



Mr Kevin Duffy
Chairperson
Public Sector Pay Commission.

Dear Mr. Duffy,

ACESA is grateful for the opportunity afforded to it by the Commission to forward our membership's views on the value of pensions for public servants. Having reviewed this with the ACESA Board and solicited views from the membership we would like to make the following points for consideration by the Commission during their deliberations.

As a general point, State Agencies have different funding models – some are fully financed by their parent Department or through directly voted funds from the Exchequer, others are part self-financing and others are fully self-financing. These different funding models need to be considered in the context of any deliberations regarding the value of pensions for public servants. For example, a fully self-funding State body will make a significant pension contribution (in the order of 25%) to the Exchequer via its parent Department. In addition, there are the standard employee contributions plus the pension levy.

In addition, a significant portion of public sector employees are post 1995 so their pension is integrated with the state pension. Both public and private sector workers are entitled to the State pension (either contributory or non-contributory) so the additional pension is what should be considered in any valuation exercise so that there is a comparison of like-with-like.

There are two points in relation to pay scales that we would like to submit:

- The value of what public sector employees receive in addition to the state pension can be very little, particularly at the lower pay scales and there should be some consideration given to different valuations at different pay levels.
- The current pay scales have not been updated post-recession and are therefore not reflective of the current professionals working within the public service.

The pension levy is de-facto a pension contribution so ACESA believe that this needs to be factored into any calculations of contribution to pension by public sector employees



(i.e. the real contribution by public sector employees is currently the pension contribution + levy).

We accept that the security of employment within the public sector is a factor to be considered but this should be off-set by the fact that there is lack of mobility with the pension, and the fact that a public sector employee cannot benefit from any potential uplift in the valuation through stock market performance, which private sector pension can.

A final point for consideration is related to the contract terms for most of the Chief Executives of State Agencies who have contracts lasting from 5 – 7 years and are categorised as public sector employees for the duration but do not have the career-long contract as available to their assistant secretary equivalents.

Thank you for your time and consideration

A handwritten signature in black ink that reads "Mary Higgins". The signature is written in a cursive style and is positioned to the left of the printed name and title.

Mary Higgins
Chairperson ACESA