



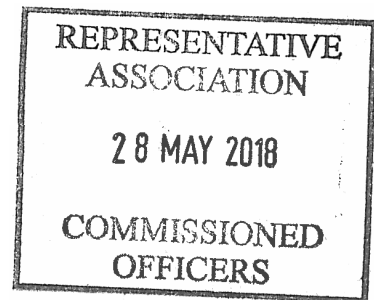
Oifig an tAire ar a bhfuil freagracht maidir le Cosaint
Office of the Minister with Responsibility for Defence

24 May 2018

Lt. Col. Earnán Naughton
General Secretary
RACO
Unit 12,
4075 Kingswood Road,
City West Business Campus,
Dublin 24.

Re: Defence Forces New Entrant Superannuation

Dear Lt. Col. Naughton,



I refer to your correspondence of 25 April 2018 in connection with the above and am happy to take the opportunity to respond.

I am aware of the situation regarding the issue of supplementary pensions for Permanent Defence Force personnel and recall that this was a particular matter of concern for your association when we met in October 2017. I understand that you met with officials from the Department of Public Expenditure and Reform subsequent to my meeting with you where you informed officials of your association's position on this matter.

The Single Public Service Pension Scheme was one of the key structural fiscal reform commitments agreed by Government with the EU/IMF in 2010 under the programme of financial support for Ireland. This flowed from serious concerns about the sustainability of an expanding public service pension bill.

In the context of the Government's decision to introduce the Single Scheme, a stated primary objective was and continues to be that the Single Scheme secures long-term savings across the public service through a significant reduction in the cost of public service pensions in the longer-term.

The intention of Government was set out in the Public Service Pensions (Single Scheme) and Remuneration Bill, 2011. I am advised that prior to the enactment of the Bill, officials in the Department of Defence sought for the retention of a number of pension related matters which had initially been proposed for abolition in the initial proposals for the bill. This included a minimum pension age of 50 to reflect operational needs and the retention of 'fast accrual' pension terms, which were particular concerns of the representative associations at that time.

The Public Service Pensions (Single Scheme and Other Provisions) Act, 2012, provides for a new approach which modernises and standardises pension arrangements throughout the public service. The terms and rules of the Single Scheme are fundamentally different to the superannuation arrangements of all public servants recruited before 1 January 2013 and make no provision for the concept or award of supplementary pensions for any new entrants joining any public service group on or after 1 January 2013.

The White Paper on Defence includes a commitment to conduct, in the medium term, a review of HR policies in relation to recruitment, training and education, performance management, reward systems, and retention and retirement policies alongside appropriate age profiles for personnel across the Defence Forces. The mandatory retirement ages for Permanent Defence Force personnel will be considered in this context.

I note in your correspondence that you have linked the superannuation scheme for new entrants to strength and manning levels. While I acknowledge that there are challenges in retaining certain specialist and line personnel in particular areas, I am not aware of any specific evidence which clearly indicates that the single pension scheme is the cause of experienced personnel choosing to exit the Defence Forces.

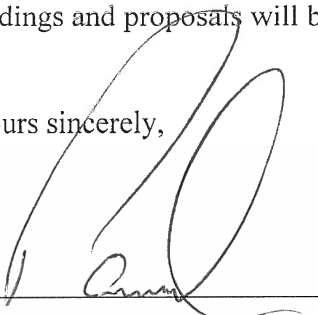
At my direction, in 2017, civil and military management made a submission to the Public Service Pay Commission which raised recruitment and retention issues in the Defence Forces. These were specifically referenced in the Commission's 2017 Report. Since then, the

Government has tasked the Pay Commission with examining the challenges in the Defence Sector in more detail. The Public Service Pay Commission has commenced its work in this area and has requested detailed statistical data from the Department of Defence. This is being complied by civil and military personnel and the material will be presented to the Commission shortly.

I am also aware that the Public Service Pay Commission invited your association to make its own submission, where you had the opportunity to bring this issue to the attention to the attention of the Public Service Pay Commission on behalf of your members.

The Commission is due to complete this aspect of its work in the second half of this year. Its findings and proposals will be considered by Government at that time.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Paul Kehoe', is written over a horizontal line. The signature is stylized with large loops and a long tail.

PAUL KEHOE T.D.,

MINISTER WITH RESPONSIBILITY FOR DEFENCE