



Camaraderie Through Service

Cumann na nIAR-Oifigeach Coimisiúnca

Association of Retired Commissioned Officers

43 Lansdowne Park,

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05 March, 2020

Mr Paul Kehoe T.D.,

Minister with Responsibility for Defence

APPLICATION OF MILITARY SERVICE ALLOWANCE INCREASE

DEFENCE FORCES PENSIONS IN PAYMENT

Dear Minister,

ARCO received a response from your Private Secretary on 10 December, 2019 arising from the Association's original submission dated 31 October, 2019 on the application of the increase in Military Service Allowance (MSA) to military pensions in payment.

The Executive Committee has noted the contents of the recent letter dated 18 February, 2020 from your Private Secretary, following ARCO's letter of 16 December, 2019, and the Association's supplementary submission dated 15 January, 2020.

Regretfully, I am to advise that 13 ARCO members died since 04 July, 2019 - the effective date of the MSA increase, the majority of whom died before accruing full pension restoration resulting from the adverse provisions of the Public Service Pension Reduction.

At the outset, ARCO reiterates its strongly held conviction that the MSA increase must retrospectively apply to all military pensions in payment on 03 July 2019, including pensions of dependents of deceased personnel who died in service, or when in retirement.

As previously conveyed, a decision not to apply the MSA increase in military pensions in payment on 03 July, 2019 would be inconsistent with the Government's stated policy to "*Support our veterans for the public service and outstanding contribution they have made to the State*".



Arising from its meeting with Departmental officials on 23 October, and your Private Secretary's letters of 10 December and 18 February, ARCO is aware that the Department of Defence has sought clarification and guidance from the Department of Public Expenditure and Reform. ARCO understands that the Department is awaiting a decision, and has stated that if any pension increase is authorised in the context of MSA, it will be reflected in military pensions in payment on 03 July.

Nevertheless, it appears to ARCO that the Department's interventions on 25 October, and the written responses of 10 December and 18 February, reflect a perception that the Department is pre-empting a decision that the MSA increase will not be applied to military pensions in payment on 03 July, 2019.

Accordingly, in the light of your direction that the Association's letter of 15 January be referred to the Department of Public Expenditure and Reform; that ARCO's *comprehensive correspondence has been carefully considered*; and that the Department of Defence has sought guidance on the MSA issue, ARCO now requests sight of the associated documentation provided by your office and your Department to the Department of Public Expenditure and Reform during this protracted process.

Likewise, ARCO also requests sight of the *(pre 2013) Defence Forces pension scheme rules* mentioned in the response dated 18 February.

Regarding the reference to allowances awarded to certain nursing and midwife grades, ARCO would like to draw your attention to its submission of 15 January which stated that the Association *understands that these allowances are not technically defined as core pay as is the case of MSA. Likewise, unlike MSA which accrues to all Permanent Defence Force personnel up to and including the rank of Colonel / Captain (NS), these particular qualification and location allowances only accrue to specific nursing grades within the Health Service Executive.*

Unfortunately, the statement contained in the letter dated 18 February that ***over the past number of years, there have been notable pension improvements for many public servants*** is disingenuous and misleading:

- From 2011, by means of the Public Service Pension Reduction (PSPR), substantial amounts were withheld from individual military pensions. Five years later, in 2016 the process of the gradual restoration of military pensions commenced. Restoration is not a pension increase. Unwinding of PSPR amounts to the restoration of military pensions to the 2011 levels. The considerable loss to those in receipt of military



pensions, over a period of 10 years, will never be restored.

- A modest proportion of the 40,000 public servant pensioners who died before obtaining total restoration of PSPR were Defence Forces Veterans and eligible dependents. Some retired officers are still awaiting full pension restoration.
- The increases in military pensions arising from the Public Service Stability Agreement 2018 – 2020 only recently accrued, i.e. 1.75% in September, 2019, 0.5% from 01 January, 2020 for military pensions up to €16,000, and 2% will become effected from 01 October, 2020.

ARCO, along with the recipients of military pensions including dependents of personnel who made the ultimate sacrifice either overseas or on training exercises and operations in Ireland, requests an urgent and satisfactory response to its four written submissions, (30 July, 16 December, 15 January and 05 March).

As offered in previous submissions, ARCO remains available, at your convenience, to further clarify and advance any matter relating to the application of the MSA increase to military pensions in payment.

*Beir Bua,
Col A. Pakenham*

Brigadier-General Paul Pakenham (Retd)

President

The Association of Retired Commissioned Officers

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