Latest tranche of public service pay deal set for implementation

Brian Sheehan

The country's 400,000 public servants are due to receive a one percent "general round" pay increase in annualised basic salary on August 1, 2025 under the terms of the Public Service Pay Agreement (PSA), 2024-26.

The PSA is worth at least 9.25% across seven separate phases over 30 months; the forthcoming rise is phase number five.

The largest of the pay rises was the first one, dated January 1 of 2024, worth 2.25% in annualised basic salary for all public servants, or €1,000, whichever is greater.

The last increase – paid on March 1 this year – was worth just marginally less, coming in at 2%, or €1,000, using the same formula.

The one per cent rise due on August 1 is one of three simple increases for the same percentage.

After application of the rise, this will leave two further phases to be completed in 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' FOCUS

Meanwhile, most of the attention on the pay front in the public service of late has concerned progress of the 'local bargaining' clause of the PSA.

Under the clause, public service employers and trade unions "may negotiate additional changes in rates of pay and/or conditions of employment up to a maximum of 3% of the basic pay cost, inclusive of allowances in the nature of pay, of the particular grade, group or category of employee or bargaining unit".

This may include proposals involving changes in structures, work practices or other conditions of service.

The first instalment under local bargaining, is equivalent to "1% of the basic pay cost", will be implemented on 1 September 2025 and the balance "will fall to be addressed in any successor pay agreement".

Last week Public Expenditure & Reform confirmed to IRN that the implementation date of September 1, "remains in place". But it wouldn't comment on the progress made in local talks.

SPENDING CHOICES

Given the precarious situation facing the world economy due to tariff negotiations involving the United States and the EU in particular, as well as instability caused by a variety of wars or conflicts, the scenario for public service pay negotiators next year is very uncertain.

Public Expenditure Minister Jack Chambers emphasised this week that the Government's focus would be to prioritise the delivery of "transformative, critical and growth-enhancing infrastructure over the next 5 years".

Ministers have been signalling curbs on current spending, which has hovered between 8% to 9% in recent years. An expected fall to 5% is going to mean an end to many one-off state supports and inevitably put pressure on pay negotiations.

NO RUSH

Meanwhile, there has been no rush on the part of public service trade unions to push for early talks on a follow-on deal, their focus right now being on the local bargaining element of the PSA – and on the lingering issue of a final repeal of the FEMPI emergency pay legislation.

In his recent annual review and report to the Oireachtas under section 12 of the FEMPI Act, Jack Chambers, the Public Expenditure Minister reported that work is “ongoing” to give effect to the 2024 commitment to repeal the legislation, in line with the promise made prior to talks on the current agreement.

The Minister stated: “During negotiations on the Public Service Agreement 2024 – 2026, a commitment was made to repeal Section 4 (2) of the Financial Emergency Measures in the Public Interest No. 2 Act 2009, in the context of a comprehensive multi-annual public service pay agreement being agreed by all parties and subsequently ratified. Work is ongoing in giving effect to this commitment.”