



Ref: 040712

4<sup>th</sup> July 2022

Mr Michael McGrath  
Minister for Public Expenditure and Reform  
Department of Public Expenditure and Reform  
Government Buildings  
Upper Merrion Street  
D02 R583

**Re: Payments due to An Post Pensioners**

Dear Minister,

I appreciate it is a particularly busy time as you prepare for Budget 2022 and the enormous impact the spiralling cost of living increases are having on society. It is a very challenging time and I wish you well in your endeavours.

On behalf of the An Post Group of Unions, it is necessary I write to you, to alert you to a very serious issue which is causing additional and 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 1<sup>st</sup> January 2022. Regrettably, approval of the payment, for reasons which are neither rational or understandable, has been subject to an unacceptable and inordinate delay. I wrote to your colleague, Minister Ryan on the 23<sup>rd</sup> June 2022, setting out my concern, but I have not received a response.

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 <sup>st</sup> May 2016	2.5	0
1 <sup>st</sup> August 2017	2	0.8
1 <sup>st</sup> May 2018	1.5	0
1 <sup>st</sup> May 2019	2.5	1.7
1 <sup>st</sup> January 2021	2.75	0
1 <sup>st</sup> January 2022	2.5	2
<b>Total</b>	<b>13.75</b>	<b>4.5</b>

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 would therefore request your immediate intervention to ensure the increase due to An Post Pensioners is approved and paid. I would appreciate that you also put in place arrangements that ensures no future delays arise going forward. 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**