Tuesday, 26 March 2019

Questions (253)

**Question:**

**253. Deputy Peter Burke asked the Minister for Public Expenditure and Reform the reason some retired civil servants have not yet received pension increments as per the public sector pay deal; and if he will make a statement on the matter.** [13086/19]

Written answers (Question to Public)

[Minister for Public Expenditure and Reform](https://www.oireachtas.ie/en/members/member/Paschal-Donohoe.S.2007-07-23/)

I have administrative responsibility for the Civil Service Pension Schemes and exercise a central policy/authorisation role in relation to all other public service pension schemes. Insofar as pension increases are concerned, the main function of my Department is to determine, subject to appropriate Ministerial and Government approval, the pensions increase policy to apply, and to issue Circulars to Departments and public service bodies to authorise and give guidance on the application of the relevant increases. It is then a matter for each pension paying authority to ensure that effect is given to the pension increases authorised in the relevant Circulars, in the present instance, those set out in Circular 02/2018 with respect to pre-existing public service pension scheme members.

The principle of pay parity underlies the pension increases sanctioned in this Circular. This means that pay increases, agreed as part of the Public Service Stability Agreement 2018-2020 (PSSA), are to be passed on to qualifying pensions of pre-existing public service pension scheme members, to bring the salary on which their pension is based up to the current salary of those still serving after the pay increases are applied.

Consequently, not all pension recipients will be due increases. If the salary on which the pension is based is lower than that of a serving staff member in the same grade and on the same scale point, then no increase will be due. For example, protections in place (known as ‘grace periods’) for public servants retiring after the application of pay cuts under the FEMPI legislation meant that their pensions were calculated using the higher pay rates that were in effect prior to the application of the pay cuts. If the current salaries of serving staff in the same grade and on the same scale point are not yet greater than those higher pay rates used in the pension calculation, even after the relevant pay increases under the PSSA have been applied to serving staff, no pension increase will be due. The same is true of any pensions that commenced prior to the FEMPI legislation that are linked to pay rates that have not yet been exceeded by the current salary rates of the relevant serving public service cohorts.