

FORTY-THIRD REPORT

OF

THE SALARIES REVIEW COMMISSION

OF

THE REPUBLIC OF TRINIDAD AND TOBAGO

March 12, 1997.

FORTY-THIRD REPORT OF THE SALARIES REVIEW COMMISSION

Review of Allowances Payable to Resident Senior Diplomatic Representatives

The President of the Republic of Trinidad and Tobago, by letter dated 19 December 1990, had conveyed his approval for the conduct of a general review of the terms and conditions of employment attaching to all offices under the purview of the Salaries Review Commission. Our recommendations and comments regarding the restructuring of pay arrangements and revised remuneration packages for office-holders are contained in our Twenty-Third Report. We had given the undertaking in that Report that the allowances payable to resident Senior Diplomatic Representatives, namely High Commissioners and Ambassadors, would be reviewed as a separate exercise. Accordingly, during the course of 1995 and 1996 we undertook the review of the allowances payable to these office-holders.

2. Trinidad and Tobago has eleven Missions spread throughout North America, Europe, India, Africa, Latin America and the Caribbean. The role of the High Commissioners/Ambassadors who head these Missions has assumed greater importance during this period of globalisation, trade liberalisation and rapid socio-economic and technological developments. The High Commissioners/Ambassadors articulate the country's foreign policy and lobby in international and regional fora to obtain bi-lateral and multi-lateral agreements which would redound to the country's benefit economically, socially and culturally.

3. In view of the fact that we were dealing with office-holders who are in the international spotlight our objective in this review was to ensure not only that the remuneration package provided would facilitate the effective and efficient performance of their critical representational duties but also ensure that they maintain an image befitting members of the diplomatic corps. The Ministry of Foreign Affairs, at the time of the general review in 1991, had furnished proposals for the review of allowances payable to High Commissioners/Ambassadors. We requested the Ministry to re-examine those proposals and to make any revisions which may have become necessary due to the passage of time.

4. In March 1996, we met with a team led by the Permanent Secretary of the Ministry of Foreign Affairs, in order that we should be fully apprised of the perceived needs of resident diplomats, the problems experienced generally and at certain Missions in particular, as well as their views as to the quanta of allowances which should be applicable.

5. We also considered that our deliberations would be enhanced by the acquisition of comparative data from a broad spectrum of jurisdictions - from those countries with a highly complex diplomatic structure such as the United States of America and the United Kingdom, to systems which approximated ours, for example, Jamaica and Barbados. In this regard, we were not as successful as we hoped, for while information was received on the actual packages of allowances applicable in those countries, we were unable to obtain, despite our best efforts, salient information regarding the principles or rationale underlying the decisions to grant certain types of allowances, the factors inputted and the methodologies utilised in the computation of the respective allowances.

THE ALLOWANCES PAYABLE TO SENIOR DIPLOMATS

6. The allowances payable to High Commissioners/Ambassadors are based on those granted to Foreign Service Officers under the Civil Service (External Affairs) Regulations, Chapter 23:01. The Regulations provide for the grant of several allowances, but those which are of relevance to the High Commissioners/Ambassadors are as follows:-

- i) Foreign Service Allowance;
- ii) Child Allowance;
- iii) Education Allowance;
- iv) Outfit Allowance;
- v) Warm Clothing Allowance;
- vi) Language Allowance;
- vii) Separation Allowance; and
- viii) Subsistence Allowance.

7. In this review we have examined all the allowances listed above with the exception of the Language, Subsistence and Separation Allowances. The Ministry of Foreign Affairs has not sought to have them reviewed as these allowances are handled administratively.

THE FOREIGN SERVICE ALLOWANCE

8. The purpose of the Foreign Service Allowance is to ensure that Foreign Service Representatives enjoy a standard of living which is commensurate with their position as diplomatic representatives of Trinidad and Tobago. The Civil Service (External Affairs) Regulations state that the undermentioned factors are to be taken into account in

determining the allowance:-

- i) the difference between the living costs in Trinidad and Tobago and those in the host country;
- ii) the need to ensure a standard of living commensurate with the officer's status as a diplomatic representative of Trinidad and Tobago;
- iii) the performance of certain diplomatic duties by spouses; and
- iv) the need to incur non-accountable entertainment expenses.

9. The traditional method utilised in establishing the Foreign Service Allowance involves the concept of the "notional salary" which would be required to ensure the requisite standard of living of a Foreign Service Officer III (the pivotal point in the promotional stream) posted in Washington D.C., United States of America. The actual steps in the procedure are as follows:-

- (i) The notional salary applicable to the Foreign Service Officer III is computed by:-
 - (a) using as the point of reference the salary of a home-based official of the United States Department of State, who is at the third incremental point of the GS-14 level of the Federal Government General Service Salary Schedule;
 - (b) adjusting the salary at (a) above by firstly deducting those payments which that official in the US Federal Civil Service would be required to make, viz, expenditure on Housing, US personal income tax and Social Security contributions; and
 - (c) adding to the resultant sum at (b) above expenditure which is pertinent to the Trinidad and Tobago officer at the level of a Foreign Service Officer III, viz, housing contribution in Trinidad and Tobago, personal Income Tax and contributions to the National Insurance Scheme.
- (ii) The median basic salary of the Foreign Service Officer III is subtracted from the notional salary derived as at (i) above. The resulting figure is then deemed to be the base allowance, i.e., the Foreign Service Allowance applicable to the Foreign Service Officer III in Washington D.C.

- (iii) The Foreign Service Allowance payable to grades above and below that of Foreign Service Officer III is calculated on the basis of the following differentials, using the Foreign Service Officer III as the base i.e. = 100.

| | |
|-----------------------------|-------|
| Foreign Service Officer V | - 130 |
| Foreign Service Officer IV | - 110 |
| Foreign Service Officer III | - 100 |
| Foreign Service Officer II | - 70 |
| Foreign Service Officer I | - 57 |

A married officer is eligible for a rate which is 20% higher than that payable to a single officer of the corresponding grade.

- * The allowance of the High Commissioner/ Ambassador is 20% above that of the married Foreign Service Officer V. (This equates to a differential of approximately 187% between the Foreign Service Officer III and the High Commissioner/Ambassador).

- (iv) The Foreign Service Allowance payable at Mission locations other than Washington D.C. is determined by utilising the indices set out in the Retail Price Indexes Relating to Living Expenditures of United Nations Officials (base: New York = 100).

10. An example of the computation of the notional salary and the pivotal Foreign Service Allowance, based on this methodology, is at Appendix I. (These are up-to-date computations using the latest (1995) salary of the United States Federal Official at GS-14 level).

11. The Foreign Service Allowance payable to High Commissioners/Ambassadors was last reviewed in 1988 and at that time we recommended the continuation of the existing arrangement as set out at paragraph 9 above. (This recommendation is contained in the Thirteenth Report of the Commission dated June 1988).

12. For the present review we took note of the concerns expressed by Government as Employer and the High Commissioners/Ambassadors regarding what each considered to be the unsatisfactory nature of the arrangement utilised for the periodic revision of the Foreign Service Allowance.

13. The Employer's concern was that the methodology contained certain built-in inflationary factors over which the Government had no control. One such factor is the base salary used to compute the notional salary i.e. the salary of a federal officer at GS-14 level. Significant upward adjustments can result according to the frequency of pay increases in

the U.S. Federal Service. Another is that the differentials for Mission locations are affected by movements in an entirely foreign index - the United Nations Retail Price Indexes Relating to Living Expenditures of United Nations Officials.

14. These factors have led to the steady escalation of the Foreign Service Allowance to the point where the salary of the High Commissioners/Ambassadors has been outstripped by the Foreign Service Allowance by 40% to 60% in general and in one instance by as much as 167%.

15. On the other hand, the High Commissioners/Ambassadors have made representations to the effect that they are disadvantaged as the levels of the allowance paid do not permit them to maintain the standard of living commensurate with their representational and diplomatic role. They contend further that although the allowance is usually paid in the currency of the country of posting, the high cost of living abroad erodes its purchasing power.

16. We were mindful that the existing methodology needed to be critically examined with a view to finding a solution to the underlying problems. We therefore considered several alternative methodologies including one proposed by the Ministry of Foreign Affairs.

17. As a basis for revising the allowance, the Ministry had proposed that the rate of Overseas Allowance (the equivalent to the Foreign Service Allowance) payable to a diplomat at the level of Ambassador II in the Jamaican Foreign Service should be paid to High Commissioners and Ambassadors in the Trinidad and Tobago Foreign Service. We were, however, not convinced of the appropriateness of this approach as a basis for the review of the Foreign Service Allowance in the absence of information on the specific methodology used in computing the Jamaican Allowance. Data available also showed a pattern of very low levels of basic salaries paid by Jamaica but high rates of Overseas Allowance.

18. We contemplated utilising a modified version of the existing methodology which required the identification of a benchmark position in the US Foreign Service comparable to that of a High Commissioner/Ambassador of Trinidad and Tobago. In this exercise the FA-14, the lowest level Chief of Mission in the US Foreign Service, was utilised as the benchmark position. The post adjustments were computed, for the sake of comparability, by using both the US Department of State Index and the UN Index. Calculations based on this approach in both instances yielded lower rates of Foreign Service Allowance than now exist in some very critical missions, for example, London and Geneva. This result was due to the fact that the notional salary derived is already that of the High Commissioner/Ambassador and requires no further compounding by established differentials as is the case when the notional salary of the Foreign Service Officer III is used. In the circumstances, we did not pursue the question of the use of a modified methodology.

19. Consideration was also given to the idea of adopting an entirely new methodology which would eliminate any inflationary factors and place control of the allowance squarely in Government's hands. This would have involved examination of methodologies used by other countries to establish comparable allowances. However, given the difficulties we had experienced in obtaining relevant information previously mentioned at paragraph 5, we find that perforce we are constrained to recommend that the existing methodology be retained at this time. In fact, the necessity to review this allowance had become quite pressing since the High Commissioners/Ambassadors have been experiencing immense financial difficulties.

20. The revised rates of Foreign Service Allowance based on the notional salary of the Foreign Service Officer III using the third incremental point in the 1995 salary of a United States Federal Officer, GS-14 - level and the Retail Price Indexes relating to Living Expenditures of United Nations Officials, are set out in Appendix II.

OUTFIT ALLOWANCE

21. The rationale for the provision of this allowance is that an office-holder on his first tour of duty away from Headquarters should be provided with some assistance in equipping himself and his family with appropriate clothing. The existing rates of the allowance which have been in effect since 1979 are as follows:-

| | |
|------------------------------|--------------|
| Ambassador/High Commissioner | - \$1,500 TT |
| Spouse | - \$1,500 TT |
| Child (Warm Country) | - \$ 310 TT |
| Child (Cold Country) | - \$ 300 TT |

An outfit renewal allowance equivalent to one-third (1/3) of the initial allowance is paid every three years.

22. We considered that suitable formal morning and evening wear may be obtained locally and not necessarily on arrival at post. As such, our recommendations regarding the levels of allowance which should be applicable are based on the results of a survey of local prices. The survey indicated that on average the sum of \$7,000 TT would be required to satisfactorily outfit a High Commissioner or Ambassador.

23. While the records clearly indicate that the allowance was not intended to meet the full cost of outfitting the Head of Mission and his family they are silent as to the proportion of the cost that was met when the allowance was established. We have therefore worked on the basis that it would be reasonable for the allowance to approximate 60% of the cost. Accordingly, we recommend that the initial allowance for a High Commissioner/Ambassador and spouse should be \$4,500 TT each.

24. At present, the child of a High Commissioner/Ambassador posted to a cold country receives one-fifth of the parent's allowance, \$300 TT, while \$310 TT is granted to the child whose parent is posted in a warm country. Undoubtedly, the differentiation in the allowance was in response to the fact that the child in the cold country was also eligible for a Warm Clothing Allowance. We consider, however, that the percentage differential between the two rates is negligible and therefore recommend that the differentiation in the allowance on the basis of climate should be discontinued.

25. A flat allowance is paid for a child irrespective of age and no consideration was given to the fact that children over 12 usually use adult sizes in clothing and thus incur costs which may be comparable to that of an adult. We are of the view that account should be taken of the additional costs which would be incurred for the older child and recommend that the allowance should be differentiated on the basis of age, with the child over 12 being accorded a higher proportion of the allowance than the child under 12. We suggest that the older child be granted one half (1/2) of the parent's allowance and the child under 12, one-fifth (1/5) of the allowance. On this basis the recommended rates are as follows:-

| | |
|----------------|--------------|
| Child over 12 | - \$2,250 TT |
| Child under 12 | - \$ 900 TT. |

26. With regard to the renewal of the allowance we are of the view that since the useful life of garments does not exceed three years, the allowance should be renewable in full every three years rather than in part as now exists. However, given the growth rate of children and the consequential rapid turnover of their clothing we recommend that the allowance for the child under 12 should be renewed annually.

27. The Civil Service (External Affairs) Regulations do not set an age limit by which the children of diplomats cease to qualify for the Outfit Allowance. However, since the Warm Clothing Allowance is available up to age 20, we recommend that a similar ceiling should be established in respect of this allowance.

WARM CLOTHING ALLOWANCE

28. The Warm Clothing Allowance is paid to an office-holder who is posted to a Mission in a temperate climate in respect of himself, and his family. The allowance is intended to subsidize the cost of basic warm clothing i.e. coats, woollen suits, gloves, boots, scarves and hats. An initial allowance is paid on first posting and every two years thereafter a sum equivalent to fifty percent of the initial rate is paid in respect of the office-holder, spouse and children over the age of sixteen. However, it is renewable annually in the case of children up to sixteen years of age.

29. The initial rates which were established since 1978 are as follows:-

| | |
|------------------------------|--------------|
| High Commissioner/Ambassador | - \$1,050 TT |
| Spouse | - \$1,050 TT |
| Child | - \$ 210 TT |

30. The above allowance, which is paid in TT currency, has remained unchanged for some 19 years and as such, successive devaluations of the TT dollar have significantly eroded the purchasing power of this allowance. For example, in 1978 the allowance equated to a value of \$525 US and by 1997 it has fallen to approximately \$168 US.

31. Given the fall in the TT dollar value we considered it instructive to observe how warm clothing allowances paid by Government to other groups of persons have been treated over time. We noted that the tendency was to maintain the US dollar value of the allowance.

32. In 1993, warm clothing allowances payable to recipients of national scholarships and public officers on full pay study leave were revised. The revised allowances differ from country to country and range from a high of \$3,273 TT (approximately \$524 US) to a low of \$2,307 TT (approximately \$369 US).

33. The cost of living abroad generally is quite high and as such we felt that it would not be sufficient to merely maintain the original value of the allowance. Our methodology in this review involved the determination of the items comprising a complete set of basic functional warm clothing and their cost based on prices received from the Missions. Computations done on the basis of this information indicate that the average cost of such set of warm clothing is in the vicinity of US \$1,100.

34. Since the objective in granting this allowance to diplomats is to provide assistance in meeting the extra costs associated with purchasing warm clothing, we recommend that, as in the case of the Outfit Allowance, approximately 60% of the estimated cost should be met in respect of the High Commissioner/Ambassador and spouse. With regard to the rate of the allowance for children we propose for consistency, payment on the same age differential recommended for the Outfit Allowance. Accordingly, one half of the adult allowance should be payable in respect of the child over 12 and one-fifth for the child under 12. The recommended rates are set out hereunder:-

| | |
|------------------------------|------------|
| High Commissioner/Ambassador | - \$650 US |
| Spouse | - \$650 US |
| Child (over 12) | - \$325 US |
| Child (under 12) | - \$130 US |

35. In the case of the renewal of the Warm Clothing Allowance we recommend that 50% of the amount paid to the High Commissioner/ Ambassador, Spouse and child over 12 should be paid annually, while the sum granted to the child under 12 should be renewed in full annually. Payment in respect of children on the basis of age above and below 16 years should no longer apply.

36. A further issue which we examined in this review was the currency in which the allowance ought to be paid. At present it is paid in TT currency. However, given the floating of the dollar as well as the fact that the Missions which attract the allowance are in countries where generally the cost of living is quite high, the actual purchasing power of the allowance is relatively low. It is considered that a buffer against the downward movement of the dollar should be created by paying the allowance in either US currency or Sterling according to the location of the Mission as follows:-

| | Ambassador | Spouse | Child (over 12) | Child (under 12) |
|--|------------|--------|--------------------|---------------------|
| i) Missions in North and Latin America - US currency | \$650 | \$650 | \$325 | \$130 |
| ii) Missions in the United Kingdom, Europe and India - Pounds Sterling | £400 | £400 | £200 | £ 80 |

CHILD ALLOWANCE

37. The Child Allowance which has been at the rate of \$40.00 TT per month since 1981, is intended to assist in the maintenance of a child in the following circumstances:-

- i) Where an officer is posted abroad and the child either
 - (a) resides with the officer;
 - (b) resides in Trinidad and Tobago; or

- (c) resides away from the officer within or outside the host country;
and
- ii) Where an officer is posted at Headquarters but the child resides abroad for educational purposes.

38. Discussions with officials of the Ministry of Foreign Affairs revealed that the allowance is not utilised for maintenance of the child per se, but is used to meet the cost of those extra-curricular activities at school which are not covered by the Education Allowance and such other costs as transport to and from school.

39. Given the purposes for which the allowance is actually used and the fact that there are other allowances which are provided to assist in the maintenance of the child, for example, the Foreign Service Allowance, the Outfit Allowance and the Warm Clothing Allowance, it is recommended that there should be an adjustment in the allowance from \$40.00 TT per month to \$75.00 TT per month.

EDUCATION ALLOWANCE

40. An Education Allowance is paid in respect of each child (up to a maximum of three) educated at primary or secondary level as follows:-

- (a) where the child attends school in Trinidad and Tobago;
- (b) where the child resides with the officer and attends school in the host country and in that country free education of the standard provided in Trinidad and Tobago is not available, the actual cost of tuition and other compulsory fees where these costs do not exceed the limits approved by the Minister;
- (c) where an officer is posted from one Mission to another and in the opinion of the Permanent Secretary it is not expedient for the child either to accompany him to his new posting or to be sent to Trinidad and Tobago and that child attends school in a country other than the host country, the actual cost of tuition and other compulsory fees where such costs do not exceed the limits approved by the Minister.

41. At present an allowance in the sum of \$90.00 TT per month is paid where a child attends school in Trinidad and Tobago.

42. The existing Education Allowance payable to High Commissioners/Ambassadors is in respect of their children's primary and secondary education only. We observed that recently Cabinet agreed that Government would meet the cost of early childhood education

for children, not younger than three years of age, of Foreign Service staff serving at overseas Missions. Further, it was agreed that the cost of such education is not to exceed the limit approved by the Minister which is to be determined on the basis of information on the compulsory fees submitted by the applicant.

43. In our view it would be equitable to accord High Commissioners/Ambassadors a similar benefit. Accordingly, we recommend that the tuition fees of preschool children of High Commissioners/ Ambassadors should be met by Government on the same basis applicable to Foreign Service Officers.

44. With respect to the allowance payable where a child is educated in Trinidad and Tobago it is considered that only a modest increase is warranted as a good standard of education is available here, free of tuition costs. A token increase from \$90.00 TT per month to \$100.00 TT per month is recommended.

NEW ALLOWANCES

45. The Ministry of Foreign Affairs has made representations to us regarding the addition of two new allowances, an Entertainment Allowance and a Settlement/Displacement Allowance, to the remuneration package of High Commissioners/Ambassadors. We have considered the arguments presented and our recommendations are set out hereunder:-

i) ENTERTAINMENT ALLOWANCE

An arrangement exists at present whereby High Commissioners/Ambassadors have access to a block Entertainment Vote to meet expenses incurred for entertaining in the course of official duty or for hosting official receptions at Missions. The Ministry has suggested that in addition to the block Vote High Commissioners/Ambassadors should be provided with a separate Entertainment Allowance as is the case with Foreign Service Officers V.

We took note of the arguments presented by the Ministry to the effect that in diplomatic services all over the world it is now the norm that many transactions and agreements are reached in a social setting of lunch, dinner and the like and consequently our diplomats would be expected to entertain and to reciprocate hospitality quite frequently.

Information available on other Foreign Services reveals that it is the norm for diplomats to be provided with an allowance for individual entertainment purposes. For example, United States diplomats are paid a Representational Allowance, while the United Kingdom diplomats receive an accountable allowance based on the cost of annual entertainment carried out

by a Head of Mission.

By way of local comparison, we observed that an Entertainment Allowance forms part of the compensation package of many top executives in the private sector. Rates paid to these executives range from \$300 per month to \$1,000 per month.

We consider the arguments of the Ministry to be quite compelling as entertainment of the nature described does feature heavily in the day-to-day functioning of top diplomats. It is also appreciated that such entertaining can be quite costly having regard to the high cost of living in such cities as New York, London and Geneva. In the circumstances we recommend that an Entertainment Allowance should be introduced at the rate of \$150 US per month. We feel that a single currency should be used to guard against the effects of fluctuations of currency values in the respective countries of posting, and as such, payment in US currency is recommended for all Missions.

ii) **SETTLEMENT/DISPLACEMENT ALLOWANCE**

The grant of a Settlement/Displacement Allowance is a generally accepted practice for overseas postings and transfers to cover a range of incidental expenditure and additional costs associated with transfers. Our research indicates that such an allowance is paid to representational staff by the United States, the United Kingdom, Jamaica, Barbados and the CARICOM Secretariat. Accordingly, we recommend that a Settlement/Displacement Allowance should be granted to High Commissioners/ Ambassadors when posted overseas or transferred from one Mission to another. Further, we recommend that the allowance should be equivalent to one month's basic salary.

46. The Commission also recommends that both the new allowances and the revised rates of existing allowances should take effect from January 1, 1997.

SUMMARY

47. In summary, our recommendations with respect to the revision and introduction of allowances are as follows:-

Foreign Service Allowance

- 1) The existing methodology for establishing the Foreign Service Allowance should be retained at this time. The revised rates should be as set out in Appendix II to this Report.

Outfit Allowance

- 2) (a) the revised rates of the initial Outfit Allowance should be as set out hereunder:-

High Commissioner/ - \$4,500 TT
Ambassador

Spouse - \$4,500 TT

Child between 12 - \$2,250 TT
and 20

Child under 12 - \$ 900 TT

- (b) The allowance should be renewed on the following basis:-

| | | |
|----|----------------------------------|-------------------------------------|
| i) | High Commissioner/ Ambassador | } the full } amount } - every |
| | Spouse | } three } years |
| | Child between 12 and 20 | } } |

and

| | | |
|-----|----------------|---|
| ii) | Child under 12 | } the full } - amount } annually. |
|-----|----------------|---|

Warm Clothing Allowance

- 3) (a) the revised rates of initial Warm Clothing Allowance should be paid in either US currency or Sterling as follows:-

i) Missions in North America and Latin
America

High Commissioner/ - \$650 US
Ambassador

Education Allowance

- 5) The revisions with respect to the Education Allowance should be as follows:-
- a) Tuition fees for the education of preschool children, not younger than three years of age, should be met by Government subject to limits approved by the Minister; and
 - b) The Education Allowance payable where the child is educated in Trinidad and Tobago should be increased from \$90 TT to \$100 TT.

Entertainment Allowance

- 6) A non-accountable Entertainment Allowance should be introduced and paid at the rate of \$150 US per month.

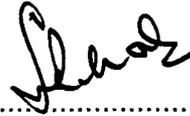
Settlement/Displacement Allowance

- 7) A Settlement/Displacement Allowance should be introduced. This allowance which is to be paid where a High Commissioner/Ambassador is posted overseas or transferred from one Mission to another, should be set at a sum equivalent to one month's basic salary.

Effective Date

- 8) The revised rates of existing allowances and the rates of the new allowances should take effect from January 1, 1997.

Dated this 12th day of March, 1997.



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Professor George M. Richards
(Chairman)



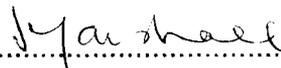
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Edward Collier



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Rowell Debysingh



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Keith Ortiz



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Joyce Marshall

**Computation of Foreign Service Allowance Payable
to a Foreign Service Officer III based in Washington D. C.
using as a base the salary provided to Officials in the
U. S. Federal Government Service at the level of G S - 14 3 rd Point**

| | | |
|-------|--|-----------------------|
| 1. a) | Salary of G S - 14 3 rd Point | \$64,986.00 |
| b) | Less adjustments not pertinent to the Foreign Service Officer III :- | |
| a) | B L S estimated expenditure on Housing (21 %) | \$13,647.06 |
| b) | B L S estimate of U S Personnel Income Taxes (28%) | \$18,196.08 |
| c) | Social Security Contributions (8.96 % of salary up to a maximum of \$ 49,000) | \$5,822.75 |
| | Total Deductions | \$37,665.89 |
| | Salary after Deductions | \$27,320.11 |
| | <i>Salary after Deductions in TT Dollars</i> | <i>TT\$170,614.11</i> |
| c) | Add adjustments applicable to the Foreign Service Officer III :- | |
| a) | Contributions to Housing (10% of Salary at the median of the Scale) | \$6,222.00 |
| b) | Personal Income Tax Liability (23% of Salary at the median of the Scale) | \$14,310.60 |
| c) | Contributions to N.I.S. | \$335.00 |
| | <i>Total Additions</i> | <i>TT\$20,867.60</i> |
| | <i>Annual Notional Salary</i> | <i>TT\$191,481.71</i> |
| | <i>Monthly Notional Salary</i> | <i>TT\$15,956.81</i> |
| 2. | Foreign Service Allowance = Monthly Notional Salary <i>Less</i> | |
| | Median Basic Salary of Foreign Service Officer III | TT\$5,185.00 |
| | | TT\$10,771.81 |
| | Foreign Service Allowance In US\$ = | \$1,724.87 |

1. Conversion Rate : - US\$ 1.00 = TT\$6.2450

BLS = Bureau of Labour Statistics

APPENDIX II

**Proposed Revised Foreign Service Allowance (FSA)
For a Head of Mission**

| Location of Mission | (1) | (2) |
|-------------------------|------------------------------------|---|
| | Existing Foreign Service Allowance | Revised Allowance Using existing Methodology and UN Index |
| | | SEPTEMBER 1996 |
| | US\$ | US\$ |
| Washington | 2,683 | 3229 |
| Brasilia | 2,460 | 4445 |
| Brussels | 3,258 | 4293 |
| Caracas | 2,935 | 3419 |
| Geneva | 3,975 | 4711 |
| Kingston | 1,984 | 3837 |
| Lagos | 2,181 | 4141 |
| London | 2,927 | 3875 |
| New Delhi | 1,941 | 3381 |
| PRUN New York | 2,794 | 3799 |
| Ottawa | 2,354 | 3077 |
| TOTAL: per month | 29,492 | 42,207 |
| PER ANNUM | 353,904 | 506,484 |

| <i>Foreign Currency</i> | <i>\$ TT</i> |
|-----------------------------|--------------|
| <i>United States Dollar</i> | 6.245 |
| <i>Pound Sterling</i> | 10.7129 |
| <i>Canadian Dollar</i> | 4.6165 |
| <i>Swiss Franc</i> | 4.6991 |
| <i>Belgian Franc</i> | 0.19938 |
| <i>as at 97/01/02</i> | |