

Circular Letter EL 3/02  
Rem 203

25<sup>th</sup> March 2002



**Local Authority Staff: Agreement on the adjustment to the terms of the  
Programme for Prosperity and Fairness - 1% Lump Sum**  
A Chara,

1. I am directed by the Minister for the Environment and Local Government to refer to the above Agreement and to convey sanction to the payment to employees of a once-off lump sum equal to 1% of annual basic pay on 1 April 2002, rounded to the nearest cent. In accordance with normal practice, annual basic pay includes allowances in the nature of pay on that date but does not include other additions to pay.

2. Superannuation contributions should not be deducted from these lump sum payments.

**Employees Affected**

3. Subject to Paragraph 4 below, the lump sum payment should be made to those in employment on 1 April 2002. For the avoidance of doubt, employees on leave schemes such as holidays, or availing of their entitlements including maternity leave or sick leave are entitled to the payment.

4. Employees on career breaks or long term special leave without pay and persons paid on a fee or piece-work basis or employed casually or on infrequent or nominal duties **are not entitled** to the lump sum payment.

5. In relation to part time employees (including those job-sharing), normal pro-rata rules should apply.

6. Where normal payment is not made by means of an annual/weekly salary (e.g., retained firefighters) the method of calculation of the lump sum will be the subject of a further letter which will issue shortly. Pending the issue of this further letter, no offers or commitments whatever should be made with regard to the 1% payment to any group or individual in this category.

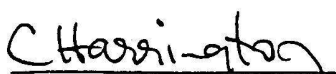
**Pensioners**

7. Pensioners are entitled to receive the lump sum based on 1% of the annual amount of pension payable on 1 April 2002.

**Queries**

8. Any queries from local authorities regarding this Circular Letter should be referred to the Local Government Personnel Section of the Department. Telephone enquiries may be made to 01-888 23 77 or 888 23 78.

Mise le meas,

  
Catherine Harrington,  
Higher Executive Officer.

To each local authority

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### **1% LUMP SUM PAYMENT**

A number of enquiries have been received in relation to the 1% lump sum payment, effective from the 1<sup>st</sup> April under the Programme for Prosperity and Fairness. Please note the following clarifications -

- The payment in respect of Home Helps who are paid on an hourly basis should be calculated on the basis of taking the average number of hours worked over the 13 weeks preceding the 1<sup>st</sup> April 2002 and multiply the average by 52 weeks to equal an annualised salary.
- The 1% applies to all allowances that are pensionable. The employee must be in receipt of the allowance on the 1<sup>st</sup> April 2002. In the case of the acting-up allowance, the employee should be in receipt of same for a continuous period of 12 months.
- Part time staff who work the same number of hours each week should have their lump sum paid on a pro rata basis. However part time staff who work irregular hours each week should have their lump sum calculated on the basis of the average number of hours worked over the 13 weeks preceding the 1<sup>st</sup> April 2002 and multiply the average by 52 weeks to get an annual salary (if you are satisfied that this gives a fair reflection of the number of hours that they would usually work). Alternatively these employees can have their 1% lump sum payment calculated on their basic earnings between the 1<sup>st</sup> April 2001 and the 31<sup>st</sup> March 2002. The important criteria is that the reference period would adequately reflect their average earnings.