



# PUBLIC SERVICE EXECUTIVE UNION

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**BC003/17**

17 January 2017

## **PARTIAL PAY RESTORATION BROUGHT FORWARD TO 1 APRIL 2017**

Dear Branch Secretary,

I enclose for the information of members a statement issued today jointly by the Public Services Committee (PSC) of the ICTU and the Dept. of Public Expenditure and Reform and a related FAQ.

Members will note that agreement has been reached on a 'down payment' by the Government to address the anomaly created by the settlement with the Garda Associations. This settlement involves bringing forward the €1,000 partial restoration due from 1 September 2017 to all Public Servants earning below €65,000 per annum to 1 April 2017 (see FAQ attached regarding members of this Union with basic salary below this amount but with allowances bringing them above €65,000 per annum). As will be noted from the enclosed statement, the PSC has indicated that there is still money outstanding in order to address the anomaly and this issue will be dealt with in the discussions to take place after the Public Service Pay Commission reports in the second quarter of this year.

These later discussions will deal with the full range of issues arising from the reductions and disimprovements imposed on Public Servants since 2009, including the Pension Levy, pay reductions, reductions in overtime rates, the elimination of certain premium payments and additional working time.

The payment now agreed is an improvement on the Lansdowne Road Agreement, which was accepted by members in a ballot, and, as such, does not require a further ballot. Obviously, the more substantive discussions later this year will be much wider and will necessitate a ballot on the outcome. Indeed, perhaps of most significance is that, in addition to the enclosed, the Government has agreed already in late November to bring forward the discussions on the replacement for the Lansdowne Road Agreement, which was due to run until September 2018, to the second quarter of this year after the first report of the Pay Commission issues.

Yours sincerely,

Tom Geraghty  
General Secretary

**To: All Branch Secretaries  
Executive Committee  
Standing Orders Committee**

## **2017 acceleration of public service pay restoration**

### **Your questions answered**

**Last amended 17<sup>th</sup> January 2017**

#### **How have unions delivered accelerated pay restoration?**

Public Service unions insisted on early negotiations to accelerate public service pay restoration last November, after the Government accepted Labour Court recommendations that gave Gardai better terms than those set out in the Lansdowne Road agreement (LRA).

Although it initially resisted, the Government finally agreed that the Garda settlement went beyond the terms of the LRA and agreed to talk. Those negotiations – between the officers of the ICTU Public Services Committee (PSC) and officials in the Department of Public Expenditure and Reform – began in December 2016 and concluded in mid-January 2017. The agreement reached received Cabinet approval on 17<sup>th</sup> January 2017.

#### **What has been agreed?**

The January 2017 agreement brings forward the payment of a €1,000 increase (already due for payment in September 2017 under the LRA) to an earlier date of 1<sup>st</sup> April 2017. The accelerated payment applies to:

- public servants on annualised salaries up to €65,000,
- who are parties to the Lansdowne Road agreement, and
- who won't benefit from two Labour Court recommendations issued in respect of the Garda associations last November.

#### **How much will I see in my pay packet?**

Fortnightly gross (ie, pre-tax) pay will increase by €38.33. This will be subject to the usual deductions for tax, PRSI, etc.

#### **Does this deal fully match what Gardai got?**

No. But this is acknowledged in the agreement, which accepts that outstanding issues can be pursued as part of a negotiation that will take place after the Public Service Pay Commission makes its initial report in the second quarter of 2017.

The 'additional' value of the Garda settlement has been estimated at around €1,000 a head, per year, for Gardai who earn less than €65,000 a year.

It would not have been possible for unions to win Government and opposition approval for additional public service-wide payments on this scale in 2017. That's because there are only about 12,630 Gardai in this category – compared to over 250,000 across the entire public service.

So, the unions' strategy was to maximise the benefit available in 2017 and to ensure that the Government accepted that the remaining problem can be addressed in the next negotiations, which are due to start in the first half of this year.

### **I've read that the Garda deal was worth more than €1,000 a year**

Many media reports combine improvements that are *within* the terms of Lansdowne Road (and have been applied to other public servants) with others that go beyond it. The elements that went beyond Lansdowne Road were an increase in a rent allowance (rather than the restoration of an existing allowance, which was achieved under the LRA) and a new payment linked to leave days. Together, these two were worth approximately €1,000 a head, per year, for Gardai earning below €65,000.

### **Why no benefit for public servants with salaries above €65,000?**

Garda associations representing grades earning over €65,000 a year were not covered by the November 2016 Labour Court recommendations. This explains why the agreement now concluded doesn't cover other public servants who earn more than €65,000 either.

However, under the LRA, public servants who earn over €65,000 will see the first phase of restoration of the temporary pay cuts introduced under the earlier Haddington Road agreement (HRA) in April 2017. In January 2018, the second phase of HRA restoration will fully restore the HRA cuts for staff who earned between €65,000 and €100,000. (The HRA temporary pay cuts did not apply to staff who earned less than €65,000.)

**However, members of this union whose basic salary is below €65,000 p.a. but also have allowances bringing them above that amount will receive both the payment and any restoration due under the HRA.**

### **Is there going to be a ballot?**

No, because this agreement simply improves a deal (the Lansdowne Road agreement) that has already been approved by members in a ballot as recently as July 2015.

There is no need or requirement to ballot when improvements are made to an existing agreement. For example, no ballot took place when pay rises already due under the Partnership 2000 agreement were improved through later negotiations.

If negotiations on a successor to the LRA are successful later this year, there will be a ballot on the new proposals before they are accepted or rejected. But this would be a completely new agreement, rather than an improvement to an existing deal.

### **Will there be any further acceleration of pay restoration?**

That is what the unions are working to achieve. Since last spring, unions have argued that pay recovery should be accelerated because the economy and public finances have improved faster than envisaged when the Lansdowne Road agreement was signed in mid-2015.

The Government effectively conceded this point at the end of November 2016, when it agreed to initiate negotiations on a successor to the Lansdowne Road agreement in the middle of this year. Before that, ministers had insisted that talks would take place closer to the originally intended expiry of the LRA in September 2018.

The significance of earlier negotiations is that they can conclude and go to ballot ahead of the Government's considerations on Budget 2018, which will be announced in October 2017. In other words, the Government will be able to make provision for further increases in 2018 if the talks are successful.

The unions' objective is to achieve an agreement that includes a wage round and timetable for the unwinding of the 'FEMPI' legislation (which introduced the pay cuts and so-called 'pension levy') for the vast majority of public servants.

### **What happens next?**

The outcome of the January 2017 agreement will be reflected in pay packets from April 2017.

Meanwhile, unions are preparing for the next negotiation, which will start once the Public Service Pay Commission (PSPC) makes its initial report in the first half of 2017. This negotiation will address the timetable for unwinding the 'FEMPI' legislation (which introduced the 2009-2010 pay cuts and pension levy) and unions will push for the fastest possible pay recovery within the context of public finances and other calls on State expenditure like investment in housing and other infrastructure and public services.

The ICTU Public Services Committee (PSC), (Union General Secretary, Tom Geraghty, is Secretary to the Committee), which represents the vast majority of the country's public service unions, has already made a submission to the Public Service Pay Commission. The PSC officers have also met with the Commission. Further submissions are in preparation and additional meetings will be scheduled.

The commission, is expected to deliver its initial report to the Department of Public Expenditure and Reform (DPER) in the second quarter of 2017. This report will inform the parties on how the unwinding of the FEMPI legislation can be best managed in the context of the national finances. It will also have regard to any specific labour market challenges the Commission identifies, and to other public service conditions of service including tenure and pensions.

Once the report is available, the Government will initiate negotiations on a successor to the Lansdowne Road agreement ahead of its considerations on Budget 2018, which will be announced next October.

**Last updated 17<sup>th</sup> January 2017**

## **Joint Statement on Implementation of the Lansdowne Road Agreement**

A process of engagement has taken place between the Government in its capacity as the Public Service employer and the Public Service Committee of ICTU under the framework provided by Section 6 of the Lansdowne Road Agreement to address an anomaly issue arising in the context of Labour Court Recommendations (CD/16/321 & CD/16/322) in respect of the Garda Associations.

In acknowledgement of this anomaly that has arisen, the Government has agreed to an increase in annualised salaries of €1,000 for the period 1 April to end August 2017 inclusive for:

- those on annualised salaries up to €65,000;
- who are parties to the Lansdowne Road Agreement; and
- who do not stand to benefit from the Labour Court Recommendations (CD/16/321 & CD/16/322).

This additional payment is being offered by Government on the understanding that there will be continued adherence to the terms of the LRA, and in particular, its mechanisms to resolve disagreements before they escalate into industrial disputes over the remaining period of the Agreement. The requirement therefore to adhere to industrial peace will be fully observed in all sectors.

The Oversight Group for the Agreement will meet regularly in order to take an active role in addressing any major disputes that arise ensuring compliance with the relevant terms of the agreement over its remaining term.

The Public Services Committee of ICTU recognises the value of this payment but has advised the management side that outstanding issues will be pursued in the further talks to take place following the initial report of the Public Service Pay Commission.

**17 January 2017**