

Civil Service Conciliation and Arbitration Scheme

General Council Report 1481

(Meeting/s of 26 July 2006, 25 October 2006, 13 December 2006)

That the age 65 as the maximum retirement age for staff recruited before 1 April 2004 be abolished.

Claim: That the age 65 as the maximum retirement age for staff recruited before the 1st April 2004 be abolished

1. This claim was lodged by the PSEU, AHCPs and IMPACT at the General Council meeting of 26th July 2006. The Official Side gave its response to the claim at the General Council meeting of the 26th October 2006.
2. The Staff Side said that, as a result of the enactment of the Public Service Superannuation (Miscellaneous Provisions) Act 2004 staff recruited to the Civil Service on or after 1 April, 2004 were not required to retire at age 65. By contrast staff recruited before that age, were required to retire at age 65.
3. There was no logic in this distinction. Staff now recruited at, say, age 64 could serve alongside an existing member of staff of the same age but the former could continue to serve when he/she reached age 65 whereas the latter was required to retire. Indeed, a person who was required to retire at age 65 could apply for a new open competition and resume employment if successful.
4. Since there was no upper age limit on recruitment it could happen in a short time that a person with, say, 8 years service would be allowed to remain in service whereas a person recruited before 1 April, 2004 with 40 years would be obliged to leave.
5. The Official Side rejected the claim for the following reasons:
 - The proportion of the population aged over 65 is expected to increase significantly in the long term. This will give rise to a substantial increase in the cost of pensions including the cost to the Exchequer of public service pensions. The measures introduced in the Public Service Superannuation (Miscellaneous Provisions) Act 2004, which include an increase in the minimum pension age from 60 to 65 and a removal of the existing compulsory retirement age of 65 for new entrants only, were aimed at containing public service pension costs in the long term.
 - As Ireland currently has one of the youngest populations in Europe, the demographic trends and the implications for the sustainability of public service pension costs will remain favourable in the short and medium term. In the light

of these demographics there is no financial imperative to introduce changes to the terms and conditions relating to retirement age of existing civil servants.

- The removal of the compulsory retirement age for those 'new entrants' who joined the Civil Service after the 1st April 2004, will provide a gradual transition to a situation where, over the medium to longer term, as more and more new staff are recruited as 'new entrants' an increasing number of civil servants will be required to work until age 65 before drawing full pension and will have the right to continue to work beyond that age.
- The increase in the minimum pension age and the removal of the compulsory retirement age for new entrants cannot be managed in isolation; other civil service human resource processes will have to be adapted and developed to reflect the retirement age changes. In particular, systems for management of performance and career progression must, in time, develop to reflect the retirement age changes which will apply in the longer term.
- Any change in the retirement age provisions of existing civil servants would lead to calls for similar changes in the wider public service. The same considerations would apply to the wider public service.
- A possible adverse effect of removing the compulsory retirement age for serving civil servants would be that this would limit the career opportunities for existing staff by reducing the number of vacancies for promotion in the Civil Service in any year.

6. The Staff Side pointed out that there would be no adverse effect on the current pension bill if the claim was conceded. In addition, the Staff Side noted that, while the reduction in the retirement age might limit the career opportunities for existing staff, it was those staff who had submitted the claim via their union representatives as is their prerogative. Furthermore, it is likely that only a small number of people would avail of the opportunity if the claim was conceded. In addition, it was important to recognize that revised arrangement for new staff as regards the retirement age was not something which would apply at some distant point in the future. It actually applied currently given the fact that staff could be recruited at an advanced age.

7. The Official Side acknowledged that the Staff Side might be correct in relation to these points but that in view of the primary considerations that the cost imperatives which gave rise to the decision to change the retirement age arrangements for new entrants would not arise in the short and medium term, and

relevant human resource processes and practices would have to be adapted over time to address the factors that the new arrangements would introduce

they did not see good grounds to concede the claim.

8. The staff side asked that a report recording disagreement be prepared.

9. This report recording disagreement was adopted on 13 December 2006.

Eric Gargan
Official Side Secretary

Joan Byrne
Staff Side Secretary

Agreed report, recording disagreement.

This report was adopted on 13 December 2006