



**Statement by The Alliance of Retired Public Servants on the
Financial Emergency Measures in the Public Interest Bill, 2015**

The Alliance of Retired Public Servants has completed a process of consultation with constituent pension organisations (representing some 100,000 public service pensioners) on the government decision on pension restoration, which is now set out in Part III of the FEMPI Bill, 2015.

The Bill provides for the gradual restoration of pensions over 2016, 2017 and 2018 for about 65,000 public service pensioners but with no end in sight for the remaining 25,000 pensioners who will continue to have their pensions reduced under emergency powers.

While confirming the welcome by the Alliance of the progress made by the Minister for Public and Expenditure and Reform and the Government towards ending the use of emergency powers to reduce public service pensions, there are a range of issues which are still of great concern to pensioners.

In a situation not alone of recovery but of continued spectacular growth in the economy, the Alliance believes that the time frame for restoration is too long and that the legislation should be amended to provide for rescheduling of payments with a view to complete restoration by very early in 2019. The additional cost involved could very easily be factored in over the four year budgetary period 2016/2019 without in any way damaging economic growth or recovery.

The government decision on pay and pension restoration has also raised a further issue of great importance. This is the fact that over 50,000 pensioners on pensions of up to €12,000 per annum (and not subject to pension reduction) have received no increase in their pension, notwithstanding the increase in take home pay for all serving public servants and that there have been increases in the state pension. Similarly, the ten thousand public servants who retired after February, 2012 have received no increase in their basic pensions even though the salaries of their counterparts still serving have been increased.

As matters stand, this group of retired public servants, the overwhelming majority of whom are on very low pensions, have not only received no increases but have been given no indication as to if or when their situation will be addressed by government. This, in the view of the Alliance, is completely untenable and must be dealt with urgently.

The Alliance believes that the political approach to public service pensions derives from a populist view that public servants are a privileged class who all receive high pensions. The tiny number of high profile public service pensioners (maybe five in a thousand) who receive pensions over €100, 000 are regularly presented in the media as the norm and this has skewed the approach to pension restoration. Put simply, the emergency legislation cannot, under the Constitution, meet the public mood and selectively target top pensioners – middle

pensions over €100, 000 are regularly presented in the media as the norm and this has skewed the approach to pension restoration. Put simply, the emergency legislation cannot, under the Constitution, meet the public mood and selectively target top pensioners - middle income pensioners have to be dragged with them as well.

The facts are that

over 50,000, one third of public service pensioners, receive pensions up to €12,000 per annum;

the average civil service pension is about €20,000 per annum;

unlike their private sector counterparts, the overwhelming majority do not receive a state contributory pension, and

their spouses who only worked in the home have no entitlement to the state contributory pension;

public service pensioners continue to be seriously discriminated against by comparison with their private sector counterparts who pay no Universal Social Charge on the state pension element of their pension.

While recognising the progress made, the consultation process undertaken by the Alliance has revealed a deep well of discontent among public service pensioners at the extent to which, in radically improved economic circumstance, emergency powers are continuing to be used to take their hard earned money from them.

At this stage, with restoration stretching into 2018 and beyond, public service pensioners, in effect, see their money used to fund tax relief for the better off in the run up to a general election, and, after years of pension cuts, they now want a fair deal.

The Alliance was formed because public service pensioners were not represented at the Croke Park or Haddington Road processes. Consultation is much better than exclusion but it does not constitute agreement. What is really needed is negotiating rights, access to mediation and representation of public service pensioners at the industrial relations machinery of the state.

27th October, 2015

Media Contacts: Brian Burke, Chairman,

brian.burke.ie@gmail.com

087 - 8289091

Derek Ryan, PRO

18.ryan@gmail.com

086 - 8796599



Shannon Development
Pensioners Association



