

Amendments to the Staff Regulations and Staff Rules

Report by the Secretariat

1. At the 140th session of the Executive Board, in January 2017, the Secretariat submitted the amendments necessary to implement the decisions taken by the United Nations General Assembly at its Seventieth session in resolution 70/244 adopted on 23 December 2015,¹ including those relating to the extension of the mandatory age of separation to 65 for staff members appointed before 1 January 2014.²

2. Supporting the amendments relating to the extension of the mandatory age of separation in principle, the Executive Board discussed their date of implementation, in other words, whether the amendments should enter into force on 1 January 2018 as provided for in resolution 70/244, or at a later date. It requested the Secretariat to provide additional information on the financial and legal implications, and on the implications from a gender and diversity perspective, of implementing the amendments at a deferred date, in order to enable the Board to take a decision at its 141st session, in May 2017.³

Purpose of the proposed amendments to the Staff Rules

3. WHO has already raised the mandatory age of separation to 65 for staff recruited on or after 1 January 2014.⁴

4. In resolution 70/244, the United Nations General Assembly decided that the mandatory age of separation should also be raised for staff recruited before 1 January 2014 by the organizations of the United Nations common system to 65 years, at the latest by 1 January 2018, taking into account the acquired rights of staff.

¹ See http://www.un.org/en/ga/search/view_doc.asp?symbol=A/RES/70/244 (accessed 1 November 2016).

² Document EB140/48, paragraphs 34–56.

³ See the summary records of the Executive Board at its 140th session, seventeenth meeting, section 3.

⁴ See resolution EB133.R3 (2013), further to United Nations General Assembly resolution 67/257 (2013).

5. In application of the acquired rights referred to in resolution 70/244, staff members recruited before 1 January 2014 will retain the right to retire, without any adverse impact on or penalty with respect to their pension benefits, at their retirement age (60 or 62) – which has remained unchanged in the rules of the United Nations Joint Staff Pension Fund – or between their retirement age and the age of 65.

6. Accordingly, Staff Rule 1020.1 is amended to implement the new mandatory age of separation of 65 for staff members recruited before 1 January 2014, and Staff Rule 410 is amended to reflect 65 years as the normal age limit for recruitment, rather than 62, in line with the new mandatory age of separation (see Annex).

7. In practice, staff with the acquired right to full retirement benefits at 60 or 62 will be able to choose when they retire. If they choose to work until they reach 65, they will continue to receive their salaries and entitlements and to contribute to their United Nations pension until then, thus increasing their pension benefits; and they may meet the eligibility requirements for after-service health insurance (ASHI), which otherwise they would not have met. If they choose to leave before reaching the age of 65, they will be required give three months' notice to the Organization and will receive their full pension benefits upon separation for retirement.

Date of implementation

8. At the 140th session of the Executive Board, in January 2017, the question was raised as to whether the amendment relating to the extension of the mandatory age of separation to 65 for staff members recruited before 1 January 2014 should enter into force with effect from 1 January 2018, in accordance with United Nations General Assembly resolution 70/244, or at a later date, in view of certain implications that are specific to WHO.

9. It was pointed out in the Secretariat's report to the Executive Board that WHO's financial liabilities with respect to the human resources funded by the Global Polio Eradication Initiative would increase by US\$ 3–4 million if, as the result of the extension of the mandatory age of separation on 1 January 2018, the 44 polio-funded staff members due to retire in 2018 and 2019 chose to remain working.¹ In that context, the Independent Expert Oversight Advisory Committee stated in its report to the Programme, Budget and Administration Committee at its twenty-fifth meeting:²

The Advisory Committee took note of the unfunded liability and of the Secretariat's view that adoption of the proposed policy change in retirement age, to be effective from 1 January 2018, would increase the polio transition cost by an estimated US\$ 4 million. The Advisory Committee recommends that management should fully assess the estimated total financial cost to the Organization and also determine the potential impacts on human resources initiatives such as gender balance. It encouraged the Secretariat to share the full impacts of the potential revision with Member States, to ensure that the change in retirement age is adopted at the most appropriate time.

¹ See document EB140/46, Annex, Appendix 2.

² Document EBPBAC25/2, paragraph 33.

10. In order for the Executive Board to make an informed decision in May 2017, informal consultations were held on 16 March 2016 with the representatives of the Member States, during which the Secretariat submitted information on the implications of a two-year postponement of the entry into force of the extension of the mandatory age of separation (in other words, to 1 January 2020), to take into account the specific circumstances faced by WHO in the context of the closure of the Global Polio Eradication Initiative by the end of 2019. Some additional information is provided below.

11. As 359 staff members are due to retire in 2018 and 2019¹ (164 staff members in the professional and higher categories, 151 general service staff members, and 44 national professional staff members),² if the extension was delayed by two years, WHO could avoid additional liabilities of an approximate amount of US\$ 10 million.

12. These liabilities could be avoided through natural attrition, which would also provide an opportunity to realign the staffing structure with the new priorities of the Organization. In that respect, it should be noted that the staff members due to retire in 2018 and 2019 represent 7% of the workforce at the Regional Office for Africa, 6% of the workforce at headquarters and at the Regional Office for South-East Asia, 5% of the workforce at the Regional Office for the Eastern Mediterranean and 3% of the workforce at the Regional Office for Europe and the Regional Office for the Western Pacific. Natural attrition allows positions vacated by retiring staff members to be abolished (an average of 12% of vacated positions are abolished, according to the annual succession planning exercises of recent years); downgraded; or filled by candidates at the same grade but at lower steps (just over half (51%) of the staff members due to retire in 2018 and 2019 have reached the maximum step in their grades).

13. In a period of financial uncertainties and at a time when a new Director-General will need the flexibility to implement the vision for which he or she was appointed by Member States, restructuring or reorganization, possibly with the abolition of posts, is to be expected. Natural attrition constitutes the least harmful and the most cost-effective way to reduce the workforce.

14. The abolition of positions occupied by staff members holding continuing appointments,³ thus having reassignment rights, entails financial and legal liabilities for the Organization. Specifically, staff members with reassignment rights, who otherwise would have retired, will, upon notification of the abolition of their posts, continue to be paid a salary for a period of nine months, representing a reassignment period of six months and a notice period of three months, during which time good faith efforts to find them another assignment will have to be demonstrated. A staff member who is separated as no reassignment is identified for them may file an appeal on the grounds that they expected to work until reaching the age of 65, even though upon separation they will receive their full pension benefits without any penalty, as they have reached their retirement age of 60 or 62.

¹ More than 300 staff members retired or will retire in 2016 and 2017.

² For the staff retirement projections, see tables 8 and 9 in the document entitled "Human resources: update: workforce data as at 31 December 2016", available at: <http://www.who.int/about/finances-accountability/budget/en/> (accessed 28 April 2017).

³ Over the years, the number of staff members holding continuing appointments will reduce. Currently they represent 68.3% of longer-term appointments. On 31 December 2019, they would represent 66.6% if the extension of mandatory age of separation is postponed.

15. Furthermore, if the amendments enter into force with effect from 1 January 2018, 12.5% of the staff members who would have been due to retire in 2018 and 2019 will be able to meet the 10-year eligibility requirement for ASHI, thus increasing WHO liabilities that could have been avoided otherwise.

16. In addition to the financial implications, the implementation of the extension of the mandatory age of separation to 65 as of 1 January 2018 has implications on the improvement of gender balance and geographical representation.

17. Of the staff members due to retire in 2018 and 2019, 60% (215) are men and 40% (144) are women; in the professional and higher categories, 64% (105) are men and 36% (59) are women; and in the P6, D1 and D2 grades, 80% (32) are men and 20% (8) are women. In this context, it is worth noting that, according to a document outlining strategic approaches to reduce the gaps in gender parity in staffing for 2016 and 2017, to which staff representatives contributed, 75% of the personnel currently approaching retirement age are male, and 20.4% of WHO staff in professional and higher level positions will retire over the next five years. This provides opportunities for women to enter WHO's workforce, potentially in those positions previously held by men as well as women. It also provides an opportunity for women already in the workforce to apply for higher level positions.

18. The same applies with regard to the improvement of geographical representation. Among the staff members of the professional and higher categories due to retire in 2018 and 2019, 60% (99) are from overrepresented (List C) countries; 27% (44) are from adequately represented (List B) countries; and 13% (21) are from unrepresented or under-represented (List A) countries.

19. It should be noted that a few United Nations organizations have already postponed the implementation of the extension of the new mandatory age of separation of 65 for staff members appointed before 1 January 2014. For example, ICAO has postponed implementation until 2019 and IFAD's governing body will not take a decision on the matter before 2019, so that the new Executive Head has time to review the matter. Reportedly, FAO will not implement the extension.

20. In deciding whether or not to postpone the implementation of the extension, the Executive Board may wish to consider the following legal considerations. Article 36 of the WHO Constitution stipulates that the conditions of service of the staff of the Organization "conform as far as possible with those of other United Nations organizations". Nonetheless, as a specialized agency, WHO may exercise some discretion in determining how to implement the change in the best interests of the Organization. It is reasonable to consider that this discretion extends to decisions on the effective date of implementation.

ACTION BY THE EXECUTIVE BOARD

21. In the light of the above, the Executive Board may wish to consider adopting one of the following draft resolutions.¹

Draft resolution 1

The Executive Board,

Having considered the report on amendments to the Staff Regulations and Staff Rules,²

CONFIRMS, in accordance with Staff Regulation 12.2, the amendments to Staff Rules 410 and 1020 that have been made by the Director-General with effect from 1 January 2018.

Draft resolution 2

The Executive Board,

Having considered the report on amendments to the Staff Regulations and Staff Rules,²

CONFIRMS, in accordance with Staff Regulation 12.2, the amendments to Staff Rules 410 and 1020 that have been made by the Director-General with effect from 1 January 2020.

¹ See document EB141/11 Add.1 for the financial and administrative implications for the Secretariat of these resolutions.

² Document EB141/11.

ANNEX

**AMENDMENTS CONSIDERED NECESSARY IN THE LIGHT OF DECISIONS TAKEN BY THE
UNITED NATIONS GENERAL ASSEMBLY AT ITS SEVENTIETH SESSION**

Former text	New text
<p>410. RECRUITMENT POLICIES</p> <p>...</p> <p>410.2 Candidates under 20 or over 62 years of age shall not normally be considered for appointment.</p>	<p>410. RECRUITMENT POLICIES</p> <p>...</p> <p>410.2 Candidates under 20 or over 62⁶⁵ years of age shall not normally be considered for appointment.</p>
<p>1020. RETIREMENT</p> <p>1020.1 Staff members shall retire on the last day of the month in which they reach retirement age.</p> <p style="padding-left: 40px;">1020.1.1 Staff members who became participants in the United Nations Joint Staff Pension Fund before 1 January 1990 shall retire on the last day of the month in which they reach the age of 60.</p> <p style="padding-left: 40px;">1020.1.2 Staff members who became participants in the United Nations Joint Staff Pension Fund from 1 January 1990 to 31 December 2013 inclusive shall retire on the last day of the month in which they reach the age of 62.</p>	<p>1020. RETIREMENT</p> <p>1020.1 Staff members shall retire on the last day of the month in which they reach retirement the age of 65, unless Staff Rule 1020.1.1, 1020.1.2 or 1020.1.3 applies.</p> <p style="padding-left: 40px;">1020.1.1 Staff members who became participants in the United Nations Joint Staff Pension Fund before 1 January 1990 shall may elect to retire on the last day of the month in which they reach the age of 60, or between the ages of 60 and 65, by giving at least three months' written notice of the elected date of retirement.</p> <p style="padding-left: 40px;">1020.1.2 Staff members who became participants in the United Nations Joint Staff Pension Fund from 1 January 1990 to 31 December 2013 inclusive shall may elect to retire on the last day of the month in which they reach the age of 62, or between the ages of 62 and 65, by giving at least three months' written notice of the elected date of retirement.</p>

Former text	New text
<p>1020.1.3 Staff members who became participants in the United Nations Joint Staff Pension Fund on or after 1 January 2014 shall retire on the last day of the month in which they reach the age of 65.</p> <p>1020.1.4 In exceptional circumstances the Director-General may, in the interests of the Organization, extend a staff member's appointment beyond retirement age, provided that such extensions shall not be granted for more than one year at a time. For those who would normally retire pursuant to Staff Rules 1020.1.1 or 1020.1.2, extensions shall not be granted beyond the staff member's sixty-fifth birthday. For those who would normally retire pursuant to Staff Rule 1020.1.3, extensions shall not be granted beyond the staff member's sixty-eighth birthday.</p>	<p>1020.1.3 Staff members who became participants in the United Nations Joint Staff Pension Fund on or after 1 January 2014 shall retire on the last day of the month in which they reach the age of 65. Staff members shall not change their elected date of retirement once they have given their three months' notice under Staff Rules 1020.1.1 or 1020.1.2.</p> <p>1020.1.4 In exceptional circumstances the Director-General may, in the interests of the Organization, extend a staff member's appointment beyond the age of 65 retirement age, provided that such extensions shall not be granted for more than one year at a time. For those who would normally retire pursuant to Staff Rules 1020.1.1 or 1020.1.2, extensions shall not be granted beyond the staff member's sixty-fifth birthday. For those who would normally retire pursuant to Staff Rule 1020.1.3, extensions shall not be granted and not beyond the staff member's sixty-eighth birthday.</p>