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EBAP/89/233

October 4, 1989

To: Members of the Executive Board
From: The Acting Secretary
Subject: Interim Compensation System for
Assistants to Executive Directors

In the attached report the Committee on Executive Board Administrative Matters recommends proposals regarding an interim compensation system for Assistants to Executive Directors.

In the absence of objection from an Executive Director by noon on Friday, October 6, 1989, the recommendation of the Committee will be deemed approved by the Executive Board and it will be so recorded in the minutes of the next meeting thereafter.

Att: (1)

Other Distribution:
Department Heads

October 3, 1989

To: Members of the Executive Board

From: Mwakani Samba, Chairman
Committee on Executive Board Administrative Matters

Subject: Interim Compensation System for
Assistants to Executive Directors

The Committee on Executive Board Administrative Matters has considered an interim compensation system for Assistants to Executive Directors as set forth in EM/CAM/89/65 (9/15/89). The proposals include the introduction of an interim salary scale and implementation of salary adjustments for Assistants to Executive Directors. The revised guidelines would be incorporated as part of the Appendix of Part III-B of the Handbook on Executive Board Administration Matters.

The staff will study further a flat rate salary system, to be considered by the Committee later this year.

Accordingly, the Committee recommends that the Executive Board approve the following decision, effective May 1, 1989:

Assistants to Executive Directors

1. Guidelines for Determining Starting Salaries

(a) "Rule of Thumb"

Starting salaries for Assistants to Executive Directors will be calculated according to a "rule of thumb" formula. This formula links starting salary to the level of education and number of years of relevant work experience prior to joining the Fund, as follows:

(i) With a completed Ph.D., an Assistant with no relevant work experience will receive the minimum salary of staff Grade A12 (in FY1990, \$45,750).

(ii) With all but dissertation completed in a Ph.D. program, the Assistant will receive a salary four percent lower than for (i) above (in FY1990, \$43,990).

(iii) With a two-year Master's degree or less, the Assistant will receive a salary four percent lower than for (ii) above (in FY1990, \$42,300).

(iv) For each year of relevant work experience prior to joining the Fund, the starting salary will be raised by three percent above the base salary defined by education level.

(b) Discretionary Adjustment to Starting Salary

The starting salary for Assistants to Executive Directors determined according to the "rule of thumb" formula may be raised by up to 3.5 percent at the discretion of the Executive Director when the Executive Director considers that other factors should be taken into account.

(c) Salary Scale

The salaries of Assistants to Executive Directors will be subject to the limits of their salary scale. The salary scale will be established as follows:

(i) The midpoint of the salary scale will be defined as the average of the salary range midpoints of staff Grades A11 and A12 (in FY1990, \$54,130).

(ii) The minimum of the scale will correspond to the minimum salary for Assistants under the "rule of thumb" formula, i.e. the salary for an Assistant with a two-year Master's Degree and no work experience (in FY1990, \$42,300).

(iii) Given the minimum and midpoint, the maximum of the scale can be derived, i.e. the maximum is calculated by adding to the midpoint the difference between the minimum and the midpoint (in FY1990, \$65,970).

The maximum starting salary will not exceed the top of the third quartile of the scale. (For FY1990, this "subceiling" will be \$60,050.)

2. Guidelines for Merit Increments

(a) Assistants to Executive Directors in Fund employment on April 30 are eligible to receive a merit increment with effect from May 1.

(b) Each Executive Director's office will be allocated a merit budget equivalent to the average merit increase approved for the Fund staff as applied to the salaries of the Assistants in the office.

(c) From the office merit budget, Assistants to Executive Directors whose performance has been satisfactory shall receive the minimum merit pay adjustment approved by the Executive Board (in FY1990, 4.5 percent of the Assistants' salary) irrespective of the length of their Fund service prior to May 1.

(d) The balance of the office merit budget will be distributed at the discretion of the Executive Director on the basis of merit for performance during the year ending April 30.

(e) Merit increments shall not raise the salary of an Assistant to Executive Director beyond the maximum of the salary scale (in FY1990, \$65,970).

3. Transitional Arrangements

(a) The 1989 merit exercise will be based on the pre-May 1, 1989, salaries, i.e. without the advance pay adjustment approved by the Executive Board on August 4, 1989.

(b) The remuneration of Assistants to Executive Directors whose pre-May 1, 1989, salaries are below the minimum of the new scale (\$42,300) will be brought to the minimum of the scale before the 1989 merit budget for each office is calculated.

(c) For those Assistants to Executive Directors who, even after being awarded an 8.8 percent increase, would not earn the level of salary to which they would be entitled if reappointed after May 1, 1989, Executive Directors will receive additional funds in the amount necessary to raise the remuneration of the Assistants concerned to the reappointment level.

(d) Assistants to Executive Directors who entered on duty on or after May 1, 1989 will not qualify for the May 1, 1989 merit increment. However, with the agreement of the Executive Directors concerned, the salaries of such Assistants will be recalculated with effect from their entry on duty on the basis of the new "rule of thumb" formula set out above.

