1. Personnel (other than contractual employees) working for the IEO will be appointed as employees of the Fund (IEO employees), not staff members.

2. During their period of service IEO employees will perform under the supervision of the Director, IEO, and will not take any direction with respect to their work related functions from any other person or authority.

3. IEO employees at the economist or managerial level shall be appointed as follows:
   (a) IEO employees at the economist or managerial level will initially be appointed for a period of up to four years, which may be extended for up to a total of 12 years by decision of the Director, IEO. Each extension will be limited to a maximum of four years and in no case will extend for more than two years beyond the tenure of the IEO Director’s own appointment.
   (b) IEO employees at the economist or managerial level who were employed by the Fund as a staff member on the working day before their employment with IEO commenced shall have the right to return to staff employment at the conclusion of their IEO appointment, as long as this appointment lasted six years or less, as set out in Paragraph 12 below.
   (c) All managerial level employees hired by IEO from outside the Fund will be subject to a cooling-off period of 12 months before they can be employed as a Fund staff member. Similarly, any IEO employees at the economist or managerial level whose appointments are extended beyond six years will be subject to a cooling-off period before they can be employed as a Fund staff member.
   (d) IEO employees at the economist level who are hired from outside the Fund staff will be required to serve a minimum of three years in IEO before being eligible for recruitment by the Fund.

4. IEO employees designated as Research Assistants/Research Officers shall be appointed as follows:
   (a) IEO employees designated as Research Assistants/Research Officers will initially be appointed for a period of up to four years, which may be extended up to six years by decision of the Director, IEO. Such appointments may not be extended further.
   (b) IEO employees designated as Research Assistants/Research Officers who were employed by the Fund as a staff member on the working day before their employment
with IEO commenced shall have the right to return to staff employment at the conclusion of their IEO appointment as set out in Paragraph 12 below.

5. IEO employees at the administrative or support level shall be appointed as follows:

(a) IEO employees at the administrative or support level will initially be appointed for a period of up to four years, which may be extended up to six years by decision of the Director, IEO. Such appointments may be extended indefinitely thereafter, except that during any extension beyond six years, the Director, IEO may terminate such appointments at any time and for any reason he or she considers sufficient.

(b) IEO employees at the administrative or support level who were employed by the Fund as a staff member on the working day before their employment with IEO commenced and who separate from IEO within a period of up to six years shall have the right to return to staff employment at the conclusion of their IEO appointment as set out in Paragraph 12 below.

(c) IEO employees at the administrative or support level who separate from IEO after having served more than six years in IEO will be entitled to the following rights to employment on the staff of the Fund:

(i) If such employees were employed by the Fund as a staff member on the working day before their employment with IEO commenced, they shall be entitled to resume regular employment status as a staff member on the same terms and conditions that apply to Administrative and Staff Assistants to Executive Directors who resume regular employment status with the Fund as a staff member.\(^1\)

(ii) If such employees were initially appointed to IEO from outside the Fund staff, they shall be entitled to a regular staff appointment on the same terms and conditions that apply to Administrative and Staff Assistants to Executive Directors who, on the basis of having completed six years of service in the Office of an Executive Director, are entitled to a regular staff appointment.\(^2\)

6. Appointment letters for IEO employees will be executed by the Director, IEO and shall include the title of the position, net of tax salary, and other terms and conditions of employment.

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\(^1\) Such treatment is currently set out in Part III-B, Section 2(e) of the Handbook on Executive Board Administrative Matters.

\(^2\) Such treatment is currently set out in Part III-B, Sections 2(f) and 2(g) of the Handbook on Executive Board Administrative Matters.
7. The Director will select the persons to fill noncontractual positions and will inform the Executive Board at least two weeks in advance of any action to appoint, promote, or dismiss IEO employees who will have managerial responsibilities. The Director will approve IEO employees’ term of service; establish performance plans; conduct performance assessments; approve classifications of positions and decide upon salary adjustments within the Fund’s structure of staff grades and salaries; and approve changes in titles or levels. In these matters, the same rules and procedures applicable to staff members will be applied by the Director to the IEO employees. In the event that the special status of the IEO makes it necessary to alter these rules and procedures, the Director, IEO, after consultation with the Director, HRD, and the Executive Board, may adapt these rules and procedures to the same extent as may be authorized by the Managing Director with respect to the staff. In particular, appointments and promotions of IEO employees do not require approval by Fund staff or review by the Review Committee or the Senior Review Committee. The Director of IEO will inform the Executive Board and the Director, HRD of such adaptations of the rules and procedures.

8. IEO employees will receive the same benefits and travel allowances (for benefits and official travel) as Fund staff members with fixed-term appointments, subject to the eligibility criteria that apply to Fund staff with fixed-term appointments and pursuant to the GAOs and rules applicable from time to time to Fund’ staff. Such benefits and travel allowances will be administered in the same way, and by the same officials, that they are administered for fixed term staff, except that disputes, which exist following a review and decision by the Director, HRD, will be finally resolved by arbitration, as referred to in paragraph 15, below. Such benefits include, but are not limited to the following:

(a) Annual, sick, and personal leave provided under prescribed circumstances;
(b) Home leave travel and allowances and education allowances;
(c) Medical and life insurance³;
(d) Spouse and Dependency allowances;
(e) Recruitment travel;
(f) Relocation and Separation grants and allowances;
(g) Financial Assistance through Salary Advances;
(h) Tax allowances;
(i) Estate tax safety net; and
(j) Workers’ Compensation coverage.

³ The medical and life insurance plans have been amended to include IEO employees as eligible participants.
9. IEO employees will have the option to either:

(a) participate, or continue participation, in the Fund’s Staff Retirement Plan, provided that he or she fulfills any applicable requirements of the Plan; or

(b) continue participation in the pension plan of his or her former employer, provided that he or she was not employed by the Fund immediately before appointment to IEO, with the Fund reimbursing the employer’s contributions, subject to a maximum of 14 percent of gross remuneration.

10. The Director, IEO may approve training for IEO employees when, in his or her discretionary judgment, the training is consistent with the employees’ job functions and the work requirements of the IEO.

11. IEO employees who were previously employed by the Fund as a staff member, employee in an Executive Director’s office, or contractual employee, with no break in service, will continue to accrue time in service credits and will continue to be eligible for benefits for which they were eligible, on the same basis that would have applied if they had continued in their prior employment status. Accrued leave balances, credit for time in service, and other benefits that have not been liquidated at the time that the person ceased to be a staff member, employee in an Executive Director’s office, or contractual employee will be carried forward to the IEO employee’s credit. The period of service in the IEO will count towards the time in grade requirement for promotions for those who return to their status as staff members or take up staff employment after serving in IEO. Time in service credits for accrued benefits will be carried forward when an IEO employee resumes his or her former employment as a Fund staff member or other employee. The running of the time period of a fixed-term appointment will be suspended for the period of their service with the IEO and will resume upon their return to their previous employment. A returning staff member or other employee who applies and is selected for a position other than the one he or she held before commencing work with IEO will receive a salary within the range and the grade applicable to such position.

12. IEO employees who were employed by the Fund as a staff member on the working day before their employment with IEO commenced and who separate from IEO within a period of up to six years will have the right to return to their former positions, or to an equivalent position, in the department or office where they had been working as a staff member, except when their employment is terminated for unsatisfactory performance or misconduct as provided in paragraph 15, below. Whenever such IEO employees resume their employment, the staff member or other employee will receive a salary within the range and the grade applicable to such position.

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4 The Staff Retirement Plan has been amended to include IEO employees as eligible participants. Under the Plan, fixed term appointments of staff members must be for a period of two years or longer in order for the appointee to be eligible to elect to participate in the Plan. IEO employees will be subject to the same rules and processes of dispute resolution as other participants in the Plan.
former or equivalent positions, they will resume the grade level they had before working in IEO; their salaries will continue at the same amount, unless it exceeds the maximum of the range for the applicable grade level, in which case the salary will be adjusted to the maximum of the range. However, if the person’s grade increased to A12, A13, or A14 while working in IEO, the staff member’s home department will absorb the returning employee at the higher grade. If the person’s grade increased to A15, the home department will identify a suitable position at grade A15 for a transition period of one year, during which time the staff member would hold responsibilities appropriate to this grade level and may compete for a permanent position at grade A15 across the Fund. If the person’s grade increased to B1 while working in IEO, and s/he had been included on the Review Committee (RC) list prior to being recruited to the IEO, the home department together with HRD will identify a suitable position in the home department (with temporary budget, if necessary) for a transitional period of one year, during which time the staff member would hold responsibilities appropriate to this grade level and could compete for a permanent B-level position across the Fund. If the staff member had not been on the RC list at the time of recruitment to IEO, s/he would revert immediately to the grade they had held prior to joining IEO.

13. IEO employees will be subject to the same terms of service and rules of conduct, including the N-Rules, the GAOs, and the financial certification and disclosure requirements as staff members (referred to in the Code of Conduct applicable to staff members). In the application of those terms and rules to IEO employees, the Director, IEO will exercise the powers and perform the duties of the Managing Director. The Ethics Committee established under the “Code of Conduct for the Members of the Executive Board of the International Monetary Fund” and the Compliance Officer appointed for Executive Directors shall have the authority to act in matters involving IEO employees.

14. The Director, IEO may, when in his or her judgment there is a reasonable basis for doing so related to either the activities or management of the IEO or the employee’s performance, terminate the appointment of an IEO employee before the expiration of the term of the appointment. For IEO employees who were initially hired from outside the Fund staff and do have not a right to a regular staff appointment at the conclusion of their IEO service, the employee will be entitled to written notice of the lesser of 90 days or the period until the expiration of the employee’s appointment. In lieu of all or part of the notice period, the Director may decide that the employee will be paid a lump sum for the applicable time period. For other IEO employees who have the right to resume or take up staff employment at the conclusion of their IEO service, the Director will endeavor to provide sufficient notice of the termination of their IEO service for planning purposes.

15. In the case of an IEO employee who would otherwise have the right of return to his or her former employment status as a Fund staff member, but whose appointment to IEO is terminated by the Director, IEO for unsatisfactory performance or for misconduct, the Director, IEO will provide all relevant information concerning the termination to the Managing Director or the Director, Human Resources Department (HRD) for a determination
about such person’s eligibility to resume his or her former Fund employment as a staff member. Following a review of the matter, Managing Director or the Director, HRD shall determine whether or not, in the interest of the Fund, the individual shall be eligible to resume his or her former Fund employment as a staff member. Similar procedures shall apply when disciplinary measures short of termination are imposed by the Director, IEO on an IEO employee with the right to return to the Fund staff. In such cases, the Managing Director or Director, HRD, will determine whether or not the disciplinary measures will be maintained on return to staff status.

16. Any dispute that arises in connection with an IEO employee’s terms and conditions of appointment as an employee of IEO, including those relating to career or benefits matters, based upon the decision of either the Director, IEO or the Director, HRD in their respective areas of responsibility, that is not resolved within six months from the time the dispute arose, by mutual agreement may, at the request of the IEO employee, be submitted to final and binding arbitration. The arbitration shall be conducted by one arbitrator selected by the Executive Board. (IEO employees will not have access to the Fund’s Grievance Committee or, except with respect to the Staff Retirement Plan, the Administrative Tribunal.) Such arbitration will be conducted according to the relevant rules for arbitration of employment disputes of the American Arbitration Association then in effect. The arbitral case will be decided according to the terms and conditions of appointment applicable to the employee and according to commonly accepted legal principles applicable to international civil servants and international organizations, particularly the Fund. Unless the arbitral award provides otherwise, the Fund and the employee shall pay their own costs, including attorney’s fees, in the preparation and presentation of the claims or responses in the arbitral proceedings. The Fund will pay the arbitrator’s fees and provide the facilities for the conduct of the proceedings. The arbitral award shall be rendered within thirty (30) days of the final hearing on the dispute. Such award shall be in writing and in duplicate, one copy delivered to each party. The arbitral award shall be considered final and binding upon the parties. Agreement to arbitration of disputes does not constitute a waiver of the Fund’s immunities.

17. These terms and conditions of appointment as Fund employees are not applicable to persons or entities with which the IEO or the Fund enters into a contractual agreement for professional or other services.

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5 Disputes with respect to a decision or action of the Director, IEO will be resolved as set forth in Section 15. Disputes concerning the right of return to the staff of the Fund following termination of service with IEO or the continuation of disciplinary measures on return to staff status will be resolved by the rules for and processes available to staff members.