**7,500 ESB pensioners claim to suffer ‘indefinite pay freeze’**

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A controversial agreement to plug the ESB’s retirement fund deficit was made under false pretences, according to ESB pensioners.

As many as 7,500 retired staff from the state power company are facing a sixth year of what they claim could be an “indefinite pay freeze” that will continue as long as there is a deficit in the scheme. The real value of pensions in payment from the ESB fund could fall by over 30 per cent over a ten year period, it is understood.

By contrast, current staff at the company enjoy annual revaluations of their retirement pots of on average 3 per cent.

Pensioner representatives are seeking meetings with senior government ministers including Brendan Howlin, Joan Burton and Richard Bruton but so far have failed to receive a response despite mounting a protest that saw over 1,000 pensioners march to the company’s headquarters in Dublin earlier this month.

The terms of the 2010 agreement became the subject of a bitter dispute that threatened to plunge the country into darkness over Christmas 2013. Trade unions had argued that the pension was a defined benefit scheme meaning that a deficit that previously rose to as much as €800 million was the responsibility of the company.

A deal was struck that described the scheme as a defined benefit pension but committed both sides to agreeing arrangements to deal with future deficits.

But pensioners argue that the scheme was already labelled as a defined benefit pension scheme by a piece of legislation enacted in 1996 as part of an earlier deal between the power company, its unions and the government. The legislation was never incorporated into the rules of the pension scheme but would have forced ESB to make payments into it as determined by the actuary. This would have protected pensioners from the ongoing pension freeze, they have claimed.

The 2010 agreement “was made under false pretences because the trade unions were never informed about the existence of the legislation and indeed would not have entered into that agreement if they were aware of the legislation,” said the statement.

ESB pensioners “have been ignored by scheme trustees, are excluded from negotiations and are allowed no input on issues affecting their pension scheme,” it said.

ESB said that it had received a letter from the retired staff association, but that “the matters raised are not new”.

“Payments to pensioners are not a matter for ESB,” a spokesman said.