

**Public Accounts Committee –****Note on the additional training undertaken by personnel of the Defence Forces and whether these attract FETAC or HETAC qualifications and the impact of qualifications on salary****General**

The Defence Forces position is unique in terms of its learning output with personnel undergoing training and education courses on a continuous basis. There are a number of colleges and Military Schools in the Defence Forces providing training and development to the Army, Naval Service and Air Corps on a day to day basis. A wide variety of courses are provided in these facilities including pre-deployment training in soldering skills and military exercises to maintain competencies in conventional military operations at tactical, operational and strategic levels in both national and international environments.

Accreditation and Salary

While military courses are designed to meet the training needs of the Defence Forces, many of the qualifications offered by the Defence Forces colleges are structured in such a way to ensure that qualifications are recognised in civilian employment and to assist personnel in securing alternative employment on departure from the Defence Forces. It is also important to note that accreditation in many cases is a mandatory requirement in accordance with external legislative regulatory requirements e.g. aircraft mechanics and aviation technicians, air traffic controllers, pilots, flight information services officers, marine technicians, engineers must be an accredited course in order to fulfil the job requirements of a particular post.

The attached table details training courses which are provided by Defence Forces colleges which attract external accreditation.

As such, these courses alone do not attract technical pay rates or specialist pay. Successful completion of a course is only one of the requirements to meet the qualifying criteria to fill an appointment attracting technical pay rates at an appropriate level. Technical Pay is one of the items under review in the Defence Sector Action Plan for the Public Service Agreement 2010-2014.

In addition to technical pay, there are other specialist pay such as flying pay and Medical Officers pay which are concerned with the impact of qualifications and pay. There are various qualifying rules and conditions taken into account in determining whether an individual is eligible for specialist pay. These are set out in Defence Force Regulations and are detailed in the business cases previously submitted to the Department of Public Expenditure and Reform. A person must be posted to a particular job and carrying out a particular job and have a course undertaken with a recognised qualification before they can secure additional specialist pay.

Course	Director/Service	Accredited	Accreditation	Award	Impact on Salary
Strategic Leadership Course	Army Naval Air Corps Services	Yes	HETAC	10 Credits at Level 10 Doctorate	No
Senior Command and Staff Course	Army Naval Air Corps Services	Yes	HETAC	Level 9 MA in LMDS	No
Potential NCO Course (1)	Army Naval Air Corps Services	Yes	HETAC	Level 6 Higher Certificate in LMDS	No (4)
Senior NCOs Course (2)	Army Naval Air Corps Services	Yes	HETAC	Level 7 BA in LMDS	No (4)
Logistics Accountancy Course	Army Naval Air Corps Services	Yes	HETAC	Level 7 BA in LMDS (Logistics)	No (4)
All Arms Standard NCO Course	Army/Air Corps	Yes	HETAC	Level 7 Diploma in LMDS	No (4)
BSc Nautical Science (3) (Operations Branch Officer)	Naval Service	Yes	HETAC	Honours Degree NFA level 8 (3)	No
BEng Marine and Plant Engineering (Marine Engineer Officer)	Naval Service	Yes	HETAC	Ordinary Degree NFA level 7	No (4)
BEng Mechanical Engineering (replaces Ser 5 above)	Naval Service	Yes	HETAC	Honours Degree NFA level 8	No (4)
BEng Electrical/Electronic Engineering (Radio Radar Technician)	Naval Service	Yes	HETAC	Ordinary Degree NFA level 7	No (4)
BEng Electrical Engineering (Electrical Artificer)	Naval Service	Yes	HETAC	Ordinary Degree NFA level 7	No (4)
Electrician Apprenticeship (Electrical Artificer)	Naval Service	Yes	FETAC	Level 6 Advanced Certificate	No (4)
Beng Electronic Engineering and Military Communications (IT Technician)	Naval Service	Yes	HETAC	Ordinary Degree NFA level 7	No (4)
Mechanical Automation and Maintenance Fitting (Engineroom Artificer)	Naval Service	Yes	FETAC	Level 6 Advanced Certificate	No (4)
The Craft of Refrigeration and Air Conditioning	Naval Service	Yes	FETAC	Level 6 Advanced Certificate	No
The Craft of Carpentry & Joinery (Hull Artificer/Shipwright)	Naval Service	Yes	FETAC	Level 6 Advanced Certificate	No (4)
Leaving Certificate Mathematics	Naval Service	Yes	HETAC	Level 6	No
Preparation for Special Purpose Award In Mechanical Engineering	Naval Service	Yes	HETAC	Part of Mech Eng L8 Degree	No
Special Purpose Award In Mechanical Engineering (Marine Engineer Officer)	Naval Service	Yes	HETAC	Special Purpose Award	No
MEng Mechanical Engineering (Marine Engineer Officer)	Naval Service	Yes	HETAC	Level 9	No
Special Purpose Award In Senior Command Operations (Operations Officers)	Naval Service	Yes	HETAC	Special Purpose Award Level 9	No
Cadet Course	Cadet Sch	Yes	HETAC	Level 7 Diploma in LMDS	No
Armourer Artificer Instrument	D Ordnance	Yes	HETAC	Level 7 B Eng in Electronic Engineering	No (4)
Ordnance Young Officers Course	D Ordnance	Yes	HETAC	Level 9 Post Grad Diploma	No (4)
CIS Trainee Technician (Military Communications Systems)	D CIS	Yes	HETAC	Level 7 B Eng in Electronic Engineering	No (4)
PTI Instrs Course	DF Physical Education School	Yes	HETAC	Level 6 Higher Certificate	No
Advanced Chefs Course	DFSC	Yes	FETAC	Level 6 FETAC Higher Certificate in Professional Cookery	No (4)
Air Corps Trainee Technician (Military Aviation Technology)	Air Corps	Yes	FETAC	Level 7 (B.Eng. Tech.)	No (4)

(1) Includes Work Based Learning and Recognition of Prior Learning taking typically 7-10 years to achieve and culminates in the PNCO course.

(2) Includes Work Based Learning and Recognition of Prior Learning taking up to 20 years to achieve and culminates in the Senior NCO course.

(3) The students initially graduate with a Level 7 ordinary degree and achieve the level 8 honour degree with Work Based Learning and lectures over an 18 month period after their level 7 graduation.

(4) These courses alone do not effect pay. Completion is one of a number of requirements to meet the qualifying criteria to fill an appointment attracting Technical pay rates at the appropriate level.

Note on the pensionability of allowances for military service

General

1. The Department of Defence spent a total of roughly €100 million on allowances in 2011. However, more than half of this figure is accounted for by military service allowance, MSA. This is a universal, pensionable payment made on a continuous basis to all ranks up to and including Colonel to compensate them for the unique demands of military life. While MSA has always been and remains a distinct, separate allowance within the military remuneration structure and is prescribed as such under Permanent Defence Forces (PDF) pay regulations, it has been counted as part of the basic (core) pay of military personnel in pay reviews. Together, basic pay plus MSA combined make up what would generally be seen as the standard weekly pay. However, for the reasons outlined to the Committee on 18th October 2012, there is no scope for the absorption of MSA into basic pay.
2. The balance covers allowances as the term is commonly understood, that is, payments that are made selectively to individuals albeit for widely varying reasons. The term "allowances" covers a variety of payment types that are very different from each other. Some are intended to reimburse expenses and do not actually form part of remuneration, while others are made in recognition of particular technical or professional qualifications. There is also a range of allowances that seek to recognise particularly onerous duties e.g. involving long hours, whether at home or overseas, that fall outside the norms taken into account in setting basic pay. The military pay system has evolved different rates of additions to basic pay to reflect the foregoing. It should also be emphasised that PDF personnel do not receive overtime, hence this other category of payment. Allowances that are 'in the nature of pay' and other such additions to basic pay (e.g. MSA, technician pay, flying pay) must be seen as an integral part of the total remuneration of military personnel.
3. Overall, while there are around 65 separate allowances, it is important to emphasise that many of these are paid to relatively small numbers of personnel. It must also be borne in mind that while MSA accounts for over half of the €100 million involved, almost two-thirds of the balance is accounted for by the top three categories of allowance, that is, technician pay for enlisted personnel; security duty allowances for all enlisted ranks and junior officers; and overseas peace support allowances for all ranks. The "tech" pay and the security duty allowance as well as certain other allowances are currently being reviewed as part of a larger central public service initiative and are being addressed with the military representative associations under the relevant IR machinery.

Pensionability

4. It should be emphasised that the designation of a specific allowance as pensionable can only occur with the formal approval / sanction by the Department of Public Expenditure & Reform. This flows from consideration of the relevant business case in the context of discussions between the management and representative sides through the established negotiation machinery.
5. As applies across other public service areas, pensionability of PDF allowances is confined to certain designated payments that are 'in the nature of pay', and thus subject to income tax, USC and so on. However, not all such payments are actually pensionable. Indeed, even

where a payment may be pensionable, its actual inclusion in the calculation of a person's retirement benefits depends on the individual satisfying certain qualifying rules and conditions.

General approach when considering pensionability

6. Many non-pensionable payments (about half of the 65 PDF allowances listed) are in the nature of re-imbursement / out-of-pocket expenses (e.g. change of station, uniform, subsistence, travel etc.) and/or in the non-taxable category (e.g. Overseas Peace Support Allowances) and, accordingly, their pensionability is ruled out from the outset. Some other allowances are also non-pensionable because of the atypical, unique framework and structure of the historical 'pre-April 2004' military pension schemes which have always been very different to conventional public service schemes and are generally without parallel in the public service (see paras. 9 and 10). For example, the concept of 'averaging' of allowances which applies when computing retirement benefits in the public service does not form part of these historic (pre April 2004) military superannuation arrangements: instead, allowances must satisfy a '5-year rule' at retirement date in order to reckon in retirement benefits.
7. Certain payments do not meet the established criteria for pensionability, as set out by the **Commission on Public Service Pensions** whose final report (published Nov. 2000) was considered and broadly accepted by Government. Para. 22.9.8 of that report stated:

"The general rule under public service pension schemes is that allowances in the nature of pay are pensionable if they are of a permanent nature or are for extra or inconvenient hours of duty, if a regular and recurring feature of the job and a compulsory condition of service, e.g. unsocial hours duties, and shift allowance.."
8. Any change in pension terms, such as making an allowance pensionable, must have regard to HR/manpower policy considerations, the possible repercussions in other areas of the public service and so on. In particular, knock-on cost implications are paramount when considering pensionability. For example, when MSA was made pensionable in August 1990, this was on the basis that it would apply only to qualified PDF personnel serving at that time; and the benefit of MSA has not been passed on to pre-August 1990 retirees, fully in line with settled public service pensions policy.
9. The approach to the pensionability of allowances in the military context is a product of the fundamentally different pension terms enjoyed by personnel who joined the PDF before 1 April 2004 vis-à-vis those recruited since that date. In that regard, the management side's approach has been conditioned by the fact that the overall value of the retirement benefits package under the pre-April 2004 military pensions schemes are considered to be more advantageous in the round, than for other public service schemes generally. Those older arrangements continue to apply to some 70% of all serving PDF personnel. On foot of the fundamental reform of military pension terms, post-April 2004 new entrant military personnel have a broader range of pensionable allowances than their pre-April 2004 counterparts. Overall however, those new entrant pension scheme terms are in general terms less favourable

than the existing pre-April 2004 arrangements, specifically through the abolition of the payment of retirement benefits immediately on retirement after short periods of service¹.

10. As part of the modernization and change programme for the Defence Forces under *Towards 2016*, formal agreements were reached with the military representative associations (in 2008/2009) and the Department of Defence / Department of Finance regarding (a) the detailed pension scheme terms for *new entrant* military personnel recruited to the PDF **on or after 1 April 2004**; and (b) certain changes to existing arrangements of those who joined before that date.

Those agreements provided for the extension of pensionability to a handful of allowances e.g. Specialised Instructors, for pre-April 2004 personnel who were serving on 1st September 2005 (the agreed implementation date). For post-April 2004 new entrants, this included the pensionability of a somewhat broader range of allowances accommodated by standard public service 'averaging' arrangements. In their case, this encompassed variable duty-type payments such as the Security Duty Allowance and Patrol Duty Allowance payable on a daily basis as well as the weekly Border Duty Allowance, none of which are pensionable for pre-April 2004 personnel. While Border Duty Allowance is still held on 'personal-to-holder' basis by approx. 750 personnel, it was abolished for all future personnel in early 2009. In effect, it is only pensionable for the small numbers of those new entrants who joined between April 2004 and early 2009. The approach to the pensionability of allowances in the context of the introduction of the post-April 2004 revised military pension terms therefore follows the approach in conventional public service schemes.

11. As is shown in the detailed tabular presentation made to the PAC on the 65 PDF allowances in question, half of them (33) are not pensionable. Of the balance, only 18 payments – including the military service allowance – are pensionable for personnel generally, that is, officers and/or enlisted personnel (as appropriate) regardless of the date they joined the PDF. Pensionability of the balance (14) is restricted to post-April 2004 new entrant personnel who currently comprise about 30% of current PDF numbers. See Lists 1 and 2 in the **Appendix** at the end of this document.

Department of Defence
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¹ There were major reforms of the pension terms of *new entrants* recruited to the public service from April 2004, mainly the raising of the 'minimum pension age' to 65 (from 60) generally. For the PDF, this involved a move away from the existing system of retirement benefits payable immediately on retirement after relatively short periods of service and regardless of age (i.e. after 12 years and 21 years service for officers and enlisted personnel respectively). Instead, post-April 2004 military personnel have a 'minimum pension age' of 50, meaning that a person must serve to that age in order to qualify for immediate pension/lump sum on retirement; otherwise, preserved benefits apply in the case of those retiring before age 50.

Appendix

LIST 1:

Allowances and additions to basic pay that are pensionable (subject to certain conditions) for PDF personnel generally

[n/a indicates that the allowance is not payable to the category concerned]

No. from 65	Payment	Officers	Enlisted Personnel
2	Air Traffic Control officers – additional pay	Yes	n/a
3	Army Medical Corps – additional pay for specialist medical doctors, OC Military Hospital etc	Yes	n/a
5	Assistant Stores Controller	n/a	Yes
8	Diving allowance – annual rate	Yes	n/a
15	Fire Protection Pay	n/a	Yes
17	Flying Pay	Yes	Yes
18	Foreign Language proficiency allowance *	Yes	Yes
19	Health & Safety Officers allowance *	Yes	n/a
22	Instructors allowance	n/a	Yes
23	Specialised Instructors allowance	Yes	Yes
25	Irish language teaching allowance	n/a	Yes
29	Mast Riggers/Erectors allowance	n/a	Yes
30	Military service allowance	Yes	Yes
31	Naval Pay	n/a	Yes
32	NCO account holders allowance	n/a	Yes
33	NCO account holders allowance (half-rate)	n/a	Yes
36	Personnel Support Services allowance *	Yes	n/a
42	Technician Pay	n/a	Yes

*Some payments are only pensionable depending on the actual rate of payment. For example, these three allowances when payable below the maximum rate are not pensionable under the pre-April 2004 superannuation arrangements.

Note: Pensionable payments for new entrant personnel joining the PDF since April 2004 are listed on the next page.

LIST 2:

Allowances and additions to basic pay that are pensionable (subject to certain conditions) for new entrant military personnel joining the PDF from April 2004, in addition to those set out in List 1

[n/a indicates that the allowance is not payable to the category concerned]

No. from 65	Payment	Officers	Enlisted Personnel
4	Army Ranger Wing allowance	Yes	Yes
6	Border Duty allowance **	Yes	Yes
7	Brigade Duty Officers allowance (daily)	Yes	n/a
10	Diving allowance (daily)	Yes	Yes
11	Editors allowance – Cosantoir & Connect	n/a	Yes
13	Emergency Medical Officers allowance (daily)	Yes	n/a
14	Explosives Ordnance Disposal Duty allowance (daily)	Yes	Yes
20	Health & Safety Officers allowance (half rate)	Yes	n/a
21	In-charge allowance (daily) – Naval Service	Yes	n/a
27	Leading Instrumentalist DFSM allowance	n/a	Yes
35	Patrol Duty allowance (daily) – Naval Service	Yes	Yes
37	Personnel Support Services allowance (half-rate)	Yes	n/a
39	Security Duty allowance – Portlaoise prison (daily)	Yes	Yes
41	Security Duty allowance (daily)	Yes	Yes

** Currently payable on a ‘personal-to-holder’ basis; abolished for new entrants since early 2009; and not pensionable for pre-April 2004 personnel.

Note: Substitution Allowance is pensionable for post-April 2004 PDF personnel only.