1. The text of the Agreement reached on 4 December 2000 between the Government, the Employers and the Trade Unions on an adjustment to the terms of the Programme for Prosperity & Fairness has been circulated to Branch Secretaries. The Agreement is subject to formal ratification by the ICTU Executive Council on Friday next, 8 December 2000.

2. The pay, benchmarking and industrial relations implications for the public service are as follows:

(a) an increase of 2% on salary will be applied from 1 April 2001,

(b) a non-pensionable once-off lump sum payment will be paid on 1 April 2002 equal to 1% of basic pay on that date,

(c) one-quarter of any increase arising from the Report of the Public Service Benchmarking Body [which is due to report, by 30 June 2002] will be implemented with effect from 1 December 2001, the balance will be implemented on a phased basis, to be agreed between the parties,

(d) Budget 2001 will have a particular focus on the appropriate response to inflation, taking fully into account the view of the social partners.

(e) Provision for industrial peace and the strengthening of the partnership process is included.

3. A copy of the revised rates of pay for the Principal and Assistant Principal grades incorporating increases from 1 April 2001 to the end of the Programme for Prosperity and Fairness are appended to this note.

5 December 2000