

Proposals for a Public Service  
Stability Agreement 2013 - 2018

# THE LANSDOWNE ROAD PROPOSALS

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June 2015



**ORGANISING FOR  
FAIRNESS AT WORK  
AND JUSTICE IN  
SOCIETY**

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**Liberty Hall**  
**Friday, 5th June**

# **Statement by the National Executive Council of SIPTU on the Lansdowne Road Proposals on pay in the public service**

The National Executive Council of SIPTU met on Friday, 5th June, to consider the Proposals for an agreement on pay in the public service. Having considered the details it was decided to recommend them for acceptance by the union's membership.

It was concluded that they represent reasonable progress towards the objective of recovering pay lost following the economic collapse of 2008. The union's target of reducing the effect of the pension levy has also been addressed. The pay improvements would apply from a date six months earlier than that envisaged in the Haddington Road Agreement. These together with the significant measures, outlined in the Proposals, to strengthen the protections against outsourcing would be important steps towards rebuilding decent standards of employment in the public service.

The Proposals are structured in a manner that is consistent with the commitment in the Croke Park and Haddington Road Agreements which emphasises the position of the lower paid. Meanwhile, the reinstatement of lost pay for those on salaries in excess of €65,000 per annum is also reiterated.

Progress has also been made otherwise on the non-pay agenda. In this regard other commitments such as those relating to regularising the position of low paid interns in the Health Service are also welcome. Provisions envisaging engagement on anomalies affecting particular categories and groups such as General Operatives and related grades in the Dublin Local Authority areas offer a way forward after a long impasse.

It may well be that State revenue returns for this year could exceed expectations. Equally, we cannot predict the rate of inflation over the latter half of the tenure of the proposed agreement. However, it would be unwise to reject these Proposals as the prospect of any additional benefit from re-negotiation would be outweighed by the danger of forfeiture of some of the key elements envisaged in them. In any event if the proposed agreement is accepted it is expected that negotiations on a successor would take place during 2017.

Accordingly, all things being considered the National Executive Council of the union recommends acceptance in a secret ballot vote to be completed by Thursday, 23rd July, following a period of extensive membership consultation and information.

**SIPTU National Executive Council**

## THE LANSDOWNE ROAD PROPOSALS (LRP)

- **Represent an extension of the Haddington Road Agreement (HRA)**
- **Extension to September 2018**
- **All existing dispute resolution procedures (including sectoral arrangements) continue to apply**

## PUBLIC SERVICE PAY PROPOSALS

### 2016

- On 1st January 2016 the exemption threshold for payment of Pension Related Deduction will increase from **€15,000 to €24,750 per annum**
- On 1st January 2016 annualised salaries up to **€24,000 are increased by 2.5%**
- On 1st January 2016 annualised salaries from **€24,001 up to €31,000 are increased by 1%**
- On 1st September 2016 the exemption threshold for payment of Pension Related Deduction will increase further from **€24,750 per annum to €28,750 per annum**

### 2017

- On 1st September 2017 annualised salaries up to **€65,000 are increased by €1,000**
- Pay restoration for staff earning **more than €65,000** per annum, negotiated as part of the HRA, will apply on 1st April 2017 and on 1st January 2018

## EFFECT OF AGREEMENT ON INCOME GROUPS

(Source- Department of Expenditure and Reform - 3rd June 2015)

Salary	Pay 2016	Levy 2016	Total 2016	Pay 2017	Total 2016-17	Percentage
22000	550	325	875	1000	1875	8.52%
23000	575	425	1000	1000	2000	8.70%
24000	600	525	1125	1000	2125	8.85%
25000	250	625	875	1000	1875	7.50%
26000	260	725	985	1000	1985	7.63%
27000	270	825	1095	1000	2095	7.76%
28000	280	925	1205	1000	2205	7.88%
29000	290	1000	1290	1000	2290	7.90%
30000	300	1000	1300	1000	2300	7.67%
31000	310	1000	1310	1000	2310	7.45%
32000		1000	1000	1000	2000	6.25%
33000		1000	1000	1000	2000	6.06%
34000		1000	1000	1000	2000	5.88%
35000		1000	1000	1000	2000	5.71%
36000		1000	1000	1000	2000	5.56%
37000		1000	1000	1000	2000	5.41%
38000		1000	1000	1000	2000	5.26%
39000		1000	1000	1000	2000	5.13%
40000		1000	1000	1000	2000	5.00%
41000		1000	1000	1000	2000	4.88%
42000		1000	1000	1000	2000	4.76%
43000		1000	1000	1000	2000	4.65%
44000		1000	1000	1000	2000	4.55%
45000		1000	1000	1000	2000	4.44%
46000		1000	1000	1000	2000	4.35%
47000		1000	1000	1000	2000	4.26%
48000		1000	1000	1000	2000	4.17%
49000		1000	1000	1000	2000	4.08%
50000		1000	1000	1000	2000	4.00%
51000		1000	1000	1000	2000	3.92%
52000		1000	1000	1000	2000	3.85%
53000		1000	1000	1000	2000	3.77%
54000		1000	1000	1000	2000	3.70%
55000		1000	1000	1000	2000	3.64%
56000		1000	1000	1000	2000	3.57%
57000		1000	1000	1000	2000	3.51%
58000		1000	1000	1000	2000	3.45%
59000		1000	1000	1000	2000	3.39%
60000		1000	1000	1000	2000	3.33%
61000		1000	1000	1000	2000	3.28%
62000		1000	1000	1000	2000	3.23%
63000		1000	1000	1000	2000	3.17%
64000		1000	1000	1000	2000	3.13%
65000		1000	1000	1000	2000	3.08%

Figures for guidance purposes only.

SIPTU Note: The final effect of the Pension Related Deduction and the pay adjustments are subject to each individual's personal taxation circumstances, see FAQ Page 10-13

## SERVICE DELIVERY OPTION (OUTSOURCING)

- Commitment to the use of direct labour, to the greatest possible extent, is reaffirmed and strengthened.
- Consistent with efficient and effective delivery of public services.

LRP - Section 3.3.5: "In the context of the greater flexibility now available to manage and prioritise staffing levels in each public service body, in response to demands for public services, this commitment to the use of direct labour to the greatest possible extent must be considered by the Parties."

- The Parties to seek to resolve disputes through dialogue.

LRP - Section 3.3.5: "Where this fails to resolve the issue, the Parties shall use the dispute resolution mechanism set out in paragraphs 4 and 6 of this Agreement. The processes set out in paragraph 6 of the 'Service Delivery Options' document must be undertaken prior to any outsourcing of an existing service taking place, and in the evaluation process referred to in that paragraph, any cost comparisons shall exclude the totality of labour costs."

- Paragraph 6 of the Proposals makes provision for the 'adjudicating' in the event of a dispute regarding compliance with the outsourcing provisions of the proposed agreement by the Oversight and Governance arrangements.

## GRACE PERIOD FOR RETIREMENT

LRP Section 5.4: "The Government has also indicated that it intends to provide in the legislation for a grace period consistent with the term of this Agreement during which both the reduction in pay and any deferral of incremental progression provided for under the Financial Emergency Measures in the Public Interest Act 2013, will be disregarded."



# ADDITIONAL MEASURES DEALT WITH IN THE LANSDOWNE ROAD PROPOSALS

## HEALTH SECTOR

- Support Staff Internships: Agreement on permanency after 18 months.
- Service Level Agreements - Section 39: Process to deal with issues, including the prevalence of zero hour contracts, to conclude no later than 30th September, 2015.
- Job Evaluation Health Sector: Agreement on conduct and scope of job evaluation in the Sector for Support Staff and Officer Grades.
- Secured Retention of professional fees to CORU (multi-profession health regulator) and NMBI: Prohibits any further increase for the duration of the proposed agreement.
- Transfer of Tasks/Duties under the Haddington Road Agreement (HRA): Commitment by all Parties to engage proactively in an independently chaired process.

## EDUCATION SECTOR

- Flexi-leave: 1½ carry over days reinstated to previous carry over for initial period of six months and review thereafter.
- Flexi-leave for Assistant Principals: Management to engage with unions on this issue.
- Fixed-term/Part-time employment in Lecturing: Completion of exercise under HRA. Report to be published within agreed time frame.
- Adult Tutors: Labour Relations Commission (LRC) talks on this issue to recommence.
- Job Evaluation: Clerical, Administration and Support Grades in Higher Education. Process to recommence subject to departmental approval.
- School Secretaries and Caretakers: Immediate engagement by Parties. Should no agreement be reached arbitration process by LRC ensues. This is to be completed no later than 15th September 2015.

## LOCAL AUTHORITY SECTOR

- General Operatives rates in Dublin Local Authorities: Terms of Reference agreed to examine the issue.
- Local Authorities apprentice fees: To be discussed at Local Authority National Council with a view to employer absorbing the fees.
- 'Keeping Communities Safe' evaluation process: Terms of Reference agreed for Minister's forum.

## STATE RELATED SECTOR

- State Related Flexi-time: 1½ carry over days reinstated to previous carry over for initial period of six months and review thereafter.

## OTHER ISSUES

- Overtime adjusted under HRA: Commitment to engage on this issue on expiry of the proposed agreement.
- Establishment of Community and Voluntary Forum: Terms of Reference agreed.

## FREQUENTLY ASKED QUESTIONS REGARDING THE LANSDOWNE ROAD PROPOSALS

### ***Why did the talks take place now?***

At the time of the negotiation of the Haddington Road Agreement, the ICTU Public Services Committee took the precaution of writing to the Department of Public Expenditure and Reform advising that if the State's finances improved to a degree that would enable the exchequer to cope, we could lodge a claim seeking improvements.

In the absence of this letter the management side would have been able to argue that no talks were due until the end of the Haddington Road Agreement in June 2016. This proposed agreement enables income recovery to commence in January 2016 - six months earlier than would otherwise apply. Furthermore, it was recognised that a delay in commencing talks would have run the risk of public servants' income becoming part of a politicised budget debate.

### ***What increases are contained in the Proposals?***

On 1st January 2016 the exemption threshold for payment of the pension levy will increase from €15,000 per annum to €24,750 per annum. This will reduce the pension levy by €600 per annum for all public servants earning above the threshold. On 1st January 2016 annualised salaries up to €24,000 will increase by 2.5% through a partial reversal of the 2010 public service pay cuts. On 1st January 2016 annualised salaries from €24,001 up to €31,000 will increase by 1% via the same mechanism.

On 1st September 2016 the exemption threshold for payment of the pension levy will increase further from €24,750 per annum to €28,750 per annum. This will further reduce the pension levy by €400 per annum for all public servants earning above this threshold. The combination of these measures in 2016 will improve all public service full-time incomes by around €1,000 per annum. On 1st September 2017 annualised salaries up to €65,000 are increased by €1,000.

### ***The Proposals refer to 'annualised salary'. What is that?***

Annualised (basic) salary is the annual salary paid to a full-time employee. Employees who do not work full-time hours earn a percentage of the annualised salary based on their working hours. For example, if an employee is on 50% job sharing, they earn half the 'annualised salary' for the position.

### ***How will the increases apply to part-time staff?***

Non full-time staff will receive pro rata increases based on the January 2016 and September 2017 increases in annualised salaries. As the pension levy applies to annual income in each calendar year, the benefits for non full-time staff will vary.

### ***Will increments be affected by these Proposals?***

No. Under the Haddington Road Agreement there was provision for a three-month increment delay for staff earning under €35,000, two three-month delays for staff earning between €35,000 and €65,000, and two six-month delays for staff earning over €65,000. There is a three-year freeze for staff on salaries starting over €100,000. Once these liabilities are discharged, no further delays arise for any of the categories. Specifically, no delays are created by the Lansdowne Road Proposals.

***What will happen to staff who earn more than €65,000?***

All public servants, irrespective of their salary, will benefit from the reduction in the pension levy in 2016. In the case of staff who earn more than €65,000 their pension levy will be reduced by €1,000. An important aspect of the Proposals is that it is confirmed that pay restoration for these staff, negotiated as part of the Haddington Road Agreement, will apply on 1st April 2017 and on 1st January 2018.

***What happens to the 'grace period' under the LRP?***

Under the Lansdowne Road Proposals, the Government has indicated that it intends to provide in the legislation for a further extension of the 'grace period' during which both the reduction in pay and any deferral of increment progression, provided for under the Financial Emergency Measures in the Public Interest Act, 2013, will be disregarded for pension purposes. The original 'grace period' under the Haddington Road Agreement ran to June 2015. Unions successfully argued for its extension until the expiry of the proposed agreement.

***How will take home pay be affected?***

The effect on take home pay from the reduction in the pension levy will vary depending on an individual's income and tax rate. The pension levy currently attracts income tax relief in the same way as pension contributions. When the levy is reduced this tax relief will also be reduced. In essence, the final take home benefit of the €1,000 gross reduction of the levy will vary depending on whether the individual pays tax at the standard rate of 20% or the marginal rate of 40%.

***Why are the changes to working hours, twilight payments and overtime rates, agreed under the Haddington Road Agreement, remaining?***

The changes to working hours, twilight payments and overtime rates, agreed under the Haddington Road Agreement, were not time limited to the duration of the agreement. Reducing working hours and restoring twilight payments and overtime rates were raised by the union side in the negotiations but the management side was emphatic that it had no mandate from the Government to make any concessions on these issues. There is nothing in this proposed agreement that prevents unions seeking concessions on these issues in a future agreement.

***Do the Proposals alter any terms and conditions?***

No. In contrast to the Haddington Road Agreement there will be no changes to individual terms and conditions such as working hours, annual leave or sick leave.

***Why are the Proposals phased?***

Phasing the pay increases allowed the union aspirations to be met in the context of the Government budget framework. This is a common feature of agreements in the public and private sectors.

***Do the Proposals address outsourcing?***

The Parties agreed to reaffirm and strengthen commitments on the use of direct labour to the greatest extent possible, consistent with the efficient and effective delivery of public services. Where any dispute arises on the application of this commitment, the parties will seek to resolve any matter directly and, where this fails, to use the dispute resolution mechanisms in the Proposals.

Earlier commitments on consultation and evaluation must be undertaken prior to any outsourcing of an existing service taking place and - significantly - in the evaluation process any cost comparisons shall exclude the totality of labour costs which includes basic pay, leave, premium payments and pension benefits.

### ***Will pensioners benefit from the Lansdowne Road Proposals?***

Pensions are not directly covered by the Proposals. However, in a separate engagement with the Irish Congress of Trade Unions Public Services Committee and the Alliance of Retired Public Servants, the management side confirmed that pensions will be increased by way of a reduction in the Pensions Related Deduction made from pensions in payment.

The threshold for the deduction will be increased from its current level of €12,000 - leading to a maximum increase of €900 per annum over the period 2016-17 - which means a total of 80,000 out of 140,000 public service pensioners being exempted from the deduction during this period.

### ***Are there changes to the disputes resolution procedures under the Lansdowne Road Proposals?***

No. The Labour Relations Commission (LRC), in commending the proposed agreement to the parties, confirmed that all existing dispute resolution procedures, including sectoral arrangements provided for under the Haddington Road Agreement, continue to apply.

### ***Is there an overall ‘no strike’ agreement?***

No. As is normal, the Proposals provide that strikes or other forms of industrial action are precluded in respect of any matters covered by an agreement, where the parties are acting in accordance with its provisions. This is the same clause that was contained in the Croke Park, Haddington Road and previous agreements. There are no prohibitions on strikes or other forms of industrial action on any matters not covered by the Proposals.

### ***Why is the Irish Water Programme mentioned?***

The Proposals mention Irish Water in order to provide the means by which our Local Authority workers, who work under Service Level Agreements to the Water Programme, can be engaged with and consulted on changes in their workplace.

### ***Is job evaluation being re-introduced in the Health Sector and Higher Education Sector?***

Yes. It is agreed that, if the Lansdowne Road Proposals are ratified, the relevant management and unions will meet to conclude arrangements on the conduct and scope of job evaluation exercises in the Health Sector for Support Staff and Officer Grades. In the Higher Education Sector there will be job evaluation in respect of Library, Clerical, Administrative and Support Grades subject to departmental approval.

### ***Are Section 39 funded bodies covered by the Proposals?***

No. Staff in Section 39 funded bodies are not covered by the Proposals. However, the relevant sections will be seeking to engage with the individual employers with a view to unwinding some of the measures put in place in these employments over the last few years.

The Proposals set up a process to ensure that there will be a requirement in their Service Level Agreements that will oblige them to utilise the industrial relations machinery of the State. There is a process to address zero hour contracts and pension gratuity payments for Home Helps.

### ***Do the Proposals affect the current arrangements for the CORU and NMBI fees?***

Yes. It is agreed that, if the Lansdowne Road Proposals are ratified, the commitment under the Haddington Road Agreement to freeze the CORU and NMBI fees at €100 per annum will be extended to the expiry of the proposed agreement.

# Public Service Stability Agreement 2013-2018

## THE LANSDOWNE ROAD AGREEMENT\*

### 1. Introduction

- 1.1. In keeping with a long and proud tradition of service to the public and the State, Irish public servants have made a substantial contribution to Ireland's recovery. This has happened through the delivery of an extensive series of Public Service Reforms in general, as well as through a direct contribution in terms of pay and pensions measures that have reduced significantly the Public Service pay and pensions bill.
- 1.2. Public Service Reform has been a central element of the strategic response to the crisis. Change is now a constant part of employment in the Public Service and a central element of the strategy for recovery and a sustainable future.
- 1.3. The strategic and ambitious goal of Public Service Reform is the achievement of a Public Service that will have improved outcomes for citizens and all stakeholders, including businesses and public servants themselves. Given ongoing budgetary circumstances, alongside significant demographic challenges and increased demand for services, that will require delivery of continued productivity improvements through working smarter, innovation in business and workplace practices, improving analysis of data to shape public service delivery, changing the speed, flexibility and tailoring of service delivery, continuing to create a more open, transparent and accountable Public Service and ensuring staff have the necessary skills to deliver ongoing reform.

### 2. Vision for Public Service Reform

- 2.1. Just as Public Service Reform has been a key element in Ireland's recovery, it must be sustained into the future. Improving public administration and service delivery is a normal and constant part of the working environment across all public bodies and all sectors. This will be underpinned by the different reform programmes in each sector, as highlighted in paragraph 3.2 of this Agreement. Some of the achievements of the Public Service Reform programme have recently been set out in the Annual Progress Report on Public Service Reform (March 2015) and further improvements are planned.
- 2.2. There will be a focus on improved outcomes in terms of how citizens engage with and experience Public Services. Over the coming years, it will become easier for the citizen to interact with public bodies. This will involve making information and services more accessible and ensuring greater levels of openness and transparency in decision making around those services.
- 2.3. Improved delivery channels, greater flexibility and enhanced cross-organisational coordination and planning will reduce the administrative burden on the citizen. Greater use of technology and data sharing will be the norm. A strategic approach, making better use of data analysis, will be taken to planning and delivering services, to support improved outcomes in health and education, as well as in other areas. The interdependency between the performance of the Public Service and the performance of the economy overall cannot be overestimated; a modern, outcome-focussed Public Service will be a key enabler for growth in the private sector and will also underpin the drive for improved competitiveness across the economy.

*\*SIPTU Note: The outcome of the Lansdowne Road talks constitute a set of proposals by the Labour Relations Commission that if ratified by SIPTU members in a secret ballot vote will result in the following Agreement.*

- 2.4. The introduction of new ways of working and delivering services to the public will be in accordance with the procedures set out in paragraph 4. Shared approaches to back-office functions will reduce duplication and allow for a strengthened focus on key strategic issues.
- 2.5. The Public Service will invest in its people to increase and expand its capacity, capability and leadership skills, so that it can respond to future challenges. Building on the traditional values of fairness and dedication to Public Service, there will be an emphasis on creating a sustainable culture of efficiency and effectiveness. The Public Service will facilitate improved training and continuous development. Increased mobility in accordance with the terms of this Agreement and further integration of systems and structures will provide a more interesting and challenging environment for careers in the Public Service.

### **3. Delivering greater productivity**

- 3.1. The Parties agree to the extension of the Public Service Stability Agreement 2013 - 2016 until September 2018. The Parties re-affirm the need to sustain the delivery of responsive and high-quality public services within available resources. Efficiencies need to be maximised and productivity in the use of resources increased through revised work practices and other initiatives. The Parties will work together to implement this Agreement to ensure cost effective delivery of public services along with excellent services to the public.
- 3.2. The Parties recognise that the implementation of change programmes requires effective engagement and consultation and jointly supported mechanisms to resolve disagreement while achieving the shared objective of improved services to the public. The parties re-commit to effective engagement across the platform of the Government's delivery of its change and reform agenda and understand that differences will continue to require to be addressed in a structured manner and where necessary will be dealt with in accordance with the provisions of paragraph 4. The Government's reform agenda includes but is not limited to the Public Service Reform Plan 2014 - 2016, and:
- in the Civil Service - the Civil Service Renewal Plan;
  - in the Education Sector - the Further Education and Training Strategy; Curricular Reform within Schools; the Review of Apprenticeship Training in Ireland; the National Strategy for Higher Education to 2030; and the National Strategy to Improve Literacy and Numeracy (2011 to 2020);
  - in the Local Government Sector - the Action Programme for Effective Local Government - Putting People First; and Irish Water Programme;
  - in the Health Sector - the Future Health Strategic Framework for the reform of the health service, associated structural reforms to support high quality care and maximise health outcomes - in particular the establishment of Hospital Groups and Community Healthcare Organisations - and implementation of Healthy Ireland, the national framework for action to improve the health and wellbeing of the people of Ireland; and
  - in the Justice Sector - the Review of the Garda Síochána.

- 3.3. The programme of reform will deliver ongoing measures in all sectors of the Public Service including, but not limited to, measures to:
- 3.3.1. enhance workplace productivity and service quality by improving work practices, as provided for in the Public Service Agreement 2010 - 2014 and the Public Service Stability Agreement 2013 - 2016, including through changes to rosters, flexible attendance patterns to meet service demands and public needs, better use of technology including e-rostering, cross-stream reporting, team-based working and changing skill mixes;
  - 3.3.2. consolidate and reorganise work in line with organisational needs, including service level agreements between public bodies;
  - 3.3.3. deliver services digitally through maximising the benefits of modern information technology;
  - 3.3.4. implement more shared approaches within and across sectors, including in areas such as public procurement, property management and shared services; and
  - 3.3.5. make maximum use of innovative models of service delivery that focus more on outcomes. In that context, the Parties reaffirm the commitments given in Chapter 1, Appendix: Service Delivery Options, Public Service Agreement 2010 - 2014 and restated in paragraph 3.19 of the Public Service Stability Agreement 2013 - 2016. In particular, the commitment contained in paragraph 1 of that document to the use of direct labour to the greatest extent possible, where consistent with the efficient and effective delivery of effective public services, is reaffirmed. In the context of the greater flexibility now available to manage and prioritise staffing levels in each public service body, in response to demands for public services, this commitment to the use of direct labour to the greatest extent possible must be considered by the Parties. Where any dispute arises on the application of this commitment, the Parties shall seek to resolve any matter through direct dialogue. Where this fails to resolve the issue, the Parties shall use the dispute resolution mechanisms set out in paragraphs 4 and 6 of this Agreement. The processes set out in paragraph 6 of the "Service Delivery Options" document must be undertaken prior to any outsourcing of an existing service taking place, and in the evaluation process referred to in that paragraph, any cost comparisons shall exclude the totality of labour costs.
- 3.4. At the centre of the reform programme is the achievement of higher standards of performance through more effective resource management and through maximising the potential of our workforce. To deliver this change, modernisation and enhancement of the employment framework for public servants will be advanced, with the policies and strategies that relate to the management of the Public Service workforce a particular priority for change. In that regard, the Parties agree to continue to work within the framework of the Public Service Stability Agreement and reaffirm the overall commitments provided within it. Taking account of the commitments given in the Public Service Stability Agreement 2013 - 2016, such as commitments to consultation and engagement as well as commitments to dispute resolution, the parties note that it is intended to modernise Public Service employment in line with modern HR practice, by:
- 3.4.1. ensuring the best possible management of our human resources, through improved workforce planning, best practice recruitment and promotion procedures, grade restructuring and rationalisation and staff deployment in the context of the development of campus or group based structures;
  - 3.4.2. developing management capacity and accountability in all sectors, including enhancement of all management and supervisory roles, functions and responsibilities;

- 3.4.3. implementing, with the aim of supporting an ethical workplace, up to date HR policies, including performance management, discipline, grievance and bullying and harassment policies;
  - 3.4.4. greater mobility within and between sectors as part of a move to a more open Public Service jobs market;
  - 3.4.5. ensuring that the performance and accountability of organisations and individuals is maximised; and
  - 3.4.6. modernising employee workplace relations practices in the Public Service, where agreed between the parties at sectoral level, to deliver more effective policies and bring procedures in line with the wider economy.
- 3.5. The Parties will also continue to co-operate fully with change and reform measures advanced under the framework of the Public Service Agreements and in accordance with all of the arrangements set out in those agreements including commitments to consultation and engagement.

#### **4. Mechanism to Resolve Disagreement**

- 4.1. The Parties reaffirm their commitments under paragraph 1.23 to paragraph 1.27 in the Public Service Agreement 2010 - 2014, and paragraphs 5.1 and 5.2 of the Public Service Stability Agreement 2013 - 2016 which oblige all parties to:-
- 4.1.1. recognise the importance of stable industrial relations and maintain a well-managed industrial relations environment;
  - 4.1.2. ensure that they have well developed communication channels;
  - 4.1.3. seek to resolve problems before they escalate into industrial disputes;
  - 4.1.4. resolve disagreements where they arise promptly;
  - 4.1.5. co-operate with the implementation of change pending the outcome of the industrial relations process conducted in a timely fashion; and
  - 4.1.6. where the Parties involved cannot reach agreement within 6 weeks, refer disputes by either side to the LRC and if necessary to the Labour Court or, alternatively, to other agreed machinery. Where a Conciliation or Arbitration Scheme applies, the issue will be referred within 6 weeks, to the Conciliation machinery under the Scheme and, if unresolved, to the Arbitration Board, alternatively, to other agreed machinery. The outcome from the industrial relations or arbitration process will be binding and final.
- 4.2. The Parties reaffirm that:-
- 4.2.1. there will be no cost-increasing claims for improvements in pay or conditions of employment by trade unions, Garda and Defence Force associations or employees during the period of the Agreement;
  - 4.2.2. they continue to be committed to promoting industrial harmony; and
  - 4.2.3. strikes or other forms of industrial action by trade unions, employees or employers are precluded in respect of any matters covered by this Agreement, where the employer, trade union or staff association are acting in accordance with the provisions of this agreement.



## 5. Pay

- 5.1. In recognition of the contribution made by all public servants in terms of the ongoing impact on remuneration and other terms and conditions through the Financial Emergency Measures in the Public Interest Acts, the Parties have reached agreement on public service pay measures that will ameliorate the impact of the legislation on the remuneration of all public servants. The Government has indicated that it intends to bring forward legislation by way of amendment to the existing Financial Emergency Measures in the Public Interest Acts to give effect to the public service pay proposals which have been agreed by the parties to this Agreement as follows:

### 2016

- On 1 January the exemption threshold for payment of Pension Related Deduction (PRD) will increase from €15,000 per annum to €24,750 per annum.
- On 1 January annualised salaries up to €24,000 are increased by 2.5%.
- On 1 January annualised salaries from €24,001 up to €31,000 are increased by 1%.
- On 1 September the exemption threshold for payment of Pension Related Deduction (PRD) will increase further from €24,750 per annum to €28,750 per annum.

### 2017

- On 1 September annualised salaries up to €65,000 are increased by €1,000.
- 5.2. The Parties note that the Government intends to include in the legislation the provisions necessary to commence the process to reduce the pay reductions applied under the FEMPI Act 2013.
- 5.3. The Parties have agreed that any outstanding adjudication findings as referred to in paragraph 1.16 of the Public Service Agreement 2010 - 2014 will be reviewed jointly by the Parties prior to the expiry of this Agreement.
- 5.4. The Government has also indicated that it intends to provide in the legislation for a grace period consistent with the term of this Agreement during which both the reduction in pay and any deferral of increment progression provided for under the Financial Emergency Measures in the Public Interest Act, 2013 will be disregarded.
- 5.5. The Parties note that, notwithstanding the improvement of the country's fiscal position, the legislative constraints imposed on public service employers under the financial emergency legislation will continue to be the context for pay determination during the lifetime of this Agreement. They are agreed on the importance of achieving a sustainable public pay policy that will continue to support the ongoing economic recovery over the coming years as the financial emergency legislation comes to be amended and repealed. The Government confirms that it will engage with the representative bodies of public servants during the lifetime of this Agreement in advance of it deciding on any alternative pay determination structure.

## **6. Oversight and governance arrangements**

- 6.1. As provided for by the Public Service Stability Agreement 2013 – 2016, a group comprising representatives of Public Service Management and the Public Services Committee of the ICTU will meet as required to address any matters of implementation and interpretation, including:
- addressing any anomalies that may arise under this Agreement;
  - addressing any major disputes that arise under paragraph 4;
  - making the final determination on whether a dispute shall be determined in accordance with the procedures laid out in the Agreement;
  - determining any matter associated with the correct operation of dispute resolution procedures including the question of timelines, cooperation with disputed change, etc;
  - determining the correct operation of those procedures in any case where that matter is disputed; and
  - adjudicating in the event of a dispute regarding compliance with the outsourcing provisions of this agreement.

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