



PAY, PENSION & ALLOWANCES

Item 1 – Chapter 10

Wednesday 17 April 2024

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Pay Agreement 2022 / 2023

- 2.5% 1st January 2022
- 2.5% 1st January 2023
- Co-operation with Change Agreements
- Share Savings
- Address Pension Gap
- Deal with Change Allowance Claim

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Transformation Agreement

Financials:

- €750 Voucher
- 5% Change Allowance Consolidation
- 3% Clerk Increase
- Change Allowance Consolidation 2.5% others
- DSMs Performance Pay

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Pay Proposal 2024/2025

- 4% - 1st January 2024
- 3% - 1st January 2025
- 1% - 1st June 2025

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Cumulative Increases

➤ POSTAL OPERATIVE

➤ 01/01/22 - €630.95

➤ 01/01/26 - €760.81

➤ CLERK

➤ 01/01/22 - €688.66

➤ 01/06/25 - €808.52

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Allowances

- EATING ON ROUTE
- SUBSISTENCE

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An Post Superannuation Schemes

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Superannuation Schemes

- The An Post Superannuation Schemes are a modified version of the public sector model set up under trust and funded by contributions from An Post and the members.
- The benefits are fixed but can be amended by agreement between the trustees and the employer, with Ministerial approval. Protections are in place for former Department of Posts and Telegraphs employees who joined An Post on 1 January 1984.
- The actuary sets the employer contribution rate based on triennial actuarial valuations but the employer can terminate its liability to contribute without notice.
- In line with all public sector DB schemes, the value of the benefits being accrued and the level of employee contributions varies considerably across different cohorts of members especially across date of joining, PRSI class and salary level.

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Scheme Information

Membership Details	31/12/2022
Active Members	8,988
Deferred Members	2,563
Pensioners	5,832
Spouses and children	1,379

- Schemes set up in 1984 and still open to new members
- Value at the 31.12.2022 - €3,220m
- Benefits paid to members in 2022 - €109.4m
- Contributions in 2022 - €36.6m (Employer €31.2m/ Employee €4.5m)
- Investment Income - €45m

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Background

- Accord in place since 2013
- Review clause
- Provision in the event of significant under or over-performance.
- Pay Agreement 2022 - focus on widening gap

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Company Contribution Rate



- At least every three years, the scheme's actuary values the **liabilities** of the scheme, compares this to the value of the scheme's **assets** and calculates the amount of money that must be contributed into the scheme in future years to meet the benefits that are payable.
- At least every three years the actuary must prepare an **actuarial funding certificate (AFC)** and submit it to the Pension Authority.



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Triennial Valuation September 2022



125,058	154,568	95,054	124,500
125,487	56,845	97,511	125,000
124,000	110,000	99,011	154,000
150,000	150,000	99,216	95,000
35,000	101,090	101,684	154,200
	101,962		110,000
			89,000
			50,000
			700



Status following Valuation

- September 2022 - Surplus of €503m.
- Mercer estimated the Company Contribution Rate 3.7%
- We examined various scenarios all of which were costed by Mercer
- 1% increase in pensionable pay - €46m
- Remove Cap
 - €779m
 - Company contribution Rate 29.5%

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Final Agreement

- 5% from the 1st January 2022
- 1 % from the 1st July 2023
- Pensionable Allowances -100% pensionable
- Reduction of the actuarial factors-retirement before NRA of 66
- Ill health retirement added years will be applied
- State Pension Offset
- Company contribution confirmed at 8%

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Status

➤ Actuarial Reductions

- Actuarial reductions are applied when individuals seek to retire before their Normal Retirement Age (NRA) and both their pension and lump sum can be reduced

➤ Ill Health Retirements

- Employees who retire on medical grounds can have added years applied to their pension subject to a maximum of 6 years and 243 days
- Following the accord this was limited to age 60 or for those eligible for the state Pension 65



Pensioners

- ❖ Finalise agreement- via Labour Court.
- ❖ Approved by An Post Board, Scheme Actuary and Trustees
- ❖ Examined by New Era, Dept of Finance and Dept of Communications
- ❖ Extensive campaign to secure payment

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Naysayers

- Pre 84 Brigade seeking Civil Service entitlement and 100% increase entitlement
- Demanding 100% increase in Company Contribution
- Remove Cap
- Accord imposed - Pensioners had no say / Unlawful
- CWU should seek legal advice
- Focus is to undermine CWU

All Ill-informed commentary promising fool's gold

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Reality

- An Post deal finalised with assistance of Labour Court has delivered for members and passed on to retired colleagues- much to the appreciation of the Pensioners Association
- All Pension increases are discretionary and require Ministerial approval
- Cost of abolishing Cap is €779m
- Changes agreed in Accord were agreed in Collective Agreement following ballot
- CWU has taken legal advice and circulated
- CWU has availed of independent professional advice
- Union has greatest experience ever across a number of Pension Schemes

We intend to do it all again next year

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Union Strategy

- ❖ Ensure the pension remains fit for purpose
- ❖ Ensure the pension scheme is protected so that members can expect increased benefits
- ❖ Continue with strategy of reducing difference between pensionable and non-pensionable pay

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AVCs

- Additional Voluntary Contributions (AVCs) are extra contributions you can make in addition to your existing company pension to enhance your retirement benefits.
 - Potential tax free cash lump sum (subject to Revenue limits).
- Information on NRA must be correct
- Contact Halligans



Thank You

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