

Circular Letter S.9/88  
File Ref. No. 586(II)

10th June, 1988.

Voluntary Redundancy/Early Retirement terms for local authority staff  
Re-Entry

Dear Manager,

I am directed by the Minister for the Environment to state that in line with arrangements agreed by the Department of Finance in relation to the public sector generally, the following terms will apply to persons who availed of voluntary redundancy/early retirement terms while serving with a body to which the local government superannuation code applies should they subsequently become employed by any such body. Any such person who seeks re-employment should be informed accordingly.

1. Persons who become re-employed in the service in a non-pensionable capacity

In any such case the normal abatement of pension provisions will apply, as set out in article 56 of the Local Government (Superannuation) Act, 1956 (Consolidation) Scheme, 1987 or article 60 of the Local Government (Superannuation Revision) (Consolidation) Scheme, 1986, as appropriate.

2. Persons who become re-employed in the service in a pensionable capacity

In any such case -

- (a) payment of pension (including any preserved pension in payment) will cease irrespective of what the earnings for the new position amount to;
- (b) "pre-redundancy" pensionable local service will be aggregated with subsequent service and to this end it will be obligatory for the person concerned to repay on an uprated basis the original gross lump sum, short service gratuity, 'non-pensionable' gratuity (category 5) or preserved lump sum (if already paid), whichever is appropriate; it should be noted that any added years previously allowed will be discounted both for the purpose of calculating "pre-redundancy" service and uprating the original gross lump sum or gratuity.

Example

- (i) Registered officer retired under the redundancy terms with 17.64 years pensionable local service.
- (ii) He was awarded 6.17 redundancy added years.
- (iii) Based on pensionable remuneration of \$20000 he was granted a lump sum of £17857.50, (i.e. £20000 x 3/80 x 23.81).
- (iv) He re-enters the service in a pensionable capacity and retires when the current equivalent of the pensionable remuneration of £20000 at the time he originally retired is £30000.
- (v) The amount to be deducted from his final lump sum is £19845, (i.e. £30000 x 3/80 x 17.64).

- (c) in the case of persons who were awarded redundancy added years and who had a deduction made from their original lump sum in respect of such added years under the Widows and Orphans/Spouses and Children's Pension Scheme, a refund of contributions will fall to be made under such reckonable; the amount of the refund will be the actual contributions paid by the person over a period corresponding to the number of added years awarded beginning with his initial contributions and working forward, i.e. in the Example at (b) above, the first 6.17 years of his contributing membership; and
- (d) any severance gratuity originally granted will not be subject to repayment.

An appropriate statutory amendment to give effect to these provisions will be made in due course.

3. Any enquiries in relation to this circular letter should be addressed in writing to the Local Administration (Superannuation) Section of the Department, Floor 5, Apollo House, Dublin 2, or by telephone to 793377, extensions 2710, 2712, 2713 and 2723.

Mise, le meas,

Signed D. Smyth

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D. Smyth,  
Higher Executive Officer,  
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Extension 2723.