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Circular Number 76/97

28 November, 1997

DEPARTMENT  
OF HEALTH  
AN BÓRD  
SÁNTA

Chief Executive Officer,  
each Health Agency to which the  
Local Government Superannuation Scheme applies

Chief Officer  
each other relevant Health Agency

Dear Sir / Madam

I am directed by the Minister for Health and Children to refer to the pensions increases which will apply in respect of the restructuring pay deals negotiated under Option A of the Programme for Competitiveness and Work.

The Government has decided that public service pensioners who retired before the commencement dates of the various PCW deals should benefit from those deals on a parity basis subject to a minimum adjustment of 3% in their pensions (the minimum adjustment will be 2% in the case of those pensioners who have already received an advance payment of 1%).

It should be noted that, apart from the 3% floor, parity will apply to these pay deals in exactly the same way as it has to previous special pay increases. For example, in deciding whether an increase in a pay scale should apply to a pensioner, the key criterion will be whether, in the case of serving staff, assimilation to the new scale was, in general, on a "corresponding points" basis (i.e. and not on a promotion or upgrading basis) and that all serving personnel (and not just a proportion of them) were eligible to be assimilated to it. Furthermore, the increase must not be such as to represent, in effect, an upgrading of a post.

In deciding whether a pensions increase based on parity or one of 3% (or 2%, as the case may be) should be made, it will be necessary to determine if the increase by reference to the scale point of the grade from which the officer retired exceeds 3% (or 2%) as a result of the final effect of the restructuring deal. In cases where the final effect of restructuring gives rise to an increase of less than 3% (or 2%), then an adjustment of 3% or 2% should be made in the pension.

In the case of a pensioner who did not benefit from an advance payment of 1% with effect from 1 April 1994, the 3% floor will apply as if the relevant points on the payscale in question had attracted a special pay increase of 3% with effect from 1 September 1995. In the case of a pensioner who did benefit from an advance payment of 1% with effect from 1 April 1994, the 2% floor will apply as if the relevant points on the payscale in question had attracted a special pay increase of 2% with effect from 1 May 1996.

Particular note should be taken of the following points:

- ♦ Any pensioner who retired after the commencement of a restructuring deal (or, where different elements of a particular deal had different commencement dates, after the first such commencement date) does not come within the scope of these arrangements. Where an advance payment of 1% was paid to a group with effect from 1 April 1994, this will not be regarded as the commencement date.
- ♦ Only pensioners from groups which benefited from PCW restructuring deals will benefit from the above arrangements. Thus, for example, pensioners who retired from grades or positions coming directly or indirectly within the ambit of the Review Body on Higher Remuneration in the Public Sector do not come within the scope of these arrangements.
- ♦ Pensioners who retired from groups who have not concluded a PCW restructuring deal will not benefit until that deal is concluded and then only those who retired before the commencement date of the deal will benefit on the terms set out above.
- ♦ Only increases which represent permanent additions to the pay scales in question will apply to pensioners. Any increases which are personal to certain individuals / groups (for example, certain Long Service Increments) will not apply. Also, where there are minimum service requirements for Long Service Increments, those requirements will apply to pensioners even if preferential assimilation terms have been applied to particular individuals / groups of serving staff in implementing the pay deal in question.
- ♦ The element of pension in respect of pensionable allowances held by pensioners will continue to be treated in the normal way.

Each agency should implement the revisions to pensions in relation to the pensionable staff in question who retired from the particular agency.

Every effort should be made to ensure that pensioners receive the amounts due to them as soon as possible.

The attached form at Appendix A to this Circular detailing the cost of implementing the pensions revisions should be completed by each agency and forwarded to this Department's Finance Unit, Floor 8, Hawkins House, Dublin 2, as soon as possible.

Queries regarding this Circular should be addressed in writing to Mr J Clarke, Department of Health Superannuation Section, 10th Floor, Hawkins House, Dublin 2.

Yours sincerely



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Melanie Pine  
Principal Officer  
Personnel Management and Development

# **APPENDIX A TO CIRCULAR 76/97**

**PCW Restructuring Deals - Cost of Pension revisions in the case of pensioners who retired prior to the commencement dates of the deals in question.**

Grades for which PCW deals have been concluded	Number of Pensioners	Number of Spouses in receipt of pensions	Full year cost for 1994	Full year cost for 1995	Full year cost for 1996	Full year cost for 1997	Full year cost for 1998

*In completing this form please categorise the pensioners under the following grade categories - clerical / administrative, nursing, paramedical, medical and non-nursing*