



27<sup>th</sup> June, 2013

**To: The Higher Education Authority for dissemination to all Universities and other Third Level Colleges under the remit of the HEA**

**Re: Staff of Universities and other Third Level Colleges under the remit of the HEA - Public Service Stability Agreement 2013 – 2016 (Haddington Road Agreement) and the Financial Emergency Measures in the Public Interest Act 2013**

**1. Introduction**

I am directed by the Minister for Education and Skills to convey the following instructions to Universities and other Third Level Colleges in relation to the application of adjustments to pay and related matters with effect from 1 July 2013 in accordance with the Financial Emergency Measures in the Public Interest Act 2013 (“the Act”) and the relevant provisions of the Haddington Road Agreement.

The terms of the Act provide that the measures contained within that legislation apply without modification to those staff who are in a grade not covered by a registered Collective Agreement, i.e. the Public Service Stability Agreement 2013 – 2016 (the Haddington Road Agreement). In practice this means that for staff in those grades incremental progression will be suspended for three years from 1 July 2013 to 30 June 2016. Staff in those grades are also subject to the salary reductions detailed in Section 3 of this Circular. Furthermore, staff in those grades will not benefit from the pay restoration mechanism as detailed in paragraph 7.1 of this Circular.

It should also be noted that this Circular is issued without prejudice to any further measures which may be taken arising from Section 2B of the Financial Emergency Measures in the Public Interest Act 2013.

**2. Classes affected**

This circular applies to all employees in Universities and other Third Level Colleges.

**3. Adjustments to pay for employees with annual salaries of €65,000 or greater inclusive of allowances in the nature of pay, i.e. fixed periodic pensionable allowances**

*Note: Each subsequent reference to salary or salaries in the circular is to be taken to mean salary or salaries inclusive of allowances in the nature of pay which are fixed periodic pensionable allowances, where a fixed periodic pensionable allowance is an allowance of a fixed amount, which is taxable and pensionable, is not paid in respect of an expense incurred, is not paid as a percentage of basic pay, and is not reliant on the type or amount of the work performed at for example, weekend or nights.*

3.1 For the purpose of calculating remuneration for the application of the pay reduction to those in receipt of annualised remuneration of €65,000 or more, fixed periodic pensionable allowances should be added to basic pay and the appropriate reduction applied, with effect from 1 July 2013, in accordance with the following table:

Annualised amount of Remuneration	Reduction
Any amount up to €80,000	5.5% <sup>1</sup>
Any amount over €80,000 but not over €150,000	8%
Any amount over €150,000 but not over €185,000	9%
Any amount over €185,000	10%

3.2 These reductions will apply to persons whose annual salaries are currently above €65,000. If a person's salary increases above €65,000 (inclusive of allowances in the nature of pay) during the Agreement, the pay reduction provisions outlined below will apply.

3.3 Salaries will not reduce below €65,000 as a result of the application of the Act.

3.4 Salary scales starting above €100,000 will be reduced by the appropriate percentage permanently based on the application of the reductions in Paragraph 3.1 above.

3.5 Where a person is employed on less than full hours then a calculation should be made to see whether their whole-time equivalent salary (inclusive of allowances in the nature of pay which are fixed periodic pensionable allowances) is greater than €65,000. In the event that their whole-time equivalent salary is greater than €65,000 then the reductions outlined in the above table should be applied to their salary on a pro-rata basis.

3.6 The adjustments arising under paragraph 3.1 should be applied to salary as at 30 June 2013 and to each point of incremental scales (and to off-scale points) rounding to the nearest Euro. It is the responsibility of each employer to ensure that the correct pay reductions are applied to all employees whose whole-time equivalent annualised remuneration exceeds €65,000.

#### **4. Incremental Progression**

4.1 Incremental progression will be suspended for 3 years from 1 July 2013 to 30 June 2016 for grades not covered by a Collective Agreement which modifies the terms of incremental suspension and which has been registered with the Labour Relations Commission.

#### **5. Pension-related Deduction – Rate Adjustment**

5.1 The rates for the Pension-Related Deduction will be reduced in the €15,000-€20,000 band rate to 2.5% from 5% with effect from 1 January 2014. From 1 January 2014, the rates for the PRD will be as follows:

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<sup>1</sup> The 5.5% reduction applies to all salary below €80,000, not solely the portion of salary which is between €65,000 and €80,000.

<b>Bands and Rates</b>	
Under €15,000	Exempt
€15,000 - €20,000	2.5%
€20,000 - €60,000	10.0%
Above €60,000	10.5%

## **6. Pensions**

6.1 A staff member who retires on or before 31 August 2014 will have his or her superannuation benefits calculated by reference to the pay scales applying on 30 June 2013.

6.2 Where a staff member retires on or before 31 August 2014 on a pension greater than €32,500 that pension will be subject to the Public Service Pension Reduction (PSPR) as provided for in the Financial Measures in the Public Interest Act 2013 which is effective on and from 1 July 2013.

6.3 Information on the PSPR provisions in the 2013 Act may be viewed on the website of the Department of Public Expenditure and Reform at: <http://per.gov.ie/faqs-on-haddington-road-agreement-2/>

## **7. Haddington Road Agreement**

The remainder of this circular relates to the implementation of the Haddington Road Agreement in respect of employees in grades covered by the terms of the Agreement.

7.1 For those on salaries (inclusive of allowances in the nature of pay) above €65,000 and in a grade where the starting point on the salary scale does not currently exceed €100,000, the reduction in pay in paragraph 3.1 above will be restored to the pay rate that they would have had, but for the pay reduction, within a maximum of 18 months of the end of this three year Agreement between the parties which is intended to commence with effect from 1st July 2013. The restoration will be in two equal phases – the first after 9 months and the second 9 months later.

## **8. Increments and related balancing measures**

8.1 Where a Collective Agreement is in place, the next increment due on or after the 1<sup>st</sup> July 2013 in respect of grades covered by the Collective Agreement may be paid as normal. Thereafter, the following arrangements in respect of subsequent increments will apply:

8.2 For staff on salaries below €35,000, one three-month increment freeze will apply. This will take effect after the next increment is paid, with the following increment being awarded after 15 months rather than 12.

8.3 For staff on salaries between €35,000 and €65,000, two three-month increment freezes will apply. This will take effect after the next increment is paid, with the following two increments each being awarded after 15 months rather than 12 months.

8.4 For staff on salaries between €65,000 and €100,000, two six-month increment freezes will apply. This will take effect after the next increment is paid, with the following two increments each being awarded after 18 months rather than 12 months.

8.5 For staff on salaries of €100,000 and more and where the starting point of the salary scale is less than €100,000 the incremental measures outlined in 8.4 will apply.

8.6 Incremental progression will be suspended for three years with effect from 1 July 2013 for staff on salary scales starting over €100,000.

8.7 Where an employee's salary surpasses €35,000 during the Agreement, a second incremental freeze of three months will apply, in accordance with the arrangements for staff on salaries between €35,000 and €65,000 outlined at paragraph 8.3 above.

8.8 Specific arrangements will apply for staff with salaries between €35,000 and €65,000 who are on the final point of the incremental scale or who reach the final point of the scale following a 15 month increment period. These arrangements will be notified in a separate communication.

8.9 If an employee's salary increases above €65,000 during the Agreement, the pay reduction provisions outlined at paragraph 3.1 will apply.

## **9. New Entrant Salary Scales**

9.1 In order to address the imbalance between those who entered the Public Service since 2011 and those who entered before that date, revised incremental salary scales shall be prepared for same grade entrants to each public service sector as necessary to incorporate the revision of salary scales introduced by Government Decision in January 2011. The Department will notify employers of the revised incremental salary scales in due course.

## **10. Exam Payments - All Academic Staff**

The examination marking fee payable for the marking of exams which take place on or after 1 July 2013 is reduced by 25%.

## **11. Premia**

Twilight payments and any equivalent payments will no longer be payable.

## **12. Additional Working Hours for Academic Staff**

Academic staff will work an additional 78 hours per annum. This additional time will be deployed through Workload Allocation Models to maximise savings and productivity.

## **13. Additional Working Hours for Non-Academic Staff**

13.1 Staff with a working week of 35 hours or less (net of rest breaks) will increase to a minimum of 37 hours a week and staff who currently work more than 35 but less than 39 hours a week (net of rest breaks) will increase to a 39 hour week. Pro-rata arrangements will apply for job-sharer and part-time staff.

13.2 Working hours of those staff with a net working week of 39 hours or greater will remain the same, but an hour of overtime worked each week by these staff will be unpaid until 31 March 2014. Pro-rata arrangements will apply for job-sharer and part-time staff.

13.3 **Implementation Timescale:** The first 2 hours and 15 minutes per person per week will be implemented from 1 July 2013.

13.4 Any remaining liability will be implemented from 1 July 2015.

13.5 Extra hours worked will be deployed and may be aggregated on a daily, weekly or annual basis following local consultation, based on the principles agreed in each sector.

13.6 Staff will co-operate with the revisions to rosters necessary for the full deployment of the additional hours and with any consequential revisions.

13.7 Divisors for overtime should be amended to reflect these revised working hours.

13.8 Management will allow persons to opt to remain on their current hours for a period subject to appropriate adjustment in pay. This period will end no later than 30 June 2014 unless otherwise agreed

with management. Reduced hours will be treated as a work sharing arrangement and will be subject to the rules governing the University's or College's Work Sharing Scheme.

**13.9 For grades up to and including Grade VII and equivalent increases in working hours will be limited to two hours and 15 minutes per week subject to the following:**

13.9.1 A minimum working week of 35 hours will apply. Pro-rata arrangements will apply for job-sharer and part-time staff.

13.9.2 The divisor for overtime calculations will be based on 37 hours effective from 1 July 2013 except where the divisor for overtime calculations is already higher than 37 hours in which case the divisor for overtime becomes or remains 39 hours effective from 1 July 2013.

***Worked Example:***

*If you are a Grade V or equivalent currently working 32.5 hours per week (net of rest breaks) and you are in a Grade represented by a Union which has signed up to the Haddington Road Agreement, then with effect from 1 July 2013 your working hours increase to 34 hours 45 minutes per week (net of rest breaks). With effect from 1 July 2015 your working hours increase again to 35 hours per week (net of rest breaks). If you get promoted from Grade V to any Grade on or after 1 July 2013 then a working week of 37 hours (net of rest breaks) will apply.*

**14. Recruitment and Promotion - Non-Academic Staff - Additional Working Hours**

14.1 With effect from 1 July 2013 a standard working week of 37 hours (net of rest breaks) will apply for all staff recruited or promoted to a grade that currently works 35 hours or less (net of rest breaks). Pro-rata arrangements to apply for job-sharers and part-time staff.

14.2 With effect from 1 July 2013 a standard working week of 39 hours (net of rest breaks) will apply for all staff recruited or promoted to a grade that currently works more than 35 but less than 39 hours a week (net of rest breaks). Pro-rata arrangements to apply for job-sharer and part-time staff.

14.3 With effect from 1 July 2013 for all staff recruited or promoted to a grade that currently works 39 hours a week or greater (net of rest breaks) the hours of work of that grade will remain the same as they currently are but an hour of overtime worked each week by these staff will be unpaid until 31 March 2014.

14.4 The above working hours also apply where an individual is in receipt of an acting-up allowance.

**15. Overtime**

With effect from the 1<sup>st</sup> July 2013 overtime arrangements for those grades covered by a Collective Agreement are as follows:

**15.1 For salaries below €35,000**

Overtime will be paid at time and a half at the first point of the appropriate scale for those on salaries below €35,000. If, however, this would result in overtime being paid at less than time at any point on the scale then it will be calculated as in the following provision (15.2).

## 15.2 For salaries at or above €35,000.

Overtime will be paid at the rate of time and a quarter at the individual's scale point for those on salaries at or above €35,000.

15.3 In addition:

15.3.1 Divisors for the calculation of overtime will be adjusted to take account of any additional hours provided for in the Agreement.

15.3.2 For those grades currently with a working week of 39 hours or more (net of rest breaks), an hour of overtime worked each week will be unpaid until 31 March 2014.

15.4 From 1<sup>st</sup> July 2013 overtime will not be payable until 37 hours are worked and exceeded.

## **16. Flexible Working Arrangements (Flexitime)**

16.1 The current Flexitime arrangements (FWA) will continue to apply subject to the following amendments:

16.1.1 FWA will continue to be available for staff up to Grade VII or equivalent where it is already available.

16.1.2 FWA will not apply to staff above Grade VII or equivalent except for those staff who already have this arrangement.

16.1.3 No change is proposed to the existing terms of the Flexitime Agreements between the 1<sup>st</sup> July 2013 and the 30<sup>th</sup> June 2014 with regard to the amount or the use of hours to be carried over.

16.1.4 With effect from 1<sup>st</sup> July 2014, the maximum amount of flexi leave allowed in any flexi period will be one day.

16.2 The agreement in relation to flexible working arrangements will apply to those Librarians and Administrative Staff who currently have access to these arrangements.

## **17. Work sharing**

17.1 The implementation and operation of the work-sharing arrangements is at the discretion of management, who retain the discretion to alter, reduce and/or standardise the range of work sharing patterns available to staff having regard to the specific business needs of their organisation.

17.2 No work-sharing pattern approved in the future should be less than 50% of full time working hours. Staff currently on patterns of less than 50% can retain the work pattern on a personal to holder basis.

17.3 Each individual's work-sharing arrangements will be formally reviewed on an annual basis (or earlier if required). Where such a review has not yet taken place a review must be completed by the end of 2013.

17.4 Management's discretion to alter or change an individual's work-sharing arrangements, on the giving of due notice (3 months), is confirmed. Management reserves the right, on reasonable business grounds and with reasonable notice, to refuse access to the scheme, to require a person to vary their work-sharing arrangements, or to require a person to resume full time work.

**The terms of this letter should be retained for audit purposes.**

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Philip Crosby  
Principal