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Item No. 10 on the Agenda: Update on the compensation and pension scheme for UNIDROIT staff

(prepared by the UNIDROIT Secretariat)

<i>Summary</i>	<i>Update regarding the implementation of the new pension scheme offered to UNIDROIT staff</i>
<i>Action to be taken</i>	<i>To take note of the update regarding the pension scheme</i>
<i>Related documents</i>	<u>UNIDROIT 2019 – F.C. (87) 7</u> ; <u>UNIDROIT 2019 – F.C. (87) 9</u> ; <u>UNIDROIT 2019 – C.D. (98) 15(b)</u> ; <u>UNIDROIT 2019 – A.G. (78) 10</u> ; <u>UNIDROIT 2019 – A.G. (78) 12</u> ; <i>Forthcoming Report of the Finance Committee – UNIDROIT 2021 – F.C. (92) 9</i>

INTRODUCTION

1. Following an extensive review, at its 83rd session (Rome, 21 September 2017), the Finance Committee recommended the adoption of important compensation and social security reforms, which would improve UNIDROIT's sustainability by enhancing staff mobility and ensuring that UNIDROIT was an attractive workplace.¹ At its 76th session (Rome, 7 December 2017), the General Assembly adopted those reforms, together with the necessary revisions to the UNIDROIT Regulations. The General Assembly further provided the Secretariat with flexibility in the timing of their implementation, which would be reviewed by the Finance Committee. Since that session, the Secretariat implemented the compensation reforms in February 2018 and implemented the social security reforms in September 2019.

I. COMPENSATION

2. Since the 76th session of the General Assembly, the Secretariat has continued to keep the Finance Committee, General Assembly, and the Governing Council apprised of the procedure used to implement the reform.

3. Regarding compensation for General Service Staff, the Secretariat notes that the chart calculations are based on the net salaries provided by the United Nations applicable to General Service Staff posted in Rome, which have not been reviewed since they were last published on

¹ [UNIDROIT 2017 – F.C. \(83\) 9, Item No. 9.](#)

1 April 2019 (available at the following link: https://www.un.org/Depts/OHRM/salaries_allowances/salaries/salaryscale/gs/rome/rome95.xls). A review is expected in 2022. As the salaries are already provided in Euro, no post adjustment multiplier applies.

4. Regarding compensation for Professional Staff and higher categories, the Secretariat would recall that the table was prepared on the basis of the net salaries provided by the United Nations applicable to Professional Staff and Higher Categories provided by the International Civil Service Commission (ICSC) as of 1 January 2021 (available at the following link: <https://icsc.un.org/Home/DataSalaryScales>). The post adjustment multiplier for duty station Rome, along with the applicable official UN rate of exchange (from USD to EUR), were likewise taken as at 1 January 2021 from the ICSC website (available here: <https://icsc.un.org/Home/DataPostAdjustment>).

5. Further details regarding the United Nations methodology for surveys at duty stations other than Headquarters is available on the ICSC website (https://www.un.org/Depts/OHRM/salaries_allowances/salaries/icsc2012.pdf). In September 2019, the Secretariat completed the process of implementation of the new pension plan and health coverage, and hereby provides the following updates:

- *Pension Fund*: The Secretariat continues to benefit from the reductions contemplated under its agreement with ISRP, entailing a waiver of the annual administration fee with the ISRP retaining only an annual fee reflecting 0.5% of the assets (minimum of € 12,000), plus the fees owed to the Secretariat of the Committee for the Administration of Funds (equal to € 7,527.87).
- *Report of the CAF*: Further details regarding the management of the pension fund are available in the Report of the ISRP – CAF (Committee for the Administration of Funds) (Annexe). The Report covers access to investment vehicles (mutual funds and saving accounts), simulation of fund flows and methodological aspects, investment recommendation, and procedures for treasury management during the first investment period, and also contains a proposal which was submitted to and approved by the Governing Council.
- *Health Insurance*: The Insurance Policy obtained with AXA, in effect as of September 2019, has been renewed for a further year.

II. ACTION TO BE TAKEN

6. *The Secretariat requests that the General Assembly take note of this update regarding the implementation of the new compensation and social security scheme applicable to UNIDROIT staff. The General Assembly is also requested to take note of the update provided in the Report of the ISRP – CAF (Committee for the Administration of Funds) (Annexe I).*

ANNEXE

**ISRP – CAF (COMMITTEE FOR THE ADMINISTRATION OF FUNDS)
UNIDROIT – ANNUAL REPORT 2021 TO THE GENERAL ASSEMBLY**