



Córas Iompair Éireann

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Deputy Brian Stanley
 Chair,
 Committee of Public Accounts,
 Leinster House,
 Dublin 2 D02 XR20.

19 December 2023

Re: Ref: S1500 PAC33

Dear Deputy Stanley,

I refer to your letter of November 17th 2023 and to the issues raised at the meeting on November 9th 2023.

Please find below the responses to the issues raised.

1. Confirmation that although wages have increased by 25% to 30%, pensioners have seen no increments whatsoever

Increases in pay for active staff are negotiated under collective agreements between the operating subsidiaries of CIÉ Group and their respective trade unions. Pay increases for staff vary and are negotiated at individual Operating Company level. The figure quoted is significantly overstated as pay cuts and pay freezes were a feature of pay agreements with staff from 2008. However, I fully acknowledge that, while the Pension Scheme has been unable to support any increase for pensioners, that there have been staff pay increases in recent years (of up to a cumulative 9.5%¹ from 2008 to date).

The current rule regarding the annual review of pensions in payment in the 1951 Scheme was instituted by SI 323 of 2000. Pension increases are discretionary in nature and are subject to annual review by the CIÉ Board, in consultation with the Scheme Actuary. Such a review must have regard to:

1. Any maximum increase in pensions authorised by the Minister for Transport with the consent of the Minister for Public Expenditure and Reform for the purpose of ensuring that public service norms as to pension increases are not exceeded,
2. Increases in rates of pay for the employees of CIÉ Group,

¹ CIÉ and Irish Rail figures

3. The financial condition of the Fund and
4. Any other matter which CIÉ considers to be relevant.

The last increase for pensions in payment was awarded on 1 July 2008 at 5.06%. No increase has been awarded since this date. Members of the CIÉ Regular Wages Scheme are in receipt of a State Pension which has increased. However, the vast majority of pensioners in the 1951 Scheme are not in receipt of the State Pension.

2. The Committee understands that there is €1.6 billion in CIÉ's pension funds, including €110 million in an emergency fund. What is the emergency fund being used for?

As at 31.12.2022 (the most recent set of audited accounts for the Schemes) the assets of CIÉ's pension schemes were €2.16b. A breakdown of the assets of each CIÉ Pension scheme is provided in the table below. The value of the scheme's liabilities exceeds the scheme's assets at this date.

CIÉ does not recognise the reference to an emergency fund of €110m in value and would ask the Committee to clarify where this reference has been made in order to respond on this point.

	1951 Scheme	RWS Scheme	Total Combined
	Year to	Year to	Year to
	31/12/2022	31/12/2022	31/12/2022
	€'000s	€'000s	€'000s
Equities	384,719	308,341	693,060
Bonds	695,405	392,561	1,087,966
Property	29,892	22,891	52,783
Cash/Alternatives	197,674	132,086	329,761
Total fair value of assets	1,307,690	855,879	2,163,569

3. What is the current surplus in the pension plan.

As at 31 December 2022, the CIÉ Pension Schemes had a combined deficit of €396.5m. The details for each scheme are set out in the table below.



	1951 Scheme Year to 31/12/2022 €'000s	RWS Scheme Year to 31/12/2022 €'000s	Total Combined Year to 31/12/2022 €'000s
Fair value of scheme assets	1,307,690	855,879	2,163,569
Present value of scheme liabilities	(1,508,759)	(1,035,964)	(2,544,723)
Present value of unfunded scheme liabilities		(15,342)	(15,342)
	(201,069)	(195,427)	(396,496)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Fiona Ross', written over a horizontal line.

Fiona Ross
CIÉ Group Chair