



31<sup>st</sup> January 2014

Application of sections 2.24 and 2.25 of the Public Service Stability Agreement 2013 – 2016 (Haddington Road Agreement).

**1. Purpose**

1.1. The purpose of this Circular Letter is to notify employers in the University and College sector of arrangements for the implementation of sections 2.24 and 2.25 of the Haddington Road Agreement (HRA) in respect of staff (other than lecturing staff) with salaries between €35,000 and €65,000 (inclusive of allowances in the nature of pay) who have already reached the final point on the incremental scale or who will reach the final point on the incremental scale before 31 December 2015.

**2. Application**

- 2.1. The effective date for the implementation of these measures is the 1<sup>st</sup> July 2013 in line with the provisions of the Financial Emergency Measures in the Public Interest Act 2013 and the Public Service Stability Agreement 2013 – 2016 (Haddington Road Agreement), having regard to section 7 of the Act.
- 2.2. For the purposes of this Circular Letter, salary is to be taken to mean salary inclusive of allowances in the nature of pay which are fixed periodic pensionable allowances.
- 2.3. The provisions of this Circular Letter will apply to work sharers or part-time workers on a pro rata basis to their full time equivalent (FTE) comparator.
- 2.4. This provision applies only to those grades that have an annual and related leave allowance of 24 days or more per annum. For the purposes of this provision, all annual and related leave days (e.g. service days) are considered annual leave days.
- 2.5. This provision does not apply to employees who are on single point salaries.
- 2.6. It should be noted that where long service increments (LSIs) apply, the final LSI is considered to be the final point on the incremental scale for this purpose.
- 2.7. In the absence of any instruction by the employee to elect for the alternative cash contribution methods, the default position is that the annual leave allowance for the employee concerned will be reduced. Employees will be subject to the reduction in leave or can elect for deduction from salary. These options are mutually exclusive over the term of the HRA. Applications to have more than 2 days of the deduction taken in any given year will be subject to approval by local management, having regard to Article 7 of the Organisation of Working Time Act in terms of an employee's minimum statutory leave entitlements.

### **3. Arrangements**

For those staff with salaries between €35,000 and €65,000 (inclusive of allowances in the nature of pay), the following arrangements will apply:

#### **3.1 Staff who reached the final point on the incremental scale before 2013 or during 2013.**

- A reduction of 6 days annual leave, or
- A cash deduction from salary of an equivalent amount to the value of 6 days annual leave, or
- A cash deduction from salary of an equivalent amount to the net value of a half of the most recent increment (cash deduction to be calculated in line with paragraph 4 below).

#### **3.2 Staff reaching the final point in 2014**

- A reduction of 4 days annual leave, or
- A cash deduction from salary of an equivalent amount to the value of 4 days annual leave, or
- A cash deduction from salary of an equivalent amount to the net value of one-third of the most recent increment (cash deduction to be calculated in line with paragraph 4 below).

#### **3.3 Staff reaching the final point in 2015**

- A reduction of 2 days annual leave, or
- A cash deduction from salary of an equivalent amount to the value of 2 days annual leave, or
- A cash deduction from salary of an equivalent amount to the net value of one-quarter of the most recent increment (cash deduction to be calculated in line with paragraph 4 below).

### **4. Calculation of Salary Contributions**

- 4.1. Cash contributions from salary will be from the net salary in all cases, i.e. net of all statutory deductions, including Tax and P.R.S.I., PRD etc. Accordingly, contributions will be calculated (in respect of annual leave days or increments) on the gross value and reduced by 62%.
- 4.2. Contributions to be made from salary represent the total contribution required under this provision for the term of the HRA (to July 2016).
- 4.3. The cash deduction will be collected from salary on a phased basis over a 12 month period.

### **5. Communication to Staff**

- 5.1. Please ensure that this Circular Letter is brought to the attention of all relevant staff in your employment, including those on leave of absence.

**The terms of this circular letter should be retained for audit purposes.**

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Philip Crosby  
Principal