



23rd June 2022

Mr Eamonn Ryan TD
Minister for Communications, Energy & Natural Resources
29-31 Adelaide Rd
Saint Kevin's
Dublin
D02 X285

Re: Payments due to An Post Pensioners

Dear Minister

I am writing to you on behalf of the An Post Group of Unions to alert you to a very serious issue which is causing unnecessary financial hardship to approximately 7,000 An Post Pensioners.

These pensioners, many of whom are in their twilight years, are due payment of a 2% pensionable increase effective from the 1st January 2022. Regrettably, approval of the payment, for reasons which are neither rational or understandable, has been subject to unacceptable and inordinate delay.

By way of information, in 2013 the An Post Group of Unions agreed changes to the An Post Superannuation Scheme in order to address the then deficit in the Scheme and to enable the scheme to achieve the Minimum Funding Standard, by the end of 2023. The changes and curtailment of benefits were agreed by the Trustees, the Board of An Post, the Department of Communications, Energy and Natural Resources and the Department of Public, Expenditure and Reform and were finally subject to the regulatory approval of the Pensions Authority.

The agreement stipulates that *any increases in pensionable salary is limited to the lower of:*

- a. *the actual basic pay / salary increase, if any,*
or
- b. *the increase in the Consumer Price Index (CPI), if any,*
or
- c. *2%.*

The above limits also apply to increases to pensions in payment and to deferred pensions. Two previous increases have applied as per the above agreement, as set out below.

| Date of Pay Rise | % pay rise | % Pensionable |
|------------------------------|--------------|---------------|
| 1 st May 2016 | 2.5 | 0 |
| 1 st August 2017 | 2 | 0.8 |
| 1 st May 2018 | 1.5 | 0 |
| 1st May 2019 | 2.5 | 1.7 |
| 1 st January 2021 | 2.75 | 0 |
| 1 st January 2022 | 2.5 | 2 |
| Total | 13.75 | 4.5 |

You will note from the above, the difference between base pay and pensionable pay for both existing employees and pensioners is 9.25% (inclusive of the 2% owed). Furthermore, since 2008 (12 years) very modest increases totalling 2.5% have applied to pensions. In contrast, primarily because of the sacrifices of staff and pensioners, the An Post Superannuation fund has improved significantly. At the end of 2021 the fund reported a surplus of €580m, compared to a deficit of €241m in 2013. Therefore, the funding of the increase is, without question, available, with the fund now moving towards self-sufficiency.

This very welcome development has been achieved despite the levies Government imposed on the pension fund and a further pocketing of monies owed to the scheme from the sale of the National Lottery amounting to €1.5m.

The Group of Unions raised the ongoing delay with An Post management who in turn have raised it with the Department, but for some reason the Department Officials have failed to respond to confirm the payment date. You will appreciate that the An Post Pensioners are at a loss as to the reason for the delay in the payment of their entitlements. Such a delay would be hard to comprehend at the best of times, but when the scheme is in such robust health and in the context of such high inflation at this time, the unexplained delay is disrespectful and callous.

I am aware approval is required by your department, but given the position set out above, there is no reason to delay authorisation for payment of the increase due to Pensioners. I would therefore request your immediate intervention to ensure the increase due to An Post Pensioners is approved and paid, without any further delay. The last thing either of us want, is pensioners protesting in Kildare Street in the run up to the Budget, given the myriad of challenges you already have on that front.

Should you require any additional information or to discuss any aspect of the above, I am available to meet with you at your earliest convenience.

Yours sincerely,



Seán McDonagh

Principal Staff Representative

An Post Group of Unions

CWU, Forsá, AHCPS