



Circular 3/2018

16th March 2018

To: Rosarii Mannion, National Director of Human Resources, HSE
CEOs of the NCSAs

**Application of 1 April 2018 pay adjustments and related measures in accordance with
the Financial Emergency Measures in the Public Interest (FEMPI) Act 2015
and the Public Service Pay and Pensions Act 2017**

Dear Sir/Madam

I am directed by the Minister for Health to convey the following instructions, following on from the circular which issued on 21 December 2017, with regard to the application of adjustments to health sector pay in accordance with the Financial Emergency Measures in the Public Interest Act 2015 (FEMPI 2015) and the Public Service Pay and Pensions Act 2017.

1. General

- 1.1 This circular sets out the pay restoration due on 1 April 2018 as provided for in the Financial Emergency Measures in the Public Interest (FEMPI) Act 2015 and the Public Service Pay and Pensions Act 2017 ("the Act").
- 1.2 This circular provides for one third of pay restoration for certain public servants who were subject to pay adjustment under FEMPI 2013 / the Haddington Road Agreement ("the HRA reduction").

2 Restoration of the HRA reduction

- 2.1 In accordance with section 6C of the FEMPI (No. 2) Act 2009 (as inserted by section 3 of the FEMPI Act 2015), the following adjustments to annualised salaries will be applied with effect from **1 April 2018** for those whose annual remuneration is in excess of €110,000 **immediately after** the HRA reduction:
 - One third of the amount of the reduction incurred under the FEMPI Act 2013 / the Haddington Road Agreement will be restored.
- 2.2 A new set of consolidated salary scales are provided for 1 April 2018 including revised scales for grades to which this circular applies.

3 Further Pay Related Circulars

A further circular will issue with regard to the pay adjustments due on **1 October 2018**.

4 Possible Anomalies

- 4.1 The application of adjustments under paragraph 2.1 above may result in the basic salary of a public servant being higher than the basic salary applicable to a higher point on that public servant's payscale.
- 4.2 To address this anomaly, the Minister for Public Expenditure and Reform has made a Direction under section 16 of the Act to **temporarily** amend any incremental scale of a public servant in such a manner as the Minister thinks fit to avoid a substantial inequity arising.
- 4.3. HR and Payroll staff are reminded to ensure that any increment points that benefitted from an adjustment as a result of such increment "**leapfrogging**" with effect from 1 January 2018 are regularised prior to the restoration being applied. (DPER guidance note dated 21 December 2017 attached to DoH Circular 18/2017 refers).
- 4.4. Where such anomalies have arisen in respect of the revised consolidated salary scales for 1 April 2018, regularisation has been carried out during the preparation of the 1 April 2018 salary scales.

5 Overtime

Payment in respect of overtime rendered on or subsequent to 1 April 2018 by members of grades to which this circular applies should be calculated by reference to the revised pay rates with effect from 1 April 2018.

6 Officers on Mark-Time

For officers on mark-time, both notional and mark-time pay will be revised with effect from 1 April 2018.

7 Premium Rates of Pay

Premium rates of pay payable in respect of or subsequent to 1 April 2018 which are calculated as specific percentage or specified proportion of basic salary should be calculated by reference to the revised rates of pay with effect from 1 April 2018.

8 Allowances

- 8.1 Allowances which are calculated as a specific percentage or specified portion of basic pay should be calculated by reference to the revised rates of pay with effect from 1 April 2018.
- 8.2 Fixed allowances remain unchanged.

9 Pension Entitlement 'Grace Period'

- 9.1 Public Service employers are reminded, as already referred to in DoH Circular 17/2015, that for the purposes of calculating pension and lump sum awards at retirement, the pay reductions applied under FEMPI 2013 (Haddington Road Agreement) are disregarded for persons who retire from the public service up to 1 April 2019.
- 9.2 This 'grace period' is provided for originally under Section 9 of the FEMPI Act 2013, and has been extended to 1 April 2019 by S.I. No. 547 of 2015 - Public Service Pension Rights (No. 2) Order 2015.
- 9.3 The 'grace period' protection in respect of the FEMPI 2013 pay reductions will only continue to apply in respect of public servants with post-HRA remuneration in excess of €110,000, who will not have achieved full restoration of the FEMPI Act 2013 salary adjustment until 1 April 2019.

- 9.4 Public servants who retire during the 'grace period' may benefit by having their pensions and retirement lump sums calculated by reference to salary rates which discount the impact of the FEMPI 2013 salary adjustments applying to salaries in excess of €65,000.
- 9.5 Public servants who retire during the 'grace period' are also entitled to have any impact on pay arising from FEMPI 2013 suspension of the operation of a pay scale i.e. increment freeze or delay, discounted in the calculation of their pension and lump sum awards.

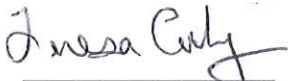
10 Queries

All employee queries should be directed to the relevant employer. Requests for clarification from payroll and hr managers should be directed to National_hr_unit@health.gov.ie

11. Circulation

The contents of this circular should be brought to the attention of all HR managers, payroll staff, and all employees of the HSE, Section 38 agencies and the NCSAs.

Yours sincerely



Teresa Cody
Assistant Secretary

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