



Ref: P018-013-2018

17 June 2021

Ms Eilish Timoney  
People, Pay & Superannuation Unit, Resources Division  
Department of Health  
Block 1, Miesian Plaza  
50 – 58 Lower Baggot Street, D02 XW14

**Re: Pension increases arising from approved increases in fixed location and specialist qualification allowances in respect of nursing grades with effect from 1 March 2019 (DOH Circular 14/2019)**

Dear Eilish

I refer to previous correspondence regarding the granting of pension increases arising from an increase of 20% in the rates of fixed location and specialist qualification allowances (both pensionable allowances) in respect of nursing grades on 1 March 2019 as part of Labour Court recommendations, which in turn were based on earlier recommendations made by the Public Service Pay Commission in August 2018. Department of Health Circular 14/2019 implemented the revised rates for serving staff.

As you know, the current pension increase policy, agreed initially as part of the Government's commitments under the Public Service Stability Agreement 2018 – 2020 (PSSA) and now extended until end-2022, is a time-limited, conditions-bound return to the non-statutory pay-linked method of pension adjustment known as 'pay parity'. Relevant guidance is set out in DPER Circulars 20/2017, 02/2018 and 19/2019.

While the PSSA did not directly address itself to pensionable fixed periodic allowances, following detailed consideration of the policy considerations involved, this Department is satisfied that increases in pensionable remuneration that occurred other than as a result of the basic PSSA pay increases will also fall to be covered under the above-mentioned pension increase policy. In that regard, we have taken account of the fact that:

- the current pension increase policy, which is guided by the principle of equitable treatment, has consistently been presented as a return to pay parity by reference to which increases in pensionable fixed periodic allowances would generally have been passed on to relevant qualifying pensioners; and that



- the increases in the fixed location and specialist qualification allowances in respect of nursing grades were initially recommended by the Public Service Pay Commission and later included as part of Labour Court recommendations; thus, the allowance increases are comprehended within the overarching framework of the PSSA.

Accordingly, I am to confirm that this Department would have no objection to the passing on of the benefit of the above-mentioned increases to nursing grade pensioners who are in receipt of a pension element in respect of location and specialist qualification allowances:

- with effect from the date the relevant rate increases was granted to serving staff (i.e. 1 March 2019); and
- to pay appropriate arrears to the pension recipients concerned by reference to those increased rates of payment.

Obviously, any nursing grade pensioner who is not in receipt of an element of pension in respect of the fixed allowances concerned will not qualify for a pension increase under the terms of this letter (it is noted, for example, that the location allowance was not applicable to maternity services at the time of the Pay Commission report).

Please note that a separate communication has recently issued from this Unit regarding the 5% or 8% reduction in fixed periodic allowances that took place in 2010 under section 2(3) of the *FEMPI (No.2) Act 2009*, and which was restored for serving staff on 1 October 2020 in accordance with section 24 of the *Public Service Pay and Pensions Act 2017*.

Yours sincerely

Eoin Dormer  
Principal Officer  
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