

**Ninth meeting of the Public Service Pay Commission
7th March 2017 at 8.30 am, St. Stephen's Green House.**

In attendance

Mr. Kevin Duffy (Chairman)

Ms. Marian Corcoran

Mr. Ultan Courtney

Mr. Noel Dowling

Mr. Seán Lyons

Mr. Peter McLoone

Mr. David Denny (Secretary)

Ms. Susan McKiernan (Secretariat)

Ms. Karen Murphy (Secretariat)

Mr. Evan Coady (Secretariat)

Mr. Brian Cahill (Secretariat)

Ms. Angelena Hollingsworth (Secretariat)

Mr. James Maher (Secretariat)

Apologies: Ms. Ruth Curran

9.25 am- 10.50 am

Mr. Robert Watt, Secretary General, Department of Public Expenditure and Reform.

8.30 am- 9.25 am

Members agreed the minutes of the previous meeting. The Secretary provided an update on actions taken since the last meeting. Copies of a letter from the Garda Representative Association regarding the pension valuation exercise were circulated to the Commission members. It was agreed that the secretariat would forward the queries to the Department of Public Expenditure and Reform. The Commission requested details of the INMO agreement following talks at the Workplace Relations Commission.

The Secretariat presented a recruitment and retention working paper, which had been updated to reflect further sectoral data returns. The data supplied by the employer side indicated that there is no general recruitment and retention problem, but there may be issues in certain specific areas of the Health and Defence sectors. The Chair clarified that the Commission's role is to recognise areas where there may be recruitment or retention difficulties and report on the factual positions in these sectors. The Commission requested that further information regarding regional recruitment and retention issues be included in the working paper. A possible conclusion might be that there should be greater flexibility in pay policy regarding starting pay for certain grades.

9.25 am- 10.50 am

The Secretary General of the Department of Public Expenditure and Reform joined the meeting at 9.25 am. The Secretary General asked whether the Commission have been adequately resourced and if they are happy with the proposed timeframe for the initial report. The Commission agreed that they were content with the scope and Quarter 2 deadline for initial report. Potential recruitment and retention difficulties arising from the stakeholder consultation were discussed. The Secretary General clarified that the summer pay

negotiations would be focused solely on further FEMPI unwinding. Future potential work programmes for the Commission, such as a job evaluation exercise or a review body on higher pay, were discussed. The Secretary General stated that the actuarial report on the relative value of public service pensions would be provided to the Commission shortly.

10.50 am- 12 pm

The Secretariat presented a working paper on international pay data, which had been updated to include tax rates. The Secretariat explained that there are difficulties in comparison with the other Anglophone OECD countries due to the different methodologies used in reporting pay data. The Commission requested that this should be noted in the working paper. The Commission also suggested that the working paper should mention that PRD is not included in the comparisons and provide an average percentage for this deduction.

The Secretariat presented a working paper on public-private earnings from 2011-2014. Figure 2.2, which demonstrated the percentage change in decile earnings by sector, was discussed. The increase in public pay for the first three deciles was explained as being a consequence of the moratorium on recruitment. The Secretariat informed the Commission that the CSO will provide their econometric analysis in advance of the next meeting.

The Commission discussed the pensions chapter from the 2007 report. The Commission recognised the benefits of carrying out a similar updated version of the valuation exercise. The 2007 figure of a 12% premium in the relative value of pensions in favour of the public sector was discussed.

The Secretariat agreed to table a draft structure of the report and draft preliminary conclusions at the next meeting.

Action points

- Update recruitment and retention working paper.
- Update international pay working paper.
- Update public-private earnings working paper to reflect CSO econometric analysis.
- Secretariat to provide draft structure of report and draft conclusions for next meeting.
- Forward GRA letter re pension valuation to DPER.