

Civil Service Conciliation and Arbitration Scheme

General Council Report 1404

(Meeting/s of 25 April 2001, 27 June 2001, 25 July 2001, 27 March 2002)

Deduction at source for new Special Savings Schemes.

Claim by Staff Side that a deduction at source facility be sanctioned for the Special Savings Incentive Accounts (SSIA) scheme.

1. The Staff Side stated that a deduction from salary facility would make it more convenient for staff to participate in the SSIA scheme.
2. The Official Side examined the issue in detail. As part of this examination it was necessary to consult Departments/Offices in order to consider the operational issues. The Revenue Commissioners were also contacted for information regarding SSIA service providers. They advised that 333 financial institutions were offering SSIA's. In order to comply with European and National legislation governing competition, any new deduction at source facility would need to cater for all 333 SSIA providers.

Departments advised that the staffing/administrative implications for Salaries Sections, in terms of setting up the deductions at source facilities and their ongoing maintenance, would be substantial.

Furthermore there are strict requirements in the SSIA schemes in terms of continuity of contributions, allowing no breaks. Because of movement of civil service staff from one payroll to another, and because of gaps in service due to career breaks, carers' leave, secondments, etc., there was a strong possibility of default in some contributions.

3. Both sides agreed that these factors were a genuine constraint as far as a deduction at source was concerned. Agreement, therefore, emerged that all things considered, a standing order with a bank or building society would be a safer way to ensure continuity of SSIA contributions and of not running the risk of undermining the investment.

In practice what has been happening in Departments is that civil servants, with the full cooperation of Departments, are increasing existing deductions to cover SSIA contributions. The financial institutions themselves, and not Salaries Sections, then divide the increased deductions between different payments (including SSIA's). This compromise arrangement works well and

Staff Side indicated their satisfaction with the arrangement.

4. It was agreed that a report recording agreement not to proceed with the claim be prepared.

5. This report, recording agreement not to proceed with the deduction at source facility for SSIA's, was adopted on 27 March 2002.

Agreed report.

This report was adopted on 27 March 2002