

ORGANISATION EUROPÉENNE POUR LA RECHERCHE NUCLÉAIRE
CERN EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH

Action to be taken

Voting Procedure

For recommendation	FINANCE COMMITTEE 325 th Meeting 17 June 2009	Simple majority of Member States represented and voting and 51% of the contributions of all Member States
For approval	COUNCIL 151 st Session 18-19 June 2009	Simple majority of the Member States represented and voting

FIVE-YEARLY REVIEW 2010

**MANAGEMENT'S PROPOSAL IDENTIFYING THE
FINANCIAL AND SOCIAL CONDITIONS TO BE REVIEWED**

This report has been drawn up in the framework of the 2010 five-yearly general review of the financial and social conditions of the members of the personnel.

It presents the Management's proposal identifying the financial and social conditions to be reviewed for staff members, fellows and associated members of the personnel (see Chapter V of this document).

Taking into account the discussion at the TREF meeting on 19 and 20 May 2009, the Management hereby submits this proposal to the Finance Committee for recommendation and to the Council for approval.

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I.— INTRODUCTION

This document sets out the statutory basis for identifying the financial and social conditions to be reviewed in the framework of the upcoming five-yearly review, and the Management's related proposal. After discussion at the May meeting of TREF, the Management's proposal is submitted to the Finance Committee for recommendation and to the Council for approval.

This five-yearly review will follow a new review mechanism, following modifications to Annex A1 of the Staff Rules approved by Council in June 2007. These modifications aimed at simplifying the processes involved, rationalizing the use of internal resources, increasing the use of external resources for the data collection process as well as reducing the overall costs and time required to complete the review.

II. — STATUTORY BASIS

A) Purpose

It is recalled that the purpose of the five-yearly review is to ensure that:

- *“the financial and social conditions offered by the Organization allow it to recruit and retain the staff members required for the execution of its mission from all its Member States. In accordance with Article S II 1.03, these staff members must be of the highest competence and integrity”* (Annex A1, § 1).
- *“the financial and social conditions offered to fellows remain attractive, compared to those in comparable research institutions”* (Annex A1, § 7).
- *“the financial and social conditions offered by the Organization to associated members of the personnel allow it to host them in its research facilities, taking into account the highest cost-of-living level in the local region of the Organization”* (Annex A1, § 12).

B) Scope

The five-yearly review must include basic salaries, stipends and subsistence allowances and may include any other financial and social conditions (Annex A1, §§ 2, 8 and 13).

C) Procedure

The Director-General must submit to the Council, for decision, a proposal identifying the financial and social conditions to be reviewed for staff members, fellows and associated members of the personnel (Annex A1, §§ 3, 9 and 14).

III. — BACKGROUND INFORMATION

In addition to the mandatory items, the previous five-yearly review studied a wide array of subjects which gave rise to 11 proposals formulated by CERN's Management.

Following approval of these proposals by the Council in June and December 2006, modifications were implemented as of January 2007 in the following domains: CERN career structure; family and child allowances; reimbursement of education fees for dependent children; maternity, paternity and special paid leaves; replacement of the non-resident allowance by an international indemnity; integration and reintegration measures; the CERN Health Insurance Scheme (hereinafter CHIS).

New provisions were also introduced regarding: crèche facilities; infant allowance; recognition of new family situations; unpaid parental leave and compassionate leave.

IV. — MANAGEMENT'S PROPOSALS

A) Mandatory financial conditions

As recalled under Chapter II, B) above, the five-yearly review must include:

- basic salaries for staff members,
- stipends for fellows,
- subsistence allowances for associated members of personnel.

B) Other social and financial conditions

Given:

- the extent of the previous five-yearly review as described in Chapter III above,
- the recent implementation of the decisions which resulted from it,
- the fact that no problem areas have been identified in these fields,

the Management does not propose that financial and social conditions other than those that are mandatory be reviewed.

An exception however is the CHIS, which was discussed at the TREF meeting of 21 and 22 November 2007, and which the Management then proposed to include in the next five-yearly review:

“All aspects of the CHIS and LTC, including contributions and benefits, will be scrutinized at the next five-yearly review in the light of the latest actuarial findings and the status of the capitalized fund” (see CERN/TREF/330, p.8).

This proposal was accepted by the Finance Committee and the Council in December 2007.

C) Periodic reviews of the financial and social conditions of members of the personnel (Annex A1 of the Staff Rules and Regulations)

The Management proposes to assess, at the end of the current five-yearly review exercise, whether, in light of the experience gained with the new review method, any modifications to the five-yearly and/or annual review methods are appropriate. Should modifications be considered necessary, proposals for amendments to Annex A1 of the Staff Rules and Regulations will be submitted for application at subsequent reviews.

V. — CONCLUSION

The Management proposes that the following financial and social conditions be reviewed:

- Basic salaries for staff members,
- Stipends for fellows,
- Subsistence allowances for associated members of personnel,
- the CHIS, and
- Five-yearly and/or annual review methods (should the need arise after assessment at the end of the current five-yearly review exercise).

VI. — NEXT STEPS

As next steps in the procedure, data on salaries, stipends, subsistence allowances and the CHIS have to be collected.

Pursuant to § 4.1 of Annex A1:

- Data on salaries for staff must be collected from employers that recruit from the markets identified in the document “Report on main recruitment markets for staff members” (CERN/FC/5362).
 - For career paths AA to B, the data must be collected from employers established in the local region of the Organization that offer salaries that are among the most competitive. The data collection will be entrusted to a local salary survey company.
 - For career paths C to G, the data must be collected from employers established in the Member States that offer the most competitive salaries. The data collection will be entrusted to the Inter-Organizations Study Section on Salaries and Prices (IOS) of the Organization for Economic Co-operation and Development (OECD).
- As stated in the document “Report on comparator research institutions for fellows” (CERN/FC/5363), the data on stipends for fellows will be collected by CERN from the Deutsches Elektronen-Synchrotron (DESY), the European Molecular Biology Laboratory (EMBL), the European Union (EU), the European Space Agency (ESA) and the European Southern Observatory (ESO).
- As regards subsistence allowances for associated members of the personnel, the data collection will be limited to an analysis by CERN of the evolution of the cost-of-living in the Geneva area.
- The data on the CHIS will be collected by CERN from intergovernmental organizations that offer financial and social conditions that are among the most competitive. The following three international organizations based in Geneva, have been identified as meeting this criterion: the International Labour Organization (ILO), the World Health Organization (WHO) and the United Nations Office at Geneva (UNOG). The results of the CHIS’s actuarial study will also be taken into account.

The Organization’s Staff Rules and Regulations may need to be amended to implement the changes decided as a result of the 2010 five-yearly review and to take account of textual amendments and simplifications.
