute. A list of the current global comparators is attached as Annex XII.

Inclusion of the National Civil Service

9.6 For certain category V duty stations, the national civil service must also be included in the reference check review. These duty stations are listed in Annex X of this chapter. The national civil service is defined as the ministry of foreign affairs. Where it is not possible to survey the ministry of foreign affairs, the responsible agency will select an appropriate representative alternate civil service employer after consultation with the Chairman of the ICSC and the local salary survey committee.

When to Conduct a Reference Check

9.7 The adjustment of salaries in duty stations when the last comprehensive salary survey was conducted five or more years ago, or where no salary scales were previously established, should always start with a reference check against the labor market using one of the approaches described in paragraphs 9.4 and 9.5. As an alternative to the mini-survey interim, consumer price index (CPI) or current purchasing power (CPP) may be used to provide a comparison for salary movement. The movement of these indexes should be capped at 20 per cent. If movement of these indexes exceeds 20 per cent in two consecutive calendar years, then a reference check should be commenced at the impacted locality.

<h2>Roles and Responsibilities in the Reference Check Process</h2>

9.8 Under the reference check modality, the roles and responsibilities of the coordinating agency, the salary survey specialist and ICSC and its secretariat are similar to those foreseen in Methodology II, section III (Roles and responsibilities in the survey process). The details below modify the roles and responsibilities that are specific to the reference check process.

The Responsible Agency. The responsible agency has the additional role of purchasing the external remuneration data. Only the responsible agency may contact the external data vendor.

The Local Salary Survey Committee. The Local Salary Survey Committee (LSSC) should wherever possible follow the same composition and structure as described in Methodology II paragraph 19. The roles and responsibilities of the LSSC differ when the salary data used in the reference check process is purchased instead of collected through comparator interviews. In this modality, the LSSC is also no longer responsible for selecting comparators; however, the LSSC remains responsible for ensuring that correct and up-to-date staff and job statistics are collected from all organizations. It should gather data on applicable legislation of the country, including tax laws. When a reference check is conducted as a mini survey the LSSC will identify the employers to be surveyed. As required, the LSSC is also responsible for obtaining the participation of the national civil service. When a vendor for external data cannot be identified by the responsible agency, the LSSC may recommend local vendors to provide data. The recommended vendor will be evaluated by the responsible agency to make sure the data meets the requirements as established in paragraphs 9.14 and 9.15. When a mini survey is conducted the LSSC may identify comparator employers that meet the criteria as described below.

Preparation Phase

Authorization

9.9 Similar to comprehensive surveys, reference checks are conducted with a periodicity of every five years. Duty stations are notified that they are eligible for a reference check by the responsible agency via the coordinating agency. The coordinating agency of a duty station may also contact the responsible agency to convey interest in conducting a reference check. When the reference check is authorized, information is sent to the coordinating agency outlining the reference check process and the roles and responsibilities of the LSSC.

Selecting a Reference Check Modality

9.10 As stated in paragraphs 9.4 and 9.5, there are two possible methods to undertake a reference check:

- **Reference check by external data.** By obtaining external data which will require identifying possible consulting firms with data available for the locality that could provide external remuneration data. It should be noted that the LSSC must adhere to this method if it is feasible.
- **Reference check by simplified mini-survey.** If the method described above is not feasible because such data is not available in the duty station, then a mini-survey of a limited number of comparators could be conducted. This survey will be conducted on a remote basis following the mini-survey modality described in paragraphs 9.16, 9.25 and 9.26.

In no circumstance should data used in the reference check modality blend the external data and simplified mini-survey methods. The national civil service for certain duty stations must also be surveyed and incorporated into the overall results.

Criteria for Jobs to be used in Reference Check Analysis

9.11 To start with, the LSSC at the duty station should prepare, on the basis of the Common Classification of Occupational Groups, an inventory of the number of staff in each job at the duty station for all organizations.

9.12 Once accurate statistics on the types and numbers of jobs existing at each grade are compiled, it is possible to identify the principal occupational groups (the ones with the largest numbers of staff) and the most populous jobs for each grade. These groups should be represented in the review by jobs at different grade levels (ranging from the lowest to the highest). Jobs that are part of a series should preferably be surveyed as a series, even if one job in the series is not statistically significant. The seven benchmark jobs to be surveyed are detailed below.

Job Descriptions and Job Matching to be Used

9.13 Job descriptions used during the course of the reference check process are detailed within Annex IV of Methodology II. However, predetermined job matches will be used in salary reviews where external data is purchased. In the case of the mini-survey modality, predetermined job matches will be used for global comparators and previously surveyed comparators, unless the job classification structure has changed to such a degree as to invalidate previous job matches.

Data Collection Phase

Data Collection When Using the External Data Modality

9.14 Only the responsible agency may engage with the vendors and procure external remuneration data in the labor market of the duty station and undertake any follow-up queries.

The external data shall meet the following requirements:

- The remuneration data should be for the primary UN duty station in the country, which most often is the capital city, where feasible, otherwise on a country wide basis;
- The remuneration data should be drawn from the entire the entire dataset available from a single vendor. If the United Nations has participated in a survey by the vendor, the United Nations remuneration data should be removed;
- The remuneration data should only include information for full-time positions;
- The remuneration data should be readily available in the repository of the vendor. A customized salary survey should not be conducted;
- Remuneration data should be presented as numeric values, and should be shown in the currency that is most commonly used to pay employees at the local level;
- The remuneration data should be at the 75th percentile as specified by the ICSC.

9.15 The external remuneration data should differentiate between the following data elements:

- Salaries, cash allowances, variable pay or performance based pay or bonuses should be included. However, commissions should be excluded;
- So as to be sure that benefits such as contributions to pension or retirement schemes, subsidies to medical or health insurance schemes, company cars, holiday entitlements, club memberships, loans and subsidies, and work life balance benefits are not included in the remuneration data above, external data vendors should be asked to provide this information on the benefits listed above in aggregate. Information pertaining to leave entitlements such as annual leave, sick leave or maternity leave nor benefits paid with respect to dependents are not relevant to the reference check as these entitlements are specified within the staff rules and regulations.

Data Collection When Using the Simplified Mini-Survey Modality

9.16 The collection of remuneration data entails gathering salary data, details of any allowances and cash based benefits, in-kind benefits, and any variable pay elements if applicable. The comparator employers should have a minimum number of 10 staff in jobs comparable to the General Service. The data is collected via a questionnaire as referenced in Annex XIII of this chapter. Data collected under the mini-survey modality should be based on three comparators.

The selection of comparators by the LSSC should adhere to the following guidelines in the mini-survey modality:

- At minimum the selected comparators should have one comparator from the private sector and one comparator from the public sector.
- Wherever present, global comparators should be used as the sole participants in the mini-survey modality. When global comparators are surveyed, predetermined job matches shall be applied.
- When there are not enough global comparators present in the locality that adhere to the parameters established above, previously retained or previously surveyed comparators should be used as an alternative, if a comprehensive survey has been conducted in the past. Where an employer has been surveyed in the past, job matches captured at the time of the survey should be maintained unless the job classification structure has changed to such a degree as to invalidate previous job matches. If no previously established job matches exist, the comparator employer should provide job descriptions for the jobs surveyed.
- If there are not enough global comparators and/or previously surveyed comparators present in the locality that adhere to the parameters established above, other comparator employers may be considered given that they match the requirements as outlined in the beginning of the section, and maintain a well-structured compensation system based upon established job classification standards.

Referencing the National Civil Service

9.17 For the duty stations listed in Annex X of this chapter, the national civil service must also be retained in the reference check. The national civil service is defined as the ministry of foreign affairs. The preferred method of referencing the national civil service is to enquire at which percentile the national civil service positions itself within in the market and

to cross-reference that same percentile to the external data representing the overall market which will serve as a proxy for national civil service salaries.

9.18 If the national civil service does not benchmark against the overall market, it is surveyed by gathering salary data, details of any allowances and cash based benefits, in-kind benefits, and any variable pay elements, if applicable. The data is collected via a questionnaire (Annex XIII) that is sent to a point of contact at the national civil service identified by the LSSC. In addition to completing the questionnaire, the national civil service should also provide job descriptions for the jobs surveyed.

Data Analysis Phase

9.19 The data analysis phase has also been simplified and streamlined in order meet the objectives as envisioned under this modality.

Data Analysis When Using the External Data Modality

9.20 The external data used in the analysis should adhere to all requirements as detailed in paragraph 9.14. The specialist should review the data at the 75th percentile of salaries, cash allowances, variable pay or performance based pay or bonuses as outlined in paragraph 9.15. The external data should be evaluated carefully, and if necessary, the external data vendor should be consulted to ensure that the data provided meets the requirements as set forth in paragraphs 9.14 and 9.15. It is important to note that no adjustment will be made for work hour week.

9.21 The data analysis should include the most populous job families or occupational groups at the duty station. These jobs are identified at the time of the job inventory exercise and should be representative of the principal occupation groups. As stated in paragraph 9.12 above, jobs that are part of a series should preferably be surveyed as a series, even if one job in the series is not statistically significant. With this directive in mind, the data analysis should be inclusive of the two series where the largest number of jobs are found. In the event that two series with the largest number of jobs cannot be determined, the administrative and secretarial series of jobs will be used as the benchmark jobs reviewed in the data analysis. The administrative and secretarial series of jobs are used in this instance, because administrative and secretarial positions are the most likely to be represented at a small duty station. This is particularly evident at smaller duty stations where staff members are expected to execute multiple roles.

9.22 The 7 jobs that are included in the reference check analysis should be:

- 2 United Nations benchmark jobs at the GS-4 level,
- 2 United Nations benchmark jobs at the GS-5 level,
- 2 United Nations benchmark jobs at the GS-6 level, and
- 1 United Nations benchmark job at the GS-7 level. The GS-7 level comparison should be at the administrative benchmark job as it covers broad possible job types.

9.23 In the event the vendor is unavailable to provide data for a specific United Nations benchmark job, the associated grade level data will serve as a proxy for the benchmark job.

9.24 National Professional Officer (NPO) positions will use grade level data as the reference point of comparison. This approach is consistent with the methodology applied for duty station categories I-IV, where only one job is surveyed and deemed representative of a grade level. The grade level data used should exclude sales and marketing type jobs that have a substantial commission component within their remuneration.

Data Analysis When Using the Simplified Mini-Survey Modality

9.25 As stated in paragraph 9.16, the remuneration data in the mini-survey modality is collected via a questionnaire that is provided to the comparators. The remuneration data captured in the questionnaire is comprised of salary data, details of any allowances and cash based benefits, in-kind benefits, and any variable pay elements (if applicable). It is important to note that no adjustment will be made for work hour week.

9.26 The jobs included in the data analysis of the mini-survey modality, should where possible, follow the approach as established for the external remuneration data in paragraphs 9.21 and 9.22. In order to be included in the reference check analysis, remuneration data collected using the mini-survey modality via the questionnaire should adhere to the criteria as established in paragraphs 71-83 of Methodology II.

Data Analysis When Referencing the National Civil Service

9.27 Once the proxy salaries of the national civil service have been identified for the benchmark jobs, the data is analyzed in the same manner as detailed in paragraphs 9.21 and 9.22 above.

9.28 When the market benchmark percentile is not available, the national civil service is referenced by analyzing remuneration data collected via a questionnaire. This process is the same as detailed in paragraphs 9.16, which discusses data collection when using the simplified mini-survey modality. The data is analyzed in the same manner as detailed in paragraphs 9.25 and 9.26 above.

Extrapolation of NPO Results When Data is Unavailable

9.29 In some duty stations with very limited labor markets it is at times not possible to collect sufficient external information to provide a reliable basis for the review or establishment of NPO salaries. Whenever such a paucity of data exists, NPO salaries are reviewed or established based upon an extrapolation from the General Service salary scale. This may occur under either modality.

9.30 When NPO salary scales already exist, and the reference check has not yielded a result, the result of the General Service reference check is applied to the NPO scale. When NPO salary scales do not exist, the NO-A level salary is established using the same

percentage of the grade differential between the GS-6 level and GS-7 Level. Salaries for subsequent NPO levels are then set by using a 15 percent grade differential, and the same span as the General Service scale is used.

Non-Pensionable Component

9.31 While a duty station is classified as category V, the non-pensionable component (NPC) percentage should remain where it is currently established. If a salary scale is being established for the first time at a category V duty station, the NPC percentage should be set to zero.

Netting Down of Outside Gross Salaries

9.32 The same process and guidelines detailed in Methodology II paragraph 89 also applies to the reference check modality.

Averaging and Weighting When Using External Data.

9.33 Weighted job averages must be brought together to produce weighted averages for each of the surveyed grades. In determining grade averages, the number of internal United Nations staff in each job surveyed and retained in a grade should be used as a weight in converting income levels per job to income levels per grade. This ensures that due importance is given to those jobs with a large number of staff within the common system organizations. These weighted averages form the basis for constructing the salary scale.

9.34 The following steps are applied for the averaging and weighting of external data:

- The job weight is established on the basis of the number of United Nations incumbents per benchmark job. If an incumbent is not represented in a job included in a job series, 0.5 is used as the default weight representing the incumbents in the duty station for that specific job.
- The external data weighted average salary per grade is computed by applying the weights established in step above to the salaries of the corresponding benchmark jobs.
- The weighted external salary data per grade are compared with United Nations salaries taken as the average of the first and last regular steps of the United Nations Scale;
- The overall weighted average increase is determined by using the grade weights and the average increase by grade;

Averaging and Weighting When Using the Simplified Mini-Survey Modality

9.35 As explained above in paragraph 9.33 above, weighted job averages must be brought together to produce weighted averages for each of the surveyed grades. The process of averaging and weighting for the jobs and grades used during the mini-survey modality is similar to the process used for external remuneration data. The processes differ in that for the

mini-survey modality the salary per job is computed by applying the average of the minimum and maximum salaries collected during the survey process.

- The job weight is established on the basis of the number of United Nations incumbents per benchmark job. If an incumbent is not represented in a job included in a job series, 0.5 is used as the default weight representing the incumbents in the duty station for that specific job.
- The weighted average salary per grade is computed by applying the average of the minimum and maximum salaries collected during the mini-survey.
- The survey salaries per grade are compared with the United Nations salaries at average of the first and last regular steps of the United Nations Scale.
- The overall weighted average increase is determined by using the grade weights and the average increase by grade;

Averaging and Weighting When Referencing the National Civil Service.

9.36 As detailed in the external data and mini-survey modalities, weighted job averages must be brought together to produce weighted averages for each of the surveyed grades for the national civil service. As stated in paragraph 9.17, the compensation of the national civil service can be referenced by benchmarking against the market, or by gathering salary data, details of any allowances and cash based benefits, in-kind benefits, and any variable pay elements via a questionnaire. In this regard, averaging and weighting can take on two possible methods depending on the approach used to reference the national civil service.

- If the national civil service is referenced by benchmarking against the market, then the steps as outlined in paragraph 9.34 for averaging and weighting using external data should be applied.
- If the national civil service is referenced by gathering elements of compensation via a questionnaire, then the steps as outlined in paragraph 9.35 for averaging and weighting using the simplified mini-survey modality should be applied.

Incorporating the National Civil Service Into the Reference Check Results.

9.37 Once the overall weighted average increase is calculated referencing the national civil service, the result is weighted by 10 percent. The overall weighted average increase using external data or the mini-survey modality is therefore given a weight of 90 percent. The weighted average of these two components then becomes the result of the reference check.

Scale Construction Phase

Construction of the Salary Scale

9.38 The basis for salary scale construction under the methodology herein is the application of level of external salaries to step I in the United Nations salary scale for the location concerned. The existing span and intergrade differential should be maintained from what was established at the time of the last comprehensive survey when possible. When conditions at the duty station make it undesirable to maintain the structure of the scale as

established at the time of the comprehensive, any change to the structure of the salary scale should be executed with careful consideration, as the results of the reference check are intended to be implemented across the board, and alteration of the structure of the scale may have adverse impacts on some staff members, however managerial considerations should prevail.

Effective Date of Reference Check Results

9.39 Normally, the effective date for a new scale is the reference date of the review. The reference date is established as the latter of the date the LSSC submitted the required information, or the date of the survey month established by the vendor. The decision regarding the effective date of the scale, however, rests with the responsible agency, following consultations with the local salary survey committee and the headquarters of the coordinating agency.

Periodic Adjustment Between Surveys

9.40 In the intervening period between reference checks, salaries should be reviewed by the responsible agency annually upon the anniversary of the reference check. The review should be by means of an interim adjustment mechanism which can be carried out quickly and efficiently without sacrificing accuracy or reliability. The objective of an interim adjustment process is to ensure that United Nations salary scales continue to reflect the best prevailing conditions of employment in the locality in between reference checks in accordance with the aforementioned procedures.

9.41 When external remuneration data has been used in the reference check modality, external data measuring the percentage movement of the salaries in the overall market should be used as the interim adjustment mechanism. The percentage movement of salaries in the local market should be obtained from the same vendor that was used in the previous reference check. In the unlikely event that that data is not available from the vendor used in the most recent reference check, the percentage movement of salaries in the local market from another vendor may be used, provided the data criteria set forth in this chapter is met. Whenever the percentage movement of salaries is used as the interim adjustment mechanism, it should be reduced by a factor that would be most appropriate to local conditions, provided that the adjustment would not exceed 90 per cent.

9.42 When the mini-survey option has been used as the reference check modality, the LSSC is normally given responsibility to collect up-to-date information on minimum salaries and on the same set of cash benefits and allowances used in the reference check. The data analysis should be conducted according to the same procedures as in the reference check. No new benefits (in cash or in kind) should be introduced. Any significant change in the comparator practice since the reference check should be fully documented and reported to the responsible agency to facilitate the data analysis. If one retained comparator no longer has a presence, or has significantly restructured its grading levels in such a way that the previous job matches can no longer be maintained or recognized, that comparator's salaries are maintained until the next reference check. If two retained comparators no longer have a presence or have significantly restructured their grading levels in such a way that previous job matches can no longer be maintained or recognized, then a new reference check will be authorized at the duty station.

9.43 From time to time fundamental adjustments to tax rates and social security conditions will occur. Such changes should be monitored and might be sufficient to justify an interim adjustment to salaries. The level of adjustment would be determined by a recalculation of the tax base and level of allowances determined during the reference check. Small movements in these elements can be adjusted for, or offset, in conjunction with the other adjustment mechanisms used for the duty station. National wage legislation, such as the establishment of a minimum wage, should also be monitored for change in the event that the legislation would have an overall effect on the labor market. If, as is the case in some highly inflationary situations, the tax base and/or rates change frequently by a predetermined amount or are indexed, then a tax-level projection should be utilized that is most appropriate to the period in which salaries will be paid.

Special Measures

9.44 It should be noted that special measures are intended to address specific situations where it is not possible to conduct salary surveys in accordance with the usual procedures or where, for a number of reasons, it may be necessary to adopt an approach that is not in strict adherence with the methodology. Nevertheless, it should be noted that the fundamental principle is to compensate local staff in accordance with local conditions.

9.45 Under the circumstances described in the paragraph above, external data vendors may have already conducted checks or special surveys. These pre-existing checks or surveys should be considered as a primary means of identifying a common practice amongst comparators represented in the dataset. If common practices are found amongst the majority of comparators survey, similar measures may be adopted by the United Nations.

9.46 Where the reference check is being conducted by the simplified mini-survey method, the surveyed comparators will be consulted to determine how they are addressing the situation. If common practices are identified, similar measures may be adopted by the United Nations.

Appendix

The National Professional Officers

A.1 From its formal inception in 1980, conditions of service for the National Professional Officers (NPO) category have been established on the basis of the Flemming Principle. The methodology applied in the assessment of local labour market conditions is the same as for the General Service category in duty stations other than Headquarters and similar duty stations.

A.2 In the conduct of salary surveys for the NPOs, the Local Salary Survey Committees (LSSC) must keep in mind that the analysis of local labour market conditions is a distinct process from the assessment of conditions prevailing for the General Service category. Therefore while the principles and procedures are the same, at each stage of the survey process, it is necessary to ensure that appropriate attention is given to the application of the methodology specifically to NPOs. This appendix provides guidance in the application of the methodology tailored to this category.

The Preparation Phase

A.3 Comprehensive salary surveys for the NPOs are conducted in tandem with surveys for the General Service category. To a large extent, competitive employers selected for participation in the survey should be equally valid for both categories. There are instances however where some employers which may be included in the salary survey to provide information on General Service equivalent positions which will not be applicable for the NPOs. These employers often utilize to a far greater extent than the United Nations system expatriate personnel for functions at the Professional level. Therefore, while it may be possible to establish job matches across a range of grades and occupations to retain these employers in data analysis for the General Service category, the absence of equivalent positions encumbered by national staff may result in insufficient data for inclusion of these employers in the analysis of NPOs conditions.

A.4 In preparation for the survey, the LSSC should enquire from prospective employers the information related to the number of national personnel engaged in both professional and support functions to ensure that the list of employers to be surveyed is sufficiently broad to ensure adequate collection of data for both categories. The LSSC should add employers to the proposed list of comparators where necessary to provide a sufficient basis for the analysis of NPO conditions.

A.5 The criteria applicable to the selection of employers, provided in Chapter One, apply equally to the NPOs category.

A.6 With respect to the collection of information on national taxation, special attention should be given to the collection of information pertaining to the taxability of benefits. Compensation packages for positions equivalent to NPOs often include to a much greater extent the provision of in-kind benefits. Tax regulations in many countries often provide specific provisions for the taxability of such benefits. In the analysis of in-kind benefits it will

be necessary to ensure that these benefits are appropriately taxed in establishing the net value for inclusion in total net salaries.

A.7 As with the General Service category, comparisons with outside employers for the NPOs category are established through a comparison of jobs. These comparisons are primarily established through analysis of employer occupational structures in the Administrative and Finance occupations. To ensure that the comparisons are consistent, an assessment of employer structures for substantive occupations is also conducted. In presenting the list of benchmark jobs, three levels of professional work should be included corresponding the National Officer levels A through C. Guidance for the actual job matching process is provided under the paragraphs related to Data Collection. The LSSC should include all NPOs posts in the compilation of the staff inventory. As with the General Service category, for grades where there are no incumbents, a notional weight of 0.5 should be recorded.

The Data Collection Phase

A.8 The collection of data during employer interviews is carried out as an integrated process. Each phase of the employer interview should collect information pertinent to the employer as a whole. Differences in human resources and pay policies, which exist within the employer for different categories of staff, should be carefully recorded. Sometimes an employer will have a different approach with respect to the establishment of executive/professional compensation from the policies which apply to support occupations. In particular the periodicity of review and the resulting effective dates of salary structures may vary. This is especially true in employers which utilize collective bargaining for the establishment of salaries for non-exempt or unionized positions.

A.9 With respect to the job matching process, the same four-step approach is applied for the NPO category as described in Chapter Two. In fact, as noted above, the collection of information on organizational structure and job content is carried out in an integrated manner. During the collection of data related to the Finance and Administrative occupations, detailed information is collected from the highest levels in the employer to the most junior. As the information on the structure of the employer is recorded, the distinction between executive/professional functions and support functions emerges clearly. To establish comparisons with corresponding NPO levels, the following grade level matching guidelines have been developed:

For the NO-A Level

1. Structural Counterpart: Entry-level working Professional;
2. Primary Content Feature: Applies basic principles in either support or substantive activity, work is subject to close and continuing higher level content review;
3. Progression: entry-level position beyond trainee level; and,
4. Qualifications: university/advanced training with limited professional experience.

For the NO-B Level

1. Structural Counterpart: full working level professional;
2. Primary Content Feature: Applies basic principles of the occupational specialization with limited on-going supervision;
3. Progression: promotion from entry-level, reflecting working level proficiency; and,
4. Qualifications: university/advanced training plus a minimum of three years of professional experience.

For the NO-C Level

1. Structural Counterpart: full working level professional with sub-specialization;
2. Primary Content Feature: Works independently within sub-specialty, provides advice which is generally considered technical sound;
3. Progression: significant specialization with some managerial responsibility for subordinate professionals; and,
4. Qualifications: university/advanced training and six or more years of experience, or second level advanced degree or professional certification with substantive professional experience.

A.10 After completion of the collection of job/occupational information for the finance and administrative area, data should be collected for two or more substantive areas of the employer to provide a basis for confirming the cross-occupational consistency of the job matches established for NPOs equivalent positions. At the conclusion of the data collection, it should be possible to prepare a table illustrating broadly the breakdown of the employer structure where ascending levels of professional responsibility across a range of the organization's activities. NPO matches are established only through the NO-C level.

A.11 With respect to data on allowances and benefits offered in addition to base salaries, the guidelines in Chapter Two and Annex VI are fully applicable. Due to the generally more extensive presence of in-kind benefits as part of executive compensation, particular attention must be given to collecting information on the degree of employee utilization of such benefits. Quantification of in-kind benefits must be adjusted on the basis of employer data on utilization to ensure that the value accurately reflects the cost to the employer for providing these benefits.

The Data Analysis Phase

A.12 Analysis of individual employer data with respect to the NPO category is carried out using the same steps as applied to data collected for General Service positions as described in Chapter Three, Section One.

A.13 The selection of the best five, seven, ten or fifteen comparator employers for the National Officer category also uses the same steps as described in Chapter Three, Section Two. The criteria established for employer retention with respect to the sectoral representation should be applied consistently.

A.14 For NPOs, the data collected from all employers is reviewed separately from the General Service data. The selection of the best employers is a distinct process which focuses on the identification of the best five, seven, ten or fifteen employers for NPO equivalent positions. ***It is possible to retain a different set of best employers for the final comparison of outside average NPO salaries from the group selected for comparison with General Service salaries.*** There should, however, exist a high correlation between the employers retained in final analysis for the two categories.

A.15 With the selection of the best comparator employers completed, the construction of the recommended NPO salary scale again follows the same procedures as applied to the General Service Category. Typically it begins by applying a recommended increase to the NO A level. From this point, salaries for levels B through D are constructed through application of progressive grade differentials which reflect broadly the progression of salaries found in the retained employers and which provide for an internally equitable progression.

A.16 While the process of analyzing average salary data for the General Service and NPO categories is carried out separately, as a final step in the construction of the recommended NPO salary scale, the percentage difference between the recommended G-7 level and the NO-A should be examined. This differential should fall broadly within the pattern observed between the higher General Service grade levels. It is not uncommon for the differential between G-7 and NO-A to reflect a narrower difference than that which exists between other grade levels. Recommended salary scales which reflect a significantly wider difference between G-7 and NO-A than that which has been recommended for the higher General Service grades should be fully explained in the report of the comprehensive survey.

A.17 The computation of the non-pensionable component for the NPO salary scale is based upon an analysis of employer data retained for the NO-B level. Again the same criteria are applied in this analysis as have been established for General Service salaries. Non-pensionable benefits included in total net salaries should represent an amount on average greater than ten percent. The maximum non-pensionable component cap of twenty percent applies equally to NPO salaries.

Establishment of Allowances

A.18 There is no separate calculation of dependency allowances for the NPO category. Allowances calculated for dependent children, spouse and secondary dependent as part of the analysis of data for the General Service category are applied to the NPO salary scale without adjustment. Equally, provision of funeral allowances should be made for NPO staff on the same basis as applied for the General Service category where employer data supports the creation of this allowance.

A.19 Payment of language allowance is not applicable to the NPO category.

The Finalization and Approval Phase

A.20 The report presented on the recommendations from the comprehensive salary survey should include all the same data for the NPO category as presented for the General Service category. A review of the survey is made by the Steering Committee, and subsequently approved by the Headquarters of the Responsible Agency. This includes the results of both the recommendations pertaining to the General Service Category and the NPO category.

A.21 Establishment of the effective date for the revised NPO salary scale is governed by the same criteria as applied for the General Service Category. The reference month of the data collection serves as the basis for the effective date. Therefore, where data collection for the General Service and NPO categories is carried out concurrently, the same effective date for the revised salary scales should be forthcoming.

Interim Adjustments

A.22 All procedures provided in Chapter Seven for the conduct of mini salary surveys and indexation between comprehensive salary surveys are fully applicable to the updating of NPO salaries. Even where comprehensive salary surveys have established different effective dates for General Service and NPO Officer salaries, every effort should be made to carry out the interim adjustment procedure on the basis of the same periodicity. This will not only simplify the administrative processing but will avoid possible friction in the duty station between the two categories regarding the pace and timing of salary revisions.

Special Measures

A.23 Where volatile economic or social conditions take place, these usually affect equally both categories of staff. The guidelines provided in Chapter Eight concerning alternative approaches in addressing unusual and volatile labour market conditions are applied to all.

A.24 Only in one area is there a need to apply special measures for NPOs which is unique. In selected duty stations with very limited labour markets it is at times not possible to collect sufficient external information to provide a reliable basis for the establishment of NPO salaries. Where such a paucity of data exists, NPO salaries are established on a provisional basis based upon an extrapolation from the General Service salary scale.

A.25 When provisional NPO salaries are established, the progression of salaries between the G-6 and G-7 level is usually continued for the establishment of the NO-A level salaries. Salaries for subsequent NPO levels are typically set through applying a constant fifteen percent grade differential in the extrapolation.

A.26 Where provisional NPO salaries have been established, the LSSC is requested to monitor changing labour market conditions closely. As the entry of new employers into the market occurs which will support an outside reference for NPO salaries, an accelerated comprehensive salary survey may be scheduled to replace the provisional structure with a scale based upon actual labour market conditions.

A.27 Provisional NPO salaries are updated in conjunction with interim reviews of the General Service salary scale with the same level of increase applied to the provisional NPO scale as has been approved for the General Service category.

Glossary

Allowances. Compensation elements normally paid at regular intervals, in cash, package in recognition of the particular circumstances of given groups of staff.

Base salary. The part of the salary, usually appearing in salary scales or ranges, varying with the classification of the job and steps, if any, to which allowances and other forms of regular payments are added to form the salary.

Benchmark job. A survey job representing a specific occupation and grade level within the United Nations organizations.

Benefit. A compensation element, which may vary both in value and in the timing of payment, based on criteria other than the direct relationship of work to pay. Benefits, which are not normally cash payments, may be sub-divided into:

Quantifiable benefits – Includes benefits such as meal vouchers or free meals to which a value can be attributed; the value is normally attributed at the cost to the employer.

Non-quantifiable benefits - such as leave, retirement benefits, disability insurance, life insurance, medical insurance plans, etc., to which a value cannot easily be assigned and which, therefore, lend themselves to comparison on the basis of benefit provisions. (See below.)

Benefit cost (cost to the employer). The cost of providing a given benefit per staff member, usually expressed as an annual sum of money or as a percentage of salary. Analysis of benefit cost usually takes into account any employer/employee cost-sharing formula.

Benefit provisions. The result of applying the features of a benefit plan to staff members, e.g., the formula and eligibility criteria of a savings plan.

Bilingual (job). A job requiring the knowledge of two working languages in the regular execution of daily responsibilities. Usually the languages recognized are official working languages of the United Nations, but may include in some cases a language which is the lingua franca in the duty station but not a United Nations working language (See also lingua franca).

Common classification standards. Standards approved by the International Civil Service Commission for the classification of posts within a given category for a particular group of duty stations. In the context of salary surveys in non-headquarters duty stations, common classification standards support the selection and verification of salary survey benchmarks.

Comparator employer . A local business enterprise or public institution selected to serve as an outside reference to determine appropriate salaries, allowances and benefits for locally recruited United Nations staff.

Conditions of service. The total of salary, allowances and benefits that are normally regarded as falling into three broad categories: (a) Cash, quantifiable (salary and allowances);

(b) Non-cash, quantifiable (quantifiable benefits); (c) Non-cash, non-quantifiable (non-quantifiable benefits). These categories do not include intangible work-related aspects such as security of tenure, career development and prospects for promotion.

Date – effective. The date from which a new or revised UN salary scale is paid, established in connection with the date of the latest revision of comparator scales. **Reference:** the date upon which the collection of salary data is fixed. **Implementation:** the date upon which responsible agencies approve and announce a new or revised salary scale.

Gross pensionable salary. Derived through application of staff assessment to net pensionable salaries. Basis for determining Pension Fund contributions under Article 25 of UNJSPF Regulations and for determining pension benefits.

Gross salary. Part of salary that is derived through the application of staff assessment to total net salaries. Established for purposes of separation payments and as the basis for calculating tax reimbursements wherever United Nations salaries are taxed.

In-kind. A benefit provided by an employer in the form of a product or service rather than a cash amount.

Incumbent. The present occupant of a post.

Indexation. A technique to adjust salary scales by means of an index or combination of indices.

Interim adjustment. An adjustment to a United Nations salary scale taking place between comprehensive salary surveys according to an approved approach determined at the time of the comprehensive survey.

Inter-grade differential. The difference between the salary level of one grade and the next higher grade, expressed as a percentage at the entry step of each grade.

Inter-step differential. The difference between the salary level of one step in a grade and the next step in the same grade expressed as a percentage at the first step of the grade.

Job. A position or a group of positions which are identical with respect to their major or significant tasks (See also job series, occupational group).

Job match. An external comparator employer's job or set of jobs with equivalent work content to a United Nations benchmark job.

Job series. Jobs with tasks similar in content progressing at different grade levels.

Lingua franca. The official language in common use for government, commercial and social activities in a duty station.

Linked grade match. A United Nations job match made with an external employer where the outside salary range covers more than one established grade level. *Example: A United*

Nations G-4 secretary post is compared with a secretarial post in an employer where the initial salary rate begins with the minimum of one employer grade or level but the salary progresses automatically to the next higher grade or level with no change in job content or formal promotion required.

Longevity step. See salary step.

Marginal tax rates. The incremental difference in the rates of taxation between income brackets in an income tax schedule.

Master questionnaire. Compilation of salary and benefit data gathered from each external comparator used by United Nations data collection teams and Salary Survey specialist during Phase II: Data Collection.

Match. See job match.

Maximum Salary. The highest attainable salary within a specified salary grade or range for a particular job. The attainment of the maximum salary should be in the context of a normal career progression and does not represent a payment for long service or longevity.

Midpoint (of the salary scale). The arithmetic average of the lowest net salary and the highest net salary including any longevity steps which are on the published salary scale.

Minimum salary. Specified hiring rate for a survey benchmark job. (This rate may be different from minimum salary listed on employer salary scale). Provided that minimum salaries reflect the actual hiring rates utilized by employers, no adjustment to the minimum data collected should be required.

Net pensionable salary. Part of salary used to derive the gross pensionable salary. It is the total net salary less the non-pensionable component.

Non-pensionable component. A fundamental part of compensation reflecting local market practices in which a significant portion of local pay is non-taxable.

Occupational group. A grouping of jobs performing broadly related types of work, usually associated with specific occupations or professions.

Official holidays. Those days which are recognized and observed in the duty station by the Government and a majority of commercial establishments as days when an employee is not required to work.

OWAI. Overall weighted average salary increases.

Parastatal employers. Employer organizations that are partially or wholly owned by a Government. They should be considered under the “parastatal” public subsector only when the Government establishes the conditions of remuneration. Where the Government does not establish the conditions of remuneration, the employer should be considered under “private”.

Pensionable allowance. An allowance which is included with the base salary in the calculation of pension benefits/contributions.

Periodic adjustment. See interim adjustment.

Responsible Agency. The headquarters of the organizations (currently the United Nations and World Health Organization) with responsibility for the final determination of the local salary scales applicable at a given duty station.

Salary. A payment made at regular intervals, usually weekly or monthly, that relates to compensation for the level and type of work performed. Salary is usually paid in the form of cash but may be partly non-cash, i.e., paid "in kind".

Salary step (salary increment). (a) *Regular:* A pre-determined salary increase (usually a small addition given at periodic intervals within the same grade), based either on merit appraisal or on continuing service. (b) *Longevity:* A salary increase (normally within the same grade and usually in the form of a fixed amount at each grade) not necessarily granted with the same periodicity as regular steps, which recognizes long service in a grade level.

Salary Survey specialist. A person who is experienced in salary survey techniques, and who is appointed by the responsible agency to lead a comprehensive salary survey at a given duty station. The specialist leads the team that collects the data, has delegated authority to make "on the spot" decisions about matters concerning the conduct of the survey, assists the local salary survey committee in the analysis of data and performs a quality check of the data for accuracy after it is assembled. The Salary Survey specialist is also responsible for the initial construction of salary scales that will be recommended for consideration by the responsible agency.

Sector of (economic) activity. Part of a system of economic activity within a country or region, based on the type of products and services produced. The salary survey methodology identifies six major sectors: a) Finance, insurance, real estate and business activities; b) Manufacturing; c) Transport, storage and communications; d) Wholesale and retail trade; e) Public/non-profit sector (including national civil service and embassies, international and non-governmental organizations, parastatal organizations, educational institutions); f) Miscellaneous

Social benefit. An advantage which generally improves human welfare or specific aspects of family care for a staff member. Such a benefit may be related to salary levels (e.g. a pension) but is not direct compensation for work performed.

Span. On the salary scale, the percentage relationship between the salary at the hiring rate or minimum for a grade and the maximum attainable salary for the same grade or range.

Split match. A United Nations job match which is established with two outside jobs in a comparator employer which are remunerated at different rates. (See also job match).

Tax abatement. A characteristic or provision of a taxation system whereby the rates of taxation are decreased in recognition of a specific event or condition (e.g., dependent spouse or children).

Weighting. A mathematical averaging technique that accounts for the relative impact of different sized job and grade populations in the analysis of raw market salary data in relation to current United Nations salaries. Weighting takes into account fully (simple weighted average) or partially (logarithmic weights) the impact of larger United Nations staff population in benchmark jobs in salary data analysis. A simple weighted average is used to account fully for the United Nations staff population in each job and grade. A logarithmic weighted average is used to give relatively greater weight to the data from larger employers so as to avoid dominance in the data by very large employers.

Work week. The period, formally established by local law or the employer, for which employees in the local labour market must work to receive their basic salary, usually expressed in hours per week. The work week should exclude breaks formally recognized through the personnel or compensation system (such as lunch breaks), but should include rest periods of a non-formal nature (such as tea breaks), which are granted at the discretion of the employer.

Annex I

Economic sector representation in General Service surveys

Public/non-profit

- Public administration (including national civil service and embassies);
- International and non-governmental organizations;
- Parastatal organizations;
- Educational institutions; and,
- Miscellaneous.

Private

- Finance, insurance, real estate and business activities (including banks, life/health insurance carriers, stock brokerage firms, travel agencies, etc.);
- Manufacturing (local enterprises that make/fabricate a product):
 - (a) Printing/publishing;
 - (b) Petroleum refineries;
 - (c) Consumer products;
 - (d) Food products;
 - (e) Pharmaceutical products;
 - (f) Petrochemical products; and,
 - (g) Miscellaneous.
- Transport, storage and communication (including telecommunications, airlines, television/radio stations, railways, etc.);
- Wholesale and retail trade (local enterprises that market/sell products directly to final user or for resale); and,
- Miscellaneous.

Annex II

Staff Inventory form

Grade	Job Title (in 18 Benchmark jobs)	Total number in job	Total number in grade
G-1	Messenger/Mail Clerk		
	Other GS-1 Posts (non-benchmarks)		
G-2	Driver		
	Other GS-2 Posts (non-benchmarks)		
G-3	Sr. Driver		
	Clerk/Office Assistant		
	Other GS-3 Posts (non-benchmarks)		
G-4	Secretary /Team assistant		
	Administrative Assistant*		
	Finance Assistant		
	Other GS-4 Posts (non-benchmarks)		
G-5	Secretary / Staff Assistant		
	Administrative Assistant*		
	Finance Assistant		
	Information Technology Support Assistant		
	Other GS-5 Posts (non-benchmarks)		
G-6	Secretary / Office assistant		
	Administrative Assistant*		
	Finance Assistant		
	Information Technology Support Assistant		
	Other GS-6 Posts (non-benchmarks)		
G-7	Sr. Administrative Assistant*		
	Sr. Finance Assistant		
	Sr. Information Technology/Systems Assistant		
	Other GS-7 Posts (non-benchmarks)		
TOTAL GS			
NO-A	National Officer A		
NO-B	National Officer B		
NO-C	National Officer C		
TOTAL NO			
GRAND TOTAL			

* includes staff engaged in fields of work such as human resources, procurement, and general administration, such as registry, supply, and transportation.

Annex III

Letter A

Sample Letter: Initial Request for Participation

Dear Mr./Ms.

I am writing to you on behalf of the United Nations system to solicit your participation in the upcoming comprehensive salary survey conducted by the United Nations in (name of city/country).

The objective of the United Nations as an employer is to ensure that the salaries of its locally-recruited staff are consistent with the prevailing compensation practices in each locality. Our policy is to provide our national staff with fair remuneration levels without inadvertently causing unfair competition in securing their services. To do so, labour market surveys are conducted periodically for the purpose of identifying the best prevailing conditions of employment. We include in our surveys employers which are well established in the locality, who are reputed to be among those offering the best overall conditions of employment and represent the various economic sectors.

The next labour market survey to be conducted by the United Nations in (locality) is planned for the period of Participation in such surveys entails a fairly detailed exchange of information regarding salaries, fringe benefits, general working conditions for a number of specific jobs and occupations etc. All information obtained during the survey is treated with the strictest confidence. Following the survey, participating employers are provided with a report detailing how the United Nations conducts its surveys, how the information collected has been used to compare with United Nations jobs and including a copy of the resulting United Nations salary scale.

As (Name of Employer) is considered to be representative of the progressive employers in this country and we would very much like to include it in our survey. We hope that you will agree to our request and would greatly appreciate your cooperation and assistance in making available the relevant information. We/(Mr. or Ms.) will call you shortly to propose an appointment at a mutually convenient time, he/she will also be able to answer any additional questions you may have on this process.

I would like to thank you in advance for your cooperation in dealing with this important matter.

Yours sincerely,

Annex IV

Letter B

Sample Letter: Initial Request for Participation

(Repeated employer)

Dear Mr./Ms.

I am writing to you on behalf of the United Nations system to solicit your participation in the upcoming comprehensive salary survey conducted by the United Nations in (name of city/country).

The objective of the United Nations as an employer is to ensure that the salaries of its locally-recruited staff are consistent with the prevailing compensation practices in each locality. Our policy is to provide our national staff with fair remuneration levels without inadvertently causing unfair competition in securing their services. To do so, labour market surveys are conducted periodically for the purpose of identifying the best prevailing conditions of employment. We include in our surveys employers which are well established in the locality, who are reputed to be among those offering the best overall conditions of employment and represent the various economic sectors.

The next labour market survey to be conducted by the United Nations in (locality) is planned for the period of As you know from past participation, these surveys entail exchange of information regarding salaries, fringe benefits, general working conditions for a number of specific jobs and occupations etc. All information obtained during the survey is treated with the strictest confidence. Following the survey, participating employers are now provided with a survey report detailing how the United Nations conducts its surveys, how the information collected has been used to compare with UN jobs and including a copy of the resulting UN salary scale.

(Name of Employer) remains a representative of the progressive employers in this country and we would very much like to continue to include it in our survey. We hope that you will agree to our request and would greatly appreciate your cooperation and assistance in making available the relevant information. We/(Mr. or Ms.) will call you shortly to propose an appointment at a mutually convenient time, he/she will also be able to answer any additional questions you may have on this process.

I would like to take this opportunity to thank you, once again, for your usual cooperation in dealing with this important matter.

Yours sincerely,

Annex V

Letter C

Sample Letter : Follow-Up Letter

Dear Mr./Ms.,

Thank you for agreeing to participate in our salary survey. Further to our conversation of (date), this is to confirm that an interview has been fixed for (date and hour). [A Salary Survey specialist from our Headquarters in New York, will be leading the interview accompanied by]

With the aim to keep the interviewing time to a minimum and yet obtain sufficient information to effect meaningful comparisons, we are attaching (attachment 1) a description of the subjects covered during the interview. We hope that this will enable you or your staff to gather the necessary information ahead of time. Interviews normally range from 1 to 2 hours. Should you have any further queries regarding the process, please do not hesitate to contact (name of contact person) at (....).

Once again, I would like to express on behalf of the organizations of the United Nations in (name of country), our appreciation for your cooperation and assistance and emphasize that all information will be treated with the strictest confidentiality.

Yours sincerely,

Annex VI

Quantification of Benefits and Allowances

The purpose of this annex is to provide the necessary guidelines for the quantification of certain benefits which have been found to be most commonly offered by surveyed employers.

In general, the practice followed in benefit quantification is the identification of the cost to the employer for providing a benefit or service. Some benefits, however, require more complex analytical procedures which will be explained in detail in this annex.

Where benefits are provided in-kind or are not generally provided to all staff, it is necessary as part of the quantification to determine the percentage of the eligible staff population which actually utilize the benefit. Only when a specific benefit is utilized by seventy-five percent or more of the eligible population should the benefit be considered for quantification. When a benefit is utilized seventy-five percent or more but less than one hundred percent, the quantified value should be adjusted by the actual utilization percentage.

Employer benefits provided on a daily basis should be quantified based on the UN work-year of 222 days. This procedure ensures that the employer benefit is reflected in the context of the UN work environment.

Quantification of specific benefits which meet the criteria provided by the methodology is explained below.

Housing

Cash (Housing Allowance). When provided as a cash benefit, the specific amount or percentage of the salary as offered for each surveyed job should be utilized. It is also acceptable to calculate an average of either the specific amounts or the percentage of the salary as offered by the employer to all the surveyed jobs and utilize the average calculated.

Non-cash (In-kind housing). It is very rare that in-kind housing is provided uniformly by an employer. Most often, employer-provided housing is limited to a specified group of employees with remaining employees receiving a housing allowance. In such cases, the employer-provided housing may be quantified at the same value as the housing allowance.

In cases when the employer has secured housing on the commercial market for staff members, the benefit should be quantified at the cost of the lease to the employer.

Utilities

This benefit is quantified on the basis of the employer's average expenditure per employee for utilities whether these are fully paid for or subsidized by the employer, e.g. electricity, telephone. This may be done by determining the following:

for electricity - average kilowatt hour of consumption per employee for electricity *multiplied by* the hourly cost to employer.

for telephone - average telephone rental charge, consumption and other service charges.

Transport

In order to quantify this benefit, the employer should be located in a reasonably central location. This benefit should not be quantified for an employer located in a remote area and who therefore has no alternative but to transport staff to and from work.

Where the United Nations Organizations provide transportation to local staff, this benefit may still be quantified in data analysis. Appropriate charges must be levied as monthly payroll deductions from staff who avail themselves of United Nations-provided staff transport. These charges are established on the basis of the comparable cost of local public transport and should be updated during interim salary reviews either using the revised cost of public transport or by applying the resulting percentage salary increase to the existing charge.

Cash (Transport Allowance). When provided as a cash benefit, the specific amount or percentage of the salary as offered for each surveyed job should be utilized. It is also acceptable to calculate an average of either the specific amounts or the percentage of the salary as offered by the employer to the surveyed jobs and utilize the average calculated. If the allowance is provided on the basis of gasoline usage, e.g. liters/gallons per month, the total liter/gallon entitlement for the year should be multiplied by the unit cost of gasoline.

Non-cash (In-kind transport).

Free transportation - When employees are transported by vehicles owned or arranged for by the employer, the benefit should be quantified on the actual cost to the employer per employee. If this information is not available, this should be quantified on the cost of public transport, ensuring that such cost is calculated for 222 working days per annum.

Company-provided car - This benefit is normally applicable only to executive positions in comparator employers which are used in National Professional Officer job matches. Quantification is allowed on the basis of extensive personal use by the employee and it is treated as a taxable, non-pensionable benefit. It is not allowed for positions where employees utilize company vehicles in performing their duties, e.g. salesmen. The following formula is applied in quantifying this benefit:

$$\frac{\begin{array}{l} \text{Purchase price of the car (amount paid for by the employer)} \\ \text{less} \\ \text{Eventual resale value} \\ \text{Difference } \textit{divided by} \\ \text{number of years established by the employer in its vehicle rotation policy} \end{array}}{\text{number of years established by the employer in its vehicle rotation policy}}$$

With this benefit, employers may also provide the following related benefits which should be quantified at the cost to the employer:

Petroleum	quantified on the basis of average liters/gallons consumed for non-sales staff multiplied by gasoline price per liter/gallon
Insurance Coverage	quantified on the basis of the per unit cost in the insurance policy for the employer's fleet
Maintenance Costs	quantified on the average cost per unit or the employer's fleet
License Fees	quantified on the per unit cost to the employer's fleet
Parking Fees	quantified on the basis of the cost to the employer but should be included only when UN staff have to pay such fees

Meals

Cash (Meal Allowance). When provided as a cash benefit, the specific amount provided is used. If the allowance is quoted by the employer as a daily amount, it is multiplied by 222 working days.

Non-cash (Cafeteria or canteen facilities). If such facilities exist, the benefit is quantified at the cost to the employer. Where the cost is not clearly identifiable by the employer no quantification is made.

Company Products

Some employers who are in the manufacturing business provide their employees with a regular supply of the products they produce (e.g. food, beverage, tobacco or soap products) either free of charge or at discounted prices. If the products are available through a company store, the survey team should seek the confirmation of the employer that the prices are subsidized. Only then should this benefit be quantified as follows ensuring that the variables reflect the volume or total products received by an employee during the year:

$$\begin{array}{r} \text{Wholesale price of the products} \\ \text{Less} \\ \text{Amount paid by the employee for such products} \end{array}$$

When the company products are provided at infrequent intervals, e.g. household appliances, the above difference should be **multiplied by** the percentage of staff who are entitled to and avail of this benefit during the year, provided that at least 75 per cent of the staff has benefitted.

Low-Interest Loans

Housing Loans. When an employer provides its employees with low interest housing loans, it should be determined whether the benefit is available to all employees or only to certain grades. The benefit should be quantified only for the surveyed jobs entitled to such benefit, calculated as follows:

$$\begin{array}{l} \text{Maximum allowable amount of loan either as a fixed amount or as a} \\ \text{function of base salary (number of months of base salary or percentage of} \\ \text{annual base salary)} \\ \text{\textit{divided by}} \\ 2 \text{ (to reflect average value of loan)} \\ \text{\textit{multiplied by}} \\ \text{Savings in interest, calculated as:} \\ \text{Market interest rate} \\ \text{\textit{Less}} \\ \text{Interest rate charged by employer for housing loan} \\ \text{\textit{multiplied by}} \\ \text{Years of repayment} \\ \text{\textit{divided by}} \\ 30 \text{ years (considered as the average length of a UN career)} \\ \text{\textit{multiplied by}} \\ \text{Utilization (percentage of the employer's staff that actually avail} \\ \text{themselves of this benefit)} \end{array}$$

The above calculation may need to be done for each surveyed job since the amount borrowed may differ by job or grade, this is particularly important if there is a difference in the maximum allowable amount between the jobs matched for the NPO and General Service categories.

If more than 1 year of service with the employer is required for an employee to take advantage of this loan, the benefit should be reflected only in the analysis of maximum salaries.

Other Loans. Loans provided by employers for purposes other than housing, i.e. for purchase of car, appliances and such other personal uses are treated separately from housing loans. As with housing loans, it should be determined whether the loans are available to all employees of the comparator or only to certain grades. These loans should be quantified only for the surveyed jobs entitled to such benefit, using the following calculation:

Maximum allowable amount of loan either as a fixed amount or as a function of salary
(number of months of base salary or percentage of annual base salary)

divided by 2

multiplied by

Savings in interest calculated as:

Market interest rate

less

Interest rate charged by employer for the loan

Multiplied by

Utilization (percentage of the employer's staff that actually avail of the
benefit)

It may be necessary to perform the above calculation for each surveyed job since the amount borrowed may differ by job or grade.

It is important to note that the total value of the benefit from all other loans is subject to a maximum (cap) which is equivalent to 3% of the taxable gross income of the surveyed job to which the calculations refer.

If more than 1 year of service with the employer is required for employees to avail themselves of this loan, the benefit should be reflected only in the analysis of maximum salaries.

Vacation

Cash (Vacation Bonus). When provided as a cash benefit, the specific amount or percentage of the salary as offered for each surveyed job should be utilized. It is also acceptable to calculate an average of either the specific amounts or the percentage of the salary as offered by the employer to all the surveyed jobs and utilize the average calculated.

Non-cash. Some comparator employers opt to provide vacation benefits in the following ways:

Vacation package. When provided this way, the benefit should be quantified at the cost of the package to the employer, ensuring that the cost is applicable only to the staff member. Portions applicable to family members may be considered in the calculation of dependency allowances. The package may consist of:

Travel fare. To quantify this benefit, the comparator employer should not be engaged in the travel business, e.g. airline, transport company, travel agency. Free or discounted travel benefits provided by such businesses should not be quantified in the analysis. The benefit is quantified at the fare paid by the employer, taking into account any discounts or surcharges applicable.

Hotel accommodation. As with the travel fare, the comparator employer should not be in the hotel business. The benefit is quantified at the hotel room cost paid by the employer, taking into account any discounts or surcharges applicable.

Vacation cottages. When owned by the employer, quantification is based on the annual cost to the employer of maintaining such facility, divided by the total number of staff entitled to its use. If rented, quantification is based on the rental cost to the employer for the duration of each employee's entitled period of occupancy.

Items Provided In Kind

When provided by a comparator employer, this benefit is quantified at the amount which was spent by the employer in purchasing the item on the market. This information is normally easy to obtain from the employer's accounting records. Examples of these items are:

Uniforms. This benefit must be excluded for those jobs which are provided the same benefit by United Nations Offices, e.g. Messengers and Drivers.

Christmas gift. This is sometimes provided in the form of a Christmas basket, a turkey or ham.

Rice. In quantifying this benefit, the quantity provided per annum, e.g. number of sacks or pounds should be multiplied by the unit cost paid by the employer.

Benefits Provided Only To Specific Jobs/Grades

Certain benefits are provided by employers only to some of their jobs or grades. In such cases, these benefits should be quantified only for the specific surveyed jobs against which the UN jobs are matched. Such benefits are quantified on the basis of the amount actually spent by the employer. Examples of these benefits are:

Laundry. This benefit is usually applicable only to the jobs/grades where uniforms are provided.

Entertainment. This benefit is usually offered as a fixed allowance to executive positions which are matched to UN National Officer category.

Club membership. Usually offered to executive positions, this benefit should be quantified at the cost to the employer.

ANNEX VII

COMPREHENSIVE SALARY SURVEY REPORT

Duty station, COUNTRY
Reference month/year
Specialist

1.0 BACKGROUND INFORMATION

1.1 Previous surveys

	Reference date	Results		Scale revision	
		GS	NO	GS	NO
Comprehensive					
Interim					
Interim					
Interim					
Interim					

1.2 Narrative

For relevant notes and background information.

1.3 Common hours of work: XX hours

2.0 EMPLOYERS

2.1 Surveyed employers: XX

	Previously retained	Retained		Reasons for elimination/Comments
		GS	NO	
A				
B				
C				
D				
E				
F				
G				
H				
Subtotal				

	Newly introduced	Retained		Reasons for elimination/Comments
		GS	NO	
I				
J				
K				
L				
M				
N				
O				
P				
Subtotal				
Total retained				

2.2 Number of employers retained for both GS and NO category: XX

2.3 Employers' effective dates of salary scales, workweeks and benefits:

Scales and benefits of comparators are effective as of or before XX 201X.

2.4 Consistency with previous survey

XX previously retained employers retained for each of GS and NO categories.

2.5 Compliance with criteria for employer retention

	Yes	No
Sufficient number of staff		

Salary Survey Manual

Sufficient number of matches		
------------------------------	--	--

2.6 Economic sector representation among retained comparators

Public Sector	GS	NO
	%	%
Public Administration		
Embassies		
International Org./NGOs		
Public Sector (Other)		
Private Sector	GS	NO
	%	%
Finance, Insurance, Real Estate & Bus. activities		
Manufacturing		
Transport, Storage & Communications		
Wholesale & Retail Trade		
Miscellaneous		

3.0 JOB SELECTION AND MATCHING

3.1 Utilization of standard **eighteen** GS benchmark jobs

3.2 Appropriateness of job matches

3.3 Significant changes in job matches occurred in employer(s)

4.0 DATA COLLECTION AND ANALYSIS

4.1 Compliance with criteria for retention of data

4.2 Departures from methodology

4.3 Problems encountered

5.0 SURVEY FINDINGS AND RECOMMENDATIONS

5.1 Survey results

General Service category		
Survey Result		Recommended
XX%	Overall Weighted Average Increase (OWAI)	XX%
XX%	Min-Max Span	XX%

National Officer category		
Survey Result		Recommended
XX%	Overall Weighted Average Increase (OWAI)	XX%
XX%	Min-Max Span	XX%

5.2 Salary scale structure

General Service category		
Current scale	Intergrade Differential	Recommended scale
XX%	GS-1 to GS-2	XX%
XX%	GS-2 to GS-3	XX%
XX%	GS-3 to GS-4	XX%
XX%	GS-4 to GS-5	XX%
XX%	GS-5 to GS-6	XX%
XX%	GS-6 to GS-7	XX%
XX%	Min-Max Span	XX%

National Officer category		
Current scale	Intergrade Differential	Recommended scale
XX%	NO-A to NO-B	XX%
XX%	NO-B to NO-C	XX%
XX%	NO-C to NO-D	XX%
XX%	Min-Max Span	XX%

5.3 Comments

6.0 BENEFITS AND ALLOWANCES

6.1 Current and proposed benefits and allowances

Benefits and allowances	Current	Revised (proposed)	Basis	
			2.50%	Local Practice
Child				
Spouse				
Secondary dependant				
Language Allowance (5% of GS-5/I)				
Funeral Grant				

6.2 Comments

7.0 NON-PENSIONABLE COMPONENT (NPC)

General Service category			National Officer category		
Current NPC	Survey findings	Recommended	Current NPC	Survey findings	Recommended

8.0 SUMMARY OF RECOMMENDATIONS

8.1 Approved revisions

GS	NO

8.2 Salary scale currency

Denomination	Disbursement

8.3 Salary scale effective date:

8.4 Next interim survey date:

9.0 SUPPLEMENTARY INFORMATION

9.1 Issues on which no consensus exists

9.1a No consensus within LSSC

9.1b Divergence of views between LSSC and Salary Survey Specialist(s)

9.2 Special conditions prevailing at duty station

9.3 Special measures

9.4 Situation requiring modification to standard methodology

Approved by:

 Chief
 Compensation and Classification Section
 OHRM, United Nations

 Date

Annex VIII

Model Confidentiality Pledge Letter for Participation in the Local Salary Survey Committee/Data Collection Team

As a member of the Local Salary Survey Committee/data collection team for the _____ survey of best prevailing conditions of employment of General Service and other locally recruited staff, I recognize that confidentiality is vital to the effective conduct of the survey. Accordingly, I pledge to respect and preserve the confidentiality of employer-specific survey-related data obtained as a result of my participation in the survey.

Furthermore, my participation in the Local Salary Survey Committee/data collection team relies upon the preservation of confidentiality of the survey data. I understand that the confidentiality of these data is to be maintained throughout the survey process. For the duration of the data collection phase, I shall no longer represent my normal constituency (i.e., administration or staff) and shall report to the coordinating agency and its secretariat. [a/](#) I also understand that contacts with participating employers aimed at seeking additional information and/or clarifying data collected, subsequent to the completion of the survey, must be authorized by the Salary Survey specialist appointed by the responsible agency. Once the survey is completed, I may make use only of information that becomes public through the salary survey report.

I further understand that a breach of confidentiality, such as the divulgence of any employer- specific survey-related data, including judgmental statements pertaining to such data, to a party outside the International Civil Service Commission, representatives of the responsible and coordinating agency, the Local Salary Survey Committee and data collectors can lead to a major disruption of the current, as well as future surveys and should be considered as sufficient reason for my replacement in the survey process and, additionally, may render me liable to face appropriate disciplinary procedures by my organization, without prejudice to my rights under the rules and regulations.

Signature_____

Date_____

Name_____

[a/](#) This sentence relates to survey team members only.

Annex IX

Category V Duty Stations

	Region	Country		Region	Country
1	Africa	Mauritius	20	Latin America and Caribbean	Antigua and Barbuda
2	Africa	Seychelles	21	Latin America and Caribbean	Bahamas
3	Asia	D.P.R of Korea	22	Latin America and Caribbean	Belize
4	Asia	Republic of Korea	23	Latin America and Caribbean	Cayman Islands
5	Asia	Singapore	24	Latin America and Caribbean	Dominica
6	Europe	Czech Republic	25	Latin America and Caribbean	Grenada
7	Europe	Estonia	26	Latin America and Caribbean	Suriname
8	Europe	Finland	27	Middle East	Bahrain
9	Europe	Ireland	28	Middle East	Libyan Arab Jamahiriya
10	Europe	Latvia	29	Middle East	Oman
11	Europe	Lithuania	30	Middle East	Qatar
12	Europe	Malta	31	South Pacific and Australia	Australia
13	Europe	Monaco	32	South Pacific and Australia	Kiribati
14	Europe	Montenegro	33	South Pacific and Australia	Marshall Islands
15	Europe	Norway	34	South Pacific and Australia	New Zealand
16	Europe	Poland	35	South Pacific and Australia	Solomon Islands
17	Europe	Portugal	36	South Pacific and Australia	Tonga
18	Europe	Slovenia	37	South Pacific and Australia	Vanuatu
19	Europe	Sweden			

Annex X

List of Duty Stations Where Inclusion of the National Civil Service is Required

	Region	Country
1	Asia	Singapore
2	Europe	Czech Republic
3	Europe	Estonia
4	Europe	Finland
5	Europe	Greece
6	Europe	Ireland
7	Europe	Latvia
8	Europe	Lithuania
9	Europe	Malta
10	Europe	Norway
11	Europe	Poland
12	Europe	Slovakia
13	Europe	Slovenia
14	Europe	Sweden
15	Latin America and Caribbean	Bahamas
16	Middle East	Bahrain
17	Middle East	Qatar
18	South Pacific and Australia	Australia

Annex XI

UN Grades to Global Towers Watson and Hay Group Levels

United Nations Grade	Hay Group Level	Towers Watson Level
GS-2	9	2
GS-3	10	4
GS-4	11	6
GS-5	13	8
GS-6	14	9
GS-7	15	10
NO-A	16	11
NO-B	17	12
NO-C	18	13

Annex XII

List of UN Global Comparators

Global Comparators
ALCOA
Australian Embassy
British Petroleum
Canadian Embassy
Citibank
Dutch Embassy
European Union
ExxonMobil
HSBC
IBM
IDB
Shell
Swedish Embassy
UK Embassy
US Embassy
World Bank

Annex XIII

Questionnaire for National Civil Service Survey



UNITED NATIONS
COMPREHENSIVE SALARY SURVEY
[Duty Station Location](#)
EMPLOYER QUESTIONNAIRE

EMPLOYER NAME: _____

1.0 General Information

1.1 Total work force of your company/organization in [duty station location](#)

1.2 Of the above workforce, how many are office workers/employees?

2.0 Salary system

2.1 Does your company/organization have a formal salary scale or range? Yes ☐
No ☐

If Yes, could provide a copy of your salary scale? Yes ☐
No ☐

2.2 On what basis is your salary scale or range set?

Collective agreement ☐
Salary survey ☐
Other (please specify): _____ ☐

2.3 If a salary survey is used, which employers are surveyed? _____

2.4 Is there an **actual** hiring rate for each grade or job which differs from the **minimum** rate indicated on your salary scale or range? Yes ☐
No ☐

If yes, please explain: _____

2.5 Is there a maximum salary for each grade, which cannot be exceeded? Yes ☐
No ☐

If not, please explain: _____

2.6 What triggers an adjustment in the salary scale or range? ☐
Cost of Living ☐
Other (please specify): _____ ☐

COMPREHENSIVE SALARY SURVEY

Duty Station Location

2.7 What is the normal interval between adjustments to the salary scale or ranges? (e.g., yearly)

2.8 Are there any fixed salary review dates?

Yes	
No	

If yes, please specify: _____

- 2.9 a. When did your current salary scale(s) or range(s) go into effect?
 b. What is the effective date of your previous salary scale?
 c. What is the expected date of the next revision of your salary scale(s) or range(s)
 d. What is the expected amount of increase of the next revision?

MM	YY

3.0 Individual salary movement

3.1 Are individual salary increases within the same grade or job

- a. Granted automatically?
 b. Based on individual merit?

3.2 What is the normal interval between salary increases in the same grade (e.g., yearly, etc.)?

3.3 As a general rule, how many years does it take an employee to advance from the minimum to the maximum salary within the same grade or job?

no. of years

3.4 What are the criteria for promotion to the next higher grade level? (please check all that applies.)

- Vacancy at a higher grade level
 Qualifications and experience
 Job classification to a higher grade level
 Other (please specify): _____

3.5 Does your company or organization have a job classification system?

Yes	
No	

If yes, can you provide a copy of your organization chart?

Yes	
No	

3.6 Can you provide a copy of your job summary or profile for occupations covered in this survey? (please refer to attached list)

Yes	
No	

3.7 How many hours is the workweek of your company or organization, excluding lunch hour?

no. of hours per week

4.0 Salary rates

IMPORTANT: Please refer to job description for job summaries of the United Nations survey jobs

UNITED NATIONS			EMPLOYER				BASE SALARY RATES PER ANNUM				
JOB NO.	GRADE	SURVEY JOBS	Grade	Job titles	work week if different	No. of employees in post	Currency:	Minimum	Average	Maximum	Comments
A. Support positions:											
2	G-2	Driver									
3	G-3	Senior Driver									
4	G-3	Clerk/Office Assistant									
5	G-4	Secretary/Team Assistant									
6	G-4	Administrative Assistant									
7	G-4	Finance Assistant									
8	G-5	Secretary/Staff Assistant									
9	G-5	Administrative Assistant									
10	G-5	Finance Assistant									
19	G-5	IT Support Assistant									
11	G-6	Secretary/Office Assistant									
12	G-6	Administrative Assistant									
13	G-6	Finance Assistant									
20	G-6	IT Support Assistant									
14	G-7	Senior Admin. Assistant									
14	G-7	Senior Finance Assistant									
21	G-7	Senior IT Tech/Systems Assistant									
16	NO-A	Programme Officer/Analyst or Administration									
17	NO-B	Programme Officer or Administration									
18	NO-C	Programme Officer or Administration									

COMPREHENSIVE SALARY SURVEY
Duty Station Location

5.0 **Allowances and benefits.** The United Nations salary survey is based on total compensation. Allowances and benefits, cash or in-kind, are quantified to the extent permitted by the survey methodology and added to the base salary in order to determine the total compensation package of your company or organization. Annex I provides a sample list of allowances and benefits typically paid by employers in [Duty Station location](#).

5.1 **Cash** allowances and benefits (please write the name of each allowance or benefit on the space provided and give details. Use an extra sheet of paper, if necessary):

Allowance or benefit: _____

<input type="checkbox"/>	Paid to all employees	<input type="checkbox"/>	Number of year(s) of service to qualify
<input type="checkbox"/>	Paid only to employees on these jobs or grades: _____		
Annual amount	<input type="text"/>	local currency	Taxable <input type="checkbox"/>
Months of salary	<input type="text"/>	months	Non-taxable <input type="checkbox"/>
Percentage of salary	<input type="text"/>	%	

Remarks: _____

Allowance or benefit: _____

<input type="checkbox"/>	Paid to all employees	<input type="checkbox"/>	Number of year(s) of service to qualify
<input type="checkbox"/>	Paid only to employees on these jobs or grades: _____		
Annual amount	<input type="text"/>	local currency	Taxable <input type="checkbox"/>
Months of salary	<input type="text"/>	months	Non-taxable <input type="checkbox"/>
Percentage of salary	<input type="text"/>	%	

Remarks: _____

Allowance or benefit: _____

<input type="checkbox"/>	Paid to all employees	<input type="checkbox"/>	Number of year(s) of service to qualify
<input type="checkbox"/>	Paid only to employees on these jobs or grades: _____		
Annual amount	<input type="text"/>	local currency	Taxable <input type="checkbox"/>
Months of salary	<input type="text"/>	months	Non-taxable <input type="checkbox"/>
Percentage of salary	<input type="text"/>	%	

Remarks: _____

Allowance or benefit: _____

<input type="checkbox"/>	Paid to all employees	<input type="checkbox"/>	Number of year(s) of service to qualify
<input type="checkbox"/>	Paid only to employees on these jobs or grades: _____		
Annual amount	<input type="text"/>	local currency	Taxable <input type="checkbox"/>
Months of salary	<input type="text"/>	months	Non-taxable <input type="checkbox"/>
Percentage of salary	<input type="text"/>	%	

Remarks: _____

COMPREHENSIVE SALARY SURVEY

Duty Station Location

5.2 **In-kind benefits** (please tick off box and provide details as applicable to your company):

<input type="checkbox"/>	Meal allowance or subsidy	Annual allowance	<input type="text"/>	local currency	(per employee) or
		Cost of subsidy	<input type="text"/>	per meal	
Remarks: _____					

<input type="checkbox"/>	Free beverages (coffee/tea)	Company cost/budget	<input type="text"/>	local currency	(annual)
Remarks: _____					

<input type="checkbox"/>	Company products	Company cost/budget	<input type="text"/>	local currency	(per unit)
How many units can an employee purchase per year from company? _____					
Remarks: _____					

<input type="checkbox"/>	CSA	Company cost/budget	<input type="text"/>	local currency	
(company-sponsored activities or CSA may include holiday parties, company picnics, excursions, gifts, etc.)					
Remarks: _____					

<input type="checkbox"/>	Sports/Health Club	Cost of subsidy	<input type="text"/>	local currency	(per employee) or
		Company cost/budget	<input type="text"/>	local currency	
		Utilization rate	<input type="text"/> %	percentage of eligible employees utilizing the benefit	
Remarks: _____					

<input type="checkbox"/>	Others (pls. specify)	Cost of subsidy	<input type="text"/>	local currency	(per employee) or
	<input type="text"/>	Company cost/budget	<input type="text"/>	local currency	
		Utilization rate	<input type="text"/>	percentage of eligible employees utilizing the benefit	
Remarks: _____					

<input type="checkbox"/>	Others (pls. specify)	Cost of subsidy	<input type="text"/>	local currency	(per employee) or
	<input type="text"/>	Company cost/budget	<input type="text"/>	local currency	
		Utilization rate	<input type="text"/> %	percentage of eligible employees utilizing the benefit	
Remarks: _____					

<input type="checkbox"/>	Others (pls. specify)	Cost of subsidy	<input type="text"/>	local currency	(per employee) or
	<input type="text"/>	Company cost/budget	<input type="text"/>	local currency	
		Utilization rate	<input type="text"/> %	percentage of eligible employees utilizing the benefit	
Remarks: _____					

<input type="checkbox"/>	Others (pls. specify)	Cost of subsidy	<input type="text"/>	local currency	(per employee) or
	<input type="text"/>	Company cost/budget	<input type="text"/>	local currency	
		Utilization rate	<input type="text"/> %	percentage of eligible employees utilizing the benefit	
Remarks: _____					

COMPREHENSIVE SALARY SURVEY
Duty Station Location

5.3 **Car benefits and loans** (please provide details. Use an extra sheet of paper, if necessary):

Company provided car

Jobs or grades receiving this benefit:

Number of year(s) of service to qualify. _____

Purchase or Lease local currency
Price
Resale value local currency
Years of usage years

Remarks: _____

Car-related benefits (per annum)

Jobs or grades receiving this benefit:

Number of year(s) of service to qualify. _____

Gasoline liters
Repair & Maintenance local currency
Car insurance local currency

Remarks: _____

Car loans

- ☐ Available to all employees?
☐ Only for employees on these jobs or grades:

- ☐ % of eligible employees utilizing this benefit.
☐ Number of year(s) of service to qualify.

Loan amount

- Months of salary No. of months
- Maximum amount local currency

Loan rate per cent

Remarks: _____

Housing loan

- ☐ Available to all employees?
☐ Only for employees on these jobs or grades:

- ☐ % of eligible employees utilizing this benefit.
☐ Number of year(s) of service to qualify.

Loan amount

- Months of salary No. of months
- Maximum amount local currency

Loan rate per cent

Repayment period No. of years

Remarks: _____

Company provided car

Jobs or grades receiving this benefit:

Number of year(s) of service to qualify. _____

Purchase or Lease local currency
Price
Resale value local currency
Years of usage years

Remarks: _____

Car-related benefits (per annum)

Jobs or grades receiving this benefit:

Number of year(s) of service to qualify. _____

Gasoline liters
Repair & Maintenance local currency
Car insurance local currency

Remarks: _____

Car loans

- ☐ Available to all employees?
☐ Only for employees on these jobs or grades:

- ☐ % of eligible employees utilizing this benefit.
☐ Number of year(s) of service to qualify.

Loan amount

- Months of salary No. of months
- Maximum amount local currency

Loan rate per cent

Remarks: _____

Other loan:

- ☐ Available to all employees?
☐ Only for employees on these jobs or grades:

- ☐ % of eligible employees utilizing this benefit.
☐ Number of year(s) of service to qualify.

Loan amount

- Months of salary No. of months
- Maximum amount local currency

Loan rate per cent

Repayment period No. of years

Remarks: _____