



Secretariat

30 July 2018

Administrative instruction

Rental subsidies and deductions

The Secretary-General, for the purpose of defining the terms and conditions of rental subsidies and deductions, as part of the post adjustment system under staff rule 3.4, hereby promulgates the following:

Section 1

General provisions

1.1 The purpose of the rental subsidy is to facilitate the settlement of new staff members and to encourage mobility within the common system by subsidizing the rental costs of eligible staff members.

1.2 The present instruction is structured as follows:

- (a) Part I: eligibility requirements for rental subsidy;
- (b) Part II: terms and conditions of the scheme applicable at International Seabed Authority headquarters in Kingston, unless otherwise specifically stated.

Part I

Eligibility requirements for rental subsidy

Section 2

Eligibility

2.1 The present instruction shall apply to staff members who are regarded as international recruits under staff rule 4.7.

2.2 Eligible staff members may receive a rental subsidy when they are authorized by the Authority to proceed on travel on appointment or assignment that involves relocation from beyond commuting distance, even when the travel is within the same country. The reasonable commuting distance is established as a 100-kilometre radius from headquarters premises.



Part II

Terms and conditions applicable at International Seabed Authority headquarters

Section 3

Rent paid by the staff member

Definition

3.1 For the purposes of the present instruction, the expression “rent paid by the staff member” shall be the recurring amount indicated in the lease agreement which the staff member, as a tenant, agrees to pay for the right to live in the rented dwellings, minus all rebates and gratuities and charges towards, but not limited to, furniture, car parking and gym and/or club membership. No rental subsidy shall be paid to staff members who live in their own homes or do not pay rent for their dwellings.

Staff member’s obligations

3.2 Staff members shall disclose to the Authority all rebates and gratuities granted to them by the property owner (including, for example, one month’s free rent or temporary reductions in rent). Those reductions will be taken into account in determining the actual monthly rent paid by apportioning such rebates over the lease term of the rental.

3.3 Pursuant to sections 5.3 to 5.6 below, staff members are required to retain, for a period of five years, in the original form or signed scanned copies thereof, all documentation related to the rental subsidy, including but not limited to lease agreements. Staff members will also be required to submit such documentation upon request from the Authority within 30 calendar days from the date of the request. The documentation may be requested at any time for monitoring and compliance purposes.

Sublets

3.4 Dwellings rented through a subleasing arrangement shall give rise to an entitlement to a rental subsidy provided the sublet is legal and appropriate documentation is provided by the staff member. This normally requires the prior written consent of the property owner or the appropriate legal entity.

Subsidies from other sources/sharing of rent

3.5 If the staff member receives a rental subsidy from a source other than the Authority, or shares the rent of the dwelling with someone other than the spouse or dependent children, and the lease is in the name of the staff member, the rental subsidy scheme shall apply only to that portion of the rent paid by the staff member. If the lease is not in the name of the staff member, no rental subsidy shall be paid.

One-time payment of an agent’s fee

3.6 In addition to the rental subsidy for rent paid by the staff member as defined under section 3.1, a subsidy may be paid to eligible staff members in respect of a one-time payment fee paid to a licensed/registered real estate agent/broker for services rendered in obtaining accommodation at the duty station. The amount of the subsidy for such a fee shall be calculated as provided in section 4.10 below, upon presentation of appropriate documentation by the staff member. A subsidy for the agent’s fee shall be paid only once during the period of a staff member’s assignment to a duty station.

Requirement of residents to live in the dwelling as a condition for payment of the subsidy

3.7 The staff member who is applying for rental subsidy must occupy the dwelling on a full-time basis in order to receive a subsidy and shall not be eligible to receive a subsidy if the dwelling is leased on a full-time or part-time basis to one or more other persons. If the staff member has declared in the rental subsidy application certain dependants as residing in the dwelling, these individuals must continue to reside in the dwelling as their primary residence for the duration of the lease, as a condition for the continued payment of the subsidy. The staff member shall immediately report if there is a change in residence by these individuals.

3.8 For rental subsidy purposes, a staff member's family shall be considered as comprising the spouse (whether dependent or not) and recognized dependants who have travelled to the duty station.

Section 4**General regime governing computation of a rental subsidy****Individual threshold**

4.1 Staff members are expected to bear the rental costs, without subsidy, up to a predetermined amount called the "individual threshold". The individual threshold amount is calculated by applying percentage rates to the staff member's net income. Those percentage rates are established by the International Civil Service Commission (ICSC), as approved by the General Assembly of the United Nations, on the basis of the average rent-to-income ratio at each duty station. For the purpose of the present instruction, the staff member's net income consists of the net base salary, including special post allowance, if any, post adjustment and spouse allowance, transitional allowance or single parent allowance, as applicable.

4.2 An entitlement to a rental subsidy may arise only when the amount of rent paid by the staff member exceeds the individual threshold amount, as defined in section 4.1 above.

4.3 When a staff member is married to another staff member and both meet the conditions for the payment of a rental subsidy, the following provisions shall apply:

(a) If both spouses are eligible for the payment of a rental subsidy at different duty stations, the subsidy shall be payable to each on the basis of their respective incomes;

(b) If both spouses are eligible for the payment of a rental subsidy at the same duty station, only one subsidy shall be paid. It shall be computed on the basis of the higher of the two incomes;

(c) If only one of the spouses is eligible for the payment of a rental subsidy, only the income of the eligible staff member shall be used for computation purposes.

Reasonable maximum rent level

4.4 The reasonable maximum rent level shall be determined in accordance with section 4.6 below. No subsidy shall be paid for the portion of the rent paid by the staff member that is in excess of the reasonable maximum rent level.

4.5 An upward adjustment of 10 per cent shall be made in the applicable reasonable maximum rent level for staff at the D-1 and D-2 levels.

Reimbursement rate

4.6 The reimbursement rates are defined in an information circular promulgated by the Secretary-General (ISBA/ST/IC/2018/3). The rental subsidy shall be computed by applying the reimbursement rates to the portion of the rent paid by the staff member or the applicable reasonable maximum rent level, whichever is lower, that exceeds the individual threshold amount calculated in accordance with sections 4.1 to 4.3.

Maximum and minimum amounts of the rental subsidy

4.7 The amount of the rental subsidy shall not exceed 40 per cent of the rent paid by the staff member, or of the applicable reasonable maximum rent level, whichever is lower. However, if the 40 per cent ceiling is waived or raised by ICSC for specific duty stations when market-rate rents are considerably higher than the rental component of the post adjustment index, the Authority shall apply the same.

4.8 No rental subsidy shall be paid if the computation made in accordance with the provisions of the present instruction results in a monthly amount equal to or lower than \$10, or the equivalent amount in local currency.

Computation of the subsidy for an agent's fee

4.9 The subsidy for an agent's fee shall be computed as follows:

(a) When the amount of rent paid by the staff member does not exceed the amount of reasonable maximum rent level, the subsidy for an agent's fee shall be calculated by applying the reimbursement rate specified in section 4.6 to that part of the fee that exceeds the monthly individual threshold amount defined in sections 4.1 to 4.3;

(b) When the amount of rent paid by the staff member exceeds the amount of reasonable maximum rent level, the agent's fee shall be reduced in the proportion that the reasonable maximum rent level bears to the amount of rent paid by the staff member. The subsidy shall be calculated by applying the reimbursement rate specified in section 4.6 to that part of the reduced fee that exceeds the monthly individual threshold amount defined by sections 4.1 to 4.3.

Section 5**Application for a rental subsidy and self-certification**

5.1 Eligible staff members shall apply for a rental subsidy through the submission of an application in accordance with the present instruction and the information circular on rental subsidies and deductions (ISBA/ST/IC/2018/3).

5.2 Computation of the amount of the subsidy shall be made for the period of the validity of the lease agreement and as long as there is no change in any of the factors mentioned below. The staff member shall submit an application each time the lease is renewed. The staff member shall also submit an application as soon as any of the following changes have occurred:

(a) Change in dwelling, which includes vacating the dwelling for which the rental subsidy has been claimed;

(b) Change in the rent, as well as in rebates and gratuities, for the same dwelling;

(c) Changes in the staff member's family as defined in section 3.8.

Self-certification of rental subsidy requested by the staff member

5.3 Applications for rental subsidy require a self-certification by the staff member. Self-certification is an important step in the application process whereby the staff member assumes the responsibility for the completeness and accuracy of the data and acknowledges being aware of the requirements and of the obligations in relation to the application and the receipt of a subsidy. The self-certification mechanism recognizes that the primary responsibility for certification rests with the staff member and not the Authority. Specifically, through the self-certification mechanism, the staff member attests to:

- (a) The correctness of the information provided in the application form;
- (b) Understanding the documentation requirements, as provided under section 3.3 above;
- (c) Understanding the obligation to retain the documentation for the period specified under section 3.3 and to submit it upon request for monitoring and compliance purposes;
- (d) Understanding the obligation to inform the Authority, through a rental subsidy application, of any of the changes specified in section 5.2 above;
- (e) Understanding the obligation to inform the Authority of any housing assistance received as described in section 8 of the present instruction;
- (f) Understanding that the Authority may conduct a compliance review of the staff member's claim for rental subsidy;
- (g) Understanding the consequences of submitting incomplete, unsubstantiated or false information as discussed in sections 5.5 and 5.6 below.

Monitoring and compliance

5.4 The offices responsible for administering staff members' entitlements will conduct periodic monitoring and compliance exercises of the claims of staff members for rental subsidy. This is done for the purpose of verifying the accuracy of the data and information provided by the staff member on the application for rental subsidy or deduction and ascertaining the proper use of the benefit according to the terms and conditions of the present instruction.

5.5 For the purposes of this monitoring and compliance exercise, staff members may be requested to submit the required original documentation or signed scanned copies thereof supporting the claim for rental subsidy or deduction. Staff members are obligated to provide the requested documentation within 30 days following the date of the request. As part of the monitoring process, the Authority may review the requested documentation, contact the property owner and any other individuals and verify the information in the application in any other relevant way.

5.6 Pursuant to section 5.5, failure to present the required documentation upon request, failure to report changes (such as the provision of housing assistance, change in accommodation, including vacating the dwelling for which a rental subsidy has been claimed, change in the rent, changes in family size or receipt of subsidy for residential security measures) or any act of falsification of data, fabrication or counterfeiting of supporting documentation presented in connection with the rental subsidy application may result in one or more of the following:

- (a) Immediate termination of the rental subsidy;
- (b) Recovery of prior subsidy payments;

(c) Any other administrative and/or disciplinary measures in accordance with chapter X of the staff rules, including dismissal for misconduct.

Section 6

Effective date of changes in factors used in computing a rental subsidy

6.1 When there is a change in any one of the factors used in computing a rental subsidy that are accounted for automatically, that is, changes in the staff member's income, the threshold percentage, the reasonable maximum rent level or the reimbursement rate, the resulting change in the amount of the rental subsidy shall be effective as from the date of the change in the relevant factor.

6.2 When there is a change in factors other than those specified in section 6.1, the effective date of the resulting change in the amount of the subsidy shall be:

(a) The effective date of the new lease, when there has been a change of dwelling;

(b) The effective date of the change in rent, when there has been a change in rent for the same dwelling;

(c) The date from which a new child is recognized as the staff member's dependant, when there has been an increase in the number of dependent children;

(d) The date from which there has been a decrease in the number of dependent children;

(e) The date of a staff member's marriage;

(f) The date from which a staff member's marriage has ended, the staff member has legally separated or the spouse has ceased to reside with the staff member for the major part of the year;

(g) The date from which a secondary dependant resides full-time in the same dwelling as the staff member claiming a rental subsidy.

Section 7

Payment of a subsidy

7.1 A subsidy shall be payable from the first day of the lease agreement or from the first day following the end of the period of payment of the daily subsistence allowance element of the settling-in grant, whichever is later. For staff members recruited locally at the duty station in accordance with staff rule 4.7, a rental subsidy shall be paid from the first day of the corresponding appointment, provided all applicable conditions are met.

7.2 Payment shall be made on a monthly basis over the duration of the lease, or until the staff member's entitlement ceases, whichever comes first. When the subsidy is payable for part of a month, it shall be prorated in the proportion that the partial month bears to the full calendar month.

7.3 The subsidy shall normally be paid in United States dollars. Should the staff member request payment of salary and allowances in another currency, the payment of the subsidy shall be made at the United Nations operational rate of exchange prevailing on the date the payment is made. No adjustment shall be made to account for changes in exchange rates once the payment has been made.

Section 8

Rental deductions

8.1 Staff members who receive housing assistance, whether from the Authority or another entity, including a Government, either housing free of charge or housing at rents substantially lower than the average rent used in calculating the post adjustment index for the duty station, shall normally be subject to rental deductions from their salaries through payroll.

8.2 The reimbursement rate for the computation of a rental subsidy shall be 80 per cent of that portion of the rent paid by the staff member that exceeds the individual threshold amount, provided the rent paid by the staff member does not exceed the reasonable maximum rent level determined in accordance with sections 4.4 and 4.6. The amount of the rental deduction may be reduced in accordance with section 8.3.

8.3 If the housing provided by the Authority or another entity, including a Government, is clearly below standard in terms of the certification criteria set out in the annex to the present instruction, the amount of the rental deduction may be reduced to one half of the normal rental deduction. Upon the recommendation of the Secretary-General (or designate), and in very exceptional circumstances, the Chair of ICSC may authorize a waiver of the calculated amount of reduction.

8.4 For rental deduction purposes, staff members shall be required to report and certify at the time of recruitment whether they receive housing assistance or free accommodation provided by the Authority or another entity, including a Government.

8.5 In accordance with staff rule 4.4, staff members have the obligation to inform the Authority of any change in their situation as reported at the time of recruitment if this would have an effect on their status or entitlements. Failure to report such a change in a timely manner will result in recovery of overpaid amounts and any other appropriate action, as provided for in section 5.6 above.

Section 9

Relationship with other elements of the system of salaries, allowances and other benefits

9.1 Rental subsidies and deductions have no effect on other elements of the ICSC system of salaries, allowances and grants. The rental subsidy is non-pensionable and is not taken into account in determining separation payments. A staff member's income for the purpose of determining insurance premiums and subsidies shall not be considered as affected by rental subsidies or rental deductions.

Section 10

Special eligibility requirements

10.1 A rental subsidy may be paid to eligible staff members at ISA headquarters provided they are in one of the following categories:

(a) Newcomers, that is, newly appointed staff members and staff members transferred or reassigned from another duty station;

(b) Staff members affected by force majeure, that is, staff members who are forced to change dwelling owing to circumstances beyond their control. The situations under which staff members may qualify for a rental subsidy under force majeure shall be limited to the following:

(i) Demolition of the dwelling, extensive damage or lack of access to the dwelling owing to elements beyond the control of the staff member;

(ii) Forced eviction/repossession by the property owner through legal proceedings;

(iii) Conversion of the dwelling from rental to cooperative or condominium;

(c) Only one change in dwelling is allowed under force majeure for a staff member in the course of a continuous assignment at the same official duty station. The subsidy shall be discontinued in case of any subsequent change of dwelling.

10.2 A rental subsidy shall not be paid pursuant to section 10.1(b)(ii) above when the forced eviction is the result of a breach of the staff member's obligations under the terms of the lease.

10.3 Staff members are required to submit appropriate documentation attesting to the circumstances listed in section 10.1(b) above in order to determine eligibility for a rental subsidy under force majeure.

10.4 Staff members on special leave with pay will continue to receive a rental subsidy, subject to eligibility, for the maximum period of seven years.

10.5 Staff members on special leave without pay will not receive a rental subsidy for the period they are on special leave without pay. Eligibility for the rental subsidy may resume upon submission of a new application upon return from special leave without pay. Periods of special leave without pay will suspend the computation towards the maximum period of seven continuous years.

Section 11

Computation of a rental subsidy at International Seabed Authority headquarters

Determination of a reasonable maximum rent level

11.1 The reasonable maximum rent level referred to in section 4.4 above shall be set by the Secretary-General at International Seabed Authority headquarters, based a survey of rent levels in the local market or the current practice of the United Nations common system entities present in Jamaica. Levels of reasonable maximum rent for Jamaica are set out in annex III to the information circular on rental subsidies and deductions (ISBA/ST/IC/2018/3).

Reimbursement rate

11.2 In accordance with section 4.4 above, the reimbursement rate of 80 per cent shall be applied to that portion of the rent paid by the staff member that exceeds the individual threshold amount as defined in section 4.1, up to the reasonable maximum rent level determined by application of sections 4.6 and 11.1.

11.3 When electricity charges are included in the rent, the following amounts, or equivalent in local currency, shall be deducted from the total monthly rent payable to determine the amount of rent to be used for determining the rental subsidy: studio or one-bedroom dwelling, \$30; two-bedroom dwelling, \$40; three-bedroom dwelling, \$50; four-bedroom dwelling, \$60; and dwelling with five or more bedrooms, \$70.

Maximum amount of the rental subsidy

11.4 In accordance with section 4.7, the rental subsidy paid to a staff member shall not exceed 40 per cent of the rent paid by the staff member, or 40 per cent of the applicable reasonable maximum rent level determined in accordance with sections 4.4, 4.5 and 11.1, whichever is lower.

Section 12
Final provisions

12.1 The present administrative instruction is effective upon promulgation.

12.2 The Secretary-General shall review, 12 months after the issuance of the present administrative instruction, the manner in which its provisions have been put into practice, the Secretary-General may revise them in the light of that review.

12.3 The implementation of the provisions of the present administrative instruction is without prejudice to the acquired rights of staff members resulting from the implementation of staff rule 3.4 (d) before the issuance of the present instruction.

Annex

Certification criteria for purposes of determining the reasonable maximum rent level at the duty station of the International Seabed Authority headquarters

For the purpose of certification, dwellings are grouped in three categories, as follows:

A. Reasonable

If a dwelling occupied by a staff member is similar in quality and size by reference to those occupied by other staff members at the same duty station having similar family circumstances, and if the rental follows a general pattern of rents for dwellings of similar quality and size, then the dwelling in question should be certified as “reasonable”. It must be noted, however, that if a staff member has no alternative but to occupy a dwelling that is larger or better in quality in relation to those occupied by other staff members with similar family circumstances, or if the rent is very high in comparison to other dwellings of similar size because of the unavailability of other suitable accommodations, then the dwelling must still be certified as “reasonable”.

B. Above average

If a staff member occupies a dwelling that is substantially larger or better in quality in relation to those occupied by other staff members with similar family circumstances, resulting in higher rental payments, then the dwelling should be certified as “above average”. In this case, the highest rent paid by a staff member from among those with similar family circumstances and living in dwellings certified as “reasonable” must be used for the calculation of rental subsidies.

C. Substandard

Dwellings provided either free of charge or at a nominal cost which are of poor quality fall within this category. Dwellings of this type lack the minimum acceptable standard of construction and/or one or more of the basic amenities. It should be noted that the category “substandard” may apply also to dwellings in capital or other major cities.
