

Our ref.: 16/0021/PER

3 November, 2016

Mr Paschal Feeney  
General Secretary  
GSRMA  
GSRMA House  
5 Harrington Street  
Dublin 8

Dear Mr Feeney

I have been asked by Mr Paschal Donohoe TD, Minister for Public Expenditure and Reform, to reply to your email regarding the Public Service Pay Commission.

The Minister has appointed the following seven members of the Public Service Pay Commission (PSPC):

- Mr Kevin Duffy- Chair (former Chairman of Labour Court)
- Ms Marian Corcoran (Executive Coach at Praesta)
- Mr Ultan Courtney (Chairman of Bus Átha Cliath)
- Ms Ruth Curran (Managing Partner at MERC Partners)
- Mr Noel Dowling (former senior ITGWU/SIPTU official)
- Dr Seán Lyons (Associate Research Professor at ESRI)
- Mr Peter McLoone (former General Secretary of IMPACT)

All interested parties (including the GSRMA) are entitled to make submissions to the PSPC. The Commission will provide an initial report to Government in Quarter 2 of 2017. Specifically, the Commission will be asked to provide inputs on how the unwinding of the Financial Emergency Measures in the Public Interest legislation should proceed having regard to:

- The evolution of pay trends in the public and private sectors based on published data;
- A comparison of pay rates for identifiable groups within the public service with prevailing non-public sector market rates
- International rates and comparisons where possible;
- The state of the national finances.

Please see attached a copy of the terms of reference.

Yours sincerely



Michelle O'Connor

Private Secretary to the Minister for Public Expenditure and Reform

## **Terms of Reference for Public Service Pay Commission (PSPC)**

The Public Service Pay Commission (PSPC) is established to advise Government on Public Service remuneration<sup>1</sup> policy.

### **Purpose**

The Commission is to provide an initial report to Government in Quarter 2 of 2017 on public service remuneration in the context of the Financial Emergency Measures in the Public Interest Acts 2009 – 2015.

The findings of the Commission will contribute to and inform Government's considerations in relation to Public Service remuneration and would assist the Department of Public Expenditure and Reform in discharging its negotiation function on behalf of Government.

The Pay Commission will consider such other remuneration matters as it may be asked to consider by the Minister for Public Expenditure and Reform from time to time, including:

- (1) Providing objective analysis on the appropriate pay levels for identifiable groups within the public sector;
- (2) Comparing appropriate rates for identifiable groups with prevailing private sector/market rates. This should have regard to evidence on recruitment and retention trends in respect of each group;
- (3) Comparing appropriate rates for identifiable groups within the public service with their equivalents in other jurisdictions, particularly where internationally traded skillsets are required, having due regard to differences in living costs;
- (4) Providing objective analysis on the appropriate pay levels for officeholders' pay and pensions.

When reaching its findings the Commission shall have regard to:

- (a) The superannuation and other benefits applying in the public service;
- (b) Security of tenure, where it applies to public servants;
- (c) Pay comparisons taking account of relevant characteristics;
- (d) The public service reform agenda;
- (e) Evidence on recruitment and retention within the public service;
- (f) Any other relevant matters including impact on national competitiveness and sustainable national finances and equity considerations;
- (g) Any other issues as they are determined by Government.

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<sup>1</sup> Remuneration is defined as basic salary, allowances and all other benefits in cash or in kind, together with general terms in regard to superannuation, paid leave etc.

## **Initial Work Programme**

For its initial report the Commission will be asked to provide inputs on how the unwinding of the Financial Emergency Measures in the Public Interest legislation should proceed having regard to:

- The evolution of pay trends in the public and private sectors based on published data;
- A comparison of pay rates for identifiable groups within the public service with prevailing non-public sector market rates
- International rates and comparisons where possible;
- The state of the national finances

Following this initial report the Government will give consideration to what other matters the Commission may be asked to consider in due course.

## **Procedures**

In progressing its work, the PSpC should utilise and analyse existing datasets and reports, as prepared and published by existing state and other agencies as appropriate. The PSpC may also undertake or commission additional research or data gathering where further information is required to comprehensively progress its terms of reference. The PSpC may invite relevant stakeholders to make submissions to the Commission to further assist its considerations.

The PSpC must publish its findings and the evidence on which these are based.

The PSpC will not take the place of direct negotiations between Government and employee representatives.