



## Secretariat

ST/AI/350  
27 April 1988

## ADMINISTRATIVE INSTRUCTION

To: Members of the staff

From: The Controller

Subject: RENTAL SUBSIDIES AND DEDUCTIONS FOR STAFF AT DUTY  
STATIONS IN EUROPE AND NORTH AMERICA

1. Administrative instruction ST/AI/304 and addendum 1 dated 25 May and 30 September 1983 respectively, provided for the implementation, with effect from 1 April 1983, of the decision taken by the International Civil Service Commission (ICSC) to extend as of that date the rental subsidy and rental deduction scheme described in instruction ST/AI/275/Rev.1 to duty stations in Europe and North America subject to modified eligibility requirements and implementation procedures.

2. The purposes of the present instruction are to:

(a) Provide a consolidated text of previous issuances concerning the extended rental subsidy and rental deduction scheme which includes new provisions and control measures associated with the administration of rental deductions. Particular attention should be given to the provisions reflected in paragraphs 26 to 28 regarding a new requirement, on the part of the staff members, to report whether they rent or are provided housing assistance from the Organization, a Government or a related institution;

(b) Implement with effect from 1 August 1987, the decision taken by ICSC at its twenty-sixth session (July 1987) concerning the reimbursement rates for the purpose of rental subsidy payments applicable to staff members in receipt of a rental subsidy on or after 1 December 1984. This decision was taken to reflect the suspension of the implementation of increases in the post adjustment level at the base of the system (New York) in the reimbursement rates for the purpose of rental subsidy payments;

(c) Provide information on (i) the revised threshold percentages for New York approved by ICSC with effect from 1 August 1987 and (ii) the revised reasonable maximum rent levels applicable in New York, with effect from 1 September 1987. The foregoing revisions are incorporated in annex II to the present instruction.

3. Administrative instruction ST/AI/304 and its addendum dated 25 May and 30 September 1983 respectively, are hereby superseded.

#### I. Purpose of the rental subsidy scheme

4. The rental subsidy scheme operates as part of the post adjustment system with the salary plus post adjustment reflecting an average level of rent for the duty station. However, at any given moment, rents at a duty station may vary considerably, largely as a function of the availability of housing and the date of the staff member's arrival. The purpose of the rental subsidy scheme is to ensure a greater degree of equity and to alleviate hardships by subsidizing the rental cost for those staff members whose rented accommodations are of a reasonable standard but which cost significantly more than the average for the duty station.

#### II. Applicability

5. The rental subsidy scheme described in the present instruction applies at all duty stations located in the countries listed in annex I in respect of the two groups of eligible staff members listed under (a) and (b) below. Since the rental subsidy is linked to the operation of the post adjustment system, its application is limited to staff members who are either receiving the post adjustment at the rate of the duty station or a monthly mission allowance, the amount of which is determined by the post adjustment classification of the place of assignment. Staff members holding short-term appointments are not eligible to receive rental subsidies. For the purpose of this instruction, "short-term staff" relates to those staff members who are hired under the 300 series staff rules or who are in receipt of daily subsistence allowance in lieu of post adjustment at the duty station. Subject to the provisions regarding rent and income levels described in section IV below, the scheme applies to staff in the Professional and higher categories, technical co-operation personnel and to Field Service staff who are:

(a) Newcomers. Newly appointed staff members as well as those reassigned from other duty stations are eligible for rental subsidy as newcomers;

(b) Staff members affected by "force majeure". In exceptional circumstances, staff members who are forced to change dwelling owing to circumstances beyond their control may be eligible to receive rental subsidies. The situations which would qualify staff members for rental subsidies under the category of force majeure have been strictly limited to the following:

(i) Demolition of building;

(ii) Forced eviction/repossession by the landlord through legal proceeding;

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- (iii) Conversion of the dwelling from rental to co-operative or condominium.

Cases of relocation which result from rental increases, negligence, non-payment of rent or abuse of the premises by the staff member will not be considered as force majeure.

6. Notwithstanding the above, it should be noted, however, that in accordance with the provisions of instruction ST/AI/314 and Add.1 regarding the non-resident's allowance, the rental subsidy scheme described in the present instruction also applies to internationally recruited General Service staff who were in receipt of a non-resident's allowance prior to 1 September 1983 but opted to receive instead the rental subsidy under the conditions established in instruction ST/AI/314.

### III. Effective date of application and period of eligibility

7. The rental subsidy scheme came into effect as from 1 April 1983, i.e., no subsidy was payable for any period preceding 1 April 1983. A staff member who has arrived at a duty station after 1 April 1983 may qualify for either newcomer or force majeure subsidy, but only within the first five years following the arrival.

8. Staff members who arrived at the duty station within a period of five years prior to 1 April 1983, i.e., after 1 April 1978, were also eligible for either newcomer or force majeure subsidy with respect to the remainder of the five-year period after 1 April 1983.

9. A staff member eligible to receive a subsidy as newcomer may also become eligible to receive a subsidy under the category of force majeure prior to the end of the period of eligibility under the newcomer category, provided the total period of payment of subsidies under both categories does not exceed five years.

10. A staff member already serving at the duty station for more than five years as of 1 April 1983 can qualify for a subsidy under the category of force majeure only once while serving at the same duty station and for a maximum period of three years.

### IV. Basic features of the extended rental subsidy scheme

11. (a) The amount of subsidy will be calculated by applying a reimbursement rate to that portion of the rent paid by the staff member (subject to a reasonable maximum rent level) which exceeds a minimum level (or individual threshold amount) defined in paragraph 13 below. The reimbursement rates applicable to that portion of the staff member's rent which exceeds the minimum level are as follows:

| <u>Year</u> | <u>Newcomers</u><br>% | <u>Staff members affected</u><br><u>by "force majeure"</u><br>% |
|-------------|-----------------------|---|
| 1           | 80                    | 80  |
| 2           | 80                    | 40  |
| 3           | 60                    | 20  |
| 4           | 40                    |   |
| 5           | 20                    |   |

(b) However, for all staff members currently employed who were in receipt of a rental subsidy on or after 1 December 1984, the rate of reimbursement shall be reinstated as of 1 August 1987 at the level applicable either when the implementation of the increase in post adjustment was first suspended in New York (1 December 1984) or when the staff member concerned received his/her first subsidy payment at the duty station, whichever comes later. That rate will continue to be applicable as long as the suspension is in effect. As of the date of the resumption of the operation of the post adjustment system in New York, the normal operation of the scheme shall be resumed with the level of reimbursement immediately below the restored level being applied for 12 months. Normal phasing-out procedures will be applied thereafter.

12. The effect of the measures described in paragraph 11 (b) above is that subsidy payments may be extended beyond the maximum five- and three-year period during which a staff member is eligible to receive subsidy payments under the newcomer and force majeure categories, respectively, as mentioned in section III above and referred to in paragraphs 16, 31, 34 (a), 35 (c) and 36 (c) below.

13. The minimum rent level, called an individual threshold amount, is calculated by applying a "threshold percentage" established by ICSC to the staff member's income, defined for this purpose as net base salary (gross salary minus staff assessment), post adjustment, assignment allowance or monthly mission allowance and special post allowance, if any. The threshold percentage is set by reference to the average ratio of rent to income for the duty station.

14. The threshold percentage figures may change from time to time. ICSC communicates to organizations such changes, which normally result from a housing survey, together with the corresponding post adjustment classification for the duty station concerned.

15. The reasonable maximum rent level referred to in paragraph 11 (a) above is an amount set in relation to the staff member's needs and to conditions in the local market. The portion of rent which exceeds the reasonable maximum rent level will not be subject to the provisions of the subsidy scheme. The criteria for establishing the reasonable maximum rent levels is explained in detail in section V below.

16. There shall be no payment of the rental subsidy during the first 30 days after the arrival of the staff members concerned at the duty station, as he/she would be

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receiving the daily subsistence allowance portion of the installation grant for that period. Similarly, no rental subsidy shall be paid during the period for which the installation grant has been extended. Thus, the five-year period during which the staff member is eligible to receive a subsidy will start as of the thirty-first day after the arrival at the duty station concerned, or as of the first day following the period for which extended installation grant has been authorized.

17. The three limitations placed on the amount of the subsidy are as follows:

(a) The subsidy shall not exceed 40 per cent of the actual rent or of the applicable reasonable maximum rent level, whichever is lower, i.e., the staff member shall always be responsible for at least 60 per cent of the rent;

(b) For reasons of administrative convenience, any calculated subsidy of less than \$10 per month shall be disregarded;

(c) In the calculation of the subsidy, reasonable maximum rent levels apply as described in section V below.

18. Rents exclusive of cost of electricity should be used for the computation of subsidies. When such cost is included in the rent paid by the staff member, an appropriate deduction will be made in order to obtain the net rent for subsidy purposes (see para. 45).

#### V. Establishment of reasonable maximum rent levels

19. The reasonable maximum rent levels are based on family size and a survey of rent levels in the local market. These maximum rental costs will be taken as the overriding indication of reasonableness for a given size accommodation. To arrive at these reasonable maximum rent levels, family size is taken as the principal indicator of dwelling size needs. A staff member's family shall be considered as the spouse and recognized dependants residing with the staff member at the duty station.

20. A reasonable maximum rent level is determined for each of the different sizes of dwellings based on a survey of rental market rates for dwellings which are considered to be reasonable for staff of the United Nations system. These rental cost limits, established for each duty station, constitute the yardstick against which the reasonableness of accommodation is assessed. In view of the representational responsibilities which senior staff are often obliged to perform, an adjustment is made in the maximum allowable rent for staff at levels D-1 and above. The rent levels for New York are set out in annex II. Similar annexes will be issued at the other locations.

21. For the purpose of the subsidy calculation, an eligible staff member's maximum rent level is determined according to his or her family size. If the actual rent paid by the staff member is higher than the applicable maximum reasonable rent level, the latter amount is used in the subsidy formula; otherwise, the full rental amount is used.

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22. The survey of rental market rates will normally be conducted on a yearly basis by a joint working group composed of representatives of the staff and of the administration.

23. To illustrate the operation of the rental subsidy formula, sample calculations are provided in annex III. Actual calculations, of course, will depend on:

- (a) The rent and income of the staff member;
- (b) The relevant reimbursement percentage;
- (c) The threshold percentage and reasonable maximum rent levels for the duty station.

#### VI. Rental deductions

24. Staff members who receive housing assistance including housing provided by the Organization, by a Government or by a related institution either free of charge or at rents substantially lower than the average rents used in calculating the post adjustment index for the duty station will normally be subject to payroll deductions from their salaries so as to maintain equity in the application of the post adjustment system among staff members at the duty station.

25. The rental deduction shall be calculated at 80 per cent of the difference between the actual rent paid and the individual rental deduction threshold amount. The individual rental deduction threshold amount is equal to 64 per cent of the individual threshold amount which would be applicable for rental subsidy purposes (see para. 13 above). Annex III provides illustrations of the calculation of rental deductions.

26. In order for the Organization to determine whether a rental deduction should be effected, staff members will be required to report and certify annually whether housing assistance has been provided. To this end, arrangements are being made to modify United Nations form P.84 entitled "Status report and request for payment of dependency benefits", which staff members are currently required to complete and certify once a year, to elicit basic information related to housing assistance. Form P.84, suitably revised, is scheduled for circulation to the staff in late 1988.

27. Following the issuance of the revised P.84 form, all staff members will be required to submit this form, on an annual basis, to the Executive Office concerned at Headquarters or Personnel Section at other locations. Newly recruited staff members, as well as those reassigned from other duty stations, will be required to submit the revised P.84 form following their arrival at the new duty station. Failure on the part of the staff member concerned to comply with the reporting requirements related to housing assistance will result in automatic rental deductions through the payroll as if the staff member had obtained accommodation free of charge from the Organization, a Government or a related institution.

28. Staff members who report that they rent or are provided with housing or housing assistance from the Organization, a Government or a related institution will be subsequently required to submit additional detailed information in the form reproduced in annex IV to the present instruction (the long form). The additional information provided by the staff members in this form will serve as a basis for determining whether a rental deduction should be effected. Staff members for whom it has been determined that a rental deduction should be effected will be required to resubmit a rental deduction form on an annual basis. In so doing, staff members will be requested to report what changes, if any, have occurred in the conditions of their housing arrangements or certify that the information previously submitted is still applicable. For this purpose, an abridged version of the long form (the short form) is provided in annex V to the present instruction.

29. As indicated in paragraph 28 above, rental deductions will be reviewed on an annual basis. However, during the intervening period it will be the staff member's responsibility to report any changes which might affect the level of the rental deduction, such as change of dwelling and change of rent for the same dwelling or housing assistance. Except for changes in dwelling which must be reported on the long form, such changes can be reported on the short form. The level of the rental deduction may also be affected by changes in income and threshold percentages, however, these will be accounted for automatically without the staff member being required to submit a revised rental deduction form.

#### VII. Effective date for payment of subsidy

30. Rental subsidy will be payable from the first day of the lease agreement or the first day following the end of the period of the staff member's installation grant (normally 30 days), whichever is later. Subsidy for a partial month will be determined by prorating a full month of subsidy over the applicable part of the month.

31. As indicated in paragraph 7, the rental subsidy scheme came into effect as from 1 April 1983, i.e., no subsidy was payable for any period preceding 1 April 1983. While the five-year period of eligibility as a newcomer is counted from the end of the installation grant period, in the case of staff members having arrived before 1 April 1983, the subsidy is only paid for the balance of the five-year period beyond 1 April 1983. In the case of the staff member arriving on or after 1 April 1983, while the period during which the staff member is eligible for rental subsidy is five years, the subsidy may actually be payable for a shorter period, if there is a gap between the starting date of the lease and the end of the installation grant period.

32. Subsidy payments will be made in the payroll month which corresponds to the lease month. The exception to this would be for the cases when the staff member submits an original or revised application, for which a one or two-month period of retroactivity might be common. It is the responsibility of each eligible staff member to ensure the timely submission of the appropriate application form. The procedures for application and reapplication are explained in detail in section XI below.

VIII. Changes in rental, family and income status which may affect the level of rental subsidy

33. Once the original level of rental subsidy is established for the staff member, there are a number of factors which may change the level of subsidy payable: Some of these factors are known only to the staff member concerned and it will be his or her responsibility to report them by means of a revised subsidy application form. Other changes will occur in connection with income, threshold level and reimbursement percentage, and these will be accounted for automatically, without the staff member being required to submit a revised application form. The various types of changes and their effects are described in the following paragraphs.

34. Changes which must be reported by the staff member are as follows:

(a) Change of dwelling. Staff members in newcomer status remain eligible for rental subsidy upon change of dwelling, up to the end of the initial five-year period. A new application form (the regular form) should be submitted, and a revised level of subsidy will be computed, based on the new rent level and the income/threshold/percentage reimbursement factors. The new subsidy will be payable from the date of the new lease. In the force majeure category, staff members are eligible only once; thus, the force majeure subsidy will be discontinued after any further change of dwelling.

(b) Change in rent (for same dwelling). Staff in receipt of a subsidy should submit the short application form when there has been a change in rent for the same dwelling. This applies to subsidy recipients under both the newcomer and force majeure categories. The revised subsidy will be payable from the effective date of the rent increase.

(c) Changes in family size (dependency status). Since the reasonable maximum rent levels are based on family size, as described above in section V, an increase in a staff member's family size may result in a higher reasonable maximum rent level and in a higher level of subsidy. Staff should thus report those changes immediately, utilizing the short application form. The subsidy level will be recomputed at the time of submission of the revised application, and any increase in subsidy which is due will be payable from the date of the change in family size. Family members must reside with the staff member for the majority of the year in order to be taken into account for the purpose of determining family size. A spouse and/or children who have not joined the staff member at the duty station will not be counted; nor will a child who studies away from the duty station and does not live at home for the majority of the year. However, special provisions have been made to deal with the latter case (see para. 40 below). An increase in family size is usually the result of one of the following: birth or adoption of a child; marriage; spouse and/or child(ren) joining staff member at duty station. Staff members are expected to report decreases in family size once a year, at the time of the annual resubmission of the subsidy application form. The effect on the subsidy of such decreases, if any, will not be applied retroactively.

35. Changes which will be accounted for automatically are as follows:



(a) Changes in income. Changes in any of the following will result in a recalculation of the subsidy payable: base salary scale; post adjustment classification; assignment allowance; grade or step; special post allowance (SPA). The effective date of any of these changes will constitute the effective date for any resulting change in rental subsidy.

(b) Change in threshold percentage. The threshold percentage mentioned in paragraphs 13 and 14 above is a key element in the rental subsidy formula for it determines for each eligible staff member the level of rent at which a subsidy begins to be payable. The threshold percentage is determined by ICSC based on the data collected at the time of the periodic housing survey on the average rent levels of staff members in the locality. ICSC will revise the threshold percentage from time to time, and such revisions will trigger a recalculation of the rental subsidy of all eligible staff members in the locality. New thresholds will be announced by means of a circular, as is currently done for changes in the class of post adjustment. Since change in the threshold percentage may result in a rental subsidy being payable where none had been payable before, staff members who previously had not submitted a rental subsidy application may wish to take the opportunity of a change in the threshold percentage to apply for the rental subsidy.

(c) Change in reimbursement percentage. As indicated in paragraph 11 (a) above, the reimbursement rates decline from 80 per cent to 20 per cent, over five years in the case of newcomers and over three years in the case of the force majeure category. For each staff member in receipt of a rental subsidy, the subsidy amount will be recalculated automatically after the completion of each year of eligibility (except that in the case of the newcomer, there is no change in the 80 per cent level from year one to year two).

In the case of newcomers, the period of eligibility will be counted from the end of the installation grant period, not from the date of the first subsidy payment. For the force majeure category, the period of eligibility will be counted from the beginning of the subsidy payment.

#### IX. Payment of subsidy for agent's fee

36. If a fee has been paid to a recognized agent for services rendered in obtaining the dwelling for which subsidy is requested, the agent's fee will be subsidized subject to the following conditions:

- (a) The staff member must qualify to receive a rental subsidy;
- (b) The subsidy will be paid only once in respect of an agent's fee, even if a later change in dwelling occasions an additional fee;
- (c) The subsidy will not affect the five or three-year period of subsidy eligibility;
- (d) The entire fee will be treated separately as a one-time rental expenditure, to which the rental subsidy formula described in the present instruction will apply. That is, the subsidy will be calculated by applying a

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reimbursement rate to that part of the fee which exceeds the individual threshold amount (see para. 11 (a) above).

(e) If the rent, upon which the fee is based, exceeds the reasonable maximum rent level, the fee will be prorated, and only that portion which corresponds to the reasonable maximum rent level will be subject to the rental subsidy formula.

(f) Only fees charged by licensed rental agents/brokers will qualify for a subsidy. Appropriate documentation, including both the agent's contract/agreement and a copy of either a receipt for the fee or the cheque for payment of the fee, must be submitted.

(g) The request for subsidy in respect of the agent's fee must be included as part of the original application for subsidy.

#### X. Other related matters

37. Sublets. Some dwellings are rented through a subleasing arrangement. Staff members subleasing rental accommodations will be eligible for rental subsidy, provided the sublet is legal and the case is adequately documented. This normally requires the prior written consent of the landlord or the appropriate legal body or person. The non-extension of a sublease will not give rise to a force majeure subsidy.

38. Homeowners. The rental subsidy scheme applies to rented accommodations only and is, therefore, not applicable to staff who live in their own homes or in a dwelling owned by someone residing in the household.

39. Subsidies from other sources/sharing of rent. If the staff member receives a subsidy for the same accommodation from another source or shares the rent of a dwelling with someone other than the spouse and dependants and the lease is in the name of the staff member, the rental subsidy scheme will apply only to that portion of the rent paid by the staff member. Information on this point is also requested on the application form.

40. Provisions for children studying away from the duty station. As indicated in paragraph 34 (c) above, family members must reside with the staff member for the majority of the year in order to be taken into account for the purpose of determining family size, which, in turn determines the reasonable maximum rent level for the staff member. However, when dependent children are absent from the duty station in connection with their studies, an exception will be made to allow the reasonable maximum rent level to reflect an additional bedroom for every two children studying away from the duty station.

41. Spouse in receipt of a United Nations salary in the Professional category. When a staff member and his or her spouse are both in the Professional category and in receipt of a United Nations salary at the same duty station, the income to be used for subsidy purposes will be the higher of the two United Nations salaries. In all other cases, the United Nations income of the eligible staff member alone will be used.

42. One-time payments by staff members. A number of one-time payments may be made by the staff member in connection with a rental accommodation (e.g. agent's fee, "key money", security deposit, moving expenses, painting, repairs). Except for an agent's fee which may be taken into account in the rental subsidy scheme (see section IX above), none of the other items of this nature will be reimbursed through the subsidy scheme.

43. Implications for other elements of the salary system. The amount of subsidy paid has no effect on other elements of remuneration in the salary system. The amount is non-pensionable; it is not taken into account in determining either separation payments, the appropriate step in the case of promotion or the amount of an SPA; nor will it be considered as affecting the staff member's income for the purpose of determining insurance premiums and subsidies. Net rents (after payment of subsidies), rather than gross rents, are used in the computation of post adjustment indexes.

44. Currency of payment. Rental subsidy is normally paid in local currency, except that if the staff member has been obliged to sign a lease calling for payment in another currency, the subsidy may be paid in that currency. In reckoning the staff member's total remuneration for the purpose of applying the standard formula for currency of payment of salaries and allowances (the so-called "70/30 rule"), the rental subsidy is not included.

45. Electricity included in rent. When electricity is included in the rent, the following amounts are to be deducted from the total monthly rent payable to arrive at the net monthly rent: 1-bedroom dwelling, \$25; 2-bedroom dwelling, \$35; 3-bedroom dwelling, \$45; 4-bedroom dwelling, \$55; dwelling with 5 or more bedrooms, \$65. These amounts have been determined on the basis of average cost information provided by the ICSC secretariat and are subject to periodic adjustment.

46. Returnees. Staff members who are temporarily assigned from their official duty station to another duty station and continue to receive in addition to net salary the post adjustment applicable to their official duty station plus a travel subsistence allowance or a mission subsistence allowance to cover their expenses at the temporary duty station will be treated, for the purpose of the rental subsidy scheme, as if they had not left their official duty station. On the other hand, staff members who are transferred or assigned from one duty station where the scheme described in the present instruction is applicable to another duty station and receive the post adjustment applicable to their new duty station, will be treated as newcomers, should they be reassigned to their original duty station.

#### XI. Application and reapplication procedures

47. The procedures for application and reapplication are as follows:

(a) First-time application. Staff members in the newcomer category (see para. 5 above) should apply after arrival at the duty station and following the signing of a rental lease. Newcomers are permitted to submit an application at any point in the first five years at the duty station (bearing in mind staff

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rule 103.15 regarding retroactivity of payments). Staff members who are applying for subsidy under the force majeure category should submit an application after signing a new lease following a force majeure move which meets the specified conditions (see para. 5 above). A staff member already serving at the duty station for more than five years as of 1 April 1983 can apply for a subsidy under the force majeure category only once while at the duty station. Staff applying under either category should submit applications as soon as possible, preferably within three months after the beginning of the lease.

(b) Reapplication

- (i) The approval of a rental subsidy is for a maximum period of 12 months at a time. Staff members are required to reapply once a year in order to continue to receive a subsidy. In reapplying, staff members will be requested to indicate what, if any, changes have occurred in the conditions of the lease or certify that the information previously submitted is still applicable. A short application form is available for this purpose;
- (ii) Staff members should also submit a revised application to report any changes which might affect the level of subsidy. These include change of dwelling, rent (for the same dwelling) and family size, all of which are described in section VIII above. Except for changes in dwelling, such changes can be reported on the short application form.

48. Application forms can be obtained from and should be returned to either the Executive Officer concerned at Headquarters or the Personnel Section at other locations. Copies of the regular and short application forms are attached as annexes IV and V, respectively.

49. The additional documentation required from first-time applicants, whether in the newcomer or force majeure category, and upon submission of a revised application, is a copy of the signed lease agreement, together with a copy of either the first month's rent receipt or the cancelled rent payment cheque. These must be submitted with the subsidy application. Whenever the staff member, as tenant, is responsible for paying electric bills separate from the rent, a copy of a recent electric bill should also be submitted, so that an amount for electricity will not be deducted from the rent amount for the purpose of the subsidy calculation (see para. 45 above). If a fee has been paid to a recognized agent for services rendered in obtaining the dwelling for which subsidy is requested, the agent's fee may be subsidized subject to the provisions of section IX above. Staff members applying for subsidy under the force majeure category are required to submit, in addition to the documentation described above, appropriate documentary evidence attesting to the reason for changing dwelling and a copy of the former lease (as well as the new lease) and a recent rent receipt or cancelled cheque. Additional information may also be requested from the staff member for the purpose of determining the eligibility for force majeure subsidy.

## XII. Processing of applications

50. Applications for rental subsidy will be processed by the Office of Personnel at the duty station. Processing will include verification of the staff member's eligibility, grade and step, date of arrival at the duty station, information provided on dependants and review of the lease and other documentation submitted as required.

51. In the case of requests for subsidy under the force majeure category, applications will be reviewed by a special panel which will ensure strict compliance with the guidelines established by ICSC. The panel established for this purpose will include representatives of the administration and staff, and may be set up on an inter-agency basis at the duty station to ensure uniformity of criteria for ruling on such cases.

52. Applications for subsidy which are approved will be sent to the relevant payroll unit for the detailed subsidy calculations. The amount of subsidy, if any, will be incorporated into the payment of salary and allowances of the staff member, and the subsidy will be shown on the individual's pay slip. Additionally, a computation sheet will be provided to the staff member which will show how the subsidy amount, if any, was determined. If a staff member is not eligible to receive a subsidy, he or she will be so notified.

Annex I

DUTY STATIONS AT WHICH RENTAL SUBSIDY MAY BE PAID

The extended rental subsidy scheme applies to all duty stations in the countries listed below:

|                              |                                     |
|------------------------------|-------------------------------------|
| Albania                      | Italy                               |
| Austria                      | Netherlands                         |
| Belgium                      | Poland                              |
| Bulgaria                     | Portugal                            |
| Canada                       | Romania                             |
| Czechoslovakia               | Spain                               |
| Denmark                      | Sweden                              |
| Finland                      | Switzerland                         |
| France                       | Union of Soviet Socialist Republics |
| Germany, Federal Republic of | United Kingdom                      |
| Greece                       | United States of America            |
| Hungary                      | Yugoslavia                          |
| Iceland                      |                                     |

Annex II

## DETAILS ON THE RENTAL SUBSIDY SCHEME IN NEW YORK

1. The purpose of the present annex is to provide detailed information on the threshold level, the reasonable maximum rent levels and sample calculations for New York. The information in this annex, together with the information on the modalities for the operation of the subsidy scheme, will permit eligible staff member to project their entitlement, if any, under the subsidy scheme.

Rental threshold in New York

2. An explanation of the threshold is provided in paragraphs 13 and 14 of the present administrative instruction. ICSC has determined that the following rental thresholds are applicable for New York as of 1 August 1987: 24 per cent for staff paid at the dependency rate; and 27 per cent for staff paid at the single rate.

Reasonable maximum rent levels

3. An explanation of reasonable maximum rent levels is given in paragraph 15 and section V of the present administrative instruction.

4. As the starting point for establishing reasonable maximum rent levels for New York, a relationship was determined between family size and reasonable dwelling size (for apartments) based on locally accepted norms. This relationship is given in columns 1 and 2 of the table shown below. A survey of rental costs in Manhattan was conducted in the second half of 1987 to determine a reasonable maximum rent level (column 3) for each dwelling size shown in column 2. Thus, by relating column 1 to column 3, a reasonable maximum rent level was established for each family size configuration for New York. The effective date of the rent levels shown in the table below is 1 September 1987.

| <u>Family size</u><br>(1)         | <u>Dwelling size</u><br><u>(No. of bedrooms)</u><br>(2) | <u>Reasonable</u><br><u>maximum</u><br><u>rent level</u><br>(3) |
|-----------------------------------|---|---|
| Staff member alone or with spouse | 1 bedroom   | \$2,000   |
| plus 1 child                      | 2 bedrooms  | \$2,400   |
| plus 2 children                   | 2 or 3 bedrooms   | \$2,750   |
| plus 3 children                   | 3 or 4 bedrooms   | \$3,100   |
| plus 4 children                   | 4 bedrooms  | \$3,400   |
| plus 5 or more children           | 4 or 5 bedrooms   | \$3,800   |

5. The table above shows what is the maximum rent amount which will be taken into account in the rental subsidy formula. For an eligible staff member renting an accommodation which exceeds the maximum rent level corresponding to his/her family size, the subsidy will be calculated only on the reasonable maximum level. It

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should be further noted that column 2 is merely indicative to show what size dwelling was used for the purpose of the survey. Staff members are not restricted to accommodations of the size shown in column 2. The subsidy itself will be determined on the basis of column 3 (in relation to column 1) and not on the basis of dwelling size.

6. With reference to paragraph 20 of the present instruction, the maximum reasonable amount shown in column 3 should be increased by 10 per cent for staff members at the D-1 and D-2 levels and by 20 per cent for staff members at the Assistant Secretary-General and Under-Secretary General levels.

7. Those former staff members who left the service after 1 September 1987 and whose subsidy payments were processed on the basis of the previous reasonable maximum rent levels, effective 1 April 1983, will be eligible to receive the additional payments that may result from the application of the revised rent levels shown in the above table upon presentation of a written claim to their former payroll section. Such claims must be made within one year of the date of the issuance of the present instruction.

#### Sample calculations

8. Given the above threshold percentage and reasonable maximum rent levels, sample calculations of rental subsidies and deductions in New York have been made and appear in annex III.

#### Applicants in New York

9. Subsidy application forms are available from the Executive/Administrative Officers in the different departments. Information and advice on housing can be obtained from the Staff Activities and Housing Unit. Completed subsidy application forms should be returned to the respective Executive/Administrative Officer for forwarding to the Allowances and Benefits Unit of the Office of Human Resources Management.

#### Composition of Rental Subsidy Panel

10. As mentioned in paragraph 51 of the present instruction, a panel is to be established to review requests for subsidy under the force majeure category. The panel will have the following membership: one representative each from the administration and staff of the United Nations, the United Nations Development Programme and the United Nations Children's Fund, for a total of six members, with an equal number of alternates.



Annex III

A. SAMPLE CALCULATION OF RENTAL SUBSIDY

Example 1. Reason for calculation: Original application of Mr. A, P-3/5, who is a single staff member who has obtained a one-bedroom accommodation.

RENTAL SUBSIDY PROCESSING FORM

Date completed \_\_\_\_\_

By \_\_\_\_\_

1. Name: Mr. A 2. Index No.: \_\_\_\_\_
3. Organization: \_\_\_\_\_ 4. Duty station: New York
5. Type of subsidy: (a) Newcomer  Force majeure (b) Arrived before 1 April 1978   
(c) Within 5-year newcomer period   
(d) Subsidy denied  for following reason(s): \_\_\_\_\_
- 
6. Application: (a) First time  Reapplication: (b) Annual resubmission   
(c) Change of dwelling   
(d) Change of rent   
(e) Change of family status
7. Date of arrival at duty station: 15 November 1987 8. First day of current lease: 1 December 1987
9. Eligibility: (a) First day: 15 December 1987 (end of installation period)  
(b) Last day: 14 December 1992 (5 years for newcomers; 3 years for force majeure)
10. Subsidy period: (a) First day: 15 December 1987 (Original application) \_\_\_\_\_ (Reapplication)  
(b) Expiration date of 12-month subsidy period: 14 December 1988 (in connection with this application)
11. Reimbursement percentage: (a) Current rate (check one): 80  60  40  20   
(b) Date of next change: 15 December 1989
12. (a) Grade/Step: P-3/5 (b) Date of next step increment: \_\_\_\_\_
13. Family status: (a) Number of children: 0 (b) Secondary dependant: 0 (c) Number of children not residing with staff member at duty station for whom education grant is paid: 0  
Number of extra bedrooms warranted: 0
14. Reasonable maximum rent level: \$2,000
15. Monthly rent: \$1,500 16. Electricity included in rent? Yes  No

RENTAL SUBSIDY CALCULATION FORM

Date completed \_\_\_\_\_

By \_\_\_\_\_

|  | \$              |  | \$              |
|--|-----------------|--|-----------------|
| 1. Total income: (a) Monthly net base salary (gross less staff assessment) | <u>2 350.42</u> | 7. Reasonable maximum rent level   | <u>2 000.00</u> |
| (b) Post adjustment  | <u>887.99</u>   | 8. Rent for purpose of subsidy calculation (smaller of line 6 or line 7) | <u>1 500.00</u> |
| (c) Assignment allowance   | <u>118.75</u>   | 9. Excess of rent over threshold (line 8 less line 3)                    | <u>593.57</u>   |
| (d) Monthly mission allowance  | <u>-</u>        | 10. Percentage reimbursement   | <u>80%</u>      |
| (e) Special post allowance   | <u>-</u>        | 11. Reimbursement amount (line 9 x line 10):100                          | <u>474.85</u>   |
| (f) TOTAL  | <u>3 357.16</u> | 12. 40% of rent for purpose of subsidy calculation (.40 x line 8)        | <u>600.00</u>   |
| 2. Threshold percentage  | <u>27%</u>      | 13. Subsidy (smaller of line 11 or line 12)                              | <u>474.85</u>   |
| 3. Individual threshold amount (line 1 (f) x line 2):100                   | <u>906.43</u>   | 14. Subsidy in local currency  | <u>474.85</u>   |
| 4. Monthly rent  | <u>1 500.00</u> |  |                 |
| 5. Deduction for electricity   | <u>-</u>        |  |                 |
| 6. Net rent (loc. curr.) Exch. rate _____                                  | <u>1 500.00</u> |  |                 |

If line 3 is greater than line 6, STOP. No subsidy payable.

Comments:

The first day of the current lease is within the staff member's installation period, thus the period of eligibility for subsidy commences after the end of the installation period and subsidy is only payable as of that date.

Example 2. Reason for calculation: Original application of Mrs. B, P-4/5, whose spouse and dependent child reside with her.

RENTAL SUBSIDY PROCESSING FORM

Date completed \_\_\_\_\_  
By \_\_\_\_\_

1. Name: Mrs. B
2. Index No.: \_\_\_\_\_
3. Organization: \_\_\_\_\_
4. Duty station: New York
5. Type of subsidy: (a) Newcomer   
 Force majeure (b) Arrived before 1 April 1978   
 (c) Within 5-year newcomer period   
 (d) Subsidy denied  for following reason(s): \_\_\_\_\_
6. Application: (a) First time   
 Reapplication: (b) Annual resubmission   
 (c) Change of dwelling   
 (d) Change of rent   
 (e) Change of family status
7. Date of arrival at duty station: 1 October 1987
8. First day of current lease: 1 December 1987
9. Eligibility: (a) First day: 1 November 1987 (end of installation period)  
 (b) Last day: 31 October 1992 (5 years for newcomers; 3 years for force majeure)
10. Subsidy period: (a) First day: 1 December 1987 (Original application) \_\_\_\_\_ (Reapplication)  
 (b) Expiration date of 12-month subsidy period: 30 November 1988 (in connection with this application)
11. Reimbursement percentage: (a) Current rate (check one): 80  60  40  20   
 (b) Date of next change: 1 November 1989
12. (a) Grade/Step: P-4/5 (b) Date of next step increment: \_\_\_\_\_
13. Family status: (a) Number of children: 1 (b) Secondary dependant: 0 (c) Number of children not residing with staff member at duty station for whom education grant is paid: 0  
 Number of extra bedrooms warranted: 0
14. Reasonable maximum rent level: \$2,400
15. Monthly rent: \$2,500 16. Electricity included in rent? Yes  No

RENTAL SUBSIDY CALCULATION FORM

Date completed \_\_\_\_\_  
By \_\_\_\_\_

|  | \$       |  | \$       |
|--|----------|--|----------|
| 1. Total income: (a) Monthly net base salary (gross less staff assessment) | 2 985.83 | 7. Reasonable maximum rent level   | 2 400.00 |
| (b) Post adjustment  | 1 120.72 | 8. Rent for purpose of subsidy calculation (smaller of line 6 or line 7) | 2 400.00 |
| (c) Assignment allowance   | 150.00   | 9. Excess of rent over threshold (line 8 less line 3)                    | 1 378.43 |
| (d) Monthly mission allowance  | -        | 10. Percentage reimbursement   | 80%      |
| (e) Special post allowance   | -        | 11. Reimbursement amount (line 9 x line 10):100                          | 1 102.74 |
| (f) TOTAL  | 4 256.55 | 12. 40% of rent for purpose of subsidy calculation (.40 x line 8)        | 960.00   |
| 2. Threshold percentage  | 24%      | 13. Subsidy (smaller of line 11 or line 12)                              | 960.00   |
| 3. Individual threshold amount (line 1 (f) x line 2):100                   | 1 021.57 | 14. Subsidy in local currency  | 960.00   |
| 4. Monthly rent  | 2 500.00 |  |          |
| 5. Deduction for electricity   | -        |  |          |
| 6. Net rent (loc. curr.) _____ Exch. rate _____                            | 2 500.00 |  |          |

If line 3 is greater than line 6, STOP. No subsidy payable.

Comments:

1. Although Mrs. B's five-year period of eligibility commences from 1 November 1987, subsidy is payable only commencing 1 December 1987, the first day of her lease.
2. The actual rent exceeds the reasonable maximum rent level; the latter amount is, therefore, used for purpose of subsidy calculation.
3. The amount of subsidy payable is based on the subsidy ceiling equal to 40 per cent of rent.

Example 3. Reason for calculation: Reapplication of Mr. C, P-5/5, who is a single staff member.

RENTAL SUBSIDY PROCESSING FORM

Date completed \_\_\_\_\_  
By \_\_\_\_\_

1. Name: Mr. C 2. Index No.: \_\_\_\_\_

3. Organization: \_\_\_\_\_ 4. Duty station: New York

5. Type of subsidy: (a) Newcomer  Force majeure (b) Arrived before 1 April 1978   
(c) Within 5-year newcomer period   
(d) Subsidy denied  for following reason(s): \_\_\_\_\_

6. Application: (a) First time   
Reapplication: (b) Annual resubmission   
(c) Change of dwelling   
(d) Change of rent   
(e) Change of family status

7. Date of arrival at duty station: 1 November 1986 8. First day of current lease: 1 December 1986

9. Eligibility: (a) First day: 1 December 1986 (end of installation period)  
(b) Last day: 30 November 1991 (5 years for newcomers; 3 years for force majeure)

10. Subsidy period: (a) First day: 1 December 1986 (Original application) 1 December 1987 (Reapplication)  
(b) Expiration date of 12-month subsidy period: 30 November 1988 (in connection with this application)

11. Reimbursement percentage: (a) Current rate (check one): 80  60  40  20   
(b) Date of next change: 1 December 1988

12. (a) Grade/Step: P-5/5 (b) Date of next step increment: \_\_\_\_\_

13. Family status: (a) Number of children: 0 (b) Secondary dependent: 0 (c) Number of children not residing with staff member at duty station for whom education grant is paid: 0  
Number of extra bedrooms warranted: 0

14. Reasonable maximum rent level: \$2,000

15. Monthly rent: \$1,275 16. Electricity included in rent? Yes  No

RENTAL SUBSIDY CALCULATION FORM

Date completed \_\_\_\_\_  
By \_\_\_\_\_

|  | \$              |  | \$              |
|--|-----------------|--|-----------------|
| 1. Total income: (a) Monthly net base salary (gross less staff assessment) | <u>3 262.16</u> | 7. Reasonable maximum rent level   | <u>2 000.00</u> |
| (b) Post adjustment  | <u>1 195.29</u> | 8. Rent for purpose of subsidy calculation (smaller of line 6 or line 7) | <u>1 250.00</u> |
| (c) Assignment allowance   | <u>137.50</u>   | 9. Excess of rent over threshold (line 8 less line 3)                    | <u>9.36</u>     |
| (d) Monthly mission allowance  | <u>-</u>        | 10. Percentage reimbursement   | <u>80%</u>      |
| (e) Special post allowance   | <u>-</u>        | 11. Reimbursement amount (line 9 x line 10):100                          | <u>7.49</u>     |
| (f) TOTAL  | <u>4 594.95</u> | 12. 40% of rent for purpose of subsidy calculation (.40 x line 8)        | <u>500.00</u>   |
| 2. Threshold percentage  | <u>27%</u>      | 13. Subsidy (smaller of line 11 or line 12)                              | <u>7.49</u>     |
| 3. Individual threshold amount (line 1 (f) x line 2):100                   | <u>1 240.64</u> | 14. Subsidy in local currency  | <u>7.49</u>     |
| 4. Monthly rent  | <u>1 275.00</u> |  |                 |
| 5. Deduction for electricity   | <u>25.00</u>    |  |                 |
| 6. Net rent (loc. curr.) Exch. rate (line 4 minus line 5)                  | <u>1 250.00</u> |  |                 |

If line 3 is greater than line 6, STOP. No subsidy payable.

Comments:

1. Since electricity is included in the rent, the average cost of electricity for New York is deducted from the rent.
2. Rental subsidy is not payable to Mr. C, since the amount is less than \$10 per month.

## B. SAMPLE CALCULATION OF RENTAL DEDUCTION

The rental deduction applicable to a single staff member, at the Assistant Secretary-General level in New York, whose housing is provided free of charge by the Organization, by a Government or a related institution, is calculated as follows:

|   |  | \$              |
|---|--|-----------------|
| 1. Total income:  | (a) Monthly net base salary<br>(gross less staff assessment) | <u>4 490.58</u> |
|   | (b) Post adjustment  | <u>1 592.18</u> |
|   | (c) Assignment allowance                                     | <u>-</u>        |
|   | (d) Monthly mission allowance                                | <u>-</u>        |
|   | (e) Special post allowance                                   | <u>-</u>        |
|   | (f) TOTAL  | <u>6 082.76</u> |
| 2. Threshold percentage   |  | <u>27%</u>      |
| 3. Individual rental subsidy threshold amount<br>(line 1 (f) x line 2):100                  |  | <u>1 642.35</u> |
| 4. Individual rental deduction threshold amount<br>(line 3 x 0.64)                          |  | <u>1 051.10</u> |
| 5. Monthly rent   |  | <u>0</u>        |
| 6. Deduction for electricity  |  | <u>-</u>        |
| 7. Net rent (loc. curr.) _____ Exch. rate _____   |  | <u>0</u>        |
| <u>If line 7 is greater than line 4, STOP.</u>  |  |                 |
| <u>No deduction is applicable.</u>  |  |                 |
| 8. Excess of individual rental deduction threshold<br>amount over rent (line 4 less line 7) |  | <u>1 051.10</u> |
| 9. Rental deduction (line 8 x 0.8)  |  | <u>840.88</u>   |

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Annex IV

RENTAL SUBSIDY APPLICATION FORM (REGULAR, LONG FORM)  
RENTAL DEDUCTION INFORMATION FORM

For official use

Date received: \_\_\_\_\_ Rv: \_\_\_\_\_ Application No.: \_\_\_\_\_  
Date processed: \_\_\_\_\_ By: \_\_\_\_\_

Instructions:

1. Use this form for all first time applications and for changes of dwellings. For change in rent (same dwelling), change in family status and for annual resubmission of application, use short form application.
2. Fill out application as soon as possible after signing of rental lease (preferably within three months after signing of lease).
3. Ensure that necessary supporting documentation is attached (see questions 18, 22, 23, 24, 25).
4. Submit to Executive Officer at Headquarters or to Personnel Section at other Offices.

I. General information

1. Name: \_\_\_\_\_
2. Index No.: \_\_\_\_\_
3. Organization: \_\_\_\_\_
4. Duty station: \_\_\_\_\_
5. Date of arrival at duty station (day/month/year): \_\_\_\_\_
6. Nature of application (check as appropriate):
  - (a) First application as newcomer
  - (b) Within 5-year newcomer period, but reapplying due to change of dwelling
  - (b) (i) Indicate if change of dwelling due to force majeure: Yes  No
  - (c) Arrived prior to 1 April 1978 and applying for reasons of force majeure

(In case of force majeure, as indicated either under 6 (b) (i) or 6 (c) above, also complete questions 23 and 24).

II. Composition of family residing with staff member at duty station

7. (a) Spouse: Yes  No   
(b) Check here if spouse is a staff member employed by system in the Professional category
8. Children: Number of dependent children residing with staff member at duty station: \_\_\_\_\_  
Names: \_\_\_\_\_
9. Secondary dependant: Yes  No  Relationship: \_\_\_\_\_ Age: \_\_\_\_\_
10. Dependent children studying away from duty station: Yes  No  Number: \_\_\_\_\_  
Names: \_\_\_\_\_

/...

III. Income information

11. Grade/Step: \_\_\_\_\_ Date of next step increment within grade increment: \_\_\_\_\_
12. Do you receive post adjustment? Yes  No
13. Do you receive monthly mission allowance? Yes  No
14. Do you receive assignment allowance? Yes  No
15. Do you receive a special post allowance? Yes  No

IV. Rental information

16. Nature of dwelling (circle one): Apartment/house/other (specify) \_\_\_\_\_
17. Accommodation is (check one):
- (a) Leased commercially
- (b) Provided by Organization, Government or related institution
- (c) Some other leasing arrangement  If so, specify \_\_\_\_\_
18. Address: \_\_\_\_\_
19. Period of lease: from \_\_\_\_\_ to \_\_\_\_\_

(Copy of lease and evidence of payment must be attached)

20. Total monthly rent: \_\_\_\_\_ (clearly indicate currency)
21. Is any subsidy paid for this dwelling?
- (a) By the Organization: Yes  No  (b) Amount: \_\_\_\_\_
- (c) By another source: Yes  No  (d) Amount: \_\_\_\_\_
22. If you share the dwelling with anyone besides the family members specified in items 7 to 9 above, and if any portion of total rent is also shared, indicate amount paid by you: \_\_\_\_\_
23. Electricity costs are (check one): Included in rental  Paid separately   
(in this latter case, please provide a copy of the most recent bill or evidence of payment)

V. Force majeure (To be completed if answer to 6 (b) (i) or 6 (c) above was yes).

24. Explain reason for force majeure move: \_\_\_\_\_  
\_\_\_\_\_  
(Documentary evidence attesting to the reason for changing dwelling must be attached).

25. Total monthly rent of former dwelling: \_\_\_\_\_ (Copy of former lease must be attached)

VI. Agent's fee

26. Did you pay a fee to a licensed agent or broker to obtain the accommodation? Yes  No   
Amount \_\_\_\_\_

(Copy of agent's contract/agreement (including license number and fee paid) and evidence of payment must be attached).

I certify that the above information is correct and up to date.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature of staff member

Annex V

RENTAL SUBSIDY APPLICATION FORM (SHORT FORM)  
RENTAL DEDUCTION INFORMATION FORM

For official use

Date received: \_\_\_\_\_ By: \_\_\_\_\_ Application No.: \_\_\_\_\_

Date processed: \_\_\_\_\_ By: \_\_\_\_\_

Instructions:

1. Use this short form for change in rent (same dwelling), change in family status and for annual resubmission of application. For first time application and for change of dwelling, use regular, long form application.
2. Fill out application as soon as possible to avoid a break in subsidy payment.
3. Ensure that necessary supporting documentation is attached (see question 8).
4. Submit to Executive Officer at Headquarters or to Personnel Section at other Offices.

I. General information

1. Name: \_\_\_\_\_ 2. Index No.: \_\_\_\_\_

3. Organization: \_\_\_\_\_ 4. Duty station: \_\_\_\_\_

5. Indicate whether you are renting same dwelling as previous application: Yes  No

6. Reason for application (check as appropriate):

(a) Annual resubmission of application

(i) Current 12-month subsidy period ends: \_\_\_\_\_

(b) Change in rent (same dwelling)

(c) Change in family size

(d) Change in housing assistance

(i) Indicate nature of change: \_\_\_\_\_

(ii) Date of change: \_\_\_\_\_

(iii) Indicate members of family currently residing with staff member at duty station (check as appropriate):

Spouse: Yes  No

Dependent children: Number  Names: \_\_\_\_\_

Secondary dependant: Yes  No

II. Income and rent information

7. Income information: Current grade/step: \_\_\_\_\_

8. Rent information:

(a) Total monthly rent: \_\_\_\_\_ (clearly indicate currency)

(b) Period of current lease: from \_\_\_\_\_ to \_\_\_\_\_ (copy of lease and evidence of payment must be attached).

I certify that the above information is correct and up to date and that the information in my previous application is also correct except for the changes indicated above.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature of staff member