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Personnel matters, including new social security agreement

New social security agreement between UNIDO and the Republic of Austria

Report by the Director-General

Summary

Reports on the conclusion of negotiations of a new social security agreement with the Republic of Austria and submits the new agreement to the Industrial Development Board for decision.

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Introduction

1. As informed in document IDB.35/13, paragraph 20, negotiations between UNIDO and the Republic of Austria regarding a new social security agreement as a supplementary agreement to the UNIDO Headquarters Agreement of 1995 (decision GC.6/Dec.21) have been concluded. Information is provided to the Board on the text of the new Agreement, with particular attention to some selected features of the agreement.

I. Background

2. The current social security agreement between UNIDO and the Government of the Republic of Austria was concluded on 15 December 1970 as a supplementary agreement to the old Headquarters Agreement of 1967. As a result of feedback from members of the staff concerning certain aspects of the social security agreement, internal discussions on amending the agreement began soon after UNIDO's conversion to a specialized agency in 1985. Negotiations with the Austrian Government began in earnest in May 1993, running in parallel with the negotiations relating to the new Headquarters Agreement. As agreement could not be reached on adjustments to the social security agreement, the parties focused their efforts on the new Headquarters Agreement, which was concluded in November 1995. The social security agreement's applicability was extended by section 59 of the new Headquarters Agreement.

3. Negotiations between the Secretariat and the Austrian Government resumed in 2002, following the entry into force of a new agreement on social security between the International Atomic Energy Agency (IAEA) and the Government of Austria. The parties concluded their negotiations on the new social security agreement in August 2008. The full text of the agreement is contained in the annex to the present document.

II. General characteristics of the new agreement

4. The new agreement contains six parts: definitions (part I); scope of insurance (part II); effects of becoming a participant in, or separating from, the United Nations Joint Staff Pension Fund (part III); and miscellaneous (part IV), transitional (part V) and final (part VI) provisions. The new agreement is based essentially on the agreement of 15 December 1970 and the new IAEA social security agreement. The principal novel features of the new agreement are as follows.

5. The right to participate in the branches of Austrian social insurance (namely, pension, health, accident and unemployment insurance) is assured to all UNIDO officials upon taking their appointment, as in the current agreement. Under the new agreement, however, this right has been supplemented with an additional opportunity allowing the staff member, upon completion of three years of continuous service, a choice whether to join, continue to participate in or withdraw from any of the branches of the Austrian social insurance.

6. Under the current agreement, insurance in the pension, accident and unemployment branches of Austrian social insurance would cease upon an official becoming a participant in the United Nations Joint Staff Pension Fund, except that an official could decide to maintain his or her participation in the accident and unemployment insurance branches by making a declaration to this effect. In the new agreement, however, an official can either continue or terminate his or her participation in any of the branches of Austrian social insurance upon becoming a participant in the United Nations Joint Staff Pension Fund.

7. The right of an official, upon becoming a participant in the United Nations Joint Staff Pension Fund, to claim within eighteen months a refund of the contributions that were made to the Austrian pension insurance has been maintained in the new agreement. However, the refund will now be increased by the adjustment factor under the Austrian General Social Insurance Act applicable for the year of payment of the contributions.

8. The new agreement also maintains the option for an official whose appointment with UNIDO terminates to repurchase insurance periods in the Austrian pension insurance if, at the time of termination, the official or his or her survivors are not entitled to periodic benefits from the United Nations Joint Staff Pension Fund. However, the repurchase rate has now been increased from 7 per cent of the monthly pensionable remuneration to which the official was entitled in the month preceding the termination to 20.25 per cent. In addition, the repurchase rate will be adjusted in accordance with the applicable percentage for contributions in the Austrian pension insurance scheme for employees. In view of the increased repurchase cost, the new agreement also allows the former official to limit the repurchase payment to the withdrawal settlement amount received from the United Nations Joint Staff Pension Fund. As a transitional measure, the current 7 per cent repurchase rate will apply in the case of any official serving with UNIDO at the time of entry into force of the new agreement and whose appointment terminates within five years of that date.

9. There are two transitional measures of note in the new agreement. The first is that officials participating in any of the branches of Austrian social insurance at the time of entry into force of the new agreement will have the right within three months of that date to terminate their insurance in any branch. Furthermore, UNIDO officials will have the right within three months of entry into force of the new agreement to participate in any branch of Austrian social insurance. In addition, officials who took up their appointment with UNIDO prior to the date of entry into force of the new social security agreement will have the possibility within three months of that date of joining any of the branches of Austrian social insurance. The second transitional measure applies to officials who were participants in the United Nations Joint Staff Pension Fund on 1 July 1996 or who are participants in the United Nations Joint Staff Pension Fund at the time of entry into force of the new agreement and who prior to those respective dates have completed at least twelve insurance months in the Austrian pension insurance. According to this transitional measure, the periods of service with UNIDO during which the official participated in the United Nations Joint Staff Pension Fund prior to entry into force of the new social security agreement shall be treated, where necessary, as contributory periods of compulsory insurance for the purpose of determining eligibility for benefits under the Austrian pension insurance scheme. If the official's

entitlement for a benefit under the Austrian pension insurance exists only by application of the above transitional measure, the benefit will be determined exclusively on the basis of the Austrian insurance periods. A similar provision was negotiated by the International Atomic Energy Agency in its new social security agreement with the Republic of Austria.

III. Signature and entry into force

10. The finalization of the new social security agreement updates the social security agreement of 15 December 1970 and adapts its provisions to the evolving needs of UNIDO and its staff. It also takes account of legal developments in Austria, such as the new International Atomic Energy Agency social security agreement with the Republic of Austria.

11. It is anticipated that the parties may sign the new social security agreement before the thirteenth session of the General Conference in December 2009. After the General Conference's approval of the agreement, the agreement will enter into force on the first day of the third month following an exchange of notes between the Director-General and the representative of the Republic of Austria duly authorized to that effect.

12. Upon entry into force, the new social security agreement will supersede the agreement of 15 December 1970.

IV. Action required of the Board

13. The Board may wish to consider adoption of the following draft decision:

“The Industrial Development Board:

“(a) Takes note of the report of the Director-General on the new social security agreement with the Republic of Austria (IDB.36/20);

“(b) Decides that the new agreement between UNIDO and the Republic of Austria on social security as contained in the annex to document IDB.36/20 be submitted to the General Conference at its thirteenth session; and

“(c) Recommends that the General Conference approve the new social security agreement with the Republic of Austria and authorize the Director-General to bring the new agreement into force in the manner prescribed in paragraph 1 of article 18 thereof.”

Annex

Agreement between the United Nations Industrial Development Organization and the Republic of Austria on social security

Having regard to Sections 27 and 28 of the Agreement between the United Nations Industrial Development Organization and the Republic of Austria concerning the Headquarters of the United Nations Industrial Development Organization, signed on 29 November 1995, the United Nations Industrial Development Organization and the Republic of Austria have agreed as follows:

PART I Definitions

Article 1

In this Agreement:

1. The expression the “UNIDO” means the United Nations Industrial Development Organization;
2. The expression “Director-General” means the Director-General of the UNIDO or any officer designated to act on his behalf;
3. The expression “Headquarters Agreement” means the Agreement between the United Nations Industrial Development Organization and the Republic of Austria regarding the Headquarters of the United Nations Industrial Development Organization, which was signed on 29 November 1995, as amended from time to time;
4. The expression “officials” means the Director-General and all members of the staff of the UNIDO except those who are locally recruited and assigned to hourly rates;
5. The expression “Pension Fund” means the United Nations Joint Staff Pension Fund;
6. The abbreviation “ASVG” means the General Social Insurance Act, Federal Gazette No. 189/1955, as amended from time to time;
7. The abbreviation “AIVG” means the Unemployment Insurance Act of 1977, Federal Gazette No. 609/1977, as amended from time to time.

PART II Scope of insurance

Article 2

- (1) On taking up their appointment with the UNIDO or after the completion of three years of continuous service with the UNIDO, officials shall have the right in accordance with the provisions of Article 4 to participate in any of the

branches of the social insurance provided for in the ASVG and in the unemployment insurance provided for in the AIVG.

- (2) The insurance under paragraph (1) shall have the same legal effect in each of the selected branches as compulsory insurance.

Article 3

- (1) Insurance under Article 2 (1) shall take effect on the day on which the official takes up his/her appointment with the UNIDO, if a written declaration to participate is made within seven days of taking up the appointment, otherwise on the day following the date on which the declaration is made.
- (2) Insurance under Article 2 (1) shall cease on the date on which the official's appointment with the UNIDO terminates.
- (3) Notwithstanding the provisions of paragraph (2), insurance under Article 2 (1) shall cease as of the effective date of an official's assignment to duty outside Austria for a period of more than three months, unless the insurance is maintained by submission of a written declaration.
- (4) In the case of termination of the insurance under paragraph (3), the former insurance may be resumed with the same scope of coverage upon completion of the official's assignment according to the terms of paragraph (1).
- (5) On becoming participants in the Pension Fund or after the completion of three years of continuous service with the UNIDO, officials shall have the right, according to the terms of Article 4, to terminate their insurance in each of the selected branches of the social insurance provided for in the ASVG and in the unemployment insurance provided for in the AIVG.

Article 4

Officials may avail themselves of

1. the right under Article 2 (1) within three months of taking up their appointment with the UNIDO or within three months after the completion of three years of continuous service with the UNIDO,
2. the right under Article 3 (3) before taking up their assignment,
3. the right under Article 3 (4) within one month of completing their assignment,
4. the right under Article 3 (5) within three months of becoming participants in the Pension Fund or within three months after the completion of three years of continuous service with the UNIDO.

Article 5

Throughout the duration of the insurance in the selected branches under Article 2 (1) the official shall be responsible for the payment of the entire contributions in accordance with the provisions of the ASVG and the AIVG.

PART III
Effects of becoming a participant in or separating from
the Pension Fund

Article 6

- (1) When an official becomes a participant in the Pension Fund, the contributions that he/she has paid to the Austrian pension insurance scheme for insurance periods to be taken into account, shall, upon his/her application, be refunded to him/her increased by the adjustment factor under the ASVG applicable for the year of payment of the contributions. Such application shall be made, within eighteen months from the date on which the official becomes a participant in the Pension Fund, to the competent pension insurance institution.
- (2) The date for determining the insurance periods to be taken into account and for determining the competent pension insurance institution shall be the day the official became a participant in the Pension Fund, if it is the first day of a month, otherwise the first day of the following month.
- (3) The contributions to be refunded shall be due six months after the pension insurance institution has received the application. In the event of a delay in payment, interest shall be payable on the amount involved on the basis of the ASVG adjustment factor for the year in which the application is received by the pension insurance institution.
- (4) On refund of the contributions, all claims and entitlements under the Austrian pension insurance scheme in respect of the insurance periods for which contributions have been refunded shall lapse; also, any claims to periodic benefits shall automatically lapse, but the pension and any additional allowances shall still be due for the month following receipt by the insurance institution of the application provided for in paragraph (1).

Article 7

- (1) If upon the date on which his/her appointment with the UNIDO terminates an official or his/her survivors are not entitled to periodic benefits from the Pension Fund, the said official or his/her survivors eligible for a benefit under the Austrian pension insurance scheme may, within eighteen months after the date on which his/her appointment terminates, transfer the amount provided for in paragraph (2) to the *Pensionsversicherungsanstalt*. Within the same period the official or his/her survivors eligible for a benefit under the Austrian pension insurance scheme may also repay to the pension insurance institution concerned the contributions refunded to the official under Article 6.
- (2) For every month of service with the UNIDO during which the former official participated in the Pension Fund and which is not already taken into account as a contributory month under the Austrian pension insurance scheme, the amount to be transferred shall be 20.25 per cent of the monthly pensionable remuneration to which the official was entitled in the month preceding the date on which the appointment terminates; nevertheless that part of the remuneration which exceeds thirty times the maximum daily contributory basis under the Austrian pension insurance scheme in effect at the time when

the appointment terminates shall not be taken into account. The amount of the contributions to be repaid under paragraph (1), second sentence, shall be increased by application of the adjustment factor valid at the time when the appointment terminates for the year in which the contributions were refunded.

- (3) The percentage referred to in paragraph (2) shall be adjusted by the same amount as the percentage applicable for contributions in the Austrian pension insurance scheme for employees.
- (4) The full months taken into account in establishing the amount transferred shall be considered as contributory months of compulsory insurance in the Austrian pension insurance scheme. Through repayment of the contributions, insurance periods, including any increased benefit insurance, which had lapsed owing to the refund of the contributions under Article 6 (4), shall be restored.
- (5) In so far as the amount which the former official or his/her survivors eligible for a benefit under the Austrian pension insurance scheme receive from the Pension Fund instead of periodic benefits falls below the amount to be transferred provided for under paragraph (2), the amount to be transferred by the official or his/her survivors eligible for a benefit under the Austrian pension insurance scheme may be limited to that amount. In this case the first completed months that are not fully covered in the amount shall be disregarded.

PART IV Miscellaneous Provisions

Article 8

The Director-General and the Federal Ministers responsible for the implementation of this Agreement shall take the administrative steps required for the implementation of this Agreement.

Article 9

In order to simplify the implementation of social insurance in respect of its officials, the UNIDO shall take steps to ensure that the necessary notifications are made and the contributions to be paid by the official under Article 5 are transferred to the *Wiener Gebietskrankenkasse*.

Article 10

The declarations required to be made by the official under Article 3 shall be transmitted by the UNIDO on behalf of the official to the *Wiener Gebietskrankenkasse*.

Article 11

Without prejudice to its confidential character the UNIDO shall, upon request, provide the Austrian insurance institutions with the information necessary for the implementation of this Agreement.

Article 12

No provision of this Agreement shall be interpreted as restricting the provisions of Sections 27 and 28 of the Headquarters Agreement.

Article 13

For the settlement of differences between the UNIDO and the Republic of Austria concerning the interpretation or implementation of this Agreement, the provisions of Section 46 of the Headquarters Agreement shall apply.

PART V
Transitional Provisions**Article 14**

- (1) Officials participating in any branch of the social insurance provided for in the ASVG or in the unemployment insurance provided for in the AIVG on account of their service with the UNIDO at the time of entry into force of this Agreement shall have the right within three months of that date to terminate their insurance in any branch by means of a written declaration to become effective on the last day of the month in which the declaration is made.
- (2) Officials, who took up their appointment with the UNIDO prior to the date of entry into force of this Agreement, shall have the possibility within three months of that date of exercising the right under Article 2 (1).
- (3) Article 10 shall apply mutatis mutandis to cases covered by paragraphs (1) and (2).

Article 15

- (1) In the case of officials who were participants in the Pension Fund on 1 July 1996 or who are participants at the time of entry into force of this Agreement, and who prior to those respective dates have completed at least 12 insurance months in the Austrian pension insurance scheme, the periods of service with the UNIDO, during which the official had participated in the Pension Fund prior to entry into force of this Agreement shall be treated, where necessary, as contributory periods of compulsory insurance for the purpose of determining eligibility for benefits under the Austrian pension insurance scheme.
- (2) If eligibility for benefit under the Austrian pension insurance scheme exists only through application of paragraph (1), the competent Austrian pension insurance institution shall determine the benefit exclusively on the basis of the Austrian insurance periods and also taking into account the following provisions:
 1. Benefits or parts thereof, the amount of which does not depend on the duration of insurance periods completed, shall be calculated in proportion to the ratio between the duration of Austrian insurance periods to be taken into account for the calculation and the period of 30 years, but shall not exceed the full amount;

2. Where periods after the event insured against are to be taken into account for the calculation of invalidity or survivors' benefits, such periods shall be taken into account only in proportion to the ratio between the duration of Austrian insurance periods to be taken into account for the calculation and two-thirds of the number of full calendar months between the date on which the person concerned reached the age of 16 and the date on which the event insured against occurred, but shall not exceed the full period;
3. Subparagraph 1 shall not apply:
 - (a) With regard to benefits deriving from increased-benefit insurance;
 - (b) With regard to income-dependent benefits or parts of benefits designed to ensure a minimum income.

Article 16

In the case of officials whose participation in the Pension Fund commenced after the date of entry into force of this Agreement, periods during which such officials participated in the Pension Fund shall be considered as "neutral" periods in the Austrian pension insurance scheme as laid down in the relevant provisions of the ASVG.

Article 17

In the case of officials serving with the UNIDO at the time of entry into force of this Agreement whose appointment terminates within five years of that date, Article 7 (2) shall apply with the exception that a percentage of 7 per cent shall be applied in place of the percentage amount provided for in that Article.

PART VI Final Provisions

Article 18

- (1) This Agreement shall enter into force on the first day of the third month following an Exchange of Notes between the Director-General and the representative of the Republic of Austria, duly authorized to that effect.
- (2) Upon entry into force of this Agreement, the Agreement between the United Nations Industrial Development Organization and the Republic of Austria concerning Social Security for Officials of the Organization, dated 15 December 1970, shall cease to be in force.

Article 19

This Agreement shall cease to be in force:

1. By mutual consent of the UNIDO and the Republic of Austria;
2. If the permanent Headquarters of the UNIDO is removed from the territory of the Republic of Austria. In that case, the UNIDO and the competent Austrian authorities shall take joint action for the orderly termination and liquidation of all arrangements made under this Agreement.

Article 20

The termination of this Agreement shall not impair the rights which the officials concerned or former officials have acquired thereunder for themselves or for their dependants.

DONE at Vienna on in duplicate in the English and German languages, both texts being equally authentic.

For the Republic of Austria

For the United Nations Industrial
Development Organization:
