

Kevin O'Farrell

From: Oonagh Buckley
Sent: 19 April 2016 11:36
To: Kevin O'Farrell
Subject: FW: Confidential Policy Update

Follow Up Flag: Follow up
Flag Status: Flagged

From: Oonagh Buckley
Sent: 03 October 2014 17:36
To: Joyce Liz
Subject: RE: Confidential Policy Update

Liz

Thank you for sending on these documents setting out the Bank's proposed course of action in relation to retention payments, the contents of which are noted.

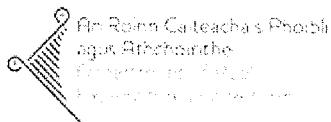
In particular it is noted that the Bank has obtained legal advice that this approach is not contrary to its obligations as a public service body in the application of the Financial Emergency Measures in the Public Interest Acts 2009-2013.

Best regards,

Oonagh Buckley

Assistant Secretary

Remuneration, IR, Pensions



From: Joyce Liz [REDACTED]
Sent: 30 September 2014 09:43
To: Oonagh Buckley
Subject: Confidential Policy Update

Dear Oonagh

Further to my call yesterday please find my letter and the relevant policy document attached which we are sharing on a strictly confidential basis.

Regards

Liz

Liz Joyce *HR Director*
Human Resources Division
Central Bank of Ireland

www.centralbank.ie

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Kevin O'Farrell

From: Oonagh Buckley
Sent: 19 April 2016 11:44
To: Kevin O'Farrell
Subject: FW: Confidential Policy Update
Attachments: Letter DPER 290914.pdf; Retention Policy.pdf; ATT00001.txt; ATT00002.htm

Follow Up Flag: Follow up
Flag Status: Flagged

From: Oonagh Buckley
Sent: 30 September 2014 22:18
To: Ann Nolan
Cc: Robert Watt
Subject: FW: Confidential Policy Update

Ann

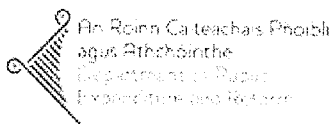
Please see attached on a confidential basis which notes that the Bank (GovCo) intends to award new contracts to a small number of selected employees permitting retention payments of an unspecified amount.

As you know, save for the FEMPI Act controls, the Central Bank is not subject to the normal pay/conditions sanctioning powers of this Department. Liz confirms in the attached that they have secured legal advice that confirms that this arrangement is not contrary to FEMPI and, given that new contracts are to be issued, I would concur with that analysis.

I would intend to reply to Liz thanking her for informing of us of the proposed course of action by the Bank, and noting that they have secured legal advice to the effect that it does not contravene the FEMPI Acts.

Best regards,

Oonagh Buckley
Assistant Secretary
Remuneration, IR, Pensions



From: Joyce Liz [<mailto:liz.joyce@centralbank.ie>]
Sent: 30 September 2014 09:43
To: Oonagh Buckley
Subject: Confidential Policy Update

Dear Oonagh

Further to my call yesterday please find my letter and the relevant policy document attached which we are sharing on a strictly confidential basis.

Regards


Liz

Liz Joyce *Director*

Human Resources Division
Central Bank of Ireland



www.centralbank.ie

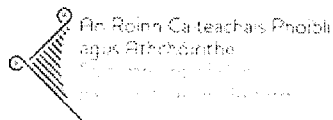
 please consider the environment before printing this email
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Kevin O'Farrell

From: Oonagh Buckley
Sent: 20 April 2016 17:17
To: Kevin O'Farrell
Subject: FW: Confidential Policy Update
Attachments: Letter DPER 290914.pdf; Retention Policy.pdf; ATT00001.txt; ATT00002.htm; note to Minister re retention payments 1 October.docx

From: Oonagh Buckley
Sent: 01 October 2014 18:05
To: Ronan O'Brien
Subject: FW: Confidential Policy Update

Oonagh Buckley
Assistant Secretary
Remuneration, IR, Pensions



From: Joyce Liz [<mailto:liz.joyce@centralbank.ie>]

Sent: 30 September 2014 09:43

To: Oonagh Buckley

Subject: Confidential Policy Update

Dear Oonagh

Further to my call yesterday please find my letter and the relevant policy document attached which we are sharing on a strictly confidential basis.

Regards

Liz

Liz Joyce *HR Director*
Human Resources Division
Central Bank of Ireland

www.centralbank.ie

please consider the environment before printing this email
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Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Patrick Honohan

+353 1 224 6001 +353 1 671 6528

Bosca GP 559, Sráid an Dáma, Baile Átha Cliath 2, Éire.

11 November 2015

Brendan Howlin TD
Minister for Public Expenditure and Reform
Government Buildings
Upper Merrion Street
Dublin 2

Dear Minister,

I am writing to you in relation to the Financial Emergency Measures in the Public Interest Bill 2015, which you recently sent to the Central Bank and consulted the ECB on. I understand that this is a first step in the unwinding of the FEMPI legislation and I have no difficulty in accepting the ameliorating impact it will have on the general terms and conditions of staff of the Central Bank.

I appreciate also that the continuation of the measures provided for under the five Financial Emergency Measures in the Public Interest Acts arises from the necessity to exercise strong control over public expenditure.

However, I need to highlight to you at this point that the Central Bank is struggling to attract and retain staff in certain key areas because of the blanket nature of the Financial Emergency Measures in the Public Interest Acts and indeed, this has been highlighted during recent IMF reviews. You will, I am sure, appreciate that the Central Bank needs to have the specialist resources and expertise necessary to deliver on its mandate including its Eurosystem mandate and this inability to attract and retain staff in certain areas is a significant risk to the fulfilment of these objectives

The Central Bank is currently going through an organisation redesign where it is planned that the Central Bank will move from being a grade based to a role based organisation with flatter structures and wider spans of control. This is being carried out to ensure the Central Bank has the skills, capabilities and the roles and structure necessary to deliver its mandate effectively. A key aspect of the organisation redesign is the design of a more flexible and differentiated reward model linked to the new structures and roles, which will include performance related pay progression (as an alternative to service based increments) and which will be informed by market data. Such a reform is needed to enable the Central Bank to better differentiate between the different roles and skillsets required to deliver on its statutory functions and retain and attract staff with these skills and capabilities.



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The model is still undergoing detailed design. We have been in contact with officials from your Department to inform them of the strategy and design process. We plan to continue to update them as the design process progresses.

The Central Bank's organisation redesign is consistent with the principles underlying the Financial Emergency Measures in the Public Interest legislation, in particular an effective Central Bank is inextricably linked to international confidence in the State. I trust this legislation will not prevent such a redesign being implemented.

The Central Bank looks forward to discussing these matters further with your Department.

Yours sincerely,

P. L. H.

Kevin O'Farrell

From: Oonagh Buckley
Sent: 01 April 2016 10:49
To: Kevin O'Farrell
Subject: FW: For information: Query from Irish Times on Retention Payments

Follow Up Flag: Follow up
Flag Status: Flagged

From: Oonagh Buckley
Sent: 19 November 2015 23:49
To: Quinn, Gerry
Subject: RE: For information: Query from Irish Times on Retention Payments

Yes. We should talk tomorrow about this so you can best advise your incoming Govr on FEMPI, etc

Sent from my Windows Phone

From: Quinn, Gerry
Sent: 19/11/2015 23:16
To: Oonagh Buckley
Subject: Re: For information: Query from Irish Times on Retention Payments

Thanks Oonagh

You might be interested in the following !

<http://www.newstalk.com/Vincent-Wall:-Honohans-left-a-nice-little-HR-mess-for-the-new-Central-Bank-governor>

Sent from my iPad

On 19 Nov 2015, at 23:04, Oonagh Buckley <Oonagh.Buckley@per.gov.ie<<mailto:Oonagh.Buckley@per.gov.ie>>> wrote:

Ok Gerry Obviously this will shape the response from this Department should we be asked a direct question.

I will separately send you our most recent press line.

Sent from my Windows Phone

From: Quinn, Gerry<[\[REDACTED\]](mailto:)>
Sent: 19/11/2015 21:18
To: Oonagh Buckley<[\[REDACTED\]](mailto:)>
Subject: Re: For information: Query from Irish Times on Retention Payments

Oonagh,

Just to let you know that we have had further press queries also. Latest from Irish Times as to whether we have sought exemption from FEMPI or intend to seek exemption.

Claim sources tell them we have been in discussions on this.

we have stated that we are covered by Fempi, have not sought an exemption, that we are considering our future pay model and that DPER are aware we are looking at our future model in very general terms.

If you need any more just give me a call [REDACTED]

regards
gerry

Sent from my iPad

> On 19 Nov 2015, at 16:28, Oonagh Buckley [REDACTED] > wrote:

>

> Gerry

>

> A number of press queries have been received in this Department on the issue of retention payments, to which the following points have been issued:

>

> * the Central Bank is not subject to the requirement of seeking Department sanction on pay matters and no sanction was sought for these payments.

> * the Bank must ensure that it is compliant with the FEMPI legislation.

> * the Bank in the last few days advised us of union concerns in this regard.

>

> The issue also came up during the SG's appearance today at the PAC - the payments were raised a number of times, with the Chairman in particular being critical.

>

>

> Best regards,

>

> Oonagh

>

>

>

>

> I am a designated Public Official under the Regulation of Lobbying Act 2015.

>

> -----Original Message-----

> From: Quinn, Gerry [REDACTED]

> Sent: 17 November 2015 21:56

> To: Oonagh Buckley

> Cc: Joyce, Liz

> Subject: Fwd: For information: Query from Irish Times on Retention Payments

>

> Oonagh,

>

> I know that Liz informed you this morning regarding the union letter on retention payments.

> Since then the union issued their letter to their members and we issued a general response on our internal intranet. Not surprisingly the union letter ended up with a journalist and we received the query shown below this evening. I am copying you on the response issued (and as circulated to our senior team). As you can see the journalist is positioning the payments as bonuses. We have tried to dispel this but I am not sure how the article will be written.

>

> Liz is in the UK all this week so just in case she has not been able to contact you I am sending you this so you wont be caught unaware.

>

> If you need to contact me my number is [REDACTED]

>

> regards

> Gerry

>

> Gerry Quinn

> COO, Central Bank

>

> Sent from my iPad

>
> Begin forwarded message:
>
> From: Press Office CentralBank [REDACTED]
> Date: 17 November 2015 20:16:10 GMT
> To: "Honohan, Patrick"

[REDACTED]

> Subject: For information: Query from Irish Times on Retention Payments

>
> The Press Office received a query from Barry O'Halloran of the Irish Times this evening in relation to staff retention issue, which Gerry Quinn has asked me to send to you for information purposes.
> He's seen the letter to staff and understands that there a bonus of €500k being split among 30 members of staff and wants to know:
> 1. Who gets it?
> 2. When are they getting it?
> 3. What is the bonus for?
> 4. How will they be paid for it?
> 5. Who picks up the tab?
> I sent him this agreed statement:
> The Central Bank of Ireland met with the Unite Union representatives in May this year to brief them on the retention policy and have provided them with more details and expected numbers since then.
>
> The Central Bank has been and remains covered by the FEMPI legislation and this will include the proposed revisions to the legislation.
>
> The Central Bank faces challenges in retaining and attracting staff in the competitive market in which it operates.
>
> In some areas and for certain skills, these challenges can be acute. This is why, in very limited circumstances, it has become necessary to take action to address this risk. Any such actions must be in compliance with FEMPI legislation.
>
> In 2014, in reviewing the retention risk and having taken legal advice, the Central Bank introduced a new retention policy which could be applied in accordance with strict governance and to specified criteria.
>
> This policy remains in place today and applies to fewer than 30 people, located in two areas of the bank. These individuals have, or will, receive retention payments that are, on average, 21 % of their salary. These are retention payments and not bonuses.
>
> These payments are made in a number of tranches designed to ensure the continuity of service of staff. The vast majority of those covered are in the BP2 grade. If all payments are made, the total cost of all these payments will be €501,530.
>
> The retention payments are specific and time bound. There is no on-going salary increase involved and the amounts paid are non-pensionable and are subject to normal deductions including the pension levy.
> With regards,

> Katie
> Katie Philpott
> Press Office | Communications Division
> Central Bank of Ireland

>
> T 01 – 224 6258
> E press@centralbank.ie<<mailto:press@centralbank.ie>><<mailto:press@centralbank.ie>>
> [cid:image001.png@01D12174.CA9FD390]<<http://www.centralbank.ie/>> [cid:image002.png@01D12174.CA9FD390]
<https://twitter.com/centralbank_ie> [cid:image003.png@01D12174.CA9FD390]
<<https://www.youtube.com/user/centralbankireland>>

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> Tagann an ríomhphost seo ó Bhanc Ceannais na hÉireann. Tá an ríomhphost, agus aon iatán a ghabhann leis, faoi rún agus faoi phribhléid agus ceaptha d'aontoisc le haghaidh úsáide an té nó na heagraíochta chun a ndíreofar iad. Tá dianchosc ar chraobhscaoileadh, ar dháileadh nó ar chóipeáil neamhúdaráithe ar bith, díreach nó indíreach, an ríomhphoist seo nó aon iatán a ghabhann leis. Má tá an ríomhphost seo faighte agat trí dhearmad, cuir an seoltóir ar an eolas agus scríos an t-ábhar ó do chóras le do thoil.

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Mr. Patrick Honohan
Governor
Central Bank of Ireland
Dame Street
Dublin 2

23rd November 2015

Dear Governor

I refer to your letter of 11 November 2015 which acknowledges that the public servants in the Bank will have the terms of the Financial Emergency Measures in the Public Interest Bill 2015 applied to them. I note the recent opinion of the ECB (CON 2015/44) on this matter. Your letter also sets out details of the Central Bank's proposed organisational redesign. You indicate that this process involves the design of a 'more flexible and differentiated reward model'. I also note that the Bank has been in contact with my officials in which the broad parameters of these proposals were set out.

The Financial Emergency Measures in the Public Interest (FEMPI) Bill 2015 will, when passed, become a part of the statutory framework applying to pay and pension rates to all public servants including employees of the Central Bank. You will be aware that the Bill proposes to amend the existing Financial Emergency Measures Acts of 2009, 2010 and 2013 to ameliorate the impact on the remuneration and pensions of public servants as provided for in those Acts. Nevertheless the statutory provisions provided for by the Financial Emergency Measures Acts will continue to form the framework against which remuneration and pension rates as they apply to public servants will be determined.

You will appreciate that the progressive nature of the reductions in pay and pensions, and the universal application of these across the public service, have supported and continue to support the achievement of the Government's international fiscal commitments.

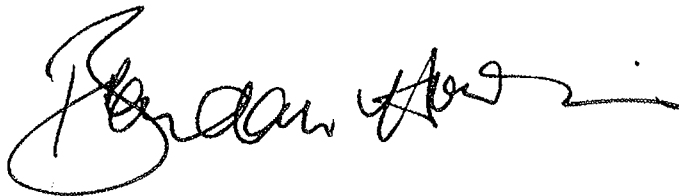
I understand that you, as Governor, are strongly supportive of the continuing policy of fiscal restraint in the country's finances. In addition to the necessary savings achieved on public expenditure through the measures provided for under the FEMPI Acts, the Acts have also served to underpin the public service reforms, productivity improvements and industrial peace that have been secured across the public service through recent times.

In the context of the above, you will appreciate that the legal obligation on your organisation is to ensure any pay elements of the Central Bank's proposed organisational redesign will have to comply with the statutory requirements of the FEMPI Acts on the Bank.

I should point out that the Secretary General of my Department, Mr. Robert Watt, appeared before the Public Accounts Committee of the Oireachtas on 19 November last when the issue of the retention payments made to Central Bank staff and their compliance with the provisions of the FEMPI Acts was raised. I would appreciate securing your confirmation that the Bank is not making any payments to staff that do not comply with the Acts.

My Department will welcome further updates on the progress of the detailed design process in due course.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brendan Howlin', with a stylized flourish at the end.

Brendan Howlin T.D.

Minister for Public Expenditure & Reform.



Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Patrick Honohan *Governor*

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Bosca OP 559, Sráid an Dáma, Baile Átha Cliath 2, Éire.
PO Box No. 559 Dame Street, Dublin 2, Ireland.

www.centralbank.ie

Brendan Howlin T.D.
Minister for Public Expenditure & Reform
Government Buildings
Upper Merrion Street
Dublin 2

25 November 2015



Dear Minister,

I refer to your letter of 23 November and in particular to the reference to retention payments. Having received legal advice, the Bank is satisfied that it is not making any payments to staff that do not comply with the FEMPI Acts.

Yours sincerely,

Patrick Honohan

Kevin O'Farrell

From: Oonagh Buckley
Sent: 01 April 2016 10:54
To: Kevin O'Farrell
Subject: FW: Update

From: Oonagh Buckley
Sent: 27 November 2015 17:36
To: Joyce, Liz
Subject: RE: Update

Liz,

Great. Thank you.

We have been asked by the media today if we have been asked to, or sanctioned, retention payments anywhere else in the public service, and have replied in the negative.

Best regards,

Oonagh

I am a designated Public Official under the Regulation of Lobbying Act 2015.

From: Joyce, Liz [REDACTED]
Sent: 27 November 2015 17:33
To: Oonagh Buckley
Subject: Update

Oonagh

Just to let you know we plan to finalise our response to your queries and those of C&AG on Monday morning so will have our response with you soon,

Best regards


Liz

Liz Joyce *HR Director*

Human Resources Division
Central Bank of Ireland

[REDACTED]

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Kevin O'Farrell

From: Oonagh Buckley
Sent: 01 April 2016 10:55
To: Kevin O'Farrell
Subject: FW: Retention payments 2011 to 2014
Attachments: letter central bank 2 December 2015.pdf

From: Oonagh Buckley
Sent: 02 December 2015 11:11
To: Eoin Dorgan
Cc: Don Culliton; David Denny
Subject: FW: Retention payments 2011 to 2014

Best regards,

Oonagh

I am a designated Public Official under the Regulation of Lobbying Act 2015.

From: Oonagh Buckley
Sent: 02 December 2015 11:11
To: 'Joyce, Liz'
Cc: Quinn, Gerry
Subject: RE: Retention payments 2011 to 2014

Dear Liz,

Please find attached a letter with further queries.

Best regards,

Oonagh

I am a designated Public Official under the Regulation of Lobbying Act 2015.

From: Joyce, Liz [REDACTED]
Sent: 30 November 2015 18:13
To: Oonagh Buckley
Cc: Quinn, Gerry
Subject: Retention payments 2011 to 2014

Dear Oonagh

Please find attached our response to your request below. A hard copy will follow by mail in due course.

Please feel free to contact me if you have any further queries,

Regards

Liz

Liz Joyce *HR Director*

Director, Dept. of Finance



www.centralbank.ie



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From: Oonagh Buckley [redacted]
Sent: 26 November 2015 16:31
To: Joyce, Liz
Cc: Quinn, Gerry; Eoin Dorgan
Subject: Retention payments 2011 to 2014

Liz

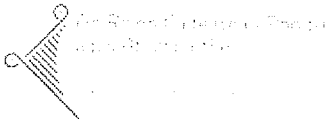
Thank you for your phonecall of yesterday, during which you stated that “retention payments” were made to a small number of staff in the Bank during the period from 2011 to 2014.

I am to enquire the following clarifications as a matter of urgency to assist me in briefing my Minister on this issue, and the later payments made under the 2014 retention payment scheme:

1. Please provide all documentation relating to the provisions of this retention payment scheme and indicate when these payments commenced, the basis for their payment, and their frequency of payment.
2. Please detail the number and grades of the staff who received these retention payments since their inception, the total amount paid and the relevant percentage of the income of the receiving staff member that the payment amounted to.
3. Please clarify the legal basis for these payments. In particular, I would be grateful if you could confirm that the Central Bank received legal advice in advance of making these payments that confirmed that they were in compliance with the FEMPI Acts.
4. If that legal advice was not received, or if you are of the view that the making of these payments was not in compliance with the Act, please detail how the Central Bank intends to recover these monies in accordance with their legal obligations under section 5 of the FEMPI No. 2 Act of 2009.

Oonagh Buckley
Assistant Secretary
Remuneration, IR, Pensions





I am a designated Public Official under the Regulation of Lobbying Act 2015.

Kevin O'Farrell

From: David Denny
Sent: 19 April 2016 17:39
To: Kevin O'Farrell
Subject: FW: Retention payments 2011 to 2014
Attachments: Letter DPER 301115.pdf; ATT00001.txt

From: Oonagh Buckley
Sent: 30 November 2015 18:44
To: Robert Watt
Cc: David Denny; Don Culliton
Subject: FW: Retention payments 2011 to 2014

Large, yet ineffective – only 3 staff members stayed to claim both their payments.

And no advance legal advice, but a general assertion that the payments were compatible with the purpose of FEMPI, as opposed presumably to the strict letter of it.

I understand the C&AG has also raised queries of the Bank.

Oonagh

I am a designated Public Official under the Regulation of Lobbying Act 2015.

From: Joyce, Liz [REDACTED]
Sent: 30 November 2015 18:13
To: Oonagh Buckley
Cc: Quinn, Gerry
Subject: Retention payments 2011 to 2014

Dear Oonagh

Please find attached our response to your request below. A hard copy will follow by mail in due course.

Please feel free to contact me if you have any further queries,

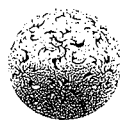
Regards

Liz

Liz Joyce *HR Director*

Central Bank of Ireland





Banc Ceannais na hÉireann
Central Bank of Ireland
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Bosca OP 559, Sráid an Dáma, Baile Átha Cliath 2, Éire.
PO Box No. 559, Dame Street, Dublin 2, Ireland.

www.centralbank.ie

4 December 2015

Ms Oonagh Buckley
Assistant Secretary
Dept of Public Expenditure and Reform
7-9 Merrion Row
Dublin 2

Re: Retention Payments 2011

Dear Ms Buckley

I refer to your letter of 2 December 2015.

I stated in my letter of 30 November that the Bank had received legal advice in respect of the 2011 retention payments and the Bank was satisfied, on the basis of that advice, that the Bank had a valid and legal basis for making the retention payments at the time.

Our view, on the basis of our legal advice, is that the payments comply with FEMPI 2009.

Yours sincerely

Elizabeth Joyce
HR Director