



BC031/17

12 June 2017

Public Service Stability Agreement 2018-2020

Dear Member,

The following is a summary of the main provisions of the proposed Public Service Agreement 2018-2020, including issues of significance to our members.

Pay/Pension Levy

2018 1% pay restoration on 1 January 2018

1% pay restoration on 1 October 2018

2019 Increase in the entry threshold for the 'pension levy' from €28,750 to €32,000 (the levy is deducted at 10% so this is, in effect, a flat rate increase of €325) on 1 January 2019.

1% pay restoration on 1 January 2019 for annualised salaries up to €30,000

1.75% pay restoration on 1 September 2019.

2020 Increase in entry threshold for 'pension levy' to €34,500 – flat rate increase of €250

0.5% pay restoration on 1 January 2020 for annualised salaries up to €32,000

2% pay restoration on 1 October 2020.

*see below for further clarification regarding the 'pension levy'.

As a consequence, all members of this union will see their salary scales increase to an outcome by the end of the agreement that will be ahead of the salary scales that applied before the pay cuts of 2010.

Pensions

The Pension Related Deduction, ('Pension Levy') will be abolished and will be replaced by a permanent additional pension contribution at the reduced level shown above. In return, the employer guarantees that there will be no disimprovement in pension benefits or entitlements in

the lifetime of the agreement. In particular, pension increases will continue to be linked to pay movement and the 2012 legislation to permit Government to de-link pensions from pay will not be activated.

In addition, a review is taking place to facilitate public servants recruited since 1995, who are Class A PRSI contributors and whose pension is integrated with the state pension, to have the option to remain in employment until they qualify for the state pension.

It is agreed that the new additional contribution will apply only to pensionable remuneration. Therefore, overtime payments, or non-pensionable allowances, on which the pension levy is applied currently, will not attract the new pension contribution from 1 January 2019. This has the effect of increasing the value of such payments by 10%.

It should be noted that the issue of Public Service pensions has been quite contentious and there is significant clamour to disimprove the benefits. This proposed agreement will protect against this happening.

EO Annual Leave

If the agreement is accepted, Executive Officers with at least 12 years' service or more will receive an extra day annual leave and those with 14 years' service or more will receive two days' leave. This will take effect from 1 January 2018. For leave purposes, service in CO and SO grades counts towards EO leave entitlements. As a result about 80% of the grade will qualify for at least one additional day from 1 January 2018.

Working Time

In respect of the working day, the post Haddington Road Agreement (HRA) working week of 37 hours will remain. However, there are two means by which staff may reduce their working time;

- There will be two opportunities, one at the beginning of the agreement, between 1 January and 1 April 2018 and the other at the end of the agreement between 1 January and 1 April 2021 for staff to revert permanently to the pre HRA working week. Staff doing so will have their pay reduced commensurately.
- Members on flexi-time, subject to business needs, will be allowed to use their annual leave in excess of the statutory minimum, on the flexi-clock to reduce working hours for work-life balance purposes. Initially, this will be tested on a pilot basis with a view to extension.

New Entrants

All staff who entered after 2011 are on pay scales with two additional points, so it takes two years longer to reach scale maxima.

Two important provisions are included that affect them;

- Staff recruited since 2013 are members of a new pension scheme that is based on career average pay rather than final salary. As this is less advantageous, they will pay a reduced additional pension contribution. When the pension levy threshold for pre 2013 staff is increased on 1 January 2019, see above, there will be an additional

benefit for post 2013 staff as they will get the benefit of this adjustment plus the rate of 10% that applies to pre 2013 staff will, in the case of post 2013 staff, be reduced to 6.66%. Similarly on 1 January 2020 when the levy threshold is increased for everybody, there will be a further reduction for post 2013 staff in the rate of the levy to 3.33%.

- In 2018, there will be an examination of the salary scale issue for entry grades. On conclusion, the unions and employer will agree how to address the matter and the implementation of any such agreement in a way that does not give rise to 'implications for the fiscal envelope of this Agreement'. In other words, if possible it might be addressed in the lifetime of the agreement and, if not, it may have to await the next agreement. The important point is that there is now a commitment to address and to implement the outcome.

Other

There was much media 'noise' about the Government's wish to alter terms to facilitate outsourcing and weekend working etc. All of these were rejected by union negotiators. Where they appear at all in the agreement, the only commitment by the unions is to discuss or to engage. This is true also in respect of the issue of possible expanded open recruitment, an issue of direct concern to this union.

As with previous, recent agreements, there will be an oversight body comprising representatives of both sides.

There will be an administrative adjustment to payroll systems to lengthen the period of payments in arrears to lessen the number of over-payments. In most cases, this will never be noticed but where somebody e.g. takes absence without leave, the payroll section will have a longer period to ensure that the deduction is made and that an over-payment does not arise.

New starting pay on promotion and mobility arrangements will be negotiated to update the existing arrangements, which are, increasingly, not fit for purpose.

Agreement Requirement

All of the above is subject to individual unions adhering to the agreement. In addition, the Official Side has written to the ICTU to state that any union that does not sign up to the agreement from the outset will have the agreement's benefits withheld until they do so, at which time any benefits will be applied from the date that they sign up with no retrospection.

Next Steps

It is a matter for each union to determine if it wishes to support the outcome. Unions, will now ballot individually. If a majority of unions vote in favour, the agreement will be ratified between the ICTU Public Services Committee and the Government. If the agreement is not ratified, the existing agreement will remain in place until September 2018.

The Union's Executive Committee will consider its view, which will accompany the documentation with the ballot. They will also decide the timing of the ballot.

Questions

An FAQ section appears on the union website www.pseu.ie

Yours sincerely,

Tom Geraghty
General Secretary

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