

Pay restoration at IAA-AirNav backed by internal disputes body

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An internal disputes board is “strongly recommending” that almost 11-months’ worth of pay restoration be made to staff at the Irish Aviation Authority/AirNav Ireland, who were the subject of a Covid-19 related pay reduction.

The Internal Disputes Resolution Board (IDRB), which issued its recommendation to the parties on Friday, May 19, says the payment “will be calculated by reference to the difference between gross pay for the period January 8th, 2021, to November 25th, 2021, and the amount of gross pay that would have been received had there been no reduction”.

The 2021 pay reductions ranged from 5% to 10%, but staff earning less than €38,500 were not subject to any reduction.

Company reported profit for 2021, while staff had pay reductions

The recommended pay restoration covers air traffic controllers, members of Fórsa and the AHCPs. Importantly, it will be non-pensionable and subject to normal payroll deductions, namely PAYE, PRSI and USC.

The independent disputes body – chaired by former ICTU President, Peter McLoone – recommends that the Staff Panel accept the payment as being in full and final settlement of the claim.

The IDRB says that it was informed that representatives from both AirNav Ireland and IAA “will now seek approval from their respective boards for the processing of these payments”.

“Subject to the necessary approvals being received”, the disputes body is recommending that “every effort is made to ensure that the payment will be processed by end September 2023”.

Notably, the pay restoration issue is separate to a mediation exercise on staffing and resourcing issues, set to be chaired by former WRC Director General, Kieran Mulvey, following a detailed set of recommendations issued by the IDRB on May 11.

Crucially, that same broadly-based May 11 finding advised air traffic controllers to operate current call-in arrangements while the Mulvey review is underway. They were told by the disputes board that “*compliance with all relevant collective agreements is essential and members should cooperate fully with the operation of the call-in scheme in the normal manner*”. (IDRB’s emphasis)

The parties were reminded that such findings by the IDRB are binding on both the employer and trade union members.

The decision to process staffing and related issues through a mediation exercise was expected to ease fears of any refusal by ATCs to operate status quo call-in arrangements. (See [IRN 19 – 18-05-2023](#))

THE PAY ISSUE

Explaining the background to its May 19 finding on pay restoration, the IDRB says it originally received a request from the (trade union) Staff Panel on February 13, 2023, to help resolve a disagreement with the IAA on the restoration of payroll reduction measures.

These had been agreed under the terms of a collective agreement reached under the 'IAA Cost Containment Phase 3' plan, which applied during the Covid-19 crisis.

The IDRB sought, through mediation, to bring about an agreed resolution, "consistent with the approach it adopted in producing a report on the cost containment measures in December 2020". It says it convened meetings with both sides in March and May of this year and held separate engagements with the company between hearings, "in our efforts to find agreement through a mediated process".

The staff panel claim for a refund of pay reductions that applied under the terms of the Collective Agreement, concluded between the IAA and the unions in December 2020, was formally rejected in January of this year.

The IDRB explains that the CCP3 agreement on temporary pay reductions "covered the period 8 January 2021 to 7 January 2022". (See '[Aviation Authority/Trade Union 5-year agreement should ensure stability](#)' in [IRN 12 - 25/03/2021](#))

UNION POSITION

The Board explained that the Staff Panel informed it that members had voted to support the pay reductions that applied during 2021 "because of what was then seen as a potentially disastrous financial position facing the Company".

Towards the end of 2021, the IDRB continues, "when it became clear that the financial position was not as bad as the forecasts suggested", the Staff Panel requested that the cessation date be brought forward. With Board approval, the IAA ended the pay reductions on November 25, 2021.

"When it later emerged that the Company had returned to profitability, the Staff Panel came under pressure from members to pursue a claim for a full refund of monies deducted as part of the Cost Containment Phase 3 plan," the IDRB says.

COMPANY'S POSITION

The company argued that the CCP3 Agreement was necessary because of a dramatic downturn in traffic and loss of revenue arising from the pandemic.

The company also advised that cash reserves reduced by over €100 million during that period.

It was further pointed out by management representatives in AirNav Ireland and IAA that the Collective Agreement on the introduction of temporary pay reductions contained no provision for a refund of pay “under any circumstances”.

BODY’S OVERVIEW

Arriving at its May 19 finding, the IDRB says it “accepts that the CCP3 Collective Agreement giving effect to the temporary pay reductions was entered into freely and did not include any provision for the return of the pay reductions that were an integral part of that deal”.

During the various engagements, “it also became clear to the IDRB, that IAA staff now feel aggrieved that the company reported an operating profit for 2021, during a period in which certain staff were subject to pay reductions of up to 10%”.

Following discussions, it continues, the representatives of Air Nav Ireland and the IAA accepted a recommendation put forward by the IDRB, that, “notwithstanding the terms of the 2020 Collective Agreement, the Boards of both companies should approve a payment particularly in the light of the improved financial position that has emerged”.

The IDRB is satisfied that resolution of the dispute will also help ensure that a stable industrial relations environment pertains in both companies, “as is provided for in the current CLA and the agreed Dispute Resolution Board Charter”.

The IDRB adds that following acceptance of its recommendations, section (6) of the IDRB Report, (concerning a single claim for a once off payment) “which issued on December 2nd, 2020, as appended to the CCP3 Agreement, no longer applies”. Concluding, the IDRB “commends this report to AirNav Ireland, IAA and Staff Panel”.