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Report of the Court on policy issues
(Accruals, anti-fraud and whistleblower, and multi-year project)*

Executive summary

This report addresses the Committee's requests on the following policy issues: (I) funding of employee benefit liabilities; (II) anti-fraud and whistleblower policies and financial disclosure programme; and (III) multi-year projects and funding.

I. Funding of employee benefit liabilities

Request (ICC-ASP/12/15, para. 64, 122); content:

The report contains comprehensive information on the methodology for calculating accruals for annual leave, repatriation and relocation: Employee Benefits Liabilities (EBL) (see Annex II). In addition, information is provided on the Court's practice in regard to provisioning for its EBL which have been recognized on accrual basis and funded since 2008. The Court proposes that long-term employee benefits be recognized on accrual basis and be fully funded, while short-term (annual leave) employee benefits be recognized on an accrual basis and be partially (50 per cent) funded. The Court will be reviewing its investment policy to maximise investment returns on funds held against EBL according to a mid to long-term investment strategy.

II. Anti-fraud and whistleblower policies and financial disclosure programme

Request (ICC-ASP/12/5/Rev.1 paras. 56, 57); content:

In this report the Court provides information on the implementation of the anti-fraud and whistleblower policies as well as the personal declaration of assets through a financial disclosure programme. As such, the Court has developed high level policies on anti-fraud and whistleblowers in close consultation with the Independent Oversight Mechanism. The Court has also set up its financial disclosure program which represents a key element in the Court's zero tolerance attitude towards fraud.

III. Multi-year projects (MYP) and funding

Request (ICC-ASP/12/15, para. 41); content:

The Court provides the principles to govern MYPs taking into account the definition, objectives, accountability and budgeting arrangements of projects. The proposed principles comply with the existing Financial Regulations and Rules, and an *ad hoc* resolution of the Assembly of States Parties would be required at project inception to approve funding plans, to allow for funds to be carried forward and/or to borrow against funds until project completion.

* Previously issued as CBF/22/9.

I. Funding of employee benefit liabilities

A. Introduction

1. The Committee on Budget and Finance ("the Committee") recommended that, at its twenty-second session, the International Criminal Court ("the Court") provide it with a detailed report on its practice in regard to provisioning for its liability in respect of staff benefits, as well as a policy statement covering all aspects of such provisioning.[1]

2. The Committee also requested the Court to provide it with comprehensive information on the methodology for the calculation of accrual for annual leave, repatriation and relocation, at its twenty-second session.[2]

3. Furthermore, in the Report on the International Criminal Court Financial Statements for the year ending 31 December 2012, the External Auditor recommended putting a halt to the funding of annual leave and repatriation grant liabilities, until an appropriate funding mechanism was set up and funds invested according to a medium-to-long term strategy.[3]

4. This report addresses the above-mentioned requests.

B. Background

5. Accounting for and funding long-term employee benefit liabilities has become a frequent subject of discussion in the context of the implementation of International Public Sector Accounting Standards (IPSAS) in the United Nations system organizations since the decision to adopt IPSAS was made in 2006, and the issue had been raised even earlier.[4]

6. While IPSAS implementation requires employee benefit liabilities to be recognized on the balance sheet, it imposes no legal requirement for the funding of these liabilities.

7. However, as noted in the International Federation of Accountants' report "Transition to the Accrual Basis of Accounting: Guidance for Governments and Government Entities"[5], the recognition of liabilities:

(a) compels (politically rather than legally) entities to acknowledge and plan for the payment of recognized liabilities;

(b) provides information on the impact of existing liabilities on future resources;

(c) allows for allocation of responsibility for the management of liabilities; and

(d) provides the necessary information for entities to assess whether they can sustain their activities.

8. For these reasons, many United Nations system organizations have at least partial funding available for liabilities. Furthermore, many organizations have developed and proposed plans for full funding in the mid to long-term, which have been adopted by their governing bodies. An overview of the level of employee benefit liabilities based on 2012 financial statements and funding availability in the United Nations system organizations is attached as Annex I.

9. Similarly, dialogue on this subject with the Committee started during its eighteenth session, when it raised several pre-session queries to which the Court responded.

C. Liability employee benefits as at 1 January 2014

1. Recognition of employee benefits

10. Even before full IPSAS implementation on 1 January 2014, the Court recognized certain employee benefits on an accrual basis: repatriation grants since 2008 and annual

[1] *Official Records of the Assembly of States Parties to the Rome Statute of the International Criminal Court, Twelfth session, The Hague, 20-28 November 2013* (ICC-ASP/12/20), vol. II, part B.2, para. 122.
[2] *Ibid*., para. 64.
[3] *Official Records ... Twelfth session ... 2013* (ICC-ASP/12/20), vol. II, part C1, Recommendation 3.
[4] For example, the Food and Agriculture Organisation started funding after-service health insurance in 1998.
[5] Available at http://www.ifac.org/sites/default/files/publications/files/IPSASB-study-14-3e.pdf.

leave since 2010, as permitted under United Nation System Accounting Standards (UNSAS) and as part of the transition to IPSAS as discussed and agreed with the National Audit Office, the Court's external auditors at the time.

11. Since 1 January 2014, the Court has been applying IPSAS compliant accounting policies. The application of the new accounting policies resulted in an adjustment of the value of recognized repatriation grant liability and in the recognition of certain benefits that were not previously recognized (other separation benefits such as travel costs, shipment and insurance) and the recognition of a new benefit introduced in 2013, After-Service Health Insurance ("ASHI").

12. The comparative overview of recognised employee benefits as at 31 December 2013, in accordance with the existing accounting policies disclosed in the Court's financial statements and the overview of benefits in accordance with IPSAS compliant accounting policies is given below. Benefits classified as long-term (all except annual leave) have been valued by Deloitte Pension Advisory B.V. The Court will request a full actuarial valuation every second year and a roll-forward valuation in the intermediate year.

Table 1: Employee benefit liabilities and related assets

		31-Dec-13			*01-Jan-14*	
in thousands of euros		*UNSAS*			*IPSAS*	
Employee benefit liabilities	*Staff*	*Judges*	*Total*	*Staff*	*Judges*	*Total*
Repatriation grant / relocation allowance	5,274	1,069	**6,343**	852	3,657	**4,509**
removal cost, travel on separation and other long term benefits	-	-	-	180	1,815	**1,995**
ASHI	-	-	-	6,763	-	**6,763**
Judges' pension scheme	-	-	-	-	21,640	**21,640**
Annual leave	4,947	356	**5,303**	4,947	356	**5,303**
Total employee benefits recognized	**10,221**	**1,425**	**11,646**	**12,742**	**27,468**	**40,210**
Assets						
Reimbursement right (insurance policy with Allianz)	-	-	-	-	21,640	**21,640**
Short term deposits	10,221	1,425	**11,646**	10,221	1,425	**11,646**
Total assets	**10,221**	**1,425**	**11,646**	**10,221**	**23,065**	**33,286**
Percentage funded	*100%*	*100%*	*100%*	*80%*	*84%*	*83%*

13. The methodology for calculating accrual for annual leave, repatriation and relocation is described in Annex II.

2. Funding of employee benefit liabilities

14. At year-end 2013, the Court's employee benefit liabilities were fully funded through the payroll charges and budgetary allocation that was part of common staff cost estimates, disclosed in Annex V(d) of the Proposed Programme Budget for staff and annex V(c) for judges. The judges' pension scheme is funded through the payment of an insurance premium to Allianz which insures, invests and administers the pension scheme.

15. There are two basic approaches for funding employee benefit liabilities: the cash or pay-as-you-go basis and the accruals basis.

16. The essential benefit of the accruals basis over the cash basis is that funds provision is better matched to the organization's objectives, as the full cost of employee services are recognized and allocated to the periods in which they are provided.

17. Alternatively, post-employment benefits, such as ASHI and separation benefits, are funded post-service when employees are no longer contributing to the achievement of the objectives of the program budget. It is difficult to assign responsibility for management of such expenditure as often decisions made today only affect future levels of expenditure or, conversely, current levels of expenditure are severely impacted by earlier decisions.

18. As the organization matures the burden of funding post-employment benefit costs increases and can affect the organization's ability to raise funding for activities that need to be undertaken in the current budget period. The accrual basis approach is indeed preferable.

D. Policy with regard to provision for employee benefit liabilities

19. The Court's practice in the past has been to fully fund employee benefits by recognizing employee benefit expenses on an accrual basis, both for accounting and budgetary purposes. The Court considers that funding employee benefits through budgetary allocation represents better practice as compared to recognizing such amounts only for financial reporting purposes. It also reduces reconciliation requirements and complexities which arise when budgetary and accounting bases differ.

20. The Court has in the past funded recognition of new employee benefits against prior years' cash surpluses, thereby adjusting the opening balance (i.e. for the past service cost) and charging current annual accruals to the budget (i.e. for the current service cost).

21. As part of the amendments to the Financial Regulations and Rules ("FRR") arising from IPSAS implementation, at its eleventh session, the Assembly of States Parties ("the Assembly") approved the amendment of regulation 4.6 which explicitly entitles the Court to retain funds for funding those longer-term liabilities which are established in line with applicable accounting standards.[6]

22. However, in 2014 the Court will not be in position to continue with its policy on employee benefit funding taking into account:

(a) the Committee's recommendation, adopted by the Assembly, that accrual charges for staff not be included in the 2014 budget; and

(b) the high impact of first-time recognition of a new benefit – ASHI.

23. While the Court is a relatively young organization and given current high budgetary pressures, it would be easier for the Court to revert to cash-based budgeting for employee benefits, in particular in respect of ASHI. However, the example of other organizations shows that this approach eventually produces a financial burden with which organizations might struggle in the future.

24. The Court would like to note that certain characteristics of annual leave accrual could justify different funding treatment. Annual leave is a short-term compensated absence and is classified as a short-term employee benefit. Most annual leave accrual is used as compensated absence and less than ten per cent is used as an entitlement for cash payments on separation from the Court.

25. Theoretically, if all Court employees decided to use all their accrued annual leave days as a compensated absence during a year, thereby reducing accrued days to zero, that would amount to more than a month of additional leave and temporary replacements with associated costs/funding would be necessary. The release of annual leave accrual would provide the funds necessary for such replacements. This extreme example is presented only to demonstrate that, even in situations in which annual leave days are not cashed in, the accrual serves to provide an adjustment to overall staff costs better comparing/linking staff costs to the achievement of the programme budget objectives.

26. As the dynamic of accrual and use of annual leave is not as extreme as described above but is instead stable, predictable and manageable by the Court, the Court proposes to fund 50 per cent of the value of this employee benefit liability in the future. The Court is also considering introducing several measures to improve annual leave management and to reduce the number of accrued days carried forward by staff. It is important for the well-being of staff that they take annual leave every year.

[6] *Official Records ... Eleventh session ... 2012* (ICC-ASP/11/20), vol. I, part III, A, Res. 1, K.

E. Policy statement on employee benefits provisioning/funding

27. The Court proposes that the full funding of long-term employee benefits should be recognized as benchmark policy[7] while departure from it would be considered a permitted alternative requiring explanation and approval as part of the regular programme budget. Current service costs would be funded through a budgetary allocation in the regular programme budget.

28. For annual leave, classified as a short-term employee benefit, the Court proposes to discontinue its full-funding policy and to fund only 50 per cent of this liability in the future. The funding set aside for annual leave accrual would be allocated to ASHI liability funding after a three-year transition period, during which the Court would use existing provision to fund annual leave cash payments (thereby releasing the provision) and no funding would be required for 50 per cent of additional leave days. The remaining funding balance exceeding 50 per cent of annual leave accrual would be transferred to ASHI liability funding after the three-year transition period.

29. After the three-year transition period, the remaining unfunded past service cost associated with the introduction of ASHI would be fully funded using cash surpluses of prior and/or following years, apportioned over a ten-year period.

30. The funds set aside for funding employee benefits are kept in a separate account and are not used for other purposes. They are invested in short-term investments as regulation 9 of the FRR on investment of funds does not currently allow mid or long-term investments.

31. The Court would propose an amendment to regulation 9 once the level of the funds accumulated is sufficiently high to justify an additional investment expense and depending on the possibilities of outsourcing or managing investments internally.[8] The Court is currently in the process of performing such an analysis and might propose changes to FRR for the Committee's consideration during its next session.

II. Anti-fraud and whistleblower policies and financial disclosure programme

A. Introduction

32. The Committee requested the Court to report at its twenty-second session on the anti-fraud and whistleblower policies, and on the financial disclosure programme.[9]

B. Anti-Fraud Policy and financial disclosure programme

33. The Court, in cooperation and coordination with the Independent Oversight Mechanism ("the IOM"), has finalised an anti-fraud policy that is the product of thorough consultation involving the organs of the Court as well as the Staff Union Council.

34. The policy clearly lays out the Court's zero tolerance for fraud and outlines the responsibility of all elected officials and staff members, as well as others serving at the Court, in relation to fraud. This includes obligations for raising awareness, prevention and reporting of fraud, and the taking of remedial action. Through this policy, the Court has also made a clear commitment to take prompt action to recover items of value or concern lost as a result of fraud.

35. In tandem with the anti-fraud policy, and as a key element of the Court's fraud prevention system, the Court is also finalizing a system for conflict of interest and financial disclosure (financial disclosure program). To make this as effective and efficient as possible, the Court will cooperate with external entities, for example the United Nations Ethics Office which, based on their extensive experience, can provide the Court with guidance on establishing the system. In addition, they will thoroughly evaluate the information collected from the Court's staff through that program and raise flags if and when appropriate.

[7] In line with the Assembly of States Parties decision (resolution ICC-ASP/4/Res.9) that the judges' pension scheme should be accounted for and funded on an accrual basis.
[8] In line with the External Auditor's recommendation that funds be invested in line with medium to long-term strategy.
[9] *Official records ... Twelfth session ...2013* (ICC-ASP/12/20) vol. II, part B.1, para.57.

36. A further element of the financial disclosure program involves the implementation of IPSAS 20 Related Parties Disclosures. Key managers will be required to disclose their transactions with the Court as well as the transactions of their close family members and their related parties. This information is required for accountability purposes and to facilitate a better understanding of the financial performance and position of the Court.

C. Whistleblower Policy

37. While developing a policy outlining protection for whistleblowers, it became clear that it would be expedient to develop a more comprehensive policy covering all issues related to whistleblowers. The whistleblower policy has been developed by the Court, in close consultation with the IOM, the organs of the Court and the Staff Union Council.

38. The policy describes what it means to be a whistleblower and identifies the valuable service rendered to the Court in helping it to maintain "the highest standards of integrity, transparency and accountability in its management, operations and use of resources." It establishes the responsibility of both staff and elected officials to blow the whistle if and when something relevant comes to their attention.

39. The policy further explains whistleblowing procedures and sets out those measures adopted by the Court to prevent retaliation against whistleblowers as part of its zero tolerance position. Should any such retaliation come to light, the policy provides a system for the protection of affected individuals and for addressing the retaliation itself. The policy also sets out the Court's commitment to recover, whenever possible, the costs for any remedy which is required (from those who undertake acts of retaliation).

40. The policy fully incorporates the IOM, operational since 2014, into the whistleblowing processes, including provisions for protecting whistleblowers and investigating any complaints of retaliation.

III. Multi-year projects and funding

A. Introduction

41. At its twentieth session, the Committee received a discussion paper prepared by the Court on the funding of multi-year projects.[10] This paper aimed to establish a first reflection of the Court on the terms of budgeting and financing of projects that might extend over several years ("multiyear projects").

42. The Committee raised two sets of questions concerning: the definition of a "project" and its link to the specific programming operations and justification of funding arrangements representing an exception to the rule of an annual budget. The Committee requested that a report be provided on this matter at its twenty-first session.[11]

43. At the Committee's twenty-first session the Court welcomed the guidance provided by the Committee and provided it with a concrete example of a "project", namely the Court's transition project into the new premises, which has been described as having all the characteristics of a multi-year project and requiring the establishment of a special account for funding over several years, and explained how that project is to be managed and funded.[12]

44. The Committee noted that both permanent premises and IPSAS projects have been presented as multi-year projects and expressed the view that several important elements should be put in place to govern such projects in line with the applicable FRR. The Committee requested the Court to address these elements in the report to be submitted at its twenty-second session.[13] This report aims to address the following elements noted by the Committee:

(a) clearly defined objectives and budgets for the whole duration of the project;

(b) accountability arrangements for both attainment of the objectives and expenditure; and

[10] ICC-ASP/12/22.
[11] *Official Records ... Twelfth session ... 2013* (ICC-ASP/12/20), vol. II, part 1.C, para.42.
[12] *Official Records ... Twelfth session ... 2013* (ICC-ASP/12/20), vol. II, part B.2, para. 40.
[13] *Ibid*, para. 41.

(c) budgeting arrangements which would allow unspent funds to be carried over and would allow expenditure to be brought forward if activities need to be carried out earlier than envisaged.

45. While the immediate concern of managing and funding multi-year transition projects has been addressed, in the meantime, through the merger of the permanent premises project and the transition project, the Court would like to present in this report the general principles of multi-year availability of funds.

46. The Court is submitting this report and identifying elements noted by the Committee for its consideration, to establish certain principles under which multi-year project proposals might be submitted in the future.

B. Definition of a project, objectives and budgets for the whole duration of the project

47. In terms of clarifying the definition of the project, the Court considers that a multi-year project (MYP) should meet the following criteria in order to require separate accountability and budgetary arrangements:

(a) MYPs should represent a strategic initiative requiring extraordinary one-time expenditure, distinct from regular programming operations and linked to a specific agreed strategic goal(s);

(b) MYPs should cut across several financial periods and require a funding source that can cut across financial periods, unlike the annual budget, in order to achieve their objectives optimally and with minimum resources;

(c) MYPs should require substantial funds to be implemented.

C. Accountability arrangements

48. MYPs do not necessarily require the creation of separate accountability arrangements but they tend to be multidisciplinary, cross functional and often require coordination of several major programmes, programmes and sub-programmes to achieve the stated objectives.

49. MYPs can thus often benefit from the application of formal project/programme management methodologies such as Prince2. The project management and coordination role, depending on the specific circumstances, should be assigned to the head of that major programme, programme and/or sub-programme which has most relevant expertise for accomplishing the MYP's objectives.

50. Monitoring of the progress of implementation, whether objectives are being achieved and the level of resources spent for that purpose, requires cumulative budget implementation reporting.

D. Budgeting arrangements

51. In the context of MYP, the elements that need to be addressed relating to budgeting arrangements, are:

(a) approval of the overall MYP budget including its financing plan in order to have a foreseen amount of resources during the implementation phase;

(b) allowing unspent funds to be carried over from one year to the next instead of having the year-end balance returned to the States Parties; thereby creating reserves;

(c) allowing for the possibility of "borrowing" funds against the overall project budget upfront, if certain activities initially defined need to be carried out earlier than envisaged, and savings can be achieved in other parts of the regular Court's budget; and

(d) the cumulative budget result would be determined at the end of the MYP and, in case of a surplus, included in the cash surplus calculation in the year the project is approved for closure.

52. Borrowing funds against the overall project budget if certain activities need to be carried out earlier than envisaged (effectively an overspend of the project's annual budget) is already possible under the existing FRR taking into account the limitation that, in accordance with regulation 4.8, no transfer may be made between major programs. However, Assembly resolutions on the programme budget set the criteria under which such transfers are possible. Therefore, the Court might be allowed to utilize efficiencies achieved in the programme budget to bring forward project implementation.

53. On the other hand, subject to an Assembly resolution, funds could be carried over for MYPs taking into account existing FRR.[14] The resolution would be approved at the project inception and would allow for funds to be carried over until project completion for those projects that would be recognised as MYPs.

54. Allowing unspent funds belonging to MYPs to be carried over reduces administration and enables implementers to better focus on the optimal achievement of the project objectives.

55. Both budgeting arrangements discussed above have, to a certain extent and as an exception, been applied for the IPSAS implementation project (e.g. carry forward of funds) and the transition project (e.g. partial funding through allocation of cash surpluses). However, these require separate consideration and an Assembly resolution which could be approved at the project inception and would allow for funds to be carried over until project completion.

[14] Recently, two amendments (ICC-ASP/11/Res.1 and ICC-ASP/12/Res.2) have been made to financial regulations 4.6 and 4.7 regulating cash surplus determination and return.

Annex I

Organisation	*Funding Available*			*Long-term employee benefit liabilities as at 31 December 2012 (in 000' USD)**			
	ASHI	*Other*	*Total liabilities*	*ASHI*	*Other*	*Total liabilities*	*Disclosure in financial statement*
FAO***	326,873	7,517	334,390	732,988	154,033	887,021	Assets earmarked to fund liabilities as per Conference Resolutions 10/99 and 10/01
IAEA	0	0	0	179,757	79,531	259,288	
ICAO	0	0	0	73,878	16,975	90,853	
IFAD	66,807	0	66,807	71,537	0	71,537	
ILO	53,200	32,000	85,200	837,600	78,000	915,600	
IMO	n/a	n/a	2,900	41,499	6,679	48,178	
ITU	0	0	0	367,954	23,075	391,029	
PAHO	39,308	4	39,312	177,502		177,502	
UNAIDS**	35,913	0	35,913	38,752	13,332	52,083	The defined benefit obligations of staff health insurance as at 31 December 2012 stood at US$ 74.7 million, of which US$ 35.9 million is funded, resulting in net unfunded liability of US$ 38.8 million which is reflected in the Statement of Financial Position.
UNDP	494,870	0	494,870	961,496	86,052	1,047,548	A funding strategy of 15 years has been formulated to fund the gap between the liability and the amount funded.
UNESCO	0	0	0	777,205	47,822	825,027	
UNFPA	131,397	546	131,943	201,555	18,336	219,891	
UNHCR	0	0	0	421,587	76,241	497,828	
UNICEF	0	0	0	950,305	111,856	1,062,161	
UNIDO	0	0	0	199,197	43,324	242,521	
UNOPS	0	0	0	26,083	13,807	39,890	
UN Women	24,240	498	24,738	35,231	5,733	40,964	
UPU	0	0	0	41,466	98,466	139,932	
WFP	n/a	n/a	258,100	257,400	107,700	365,100	During the 2010 Annual Session, the Board approved a funding plan to provide for the unfunded employee benefit liabilities currently allocated to the General Fund. The funding plan includes an incremental annual funding of US$7.5 million in the standard staff cost over a 15-year period starting in 2011 with a view to achieving fully funded status at the end of the 15-year period.
WHO**	506,000	0	506,000	822,983	88,549	911,532	Note that the total liability for ASHI is US$ 1,329 million, of which US$506 million is funded and US$ 823 million is unfunded.
WIPO	0	0	0	121,313	16,883	138,195	
WMO	0	0	0	47,048	7,784	54,832	

* Based on audited 2012 financial statements.
** If certain criteria are met there is a possibility to net off assets and liabilities.
*** Based on 2011 financial statements.

Annex II

Methodology of calculation

A. Annual leave

Annual leave is classified as a short-term employee benefit. Short-term compensated absences such as annual leave are recognized as an expense as employees render services that increase their entitlement to future compensated absences. A maximum of 60 days (judges 90 days) of accrued annual leave may be carried over beyond 1 January of any year. The measurement of liabilities arising from short-term employee benefits is generally straightforward and does not require actuarial assumptions. There is no difference between the methodology applied in prior years and after IPSAS implementation.

Valuation methodology

Liability recognized at year end will amount to:

number of days of accrued leave * value of the day

where value of accrued day = net salary + post adjustment per day

Calculation is performed per employee

Annual expenditures recognized in the statement of financial performance in 2013 and charged to budget amounts to:

Liability at year end 2013 – Liability at year end 2012

B. Repatriation grant and relocation allowance

Repatriation grant is payable to staff members while relocation allowance is payable to judges upon completion of service and relocation outside the Netherlands. Both entitlements are similar in nature and classified as other long-term employee benefits.

Liabilities arising from other long-term employee benefits are recorded at the net present value of the liability for defined benefits at the balance sheet date. The projected unit credit method is used for the calculation of the present value of the liability. The valuation takes into account certain demographic assumptions (such as staff turnover rates) and financial assumptions (such as discount rate, salary increases).

1. Valuation methodology before IPSAS implementation

Before IPSAS implementation, the Court used a valuation methodology which did not require setting financial and demographic assumptions and engaging professional actuaries but was performed internally. The calculation included accruing each year, per staff member, an additional entitlement based on the overview of entitlements below.

For example:

For staff member with dependant spouse/child and six years of continuous service at year-end 2012, liability would amount to:

16*value of 1 week's base salary

At year-end 2013, the liability would amount to

18*value of 1 week's base salary

Annual expenditures recognized in the statement of financial performance in 2013 and charged to budget amount to:

Liability at year-end 2013 – Liability at year-end 2012

The following table shows entitlement for repatriation grant based on number of years of service, staff category and dependant spouse/child.

Years of continuous service away from home country	*Staff member with a spouse or dependent child at the time of separation*	*Staff member with neither a spouse nor dependent child at the time of separation*	
		Professional and higher categories	*General Service category*
	Weeks of base salary		
1	4	3	2
2	8	5	4
3	10	6	5
4	12	7	6
5	14	8	7
6	16	9	8
7	18	10	9
8	20	11	10
9	22	13	11
10	24	14	12
11	26	15	13
12 or more	28	16	14

2. Valuation methodology after IPSAS implementation

Benefit:

Depending on continuous years of service and whether the staff member has a spouse and/or dependent child at the time of separation, a certain number of weeks of base salary will be paid.

Employee data required are: overview of eligible participants, staff category, dependent spouse and children.

The repatriation grant is allocated to all expected years of service. The number of weeks of base salary related to a certain number of continuous years in service is given in the table above.

Example[1]:

- balance sheet date: 31-12-2012
- date in service: 1-1-2010
- expected date of termination: 31-12-2015 (six years of continuous service)
- annual remuneration at termination estimated at €80,000
- staff member has a spouse at the time of termination
- 16 weeks of base salary will be paid
- balance sheet liability at 31-12-2012:

3/6 * [(16/52)*€80,000] * discounting

- cost 2013:

1/6 * [(16/52)*€80,000] * discounting

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[1] Example implicitly assumes a 100 per cent probability that termination will occur at 31-12-2015. Actual valuation is dependent on turnover assumptions and therefore the liability will be the sum of annual termination probabilities and related benefit.