

Cir 3/2015
11 February 2015

To Branch Secretaries

The Association is happy to confirm that the “Grace Period” for retirement at the Pre Haddington Road salary scales for those earning in excess of €65,000 has been extended for a further 12 months to 30 June 2016.

The Association wrote to DPER requesting an extension to January 2018 which is when the second payroll restoration is due to take place. While welcoming the current extension it continues to be our position that January 2018 would be a more practical date than a series of extensions that make it difficult for members to decide on a retirement date. Further details will be contained in the February Ezine.

Please circulate this message to all members. This circular will also be placed on the Association’s website www.ahcps.ie

Ciaran Rohan
General Secretary

DPER Press Release as follows:

From: Press Office Public Expenditure and Reform
Sent: 10 February 2015 13:30
Subject: Press release: Extension of retirement ‘grace period’ for pensions



Extension of retirement ‘grace period’ for pensions

Minister for Public Expenditure and Reform, Mr Brendan Howlin T.D., today (10 February 2015) secured approval to extend – to June 2016 - the period within which public servants can retire under the terms and conditions which they held prior to the pay reductions under the Financial Emergency Measures in the Public Interest (FEMPI) Act 2013.

Speaking after this morning's Government meeting, the Minister said:-

“The new expiry date of June 2016 was chosen to minimise impacts on schools in particular, and it also coincides with the expiry of the Haddington Road Agreement.”

Those who are most likely to consider retiring (and availing of this extension) are those aged over 60 years and also those within one or two years of the minimum retirement age, who may opt for an actuarially reduced pension.

The main considerations giving rise to the granting of the extension relate to workforce planning and impact on services. If no extension was to be granted it could prompt the retirement this summer of substantial numbers of staff at senior levels, including office holders, medical and other specialists, as well as those at managerial ranks.

The Minister further stated:-

“Concerns have been raised with me by both public service management and unions regarding the potential impact of the loss of key managerial and specialised staff at a single point in time where many would, in any event, need to be replaced to maintain vital front-line services. Such an exodus of senior staff would also carry with it the short term financial effect of once-off superannuation costs.”

Notes for Editor:-

- Section 9 of the Financial Emergency Measures in the Public Interest (FEMPI) Act 2013 allows public servants with a preserved pension benefit to have their gross superannuation benefits calculated on the basis of the pay rates that applied prior to the passing of the Act.
- The period within which this applied was originally up to August 2014. This was extended by the Minister (under section 9(1)(b)(ii) of the Act) to 30 June 2015 initially, and has now been further extended to 30 June 2016.
- Public service pay rates for some staff were reduced in July 2013 by 5.5% or more. Retiring within the extension period will allow an affected public servant to benefit from superannuation calculated at the pre-cut pay level. However, the pension is then subject to a reduction under the same legislation of between 2% and 5%, which reduces the benefit.

ENDS

