

LP 20/12/2010  
20th December 2010.

File Ref: E109/81/06

**Re: Financial Emergency Measures in the Public Interest (No. 2) Bill 2010  
Implications for Sick Leave at Pension rate of pay**

Dear Personnel Officer,

I refer to the Financial Emergency Measures in the Public Interest (No. 2) Bill 2010 and in particular to the provisions of *Section 2* which requires a reduction be made to the annualised public service pension payable to a pensioner or someone who becomes a pensioner before the relevant date, or after that date in the case of a pensioner falling under paragraph (c) of the definition of “pensioner” in *section 1*.

The provisions of the bill are due to take effect from January 1<sup>st</sup>, 2011 and have implications for the rate payable to civil servants who are on sick leave at ‘pension rate of pay’. As such, from the effective date of the reduction, all persons on pension rate of pay will be subject to the reduction (if over €12,000 annualised). The reduction rates are:

<i>Annual Public Service Pension (€)</i>	<i>Reduction Rate</i>
First 12,000	0%
Between 12,000 and 24,000	6%
Between 24,000 and 60,000	9%
Balance above 60,000	12%

There should be no automatic progression onto PRP as payment of pension rate of pay is subject to the condition of a reasonable prospect of a resumption of duty, with an ability to render regular and effective service. The advice of the CMO may be required on the medical aspects of such cases but it is first and foremost a matter for Departments/Offices to determine the grant of pension rate of pay taking into account all the circumstances - the final decision on whether a civil servant is granted PRP, lies with the relevant authority having received the CMO's advice.

In that context, Personnel Officers should note that when, on the recommendation of the CMO, it is decided that an officer who is on, or is due to go on, PRP should avail of a phased return to work following long term illness, the calculation and application of PRP should be fixed and should not be revised for the duration of the particular rehabilitation.

Yours faithfully,

Mary McKeon  
Personnel and Remuneration Division