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18 June 2013

## **Circular Letter E.L. 05/13: Revision of Pay of Local Authority Employees**

### **Application of pay adjustments and related measures in accordance with the Financial Emergency Measures in the Public Interest Act 2013 and the Haddington Road Agreement**

A Chara,

1. I am directed by the Minister for the Environment, Community and Local Government to convey the following instructions to local authorities in relation to the application to the Local Government Sector of adjustments to pay with effect from 1 July 2013 in accordance with the Financial Emergency Measures in the Public Interest Act 2013 (No. 18 of 2013) ("the Act") and the relevant provisions of the Haddington Road Agreement. The Act is available on [www.oireachtas.ie](http://www.oireachtas.ie). A detailed Frequently Asked Questions (FAQ) document dealing with matters addressed in this Circular is also available on the Department of Public Expenditure and Reform website: ([www.per.gov.ie](http://www.per.gov.ie)).

#### **Employees / Grades affected**

2. This circular applies to all local authority employees.

#### **Adjustments to pay for employees with salaries greater than €65,000 inclusive of allowances in the nature of pay, i.e. fixed periodic pensionable allowances**

*Note: Each subsequent reference to salary or salaries in the circular is to be taken to mean salary or salaries inclusive of allowances in the nature of pay which are fixed periodic pensionable allowances, where a fixed periodic pensionable allowance is an allowance of a fixed amount, which is taxable and pensionable, is not paid in respect of an expense incurred and is not reliant on the type or amount of the work performed at for example, weekend or nights.*

3. For the purpose of calculating remuneration for the application of the pay reduction to those in receipt of annualised remuneration of more than €65,000, fixed periodic pensionable allowances should be added to basic pay and the appropriate reduction applied, with effect from 1 July 2013, in accordance with the following table:

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%

4. These reductions will apply to persons whose salaries are currently above €65,000, and to persons whose salaries rise above €65,000 on or after 1 July 2013.

5. The adjustments arising under paragraph 3 should be applied to salary as at 30 June 2013 and should be applied to each point of incremental scales (*and to off-scale points*) rounding to the nearest euro. Salaries will not reduce below €65,000 as a result of the application of the Act.

6. The revised pay rates effective from 1 July 2013 are set out in the Appendix. A separate letter and order will issue in respect of salaries of City and County Managers, Assistant Managers (*and equivalents*) and the Personnel Officer, Finance Officer and Treasurer in Dublin City Council.

#### **Increments and related balancing measures**

7. Incremental progression will be suspended for 3 years from 1 July 2013 to 30 June 2016 for grades not covered by a collective agreement.

8. Where a collective agreement that modifies the terms of incremental suspension is in place and has been registered with the Labour Relations Commission the following arrangements will apply:

##### **8.1 For salaries below €35,000**

For those on salaries below €35,000 the increment following the next due will be payable after 15 months rather than 12 months. If the increment interval is longer than 12 months, it will be increased by 3 months.

##### **8.2 For Salaries at or above €35,000 and up to €65,000 (inclusive)**

If a person's salary reaches €35,000 over the course of the agreement a second incremental freeze of three months will apply, in accordance with the arrangements for those on salaries between €35,000 and €65,000 (*paragraph 8.3 below*).

**8.3** For those on salaries between €35,000 and €65,000, each of the two increments following the next one due will be payable after 15 months rather than 12 months. If the increment interval is longer than 12 months, it will be increased by 6 months for the next increment.

##### **8.4 For salaries above €65,000**

For those on salaries above €65,000 up to the maximum point of the Assistant Manager scale or equivalent, each of the two increments following the next due date will be payable after 18 months rather than 12 months. Where the increment interval is longer than 12 months, it will be increased by 6 months, for each of the next two increments.

#### 8.5 For salaries above €100,000

For those on salary scales starting over €100,000 incremental progression will be suspended for three years with effect from 1 July 2013.

#### 8.6 For employees on a final incremental point

For those currently on the final incremental point of a salary scale between €35,000 and €65,000, the default option will be a reduction in annual leave of 2 days per year for the three years (*6 days in total*), apart from grades with annual leave of 23 days or less.

A person may alternatively elect to avail of:

- Unpaid leave in respect of the 6 annual leave days.
- A cash deduction equivalent to half their most recent increment (*further advice is awaited from the Department of Public Expenditure and Reform and will issue in due course*).

Similarly, for those on salaries between €35,000 and €65,000 who reach the maximum of the scale following a 15 month increment period, the default option will be a reduction in annual leave by 1 day per year for the three years (*3 days in total*).

### Overtime

9. Overtime arrangements for those grades covered by a collective agreement are revised in accordance with the Haddington Road Agreement and are as follows:

#### 9.1 For salaries below €35,000

Overtime will be paid at time and a half at the first point of the appropriate scale for those on salaries below €35,000. If this would result in overtime being paid at less than time at any point on the scale then it will be calculated as set out in the following provision (9.2).

#### 9.2 For Salaries at or above €35,000

Overtime will be paid at time and a quarter at the individual's scale point for those on salaries at or above €35,000.

#### 9.3 In addition:

- Divisors for the calculation of overtime will be adjusted to take account of the additional hours provided for in the agreement.
- For those grades currently with a working week of 39 hours or more (*net of rest breaks*), an hour of overtime worked each week will be unpaid until 31 March 2014.

9.4 Separate arrangements will apply for grades not covered by a collective agreement.

### Pensions

10. An employee who retires on or before 31 August 2014 will have his or her superannuation benefits calculated by reference to the scales applying on 30 June 2013 (*Circular letter S2 of 2012 dated 2 February 2012 applies*). This includes officers who retire in the normal way on age grounds, those retiring on health grounds or under Cost Neutral Early Retirement. It also applies in the case of a preserved benefit coming into payment prior to 1 September 2014.

11. An employee who retires on or before 31 August 2014 on a pension greater than €32,500 will be subject, from 1 July 2013 to the "Public Service Pension Reduction (PSPR)", as provided for in the Financial Emergency Measures in the Public Interest Act 2010, as amended by section 5 of the Financial Emergency Measures in the Public Interest Act 2013. Further guidance on the PSPR provisions in the 2013 Act will be available from the Department of Public Expenditure and Reform.

12. Queries regarding pensions should be directed to [mary.jones@environ.ie](mailto:mary.jones@environ.ie)

**General**

13. Queries from local authorities regarding the implementation of this circular should be referred to the Local Government HR Section of the Department, [ann.banville@environ.ie](mailto:ann.banville@environ.ie) / (053) 911 7496 or [neil.maher@environ.ie](mailto:neil.maher@environ.ie) / (053) 911 7433.

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Barry Quinlan  
Principal Officer  
Local Government HR

Appendix to Circular Letter E.L. 05 of 2013

Local Authority Salary Scales Operative from 1st July 2013

Senior Executive Officer / County & City Librarian / Head of Information Systems / Financial Accountant / Management Accountant / Financial & Management Acct./ Town Clerk (pop > 15,000) / County Secretary / Finance Officer / County Development Officer (n.d.c.) / Town Clerk (Athlone, Carlow, Kilkenny, Killarney, Wexford)	
Point	Rate 01/07/2013
1	€64,426
2	€65,000
3	€65,000
4	€67,079
5	€69,433
6	€71,761
7	€74,105
LSI 1	€76,733
LSI 2	€79,313

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County Engineer	
Point	Rate 01/07/2013
1	€74,058
2	€76,690
3	€79,275
4	€81,864
5	€84,453
LSI 1	€87,176
LSI 2	€89,897

Senior Engineer	
Point	Rate 01/07/2013
1	<del>€69,196</del>
2	€70,834
3	€72,467
<del>4</del>	€74,104
5	€75,736
6	€77,335
LSI 1	€79,740
LSI 2	€82,148

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Senior Executive Engineer	
Point	Rate 01/07/2013
1	€62,276
2	€64,219
3	€65,000
4	€65,000
5	€66,088
6	€67,872
7	<del>€69,671</del>
LSI 1	€71,930
LSI 2	€74,183

Executive Engineer	
Point	Rate 01/07/2013
1	€46,732
2	€48,467
3	€50,204
4	€51,944
5	€53,684
6	€55,422
7	€57,162
8	€58,893
9	€60,639
10	€62,372
LSI 1	<del>€64,371</del>
LSI 2	<del>€65,000</del>

