

MONTSERRAT CIVIL SERVICE ASSOCIATION

**P O Box 468
Brades
Montserrat**

President: Bro Paul Lewis
Vice President: Sis Violet Brown
Secretary: Sis Nyota Mulcare
Treasurer:

18 November 2013

Mr Reuben Meade
Hon Premier
Office of the Premier
Government Headquarters
Brades
Montserrat

Dear Mr Meade

REINSTATEMENT OF INCREMENT AND SALARY INCREASE

The Montserrat Civil Service Association (MCSA) and Civil Servants understand the importance of the role of Government in facilitating the private sector to be the engine of growth in the economy. To facilitate this, Civil Servants have been placed on the backburner. The trend in Government decisions over the last four years resulted in Civil Servants making financial sacrifices. However, when sacrifices are being made the time period should be reasonable and at the end of it there should be benefits for those who made these sacrifices. Government during this time would have embarked on several revenue generating initiatives while realizing savings from sacrifices made by Civil Servants. After four years of sacrifice by Civil Servants it is time for Government of Montserrat to seriously consider this and provide appropriate benefits for Civil Servants.

Government of Montserrat took the decision three years ago to stop the payment of increments to Civil Servants, this decision was done without any discussion with the MCSA. The MCSA wrote to ask for the reason for stopping these increments and for its reinstatement. The Union also asked that the Ministers who made this decision to also make a financial sacrifice from their salary or allowances but they did not do so. Following up on the issue the MCSA hired the law firm of Brandt and Associates to make representation on its behalf. The legal firm wrote to the Government to give reasons why Government should make the payments of increments. To date no changes has been made and decision makers continue to operate without making any personal financial sacrifices from their salary or allowances. Government's excuse was that it could not be given as it was not been budgeted for; yet several budgets after that even though reminded, increments are still not being paid. Budget preparations are presently ongoing; therefore, this demand is timely.

In 2011, Civil Servants once again suffered further losses. The passing of the new Pension Law by Government, effectively changed the terms and condition of employment despite objections from the MCSA and without any Collective Bargaining Agreement. This change in terms and conditions means amongst other things that Civil Servants' annual pension earnings was cut in half moving from a 2% accrual rate annually to 1% which is a significant decrease in pension earnings.

During initial discussions on Government's plans to reform pensions, it was understood that the pensions of Legislators including that of Ministers would also be reformed to reflect savings by Government. The Government decision makers to date have not reformed the pension of Legislators even after significantly reducing that of Civil Servants. The Ministers who are the decision makers will receive their full pensions on retirement despite their message to Civil Servants of making financial sacrifices to realize savings for Government.

Over the past 7 years we have seen numerous increases in basic food items, educational supplies, goods and essential services. The continuous increases have eroded the disposable income of Civil Servants. The effects of the inflation with the absence of a salary increase over the last 7 years and the non-payment of increments over the last three years provide a difficult challenge for Civil Servants to cope

with their financial obligations. We must also be mindful that Civil Servants in addition to making these present sacrifices while still a part of the work force will only earn half of their pension annually from 2011 onwards, thus receiving a significant decrease in pension after retirement.

Given:-

- The savings to be realized by Government in the short, medium and long term from significant pension cuts for Civil Servants
- The savings realized by Government over the last three years by stopping payments of increments in July 2011
- That the Minister of Finance did not see it necessary to reform Legislators pension to realize savings for Government at the time of reforming and reducing Pension for Civil Servants
- The rise in the cost of living over the past seven years – the last salary increase was given in late 2006
- Consumer price index for Montserrat 2005 through 2012 gives some idea of cost movements of an overall increase of 24.8% for the period
 - Cost movements for basic categories:
 - Food and non-alcoholic beverages 40.9%
 - Household goods 16.6%
 - Gas, electricity and water 38.8%
 - Clothing and foot wear 16.4%
 - Services and other 14.6%

In light of the above, the Montserrat Civil Service Association is:

1. once again asking for the reinstatement of increments; this should reflect the salaries where workers would have been in the salary scale if the increments were not ceased;
2. Proposing a 12% salary increase.

We look forward for Government to come to the table to negotiate and agree on a final percentage of salary increase.

Yours truly

Paul Lewis (Mr)
PRESIDENT

pc: Hon Deputy Governor
Honourable Financial Secretary
Ministers of Government
Members of the Opposition