An Roinn Oideachais agus Scileanna Sráid Maoilbhríde Baile Átha Cliath 1



Circular 0070/2010

To the Management Authorities of Primary, Secondary, Community and Comprehensive Schools and the Chief Executive Officer of each Vocational Education Committee

Revision of Salaries of all staff paid directly by a recognised school or VEC who have not already been affected by the pay reductions imposed in accordance with the Financial Emergency Measures in the Public Interest (No. 2) Act 2009.

Dear Principal/Chief Executive Officer,

I am directed by the Minister for Education and Skills to refer to the application in the education sector of pay reductions with effect from 1 January 2010 in accordance with the Financial Emergency Measures in the Public Interest (No. 2) Act 2009 (No. 41 of 2009) (the "Act").

As you are aware the Act has determined the criteria for reducing the pay of public servants with effect from 1 January 2010. The definition of a public servant for the purposes of this Act is different to that used in the Act which introduced the Pension Levy in 2009. This led to a question as to whether some staff employed in recognised schools or VECs, who are not subject to the pension levy may be subject to the reductions in pay detailed in this Act.

Following receipt of legal advice it has now been determined that **all staff** employed by a recognised school or VEC come within the definition of "public servant" solely for the purposes of the Act.

This applies, regardless of the source of the money used to fund their salary, notwithstanding the fact that the Minister does not determine their terms and conditions of employment, and irrespective of whether or not they are eligible for, or members of, a public service pension scheme,

It has now been determined that, in accordance with the Act, you should ensure that the pay reductions provided for therein are applied, with effect from 1 January 2011, to all relevant staff in your employment who have not already been affected by these pay reductions. In view of the uncertainty that existed the Minister of Finance has granted an exemption from the provisions of the Act for the staff in question up until 31 December 2010.

In accordance with the Act, reductions in basic salary should be applied with effect from 1 January 2011 as follows:-

- 5% on the first €30,000 of salary;
- 7.5% on the next €40,000 of salary;
- 10% on the next €55,000 of salary.
- This formula produces overall reductions in salaries ranging from 5% to 8% in the case of salaries up to €125,000.

Fixed allowances payable to persons whose basic pay does not exceed €125,000 p.a. should also be reduced by 5%.

The adjustments should be applied to all basic pay and allowances including such matters as overtime, shift payments and call-out payments. Revised daily and hourly rates for casual and non-casual staff should also apply in all sectors. The rate of adjustment in salary should be determined in accordance with the rates for reduction for basic salary.

## Part-time / hourly-paid Staff

The pay of part-time staff or hourly paid staff may be revised, in accordance with normal arrangements, by reference to the pay of whole-time staff to which they are related for pay purposes in accordance with this Circular.

## **Minimum Wage exemption**

In line with Section 6 of the Act the Minister for Finance has directed that an exemption from the pay reductions in the legislation should apply where those reductions would reduce the pay rate of those staff to, at, or below the statutory minimum wage.

## Categories of staff who will now be affected

Any staff employed in a recognised school or VEC and falling in to the following categories who have not already been affected by the pay reductions introduced under the Act;

- School Secretaries, Caretakers, Cleaners and Administrative staff;
- School Completion Programme staff;
- School Transport Bus Escorts;
- Tutors (Literacy Service, Community & Adult Education etc.);
- Non-teaching staff in Youth Encounter Projects (YEPs);
- Teachers employed in Traveller pre-schools;
- Any other Staff employed directly by a recognised school or VEC.

It is important to point out that the fact that affected staff employed by recognised schools and VECs come within the definition of "public servant" solely for the purposes of the Act does not alter their employment status in any other respect.

Vocational Education Committees and Management Authorities are requested to bring the contents of this Circular to the attention of the relevant staff in their schools and to the members of the Board of Management. Please note that this Circular will be made available on the Department's website (<a href="www.education.ie">www.education.ie</a>).

Any queries regarding the implementation of the terms of this Circular should be addressed to External Staff Relations, Department of Education and Skills.

Philip Crosby External Staff Relations 26 November 2010