

REGISTRY'S SUMMARY¹: *M. Pinto, Applicant v. International Monetary Fund, Respondent*,
IMFAT Judgment No. 2025-4 (July 31, 2025)

VOLUNTARY SEPARATION AGREEMENT – WAIVER OF CLAIMS – SALARY REVIEW – JURISDICTION *RATIONE MATERIAE* – ADMINISTRATIVE ACT –
ABUSE OF DISCRETION – REGULATORY DECISION – GRIEVANCE COMMITTEE PROCESS – LEGAL COSTS AND FEES – *EX GRATIA* PAYMENT

Applicant, a former staff member, challenged the outcome of a salary review undertaken at Applicant's request after separating from the Fund, as well as a second salary review which was conducted at the recommendation of the Fund's Grievance Committee following a partially successful challenge to the first salary review. Applicant additionally contested the decision by Fund Management to deviate from the Grievance Committee's recommendation that the Fund reimburse the full amount of attorney's fees incurred by Applicant in pursuing the Grievance. Applicant further contended that the Grievance Committee process was flawed.

Applicant, who joined the Fund in 1988, signed and accepted on April 30, 2020 a voluntary separation package (the "April 30, 2020 Agreement" or the "Agreement"). The April 30, 2020 Agreement contained a waiver of all claims in connection with her employment up to the date of the Agreement. Shortly thereafter, Applicant complained to the Human Resources Department Director ("HRD Director"), among others, about a purported "long-standing salary anomaly." The Chief of the HRD Total Rewards Division ("Total Rewards Division Chief") carried out a review of her current salary only, *i.e.*, post her signing of the April 30, 2020 Agreement, having pointed out that Applicant had waived all claims against the Fund up to the date of the Agreement. The salary review detailed the methodology (the "comparatio" methodology) by which the salary review was carried out and concluded that the salary was "within the expected range when compared to staff member peers."

Applicant submitted a request for administrative review to the HRD Director challenging the Total Rewards Division Chief's decision. Following a denial of her claims, Applicant filed a Grievance with the Grievance Committee. The Grievance Committee first found that Applicant had waived all claims against the Fund up to the date of the Agreement. Regarding the salary review, the Grievance Committee found that the Fund's choice of the staff members to include in the peer group was "flawed" and recommended that the matter be remanded to HRD to conduct another salary review. The Grievance Committee denied Applicant's request for moral damages and ultimately recommended that Applicant be awarded \$62,000 in legal fees. The Deputy Managing Director informed Applicant that she would be awarded \$37,200.

The Fund accepted the recommendation that there be a second salary review. As with the first salary review, the second salary review was carried out by HRD using the "comparatio" methodology to determine whether "exceptional circumstances" suggest that Applicant's salary was

¹ This summary is provided by the Registry to assist in understanding the Tribunal's Judgment. It does not form part of the Judgment. The full Judgment of the Tribunal is the only authoritative text. The Tribunal's Judgments are available at: www.imf.org/tribunal.

at an inappropriate level and whether a merit increase from May 1, 2020, should be applied. Using four criteria, a group of 40 peers was assembled. It was determined that Applicant's salary did not justify a salary increase.

After the second salary review was completed, Applicant requested leave "to appeal her entire dispute to the Tribunal as one case" on the basis that "the Grievance Committee has wrongfully fragmented her case and so confused it that she has been denied her right to an orderly process." The Fund agreed that Applicant could submit "the whole dispute" concerning Applicant's salary review directly to the Tribunal.

To identify the issues for decision, the Tribunal determined that it would be guided by the contentions raised by the parties and would therefore determine (i) whether Applicant's claim of a long-standing salary anomaly was admissible, (ii) whether both salary reviews were properly before the Tribunal, (iii) whether the Fund abused its discretion regarding the second salary review, and (iv) whether the Grievance Committee process was materially impaired.

Regarding whether Applicant's claim of a long-standing salary anomaly was admissible, the Tribunal found that it lacked jurisdiction *ratione materiae* under Article II, Section 1(a) and Section 2(a) of its Statute because Applicant had not shown that there was an administrative act adversely affecting her that would have been responsible for the alleged salary anomaly. The Tribunal further found that this claim was inadmissible due to Applicant's agreement with the terms and conditions of the April 30, 2020 Agreement.

As to whether both salary reviews were properly before the Tribunal, the Tribunal first found that the Fund had waived its objection to jurisdiction concerning Applicant's challenge to the first salary review. The Tribunal further found that the Fund's agreement for Applicant to submit the "whole dispute" directly to the Tribunal concerned both salary reviews. Notwithstanding this conclusion, the Tribunal concluded that any defects there might have been concerning the first salary review effectively became moot once the Fund accepted the Grievance Committee's recommendation that the matter be remanded to HRD for a second salary review.

The question, therefore, was whether the Fund abused its discretion in conducting the second salary review because it was on the basis of that review that the ultimate decision was made whether or not to increase Applicant's salary. The Tribunal addressed this issue in four parts: (i) whether the Fund failed to be internally equitable and to correct a salary purportedly found to be "inappropriate" within a grade range; (ii) whether the Fund lacks a proper methodology for conducting salary reviews; (iii) whether the Fund lacks rules, guidelines or an established practice; and (iv) whether the Fund should have been guided by the jurisprudence of the World Bank Administrative Tribunal ("WBAT") on salary reviews.

As to the first issue (*i.e.* , whether the Fund failed to be internally equitable and to correct a salary purportedly found to be "inappropriate" within a grade range), the Tribunal interpreted

Applicant's arguments to mean that the Fund abused its discretion by not increasing her salary. The Tribunal found that this issue was subsumed within the other abuse of discretion claims raised by Applicant.

Concerning the second issue (*i.e.*, whether the Fund lacks a proper methodology for conducting salary reviews), the Tribunal found that the Fund's use of the comparatio methodology was reasonable and consistent with applicable provisions of the Staff Handbook, taking into consideration the narrow scope of the salary review and the Fund's historical reliance on the comparatio methodology for conducting annual compensation reviews. The Tribunal further found that the overall conclusions of the salary review were reasonable. In reaching this conclusion, the Tribunal rejected Applicant's claim that her perceived low salary was due to national origin discrimination. The Tribunal, while recognizing the seriousness of discrimination claims, observed that Applicant had not proffered any evidence to support her claim of national origin discrimination and had not consistently alleged discrimination over the course of her career.

Regarding the third issue (*i.e.*, whether the Fund lacks rules, guidelines or an established practice), the Tribunal observed that the salary review process used by the Fund is not subject to review by the Tribunal because it does not constitute a regulatory decision as defined by the Tribunal's Statute and its jurisprudence—*i.e.*, the salary review process is not the result of a decision taken by an organ authorized to take it and the practice is not distilled in "a rule, General Administrative Order, handbook or handout, statement on conditions of employment, contract or other published official paper of the Fund." Notwithstanding this conclusion, the Tribunal observed that the absence of guidelines may be problematic and can lead to arbitrariness—particularly as *ad hoc* salary reviews are conducted only very rarely. The Tribunal therefore expressed the view that the Fund should consider adopting guidelines on the conduct of *ad hoc* salary reviews.

As to the fourth issue (*i.e.*, whether the Fund should have been guided by the World Bank's salary review methodology), the Tribunal observed that elements used by the WBAT in assessing the reasonableness of salary reviews are largely based on documents which are specific to the World Bank. Therefore, while in some circumstances these standards may provide useful guidance, Applicant had not demonstrated that they are legally binding on the Fund, or even persuasive, in the present case.

Lastly, the Tribunal rejected Applicant's claim that the Grievance Committee process was materially impaired. Applicant's support for this claim involved matters that pre-dated the April 30, 2020 Agreement (which were not part of the salary reviews) or which involved the competence of the Grievance Committee (which is for the Committee to decide).

Turning to the question of costs, the Tribunal found that the awarding of costs was not warranted because the Application was not well-founded. However, because Applicant's case had brought to light the absence of guidelines on the conduct of *ad hoc* salary reviews, the Tribunal

recommended that the Fund make an *ex gratia* payment to Applicant of \$15,000 for Applicant's attorney's fees in connection with the case before the Tribunal as well as an additional *ex gratia* payment of \$15,000 for attorney fees and costs in connection with the case before the Grievance Committee, for a total *ex gratia* payment of \$30,000 for attorney's fees and costs.