Workplace Relations Commission

Proposals for

Public Service Stability Agreement 2018-2020

Frequently Asked Questions June 2017

NOTE: These FAQs relate to the overarching provisions in the **Public Service Stability Agreement** 2018 to 2020. Queries in relation to the specific sectors, or to individual remuneration, should be directed to the relevant HR Section for that sector or to local management.

PUBLIC SERVICE STABILITY AGREEMENT 2018 - 2020 - FAQS

The Public Service Stability Agreement 2018 – 2020 proposals apply to all public servants who are members of Grades accepting the terms of the proposed Agreement. Please note:

- Pay measures will require legislative amendments which are scheduled for later this year (subject to acceptance of the proposals);
- Revised Pay Circulars will issue on the passing of the necessary amendments;
- Queries in relation to individual pay changes should be addressed to local HR sections.

PRD / Pensions Proposals

Q.1 What changes does the proposed Agreement make to PRD for standard Pre-2013 pension schemes?

Currently the exemption threshold for PRD is €28,750 – below this income level there is no liability for PRD. Income between €28,750 and €60,000 is currently liable to PRD at 10% and income above €60,000 is currently liable to PRD at 10.5%.

From 1 January 2019, the Pension Related Deduction (PRD), or 'pension levy', is to be replaced by a permanent pension contribution, the Additional Superannuation Contribution (ASC). On 1 January 2019, the exemption threshold for the new ASC will be set at €32,000, which is higher than the comparable PRD threshold of €28,750 per annum. From 1 January

2020 the ASC exemption threshold will increase further to €34,500. This means that remuneration below €34,500 will not be liable for this pension contribution. An increase in the exemption threshold to €34,500 is worth a reduction of €575 in PRD/ASC to each public servant (who currently pays PRD in excess of this amount) on a full year basis.

For those on less than €34,500 the impact on each individual will vary depending on their total remuneration and their current liability for PRD. The rates of contribution for all pension schemes are set out below:

Public Servants who are Members of pre-2013 Pension Schemes with Standard Accrual Terms **1 January 2019**	
Band	**Rate**
Up to €32,000	Exempt
€32,000 to €60,000	10%
€60,000 plus	10.5%

1 January 2020	
Band	**Rate**
Up to €34,500	Exempt
€34,500 to €60,000	10%
€60,000 plus	10.5%

All Public Servants who are Members of the Single Public Service Pension Scheme **1 January 2019**	
Band	**Rate**
Up to €32,000	Exempt
€32,000 to €60,000	6.66%
€60,000 plus	7%

1 January 2020	
Band	**Rate**
Up to €34,500	Exempt
€34,500 to €60,000	3.33%
€60,000 plus	3.5%

Public Servants who are Members of pre-2013 Pension Schemes with Fast Accrual Terms (Unchanged)	
Band	**Rate**
Up to €28,750	Exempt
€28,750 to €60,000	10%
€60,000 plus	10.5%

Q.2 I am a member of the Single Public Service Pension Scheme, what impact will the changes have on my PRD?

For members of the Single Public Service Pension scheme the following rates of contribution to the ASC will apply. On 1 January 2019, the exemption threshold for the new ASC will be set at €32,000 per annum and rates will decrease from 10% to 6.66% for earnings between €32,000 and €60,000 and from 10.5% to 7% for earnings above €60,000. On 1 January 2020 the exemption threshold will increase further to €34,500 and rates will decrease to 3.33% on earnings from €34,500 to €60,000 and 3.5% above €60,000.

Q.3 I am a member of a Pre-2013 'fast accrual' pension scheme, what impact will the changes to the threshold have on my PRD?

From 1 January 2019, the Pension Related Deduction (PRD), or 'pension levy', is to be replaced by a permanent pension contribution, the Additional Superannuation Contribution (ASC). For members of fast accrual schemes there will be no change to the threshold above which ASC will be charged, the rate of contribution will not increase. However, as PRD is being converted to a pension contribution non pensionable payments such as un-rostered overtime will not be liable for this contribution.

Q.4 I am a member of a post 2013 (Single Scheme) “fast accrual” pension scheme, how am I impacted by the changes to the PRD?

All members of Single Public Service Pension Scheme will be subject to the same rates of ASC. These rates are - on 1 January 2019 the exemption threshold for payment of the new ASC will increase from €28,750 per annum to €32,000 per annum and rates will decrease from 10% to 6.66% for earnings between €32,000 and €60,000 and from 10.5% to 7% for earning above €60,000. On 1 January 2020 the threshold will increase further to €34,500 and rates will decrease to 3.33% from €34,500 to €60,000 and 3.5% above €60,000.

Q.5 What is the difference between PRD and the new permanent pension contribution (ASC)?

PRD is a levy that was imposed on public servants under the Financial Emergency Measures in the Public Interest Acts and is not a pension contribution. PRD will be replaced with a permanent pension contribution the rates of which are set out at Q.2 above. It is envisaged that this pension contribution will attract the same marginal rate of tax relief available to all revenue approved pension schemes.

Under current arrangements all income pensionable/non-pensionable is liable for PRD, under the new pension arrangements non-pensionable income such as un-rostered overtime, non-pensionable allowances etc. will be exempt from this new pension contribution.

Q.5 How do I know what pension scheme I am a member of?

Queries in relation to individual circumstances, should be directed to the relevant HR Section for that sector or to local management.

In general, date of hiring dictates the pension scheme membership. For example.

“Standard accrual” public servants

- Pre-1995 hired staff
- Staff hired 1995 to March 2004
- Staff hired April 2004 to end 2012
- Staff hired 2013 onwards (Single Scheme)

“Fast accrual” scheme members – two broad groups

- Gardaí, military, Prison Officers, Firefighters
- Judges – TDs/Senators, Ministers.

Pay Proposals

Q.8 What changes does the Public Service Stability Agreement 2018 - 2020 make to pay?

In addition to the PRD/Pension contribution benefits previously outlined, the majority of public servants (90%), following full implementation of the Agreement (2020), will no longer be impacted by the pay reductions imposed by the FEMPI legislation. Pay increases proposed under the Agreement are set out below.

2018

- 1 January 2018 annualised salaries to increase by 1%;
- 1 October 2018 annualised salaries to increase by 1%.

2019

- 1 January 2019 annualised salaries up to €30,000 to increase by 1%;
- 1 September annualised salaries to increase by 1.75%.

2020

- 1 January 2020 annualised salaries up to €32,000 to increase by 0.5%;
- 1 October 2020 annualised salaries to increase by 2%.

Individual impacts of the proposed Agreement on pay is set out below/available on the DPER website at http://www.per.gov.ie/en/public-service-pay-policy/

Q.9 I am earning over €65,000, how will the proposed Agreement impact my pay?

The remaining phases of pay restoration due under the terms of the Lansdowne Road Agreement, which are due to be paid on 1 January 2018 for those earning up to €110,000 and on 1 April 2018 and 1 April 2019 for those earning over €110,000 will take place as scheduled.

The pay increases due to be paid under the terms of the Public Service Stability Agreement 2018 - 2020 will be in addition to these increases.

Q.10 Will the proposed Agreement address the mandatory retirement age?

Future policy in this area will be considered by Government. In this regard, staff unions and staff representative associations will be consulted in relation to any proposals from Government.

Q.11 I am earning over €110,000 and am due to retire in December 2019, how will this Agreement impact upon the calculation of my retirement benefits?

The ‘grace period’ within which public servants can retire with retirement benefits based on the salaries which they held prior to the pay reductions under the FEMPI Act 2013 has been extended, and is currently due to expire at the end of April 2019. The increases due under this proposed Agreement will be in addition to those provided for under the LRA, for example if an individual earning in excess of €110,000 were to retire on 1 December 2019, their retirement benefits should be based the salary which they held prior to the pay reductions under the FEMPI Act 2013 plus the pay increases due in 2018 and 2019 under the terms of the PSSA 2018-2020.

2018

- 1 January 2018 annualised salaries to increase by 1%;
- 1 October 2018 annualised salaries to increase by 1%.

2019

- 1 September annualised salaries to increase by 1.75%.

Working Hours

Q.12 Will the proposed Agreement address the extra working hours imposed under the terms of the Haddington Road Agreement?

There is no general reduction in working hours. However, Paragraph 2.12.2. of the proposed Agreement provides that an opportunity shall be offered between 1 January and 1 April 2018 and at the end of the Agreement (1 January 2021 to 1 April 2021) to permanently revert to pre-Haddington Road hours. Any individuals opting for this opportunity will have their pay reduced commensurately, in line with previous arrangements (pro-rata basis). The application of this arrangement at the sectoral level, will depend on service delivery requirements and business needs.

The proposed Agreement also provides that, on a limited pilot basis[1], in those areas where flexi-time currently exists and, with full regard to service delivery requirements and business needs, arrangements may be made to enable annual leave in excess of the statutory minimum to be used on the flexi-clock to allow staff to reduce their working hours to address work-life balance issues that may arise. This will initially be done on a confined pilot basis, with a view to further extension, subject to a comprehensive assessment of the operational cost implications.

Q. 13 Has the Agreement made changes to Saturday working time?

No, the proposals allow for reviews of rostering arrangements if service or operational needs suggest they might be necessary. But the proposals also acknowledge the need for rosters to ensure predictability of attendance and that no roster changes can be introduced without agreement.

Q.14 Will there be any changes to Saturday premium payments?

No, there will be no changes to Saturday premium payments.

New Entrants

Q.15 Does the Proposed Agreement address the issue of 'New Entrant' pay scales?

The proposed Agreement agrees to an examination of the remaining salary scale issues in respect of post January 2011 recruits at entry level grades covered by parties to this proposed Agreement. This examination will be undertaken within 12 months of the commencement of this Agreement. On conclusion of this work, the parties will discuss and agree how the matter can be addressed and implemented in a manner that does not give rise to implications for the

[1] The area of the public service where the Pilot will run has yet to be confirmed.

fiscal envelope of this Agreement and that has regard for the medium term fiscal framework. Any outcome will be restricted to parties adhering to this Agreement.

Recruitment and Retention

Q.16 How does the Agreement propose to address areas that have difficulties in recruiting and retaining staff?

The Public Service Pay Commission will be tasked with conducting a comprehensive examination and analysis of areas within the public service where recruitment and retention issues have been identified taking into account the full range of causal factors in each case. The Commission will be asked to complete this exercise by the end of 2018. The implementation of any proposals that may arise on foot of the Commission's report will fall to be considered by the parties.

Q.17 Will the proposed Agreement result in additional open recruitment?

In line with the business requirements of public service organisations, the parties agree to discuss the scope for increased open recruitment where this is appropriate to meet particular organisational needs (save where otherwise provided for in legislation).

Q.18 Will the proposed Agreement have any impact on atypical forms of recruitment?

There will be agreement of protocols between the parties for ongoing cooperation with atypical forms of recruitment, such as, but not limited to: apprenticeship-type arrangements, internships, clinical placements in care settings, job activation initiatives and work experience placements. Such cooperation will be contingent on ongoing consultation with staff representatives regarding any such arrangements.