2017 acceleration of public service pay restoration

Your questions answered

17th January 2017

(Prepared by the Public Services Committee of ICTU)

How have unions delivered accelerated pay restoration?

Public service unions insisted on early negotiations to accelerate 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 17th 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) by five months, to an earlier date of 1st 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 will not benefit from two Labour Court recommendations issued in respect of the Garda associations last November.

Is the payment a lump sum?

No. Contrary to some recent media reports, the €1,000 is an increase in the pay rate, not a lump sum payment.

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 received?

No. However this is acknowledged in the agreement, which accepts that outstanding issues can be pursued as part of a negotiation which 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 is 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 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 many 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 who earn over €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 does not 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.)

Is there going to be a ballot?

No, because this agreement simply improves a deal (Lansdowne Road Agreement), which has already been accepted by virtually all public service unions following ballots in 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 Programme for Prosperity and Fairness (PPF) 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 one.

Will there be any further acceleration of pay restoration?

That is what the unions are working to achieve. Since last spring, public service 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), 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 pay 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.