

161st SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 29 September 2017

Provisional Agenda Item 5.1

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PLAN TO MITIGATE THE IMPACT OF THE CHANGE IN THE RETIREMENT AGE FOR PAN AMERICAN SANITARY BUREAU STAFF

Background

1. The decision made at the 160th Session of Executive Committee, approved in Resolution CE160.R14 (June 2017), to extend the retirement age for Pan American Sanitary Bureau (PASB) staff from 60/62 to 65 impacts retroactively 576 current staff hired prior to 1 January 2014, when 65 was adopted as the retirement age for newly hired staff.
2. The adoption of the new mandatory age of separation (MAS) raised concerns not only about its potential impact on the opportunities for the Organization to renew its workforce, but about the ability to reach its goal of gender parity, particularly for professional posts at the P4 level and above.

Impact of the Change in the Retirement Age

3. During the period 2018-2020, under the existing rules, 93 staff members would have retired on reaching the age of 60/62 (Figure 1). Assuming that about 90% of staff would exercise the option of staying until the age of 65, around 10 retirements would take place in that period (Figure 2) versus the 93 that would have occurred prior to the adoption of 65 as the mandatory age of separation. This change will reduce the turnover in senior positions, reducing opportunities for the recruitment of new staff with needed skills, staff promotions, career growth, and the improvement of gender balance in the senior grades.
 4. However, this change will also provide an opportunity to further implement the PASB personnel strategy in the areas of succession planning and knowledge transfer in the years prior to the departure of the affected senior staff. Moreover, the delay in departure provides additional time to further develop the managerial and professional skills of female staff to better equip them to compete for future vacancies at the senior level. Specifically, in the next biennium, the Organization will be emphasizing training
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and the development of managerial, communication, leadership, and coaching skills in order to increase career opportunities for all staff, and female staff in particular.

Figure 1. Retirement Pattern under Existing Rules (at age 60/62)

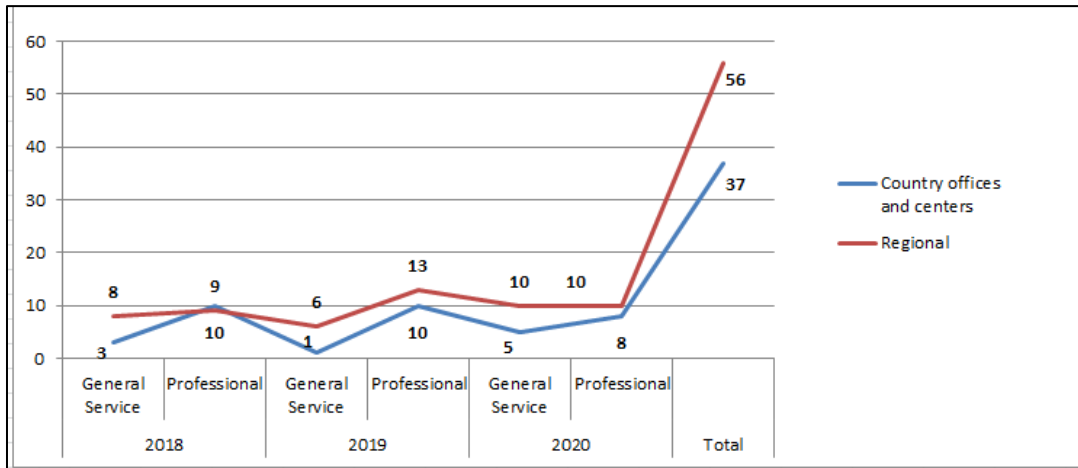
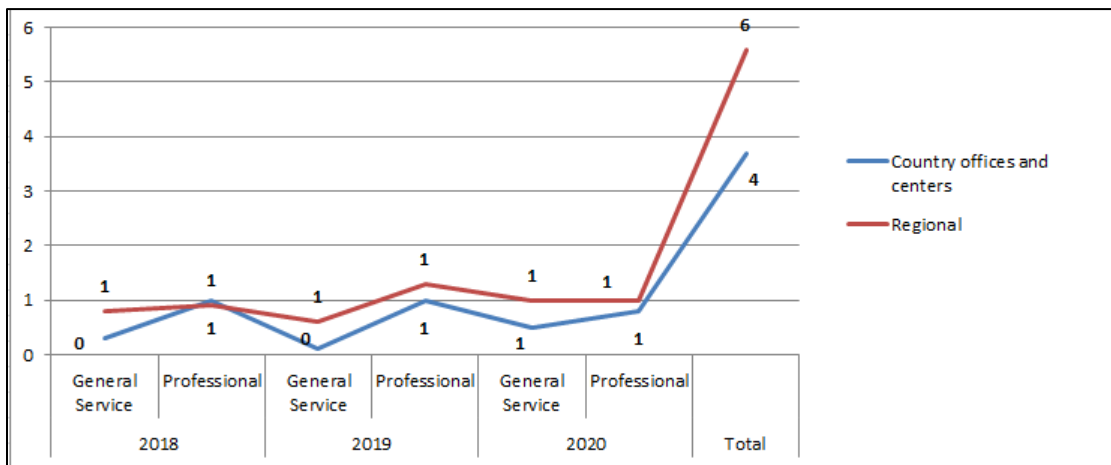


Figure 2. Retirement Pattern under New Rule (at age 65)



Financial Implications

5. If all staff reaching age 60/62 within the next three years (2018, 2019, 2020) were to separate on their respective retirement dates, the costs of these posts for the period 2018-2020 would be unchanged, provided successors are recruited in a timely manner and are appointed upon the separation of each retiring staff member. In cases where recruitment processes are not completed prior to the separation of the retiring staff, the

Organization's post costs would be reduced to the extent that such posts remain vacant during recruitment of successors. These post cost savings would be offset by the cost of hiring temporary staff to fill the vacant posts during recruitment.

6. The increase in the retirement age will have a positive impact on the United Nations Joint Staff Pension Fund (UNJSPF) and reduce the Organization's after-service health insurance liability, since staff who would have retired will continue making contributions at the active staff rate to the UNJSPF and the Staff Health Insurance (SHI) Fund. As noted in the 2015 Annual Report of the International Civil Service Commission (ICSC), the UNJSPF will benefit by some \$30 million per year across the UN System. Furthermore, any cost of retaining these staff would be offset by savings to organizations from the delay in repatriation and new recruitment processes unless they had planned not to replace retiring staff.

Mitigation Actions

5. In anticipation of the implementation of the new MAS, in order to mitigate the impact of the change in retirement age on the composition of the Organization's workforce and professional opportunities for staff, especially women in the professional category, PASB will take the following actions.

Strategic Recruitment for Current Vacant Posts

6. Even considering the delayed retirement of some 80 staff members, there is ample opportunity for the Organization to reprofile its workforce and potentially promote staff by filling vacant posts. As of May 2017, there are 229 vacant posts in the recruitment process. Of these, 161 are professional and 68 are general service vacancies. At the professional level, 90 are in the Representative Offices and Centers, while 71 are in Washington, D.C. Furthermore, by 31 December 2017, 25 professional posts and 10 general service posts will have been vacated due to retirement at age 60/62.

7. Managers will be requested to support strategic recruitment through:

- a) *Flexibility*: Managers need to ensure close alignment with the needs of the work plan and gender parity goals. This implies decisions to adjust staff composition to support new areas of focus.
- b) *Shifting Resources to the Front Line*: This requires moving technical staff closer to beneficiaries in the Representative Offices and subregional hubs.
- c) *Skills Renewal*: This focuses on restructuring post descriptions for vacant posts to tailor skills requirements to evolving needs.

Promotion of opportunities for the professional advancement of women in the PASB workforce.

8. PASB will enhance policies and initiatives aimed at advancing and empowering women in the workplace, which includes the adoption of stronger policies on gender parity in hiring and professional development for women through training and coaching.

Staff Rotation

9. Managers will be encouraged to use lateral staff rotation to broaden and develop skills and expand future career opportunities, promoting the participation of female staff.

Action by the Executive Committee

10. The Executive Committee is requested to take note of this report and issue any recommendation it deems necessary.
