AN ROINN OIDEACHAIS AGUS SCILEANNA | DEPARTMENT OF EDUCATION AND SKILLS

Circular 32/2013

To: The Managerial Authorities of Recognised Primary Schools

Public Service Stability Agreement 2013 – 2016 (Haddington Road Agreement) and the Financial Emergency Measures in the Public Interest Act 2013

Teacher Salaries

Introduction

1. The purpose of this Circular is to notify managerial authorities and teachers of the changes to the salaries of teachers to take effect from 1 July 2013. These changes arise from 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. For the purposes of this Circular, salary is to be taken to mean salary inclusive of allowances in the nature of pay which are fixed periodic pensionable allowances.

Increments and related balancing measures

3. For teachers on salaries below €35,000, one three-month increment freeze will apply. This will take effect after the next increment is paid, with the following increment being awarded after 15 months rather than 12.

4. For teachers on salaries between €35,000 and €65,000, two three-month increment freezes will apply. This will take effect after the next increment is paid, with the following two increments each being awarded after 15 months rather than 12 months.

5. For teachers on salaries of €65,000 or greater, two six-month increment freezes will apply. This will take effect after the next increment is paid, with the following two increments each being awarded after 18 months rather than 12 months.

6. Where a teacher's salary surpasses €35,000 during the Agreement, a second incremental freeze of three months will apply, in accordance with the arrangements for teachers on salaries between €35,000 and €65,000 outlined at paragraph 4 above.

7. Specific arrangements will apply for teachers with salaries between €35,000 and €65,000 who are on the final point of the incremental scale or who reach the final point of the scale following a 15 month increment period. These arrangements will be notified in a separate communication.

8. If a teacher's salary increases above €65,000 during the Agreement, the salary reduction provisions outlined at paragraphs 9 to14 below will apply.

Higher Remuneration

9. In addition to the measures on increments above, there will be a reduction in salary for teachers on salaries of €65,000 or greater as follows:

Annualised amount of Remuneration	**Reduction**
Any amount up to €80,000	5.5% *
Any amount over €80,000 but not over €150,000	8%
Any amount over €150,000 but not over €185,000	9%
Any amount over €185,000	10%

* The 5.5% reduction applies to <u>all</u> salary below €80,000, not solely the portion of salary which is between €65,000 and €80,000.

10. As stated at paragraph 2 above, salary for the purposes of this Circular is to be taken to mean salary inclusive of allowances in the nature of pay which are fixed periodic pensionable allowances. When calculating a teacher's salary **<u>for the purposes of the higher remuneration reduction only</u>**, the supervision allowance should not be included in the total. Please see Appendix for further detail and worked examples.

11. If a teacher's salary increases above €65,000 (inclusive of allowances in the nature of pay) during the Agreement, these salary reduction provisions will apply.

12. Salaries will not fall below €65,000 as a result of the application of this reduction.

13. Where a teacher is employed on less than full hours and their whole-time equivalent salary (inclusive of allowances in the nature of pay which are fixed

periodic pensionable allowances) is greater than €65,000, the reductions outlined in the above table will apply to their salary on a pro-rata basis.

14. For teachers on salaries of €65,000 or greater, the reduction outlined above will be restored to the rate that they would have had, but for the salary reduction, within a maximum of 18 months of the end of the 3 year Agreement. The restoration will be in two equal phases – the first after 9 months and the second 9 months later.

Alleviation of Multiple Impacts

15. Alleviation measures will apply in the case of teachers who lose pensionable salary both through the higher remuneration reduction as described at paragraphs 9 to 14 above and the withdrawal of the supervision allowance under the Agreement. Please see Appendix for further detail and worked examples.

Pension-Related Deduction – Rate Adjustment:

16. The rates for the Pension-Related Deduction will be reduced in the €15,000-€20,000 band rate to 2.5% from 5% with effect from 1 January 2014. From 1 January 2014, the rates for the PRD will be as follows:

Bands and Rates	
Below €15,000	Exempt
€15,000 - €20,000	2.5%
€20,000 - €60,000	10.0%
Above €60,000	10.5%

Revised Salary Scales and Rates for post-1 January 2011 and post-1 February 2012 Entrants to Teaching

17. Revised incremental salary scales for post-1 January 2011 and post-1 February 2012 entrants to teaching will apply with effect from 1 July 2013:

Point	**1/1/2011* Revised scale**	**1/2/2012 Revised scale**
1	27,814	30,702

2	28,775	33,168
3	30,702	33,950
4	31,924	36,576
5	33,168	37,795
6	34,136	39,251
7	36,576	40,700
8	37,795	42,160
9	39,251	43,380
10	40,700	44,996
11	42,160	44,996
12	43,380	44,996
13	44,996	47,225
14	44,996	47,225
15	44,996	47,225
16	47,225	47,225
17	47,225	50,170
18	47,225	50,170
19	47,225	50,170
20	50,170	50,170
21	50,170	53,423
22	50,170	53,423
23	53,423	53,423
24	54,339	58,765
25	55,514	59,940

* Qualification allowances continue to be paid to this cohort of teachers as appropriate.

18. Revised hourly and daily rates for part-time and substitute appropriately qualified and registered post-1 January 2011 and post-1 February 2012 entrants to teaching will apply from 1 July 2013 as follows:

	Post-1 January 2011 Entrant	**Post-1 February 2012 Entrant**
Daily rate primary (casual qualified)	169.98	171.03
Hourly rate primary (qualified)	34.00	34.21

Supervision Allowance

19. Payment in respect of work carried out under the Supervision scheme for the 2012/2013 school year will be made as normal. The Supervision allowance will be discontinued with effect from the commencement of the 2013/14 school year. Future arrangements are notified in Circular 33/2013, including the adjustment to the incremental scale in accordance with paragraph 7 of that Circular.

Pensions

20. A teacher who retires on or before 31 August 2014 will have his or her superannuation benefits calculated by reference to the pay scales applying on 30 June 2013.

21. Where a teacher retires on or before 31 August 2014 on a pension greater than €32,500 that pension will be subject to the Public Service Pension Reduction (PSPR) as provided for in the Financial Emergency Measures in the Public Interest Act 2013 which is effective on and from 1 July 2013.

22. Information on the PSPR provisions in the 2013 Act may be viewed on the website of the Department of Public Expenditure and Reform at: http://per.gov.ie/faqs-on-haddington-road-agreement-2/

Circulation

23. Please ensure that copies of this Circular are provided to the Board of Management and its contents are brought to the attention of all teachers in your employment including those on leave of absence.

24. This Circular can be accessed on the Department's website under http://www.education.ie .

Padraig Maloney
Payroll Division
27 June 2013

APPENDIX

HIGHER REMUNERATION – ALLEVIATION OF MULTIPLE IMPACTS

Step 1
Calculate the teacher's current full gross salary, including all fixed periodic pensionable allowances apart from the Supervision allowance, where that is paid to the teacher. It should be noted that the Supervision allowance will be discontinued with effect from the commencement of the 2013/14 school year.

If the teacher's gross salary is less than € 65,000 following this calculation, the reductions under the Financial Emergency Measures in the Public Interest Act 2013/ Haddington Road Agreement will not apply. If the teacher's gross salary equals or exceeds € 65,000, the reductions will apply and will be calculated in accordance with the steps below.

Where a person is employed on less than full hours then a calculation should be made to see whether their whole-time equivalent salary is greater than € 65,000. In the event that their whole-time equivalent salary is greater than € 65,000 then the reductions should be applied to their salary on a pro-rata basis.

Step 2
Apply a 5.5% reduction to all of the teacher's salary which is below € 80,000.

Step 3
Calculate the portion of the teacher's salary which exceeds € 80,000 and apply an 8% reduction to that portion.

Step 4
Combine the figures from Steps 2 and 3.

Step 5
Reduce the figure arrived at through Step 4 by the amount of the Supervision allowance applicable to the cohort to which the teacher belongs i.e. reduce the figure by € 1,769 for teachers paid on the pre-1 January 2011 entrant payscale and by € 1,592 for teachers paid on the post-1 January 2011 entrant or post-1 February 2012 entrant payscales.
The resulting figure is the total annual salary reduction applicable to that teacher.

Step 6
The teacher's new annual salary is the gross salary (calculated in Step 1) minus the total annual salary reduction (calculated in Step 5). Where this would result in the teacher's salary being reduced to a figure below € 65,000, the full reduction is not applied and the teacher's new annual salary is € 65,000.

Step 7
This calculation should be re-done whenever an event occurs that would affect the teacher's salary eg. achieving an increment, changes to allowance entitlements or on promotion.

Step 8
It should be remembered that for teachers on salaries of €65,000 or greater, the reduction will be restored to the rate that they would have had, but for the salary reduction, within a maximum of 18 months of the end of the 3 year Agreement, in two equal phases.

Worked Example 1:

Step 1
In this example, the teacher's full current gross salary is € 85,664 (comprising of Point 25 of the pre-2011 entrant Common Basic Scale plus Honours Degree allowance plus a Category 7 Principal allowance). The teacher also receives the Supervision allowance of €1,769, but this is disregarded for the purposes of this calculation.

As the teacher's gross salary exceeds € 65,000, the reductions under the Financial Emergency Measures in the Public Interest Act 2013/ Haddington Road Agreement will apply.

Step 2
The portion of salary which should receive the 5.5% cut is € 80,000. This results in a reduction of € 4,400.

Step 3
The portion of salary which exceeds € 80,000 is € 5,664. The 8% cut should therefore be applied to € 5,664. This results in a reduction of € 453.

Step 4
Combining € 4,400 and € 453 gives € 4,853.

Step 5
Reducing € 4,853 by € 1,769 gives € 3,084. The total annual salary reduction applicable to this teacher is therefore € 3,084

Step 6
The teacher's new annual salary with effect from 1 July 2013 is € 82,580 (equates to € 85,664 minus € 3,084). It should be noted that the Supervision allowance will be discontinued with effect from the commencement of the 2013/14 school year.

Worked Example 2:

Step 1
In this example, the teacher's full current gross salary is € 65,247 (comprising of Point 16 of the pre-2011 entrant Common Basic Scale plus Honours HDip allowance plus Masters Degree allowance plus an Assistant Principal allowance). The teacher

does not currently carry out supervision duties and does not receive a supervision payment.

As the teacher’s gross salary exceeds € 65,000, the reductions under the Financial Emergency Measures in the Public Interest Act 2013/ Haddington Road Agreement will apply.

Step 2
As the teacher’s salary does not exceed € 80,000, the portion of salary which should receive the 5.5% cut is € 65,247. This results in a reduction of € 3,589.

Step 3
Reducing € 3,589 by € 1,769. The total annual salary reduction applicable to this teacher would normally be € 1,820. However, as application of a € 1,820 reduction would bring the teacher’s salary below € 65,000, the salary is reduced to € 65,000 only. The teacher’s new annual salary with effect from 1 July 2013 is € 65,000.