



Draft Policy Regarding the Interpretation and Application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b).

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Purpose

The purpose of this paper is to provide the background to, and the recommendation of, the Finance and Administration Committee (FAC) in relation to the interpretation and application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b).

Decisions

Council may wish to:

- agree the number of years to apply in the bullets in paragraph 2 of the Draft Policy; and, therefore
- adopt the 'Policy Regarding the Interpretation and Application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b).

Background

In 2017, the FAC considered and advised the Council on several issues related to providing lump sum payments required under Staff Fund Rule 3.2 and Staff Rule 8.2(b) to two retiring staff members, [CNL\(17\)5](#). Discussion of the issue continued in 2019 but was postponed in 2020 and 2021 due to Covid-19. In 2021, it was agreed that all FAC members would be invited to a virtual inter-sessional meeting in 2022 to discuss and progress the issue.

In January 2022, a virtual inter-sessional meeting of the FAC was held, [FAC\(22\)03](#). The issue was discussed further during the FAC Annual Meeting in June 2022 when an 'Interim Policy on the Interpretation and Application of NASCO Staff Fund Rule 3.2 and Staff Rule 8.2(b) Concerning the Lump Sum Entitlement', was proposed to Council and accepted, [CNL\(22\)44](#). This interim policy applies through 9 June 2023, unless otherwise decided by the Council.

In March 2023, the FAC met inter-sessionally, [FAC\(23\)03](#), to consider a long-term policy on this issue. It agreed to recommend that the Council considers the Draft Policy in Annex 1 regarding the interpretation and application of NASCO's Staff Fund Rule 3.2 and Staff Rule 8.2(b).

Secretariat
Edinburgh
3 April 2023

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Staff Fund Rule 3.2 and Staff Rule 8.2(b).**

The Council decides the following policy regarding the interpretation and application of Staff Fund Rule 3.2 and Staff Rule 8.2(b) concerning the lump sum entitlement:

1. Any member of the Secretariat staff who voluntarily leaves full-time employment with NASCO after completing their probationary employment period is considered to be 'retiring from full-time employment with NASCO' as that phrase is used in Staff Fund Rule 3.2 and Staff Rule 8.2(b) and is entitled to receive a lump sum payment pursuant to those rules; and
2. With regard to implementing Staff Fund Rule 3.2 and Staff Rule 8.2(b), prior to a Secretariat Member retiring from full-time employment with NASCO, a lump sum payment will be made by the Secretary into that Secretariat member's Staff Fund as follows:
 - a fraction of one-twelfth after tax of the final year's gross salary and allowances for each year of service with the Organization, fractions of a year to count pro-rata, for full time staff employed for up to [three] [four] years¹;
 - a fraction of one-tenth after tax of the final year's gross salary and allowances for each year of service with the Organization, fractions of a year to count pro-rata, for full time staff employed over [three] [four] years and up to [seven] [eight] years;
 - a fraction of one-eighth after tax of the final year's gross salary and allowances for each year of service with the Organization, fractions of a year to count pro-rata, for full time staff employed over [seven] [eight] years.

¹ As calculated based on the staff member's anniversary date.