

## Teachers express anger at 'inequitable' pension levy decision

At a meeting of the ASTI Standing Committee on February 4th, members expressed their anger and dismay at the imposition of the levy. It was stated that teachers wanted a strong concerted response to the Government announcement of a pension levy and pay freeze for teachers, in coordination with the TUI, INTO and other public service unions.

ASTI General Secretary John White told the meeting that public sector workers had suffered the double whammy of the pension levy and non-payment of the increases due under Towards 2016. "In the discussions with the Social Partners, it became clear through the mechanism of the pension levy that public sector workers would have to pay. It never emerged with any clarity what measures were to be taken to ensure an equitable share of the burden. For example, what were the taxation adjustments that might be made, what measures would be taken to limit excessive executive remuneration, what steps would be taken to reform corporate governance."

Standing Committee members stated that teachers throughout the country perceived that there was not an equitable and fair sharing of the burden of dealing with the economic crisis. Standing Committee noted that agreements had been entered into by teachers with the Government to engage in a range of activities such as meetings outside school-time, which must now be reconsidered.

The ASTI has sought meetings with the INTO and TUI and other public sector unions in relation to possible actions which could be taken in response to the pension levy imposed by the Government. Standing Committee will work in coordination with the TUI and INTO on a strategy to oppose the levy.

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## Regional meetings on education cuts, pension levy

ASTI members are invited to attend meetings being held in their region on the education cuts and the pension levy for public sector workers. The ASTI President or Vice President will address these meetings.

Six meetings are taking place over the coming weeks. See page 4 for details. Further meetings will be publicised on the ASTI website [www.asti.ie](http://www.asti.ie).

## How the pension levy affects teachers

Teachers and other public sector workers already pay 6.5% pension contribution. The levy announced by Taoiseach Brian Cowen imposes an additional levy.

Contribution of 3% on first €15,000, 6% on next €5,000 and 10% on balance.

Salary	Amount of deduction	Deduction as % of overall salary
€15,000	€450.00	3.00%
€20,000	€750	3.80%
€25,000	€1250	5.00%
€30,000	€1750	5.80%
€35,000	€2250	6.40%
€40,000	€2750	6.90%
€45,000	€3250	7.20%
€50,000	€3750	7.50%
€55,000	€4250	7.70%
€60,000	€4750	7.90%
€65,000	€5250	8.10%
€70,000	€5750	8.20%
€75,000	€6250	8.30%
€80,000	€6750	8.40%
€85,000	€7250	8.50%
€90,000	€7750	8.60%
€95,000	€8250	8.70%
€100,000	€8750	8.80%
€125,000	€11,250	9.00%
€150,000	€13,750	9.20%
€175,000	€16,250	9.30%
€200,000	€18,750	9.40%
€225,000	€21,250	9.40%
€250,000	€23,750	9.50%
€275,000	€26,250	9.50%
€300,000	€28,750	9.60%

**The new pension levy is tax deductible**

# Examples of how the pension levy affects teachers

<b>Teacher A</b>	<b>Post 1995</b>	<b>Pre 1995</b>
Gross income	€ 25,000	€ 25,000
Current pension contribution (6.5%)	€ 787	€ 1,625
New pension levy (5%)	€ 1,250	€ 1,250
<b>Taxable income</b>	<b>€ 22,963</b>	<b>€ 22,125</b>
Tax	€ 933	€ 765
PRSI	€ 654	€ 187
Health levy	€ 0	€ 443
Income levy	€ 250	€ 250
<b>Net income</b>	<b>€ 21,126</b>	<b>€ 20,480</b>
<b>Reduction in annual take home pay as a result of new pension levy</b>	<b>€950</b>	<b>€ 964</b>

<b>Teacher B</b>	<b>Post 1995</b>	<b>Pre 1995</b>
Gross income	€ 35,000	€ 35,000
Current pension contribution (6.5%)	€ 1,437	€ 2,275
New pension levy (6.4%)	€ 2,250	€ 2,250
<b>Taxable income</b>	<b>€ 31,313</b>	<b>€ 30,475</b>
Tax	€ 2,603	€ 2,435
PRSI	€ 988	€ 262
Health levy	€ 626	€ 610
Income levy	€ 350	€ 350
<b>Net income</b>	<b>€ 26,746</b>	<b>€ 26,818</b>
<b>Reduction in annual take home pay as a result of new pension levy</b>	<b>€ 1,665</b>	<b>€ 1,735</b>

<b>Teacher C</b>	<b>Post 1995</b>	<b>Pre 1995</b>
Gross income	€ 40,000	€ 40,000
Current pension contribution (6.5%)	€ 1,762	€ 2,600
New pension levy (6.9%)	€ 2,750	€ 2,750
<b>Taxable income</b>	<b>€ 35,488</b>	<b>€ 34,650</b>
Tax	€ 3,438	€ 3,270
PRSI	€ 1,155	€ 300
Health levy	€ 710	€ 693
Income levy	€ 400	€ 400
<b>Net income</b>	<b>€ 29,785</b>	<b>€ 29,987</b>
<b>Reduction in annual take home pay as a result of new pension levy</b>	<b>€1,649</b>	<b>€ 1,911</b>

## Teacher D\*

Gross income:	€50,000
New pension levy (7.5%):	€3,750
<b>Reduction in take home pay:</b>	<b>€2,103</b>

## Teacher E\*

Gross income:	€60,000
New pension levy (7.9%):	€4,750
<b>Reduction in take home pay:</b>	<b>€2,702</b>

## Teacher F\*

Gross income:	€70,000
New pension levy (8.2%):	€5,750
<b>Reduction in take home pay:</b>	<b>€3,277</b>

## Teacher G\*

Gross income:	€80,000
New pension levy (8.4%):	€6,750
<b>Reduction in take home pay:</b>	<b>€3,848</b>

\*Examples D,E,F & G are based on pre-1995 entrants' pension contribution of 6.5%

(Post 1995 - PRSI A Rate  
Pre 1995 - PRSI D Rate)

These figures are illustrative figures only. The new pension levy is tax deductible (as shown above). A more detailed breakdown is available on the ASTI website [www.asti.ie](http://www.asti.ie) (Latest news).

## Statement from ASTI General Secretary on Pension Levy

"Public servants including teachers are poring over figures and percentages to see just how much worse off they might be following An Taoiseach's speech to the Dail on Tuesday. Not only have they to factor in a pension levy of an average of 7.5%, but they also must assimilate the fact that there is a pay freeze for all of 2009 and the payment of 2.5% due on June 1st 2010 will not be paid. Teachers are, therefore, experiencing a double whammy which will very significantly reduce their standard of living.

"Teachers are citizens of the State and they see their friends and neighbours losing their jobs. They want to play their part in ensuring that their pupils and, indeed, their own sons and daughters will have a future in this country. The message I am getting from teachers is that they recognise the dire financial straits the country is in and they are willing to play their part in rescuing the country, but they want the burdens to be shared fairly and equitably.

"The Irish Congress of Trade Unions entered the partnership discussions on dealing with the recession on the basis that it wasn't an exercise in just targeting public sector pay and jobs. Congress wanted a social solidarity pact in order to deal with the crisis. Such a pact has the virtue of engaging all sectors of the community in addressing the horrendous financial problem faced by the country. It also has the virtue of protecting the marginalised and fostering a discussion on the level of public services our community is willing to pay for. Because there was no depth to the commitments being offered to the unions on sharing the burden equitably, these discussions failed."

\*Statement based on article which appeared in the Irish Examiner.

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### Regional meetings on education cuts, pension levy

#### Region 7

Fermoy, Cork North, East Cork, West Waterford, Dungarvan  
Monday February 9th at 7pm in the Silversprings Hotel, Cork

#### Region 13

Dublin South 2, Dublin South County  
Tuesday 10th February at 7pm in the Maldron Hotel, Tallaght

#### Region 14

Stillorgan, Wicklow, Dun Laoghaire, Bray  
Wednesday 11th February at 7pm in Glenview Hotel, Delgany, Co. Wicklow

#### Region 6

Cork South, Carbery  
Monday 23rd February at 7pm in Oriel House Hotel, Ballincollig, Co. Cork

#### Region 16

Dublin North 1, Dublin North Central  
Tuesday 24th February at 7pm in The Regency Hotel, Whitehall, Dublin 9

#### Region 8

Wexford, New Ross, Enniscorthy, Waterford  
Wednesday 25th February at 7pm in The Brandon Park Hotel, New Ross