

# Substantial vote in favour of new public service pay deal is no surprise

**BRIAN SHEEHAN**

**As expected, public service trade union members have backed the new Public Service Agreement, 2024-2026, by large margins across 19 affiliates, with just one small union voting against the deal.**

The ballot results in unions like SIPTU, Fórsa and the INMO – comfortably over 90% in favour – were even higher than those recorded in favour of the previous agreement, the extension to Building Momentum, in 2022.

The Veterinary Officers Association (VOA) was the only trade union not to back the deal, which has now been formally accepted by ICTU public service unions on the basis of an aggregate ballot. The agreement will cover over 385,000 public servants.

## *Impact on wage expectations in private sector appears unlikely*

While strong backing for this new deal was predicted, this was achieved without a major “sweetener” like the roll back of the so-called HRA hours, a hugely popular “win” with union members during the course of Building Momentum.

The result of the latest set of ballots, therefore, suggest that the basic pay deal, the extra provision for the lower paid, the local bargaining element and specific commitments on a range of outstanding issues, all combined to secure backing for the agreement.

The pay terms of the new 2.5 year package, worth 10.25% over its duration (9.25% of which is basic pay) were close to the top range of expectations. It has been costed at €3.6 billion.

## **FUTURE IMPACT?**

Whether, in the longer term, the deal is a good one for the economy as a whole depends on factors like the rate of inflation moving forward, and the continuation of a healthy tax take by the State.

Some observers have expressed concern that the agreement could impact on wage expectations within the private sector; however, that appears to be unlikely, for this year at least. Of more concern perhaps, is whether the government side is able to move on reforms centred around modernisation, without undue delays.

## LOCAL BARGAINING UP AHEAD

Meanwhile, the local bargaining clause is aimed at dealing with issues related to groups, grades or categories of staff.

The parties will be able to bring forward proposals, up to a maximum value equivalent to 3% of basic pay. The first instalment, equivalent to 1% of the basic pay cost, will be implemented on September 1, 2025, and the balance will fall to be addressed in any successor pay agreement.

But management will want to see some return for these payments as a quid pro quo, when it comes to “issues involving changes in structures, work practices or other conditions of service”, as the Public Expenditure Minister put it in his statement welcoming the deal.

As for the lower paid, the pay deal will be worth as much as 17.3% for some. Pointing out that the pay measures are weighted towards those on lower incomes, the Minister says the minimum increases provided for “ensure that those earning under €50,000 will see increases of at least €3,125, as well as the remaining general round increases of 3%”.

Allied with commitments on the living wage and increases in the national minimum wage, arguably these additional rises should further address issues of low pay generally in the economy.

## REFORM TO CONTINUE?

DPER Minister, Paschal Donohoe, said the agreement “achieves a balanced approach to public service pay that rewards the ongoing effort of public servants, while ensuring the responsible management of public finances”.

He said the agreement continues to underpin the ongoing transformation of our public services, “allowing reform to continue in a collaborative and cooperative way.” He looked forward to working constructively with ICTU “to progress the implementation of the various measures in this Agreement in support of the delivery of quality public services.”

Apart from future engagement on local bargaining, the parties have a number of important issues to address under the mundane heading of “other matters”.

These issues include the ongoing process regarding ‘Retained Firefighters’; the ‘Role and Responsibilities review’ in the National Ambulance Service; ongoing work in relation to recommendations of the Expert Review Body on Nursing & Midwifery and the Review Body on Higher Remuneration – to name but some of the “other matters”. (See [‘Binding Court ‘recs’ to be honoured, list of “other matters” set out’ in IRN 05 - 01/02/2024](#))

## INDUSTRIAL PEACE, FEMPI REPEAL

The agreement also provides that industrial peace “will be maintained and that there will be no additional cost increasing claims outside of the agreed Local Bargaining Process”, Minister Donohoe said.

Fórsa’s Kevin Callinan said the new agreement marks “the end of an era of industrial relations conducted under the terms of the Financial Emergency Measures in the Public Interest (FEMPI) legislation, which was introduced during the financial crash in 2009”.

He added: “Unions had sought the full and final unwinding of the legislation in these negotiations to re-establish normal industrial relations”.

The Minister made no mention of FEMPI in his statement, but he did fully commit to doing so when he addressed the IRN Conference 2024 (see [IRN 11/2024](#)).

## **THE PAY MEASURES:**

### **2024**

- A general round increase in annualised basic salary for all public servants of 2.25% or €1,125, whichever is greater, on 1 January 2024.
- A general round increase in annualised basic salary for all public servants of 1% on 1 June 2024.
- A general round increase in annualised basic salary for all public servants of 1% or €500, whichever is greater, on 1 October 2024.
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### **2025**

- A general round increase in annualised basic salary for all public servants of 2% or €1,000, whichever is greater, on 1 March 2025.
- A general round increase in annualised basic salary for all public servants of 1% on 1 August 2025.
- The first phase of local bargaining, equivalent to 1% of payroll cost, on 1st September 2025

### **2026**

- A general round increase in annualised basic salary for all public servants of 1% or €500, whichever is greater, on 1 February 2026.
- A general round increase in annualised basic salary for all public servants of 1% on 1 June 2026.

## Local Bargaining

- Detailed arrangements for local bargaining are to be agreed by the 30th of June this year, with local negotiations to take place between July 2024 and June 2025, and agreements secured, to the greatest extent possible, through direct negotiations. (Equivalent to 1% of payroll cost under first phase, September 2025; further 2% available under any follow-on public service agreement)