

# Public pensioners' parity to stay another two years

## COLMAN HIGGINS

**The parity link between public service pensioners and those still serving in their former grade or group will be maintained up to the end of 2022.**

This has been confirmed by a letter issued to the representatives of retired public servants by the Department of Public Expenditure and Reform (DPER) following the publication of the text of the proposed new public service pay agreement, Building Momentum.

This letter, cited by the ASTI in its bulletin to members on Building Momentum, confirms that the Minister for PER has approved the continuation of the existing policy approach for the period to the end of 2022 (i.e. for the duration of Building Momentum, which would expire on December 31, 2022).

This is subject to a policy of gradually evening the difference between those who retired up to February 29, 2012 (whose pensions are based on their pre-Fempi pay cut salaries) and those who retired after that date (whose pensions are based on post-Fempi salaries). However, since the Fempi pay cuts have already been reversed for most public servants and pensioners, this distinction from here on only affects the highest-paid groups.

A Dail answer from Minister for PER Michael McGrath, to Independent TD Denis Naughten last month, sets out the policy of equalisation since 2017, which is also stated in the letter to public service pensioners:

- “An equitable approach must be adopted for the various public service pensioner cohorts who are not only differentiated by amount of pension in payment (determined by grade and service) as heretofore but also by date of retirement (in particular pre and post end February 2012).
- Accordingly for those who retired or will retire post end-February 2012, to the extent that they retired on reduced salaries, they will receive pension increases in line with the pay increases due to their peers in employment.
- When alignment is achieved between pre and post end-February 2012 pensioners, pay increases will continue to benefit pensions in payment.”

The Dail answer from Minister McGrath adds that since the unwinding of Fempi pay cuts “will be ongoing over 2021 to 2022”, the “requirement for equitable treatment, as outlined above, will continue to arise over this period. Accordingly, the above arrangements will remain in place to end 2022 in advance of which I will consider the future policy approach on this issue”.

## REGISTRATION

Since the Public Service Pensions Act 2012, the Minister has the power to introduce regulations to remove the parity link between pensioners and their serving colleagues. While primary

legislation would not be required, any such regulations would need to pass a resolution of both Houses of the Oireachtas. (see [IRN 22/2014](#))

However, this link has been retained over the years since then, with the proviso outlined above, which means that post-2012 retirees get increases until they catch up with the pre-2012 retirees from the same grade or group, after which all retirees move together.

Since Building Momentum contains the first post-Fempi pay increases that are not simply pay restoration for most groups, the parity link has a new significance that it has not had for about a decade.

## **SECTORAL DEALS**

It remains to be seen how the parity link will operate when sectoral bargaining deals are done under Building Momentum, or whether pensioners will simply have a straight 1% increase applied to them.

However, the INTO for one has stated clearly that it will seek application of long-awaited increases to principal/deputy principal allowances in its sectoral bargaining round, and that it will seek application of these increases to those who have retired.