



21 December 2017

To: The Presidents of the Universities

Re: Staff of Universities - Public Service Stability Agreement 2013 – 2020 (Haddington Road Agreement/ Lansdowne Road Agreement) and the Public Service Pay and Pensions Act 2017 - Application of revised rates of salary with effect from 1 January 2018

The Minister for Education and Skills wishes to inform universities of the application of revised rates of salary with effect from 1 January 2018.

The revised salary rates have been introduced as a result of the Public Service Stability Agreement 2013 – 2020 (Haddington Road Agreement/ Lansdowne Road Agreement) and the Public Service Pay and Pensions Act 2017.

Salary Increase with effect from 1 January 2018

Under the terms of the Public Service Stability Agreement 2018 – 2020, whole-time annual basic salaries are increased by 1% with effect from 1 January 2018.

Restoration of FEMPI Act 2013 Pay Reductions for those earning between €65,000 and €110,000 per annum with effect from 1 January 2018

The Financial Emergency Measures in the Public Interest Act 2013 implemented pay reductions for public servants on annualised remuneration of €65,000 or greater. Where a public servant in receipt of annualised remuneration of between €65,000 and €110,000 had their salary reduced under the terms of the Haddington Road Agreement/FEMPI Act 2013, one half of the reduction was restored to his/her salary with effect from the 1 April 2017.

The second half of the reduction will be restored to salaries with effect from 1 January 2018. The effect of this is that the FEMPI Act 2013 reductions for public servants on annualised remuneration of between €65,000 and €110,000 will cease with effect from 1 January 2018.

Application of 1 January 2018 Salary Increase

Staff on salaries between €65,000 and €110,000:

For this category, the pay restoration and salary increase should be applied in the following order, in accordance with the Public Service Pay and Pensions Act:

- (i) The second half of the restoration of the Haddington Road Agreement/ FEMPI Act

- 2013 reduction is applied first, **then**
- (ii) Basic salary is increased by 1%.

This ensures that the 1% increase to basic salary is applied to the salary after full restoration of the HRA cut has occurred.

Staff on salaries in excess of €110,000:

In accordance with section 17 of the Public Service Pay and Pensions Act, the 1% increase to basic salary in this category is calculated by reference to the pre-HRA cut salary (i.e. generally the January 2010 salary) and not the actual salary paid (i.e. the salary effective 1 April 2017)

Accordingly, in calculating the increase for this category, the following steps are applied in the following order:

- (i) Establish the current salary (i.e. the salary effective from 1 April 2017);
- (ii) Establish the value of 1% of the pre-HRA basic salary (i.e. the salary as it stood immediately prior to the HRA cut), then
- (iii) Add this to the current salary

Worked Example:

STEP		AMOUNT
(i)	<i>Current Salary (i.e. the salary effective from 1 April 2017)</i>	145,025
(ii)	<i>Pre-HRA basic salary</i>	151,800
(iii)	<i>1% of pre-HRA basic salary</i>	1,518
(iv)	<i>Add this to the current salary at Step (i)</i>	146,543

Allowances

Allowances which are calculated as a specific percentage or specified portion of basic pay will be recalculated by reference to the revised rates of pay with effect from 1 January 2018. Fixed allowances are not affected.

Overtime

Payment in respect of overtime for eligible grades rendered on or after 1 January 2018 should be calculated by reference to the revised rates of pay with effect from 1 January 2018.

Enhanced Controls in relation to Terms and Conditions of Employment with effect from 30 November 2015 - Recovery of Overpayments

Employers are reminded that the Ministers and Secretaries (Amendment) Act 2011 has been amended under the FEMPI Act 2015 to introduce enhanced controls in relation to terms and conditions of employment agreed between public servants and their public service body employers with effect from 30 November 2015. The relevant sections of the Act are included at the Appendix to this letter.

Anomalies

Where the operation of the increases set out in this Circular results in the basic salary of a public servant being higher than the basic salary applicable to the next immediate point on the pay scale (or any higher point), this should be notified to the Department so that the anomaly can be addressed.

Off-Scale Salaries

The restoration of Haddington Road Agreement/ FEMPI Act 2013 pay reductions set out above should only be applied to staff on an off-scale salary where that salary was subject to the Haddington Road Agreement/ FEMPI Act 2013 pay reductions.

Queries

Any queries regarding anomalies identified or other matters in relation to this Circular should be forwarded by email to esr@education.gov.ie.

Philip Crosby
Principal Officer
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APPENDIX 1

Section 12 of the Financial Emergency Measures in the Public Interest Act 2015 Amendment of Ministers and Secretaries (Amendment) Act 2011

The Ministers and Secretaries (Amendment) Act 2011 is amended by the insertion of the following section after section 16:

“Control of terms and conditions of public servants

16A. (1) Where—

- (a) the Minister has approved a term or condition as being a term or condition that shall apply for the time being in respect of the employment of a class or category of public servant (whether that approval takes the form of an approval as such, any other form of sanction or the giving of consent by the Minister to a decision of another person in the matter), and
- (b) a contract of employment in respect of a public servant falling within that class or category is entered into that contains a term or condition that corresponds or is equivalent to the term or condition standing so approved but which is more favourable to the public servant than that term or condition,

the contract shall have effect as if the term or condition standing so approved (referred to in subsections (2) and (3) as the ‘approved term or condition’) were substituted for the first-mentioned term or condition in paragraph (b) (referred to in subsections (2) and (3) as the ‘unapproved term or condition’).

(2) Any amount paid to the public servant concerned in purported compliance with the unapproved term or condition that is in excess of the amount payable to the public servant under the approved term or condition shall be disregarded for the purpose of calculating any pension entitlement (including an entitlement to a lump sum and an entitlement to periodic payments of pension) of that public servant.

(3) Where an amount is paid to the public servant concerned in purported compliance with the unapproved term or condition that is in excess of the amount payable to the public servant under the approved term or condition then—

- (a) the public servant shall hold the overpayment in trust for the public service body, and
- (b) the public service body shall recover the amount of the overpayment from the public servant, either directly or by a deduction taken from remuneration subsequently payable to that public servant or otherwise.

(4) Where—

- (a) a contract of employment is entered into in respect of a public servant, and
- (b) the contract contains a term or condition in relation to remuneration that does not correspond or is not equivalent to any term or condition standing approved by the Minister in respect of the employment of a class or category of public servant into which the first-mentioned public servant falls (whether that approval

takes the form of an approval as such, any other form of sanction or the giving of consent by the Minister to a decision of another person in the matter), the term or condition shall be void.

(5) Any amount paid to the public servant concerned in purported compliance with a term or condition voided under subsection (4) shall be disregarded for the purpose of calculating any pension entitlement (including an entitlement to a lump sum and an entitlement to periodic payments of pension) of that public servant.

(6) Where an amount is paid to the public servant concerned in purported compliance with a term or condition voided under subsection (4) then—

(a) the public servant shall hold the amount in trust for the public service body, and
(b) the public service body shall recover the amount from the public servant, either directly or by a deduction taken from remuneration subsequently payable to that public servant or otherwise.

(7) Subsections (3) and (6) shall not be taken as limiting the liability under statute of any person to account for such overpayment.

(8) Where an amount to which subsection (3) or (6) relates has not been recovered by the public service body concerned, the Minister may direct in writing that body to recover, by a specified date, the amount in accordance with subsection (3)(b) or (6)(b), as the case may be, and, where that body fails to so recover the amount, the Minister may deduct the amount from any grant or vote of, or other payment to, that body out of money provided directly or indirectly by the Oireachtas or from the Central Fund or the growing produce of that Fund.

(9) This section applies to a term or condition agreed after the commencement of section 12 of the Financial Emergency Measures in the Public Interest Act 2015.

(10) This section has effect notwithstanding—

(a) any other enactment,
(b) any pension scheme or arrangement,
(c) any other agreement or contractual arrangement, or
(d) any understanding, expectation, circular or instrument or other document.

(11) In this section—

“public servant” means a person who is employed by, or who holds any office or other position in, a public service body;

“remuneration” means emoluments to which Chapter 4 of Part 42 of the Taxes Consolidation Act 1997 applies or is applied.”.