



For Information of Persons in receipt of Pension paid via the School Staff Payroll operated by Department of Education and Skills.

(The following is a general information note and does not purport to be a precise interpretation of the specific changes referenced).

Pension Increase with effect from 1 October 2018 to certain pensions of retired school-staff.

The Minister for Public Expenditure and Reform has approved an increase in certain categories of pension with effect from 1 October 2018. The pension increase reflects a 1% public service pay increase granted to serving personnel from that date.

Note: The 1% increase in Pay was in general confined to basic salary while pensionable allowances generally were not adjusted. Accordingly, the rates of pensionable allowances remain unaltered.

The pension increase will issue on 15 November 2018 to certain retired school-staff (including certain teachers, SNAs, school secretaries & school caretakers) whose pensions are paid via the School Staff Payroll operated by the Department. For most of the retirees who are due the increase, it will be included in the fortnightly pension payment issuing on that date, together with arrears from 1 October 2018 where applicable.

The pension increase is being approved under the **public service pension increase policy** adopted by Government for the period to end-2020, as set out in paragraph 6.2 of the Public Service Stability Agreement 2018-2020 (PSSA) and legislated for under the Public Service Pay and Pensions Act 2017.

The pension increase policy is essentially a time-limited (expires end-2020), conditions bound, return to the non-statutory, pay-linked method of pension adjustment which prevailed until the onset of the financial emergency. It means in general that the basic pay increases over the 2018–2020 period:

- will be passed on to the pensions of **pre-March 2012 retirees** only where the pay level on which their pension is based does not exceed the actual pay level of serving staff in the same grade and on the same pay-scale point;
- will be passed on to the pensions of **persons who retired on or after 1 March 2012** in nearly all cases.

For the purpose of the pension increase, pensions broadly fall into two categories:

- **Category 1:** Pensions awarded in respect of retirement **pre-March 2012**.

These pensions were awarded based on the pay rates that applied prior to pay rates being reduced under the Financial Emergency Measures in the Public Interest (FEMPI) legislation. The reduction in pay was effective from 1 January 2010, however, under the “grace period” provided for in the FEMPI legislation, public servants who retired up to and including 29 February 2012 had their retirement benefits calculated on the higher pre-1 January 2010 pay rates.



- **Category 2:** Pensions awarded in respect of retirement **from 1 March 2012** onward.

These pensions were awarded based on the reduced pay rates that had applied to serving personnel from 1 January 2010 onward.

Under this sanctioned pension increase, the pensions of persons who retired before 1 March 2012 (Category 1 above) do not increase. These pensions do not qualify for an increase because their associated salary is higher than the corresponding salary in payment (to serving personnel) at the increase date of 1 October 2018. (Exceptionally a very limited number of persons who retired pre-1 March 2012 with an uprated annual salary up to about €32,700 would qualify for a small adjustment to pension).

Details of the increase sanctioned by the Department of Public Expenditure and Reform are set out in that Department's circular letter, at the following link:

<https://circulars.gov.ie/pdf/circular/per/2018/02.pdf>

Pension Unit

14 November 2018