An Bille um Bearta Airgeadais Éigeandála ar mhaith le Leas an Phobail, 2015
Financial Emergency Measures In The Public Interest Bill 2015

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Explanatory Memorandum
Background and purpose of the Bill

Between 2009 and 2013, there were five Financial Emergency Measures in the Public Interest (FEMPI) Acts passed to reduce the remuneration of public servants and pensions payable to former public servants. The Financial Emergency Measures in the Public Interest Bill 2015 amends these previous Acts to begin a partial and phased restoration of the reductions made by them, as agreed by the Government and the unions representing public servants in the Lansdowne Road Agreement. This Bill also makes provision for the partial restoration of pension reductions to public servants. In addition the Bill amends the Ministers and Secretaries (Amendment) Act 2011 and the Courts (Supplemental Provisions) Act 1961.

PART 1
PRELIMINARY AND GENERAL

Section 1 sets out the short title of the Bill and also provides for different provisions to be commenced at different times by the Minister for Public Expenditure and Reform.

Section 2 clarifies the shorthand references to three of the previous FEMPI Acts frequently cited in the Bill.

PART 2
REMUNERATION – PUBLIC SERVANTS GENERALLY

Section 3 provides for the amendment of the FEMPI (No. 2) Act 2009 so as to reduce the reductions effected by that legislation, as follows:

where the annual basic salary of a public servant is up to €24,000, it shall, from 1 January 2016, be increased by 2.5 per cent;

where the annual basic salary of a public servant is over €24,000 but not over €31,000, it shall, from 1 January 2016, be increased by 1 per cent;

where the annual basic salary of a public servant is not over €65,000, it shall, on and from 1 September 2017, be increased by €1000;

where the annual basic salary of a public servant is over €65,000 but not over €110,000, the amount by which it was reduced in 2013 shall be
restored in two halves – the first on 1 April 2017, and the second on 1 January 2018;

where the annual basic salary of a public servant is over €110,000, the amount by which it was reduced in 2013 shall be restored in three equal parts – the first on 1 April 2017, the second on 1 April 2018, and the third on 1 April 2019.

This section also grants the Minister power to deal with any anomalies arising in the course of administering the agreed changes in remuneration.

Section 4 amends the FEMPI Act 2013 to extend the suspension of the operation of incremental pay scales with respect to any public servants who are not encompassed by a registered collective agreement as referred to in section 7 of that Act.

PART 3

PENSION-RELATED DEDUCTIONS AND PENSIONS

Section 5 amends the FEMPI Act 2009, as follows:

the exemption threshold for Pension Related Deduction 2015 will increase from €15,000 to €17,500 – this provides for a reduction in the rate of Pension Related Deduction in 2015 due to the delay in effecting a similar reduction in the rate on 1 July 2013 because of administrative and legal difficulties at that time;

from 1 January 2016, the exemption threshold for payment of the Pension Related Deduction (PRD) will increase to €26,083 – this figure, effective from 1 January 2016, equates to the provisions of the Lansdowne Road Agreement, which provides for an increase to €24,750 from 1 January 2016 and €28,750 per annum from 1 September 2016.

Section 6 amends the FEMPI Act 2010 so that those public servants who retired on or before 29 February 2012 will have the impact of their Public Service Pension Reduction reduced primarily by increasing the exemption threshold incrementally on 1 January 2016, 2017 and 2018.

Section 7 amends the FEMPI Act 2010 so that those public servants who retired post 29 February 2012 will have the impact of their Public Service Pension Reduction reduced primarily by increasing the exemption threshold incrementally on 1 January 2016, 2017 and 2018.

PART 4

MISCELLANEOUS

Section 8 amends the FEMPI Act 2009 to allow that payments to health professionals for services rendered may be varied other than by being reduced.

Section 9 amends the FEMPI Act 2009 to allow that payments to persons other than health professionals for services rendered may be varied other than by being reduced.

Section 10 amends the FEMPI (No. 2) Act 2009 so that the pay of public servants may be adjusted to reflect the terms of a collective agreement (the Haddington Road Agreement) registered in accordance with section 7 of the FEMPI Act 2013.

Section 11 amends the Courts (Supplemental Provisions) Act 1961 so that:
those judges who were appointed to office prior to the commencement of the FEMPI Act 2011 shall have their annual salaries set by Government order;

those judges appointed after the FEMPI Act 2011 shall be on incremental pay scales, as set by Government order.

This section also clarifies that time served shall be the only determining factor in moving from one point on the new scales to another, and what shall happen in the case of anomalies arising.

Section 12 amends the Ministers and Secretaries (Amendment) Act 2011 to give the Minister permanent powers to preclude public servants from benefiting from the payment of unsanctioned remuneration.

Department of Public Expenditure and Reform,
Deireadh Fomhair, 2015.