

EB/CAM/11/11
Correction 1

July 7, 2011

To: Members of the Committee on Executive Board Administrative Matters
(Mr. Hockin, Chairman; Mr. Alkholifey, Mr. Bakker, Mr. Chia,
Mr. Mac Laughlin, Mr. Majoro, Mr. Nogueira Batista, Mr. Temmeyer)

From: Kenneth Meyers, CAM Secretary

Subject: OED Assistants' Salary Adjustments—Proposed Approach for FY 12

The attached correction to EB/CAM/11/11 (7/5/11) has been provided by staff, and is being issued to accurately describe the process that will be followed in determining the aggregate merit envelope for OED assistants.

Page 4, first bullet, first subsection: for “OED Assistants (A4-A9) average actual salaries and the average actual salaries of Fund staff (A1-B3) will be calculated as of June 30, to establish the dollar difference between these two benchmarks. The difference will be recalculated again on July 1, following staff merit increases, to determine the dollar figure required to restore the difference between OED Assistants’ average actual salaries and average Fund salaries as of June 30. The OED merit envelope is therefore the product of the dollar figure and the number of eligible Assistants.”

read “OED Assistants (A1-A9) average actual salaries and the average actual salaries of Fund staff (A1-B3) will be calculated as of June 30, to establish the benchmark ratio between the two averages. Following the staff merit increase, the dollar value that would need to be added to the end-June OED Assistant average actual salary, in order to restore the June 30 ratio, will be calculated. The OED Assistant merit envelope will be determined as the product of the dollar value needed to restore the ratio and the number of eligible Assistants.”

This paper will shortly be posted on the extranet, a secure website for the Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Members of Executive Board

IV. PROPOSED INTERIM APPROACH

9. In order to avoid further delays in the award of the FY 12 OED Assistant structural adjustments and merit increases, an interim decision is proposed to provide a framework that could be immediately implemented. It is expected that CAM would return to this issue again in the context of the OED Employment Framework Review. The rules for the FY 12 OED Assistant salary adjustments would be broadly aligned with those for comparable Fund staff as set out below.

OED Assistant Structural Salary Adjustments:

- All OED Assistants would be eligible for a structural salary adjustment (effective May 1), on a similar basis as comparable Fund staff.
- Executive Directors may determine whether, on the basis of performance, any Assistant should not receive a structural adjustment.
- Resources for OED Assistant structural salary adjustments would be equivalent to the average annual structural increase approved for Fund staff salaries, as applied to the salaries of OED Assistants as at April 30 each year.
- Individual allocations to Assistants would reflect each Assistant's position in his/her respective grade salary band, on the same basis as comparable Fund staff.²
- The "merit increase protection provisions" approved in the context of the 2009 OED Assistant regarding exercise (see EBAM/09/40) shall be deemed also to cover OED structural salary adjustments; accordingly OED Assistants whose salary is currently above the grade salary ceiling due to these grandfathering arrangements shall be eligible to receive a salary award equivalent to the segment 3 structural increase;
- Structural increases for OED Assistants will be payable retroactive to May 1.

OED Assistant Merit Awards:

- OED Assistants will be eligible to receive an annual, performance-based merit adjustment to their salary, effective July 1.

² In FY 12, the approved average structural adjustment is 1.5%. In 2011, the adjustment for relative position in each grade salary range is as follows: Segment 1: 1.81%, Segment 2: 1.45%; Segment 3: 1.09%.

- A total annual OED merit budget envelope will be calculated each year to reflect the changing relationship between average actual OED salaries and Fund average actual salaries as follows:
 - OED Assistants (A1-A9) average actual salaries and the average actual salaries of Fund staff (A1-B3) will be calculated as of June 30, to establish the benchmark ratio between the two averages. Following the staff merit increase, the dollar value that would need to be added to the end-June OED Assistant average actual salary, in order to restore the June 30 ratio, will be calculated. The OED Assistant merit envelope will be determined as the product of the dollar value needed to restore the ratio and the number of eligible Assistants.
 - Within the total OED merit budget envelope, each Executive Director will be allocated a merit budget envelope for his/her office proportional to the number of eligible Assistants employed in each Office.³
- Within his/her office merit budget, an Executive Director may make individual awards to OED Assistants based on the Directors' determination of each Assistant's performance.
- Merit awards for OED Assistants will be payable effective July 1.

V. BUDGETARY IMPLICATIONS

10. Increases in OED Assistant salaries have implications for the OED personnel standard costs, and need to be accommodated within the OED budget envelope. The FY 12 standard cost for REG3 was formulated using the OED Assistants' FY11 average actual salaries, and assumed a 1.5 percent structural increase and average benefits. No allowance was made at that time for an additional merit increase. Accordingly, the FY 12 standard cost for REG3 will need to be slightly adjusted based on the amount of the FY 12 merit increase for OED Assistants. Going forward, further consideration needs to be given to ensuring that these salary increases are fully taken into account at the time of formulating the OED budget and can be accommodated within the OED budget envelope.

³ The merit budget envelope allocated to each Executive will therefore be calculated as follows: Merit budget envelope for OEDXX = ([Total OED merit budget envelope]/[Total number of OED Assistants]) * (number of Assistants employed in OEDXX).