



ASSOCIATION OF  
JUDGES OF IRELAND

10<sup>th</sup> March, 2016

Kevin Duffy  
Chairman  
Public Service Pay Commission  
St. Stephen's Green House  
Dublin 2



Dear Kevin,

Further to the meeting that the AJI had with the Commission and to earlier correspondence I would like to avail of the opportunity to address the question of pensions. At the outset I would like to offer some context. Without rehearsing the points that we made at the meeting with the Commission it is the case that between 2009 and 2013 the Judiciary experienced a large number of adverse changes in relation to pay and pensions. As we pointed out the cumulative effect of those changes has been severe indeed and we think few if any others paid from the public purse have been impacted to the same extent. We are concerned that the changes are impacting on the ability to recruit candidates of the highest calibre.

Historically very many of those who accepted appointment to the Bench saw their earnings fall very significantly, in some cases quite dramatically. No doubt, those who accepted appointments did so for a variety of reasons, a desire to serve the public after a successful career in private practice, a recognition that the position was an important one but undoubtedly in many cases the availability of a judicial pension was a significant consideration. However, a number of changes that were introduced, some without consultation or even notice have made the regime much less attractive. The Public Service (Single Scheme) Act, 2012 increased the accrual period in respect of the Circuit Court and the Superior Courts from 15 years to 20 years. This is a major disincentive to applicants. It means that to qualify for a full judicial pension individuals must apply for an appointment to the Bench and be appointed before their 50<sup>th</sup> birthday. Many highly qualified individuals will just not be ready at that stage of their professional career. The same Act also increased the pension contribution for those appointed after 1<sup>st</sup> January, 2013 to 13 %. This means that those in that category are in reality paid less than their longer serving colleagues.

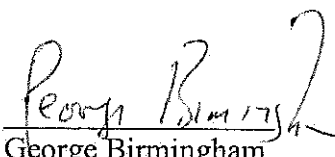
Section 18 of the Finance (No. 2) Act, 2013 also has to be considered. This made further changes to the standard fund threshold over and above those introduced in 2010. It did so by reducing the threshold and increasing the multiplier depending on the age of retirement. The effect of this is that every High Court judge who accrues a full pension will now exceed the standard fund threshold and will face a very significant tax bill. A further point is that it means that any judge who had a private pension from his or her time as a barrister or solicitor will have to face the situation that their private pension will be deemed to be entirely in excess of the standard fund threshold giving rise to a punitive, confiscatory rate of tax. The effect of this is to make the option of applying for appointment unattractive to all those who had sought during their time in private practice in a responsible way to provide for their own pension. Conversely appointment is relatively less unattractive for those who made no such provision.

Quite simply the pension arrangements that are now in existence are much less attractive and much less valuable than was once the case. It is imperative that changes should be introduced to address what is now a most unsatisfactory situation. What is utterly unthinkable is that a view should be taken that the diminished pension provisions are more valuable than previously thought and that this should result in a break on salary increases.

I would be happy to elaborate on the points made in this letter if required.

Kind regards.

Yours sincerely,

  
George Birmingham