

Circular Letter : S.10/99.  
Our Ref:- S. 306 [II].

12 November, 1999.

Director ✓  
CEO ✓  
Education Officer x 3 ✓  
Principal Officer  
Finance Officer  
Personnel Officer ✓  
Building Officer  
Industrial Relations  
Officer  
Management Services  
Officer

AN ROINN COMHSHAOIL  
AGUS RIALTAIS ÁITIÚIL  
DEPARTMENT OF  
THE ENVIRONMENT AND  
LOCAL GOVERNMENT

**Re: Supplementary Pensions**

A Chara,

1. The Local Government (Superannuation) (Consolidation) Scheme, 1998 provides for the payment of a supplementary pension to a pensioner whose superannuation award is co-ordinated with the social welfare old age pension.
2. Articles 71(3) and 95(3) of the Scheme set out the statutory provisions relating to the payment of a supplementary pension in respect of personal pension in the case of fully insured officer and non-officer grades. Articles 77(5)(c) and 101(5)(c) of the Scheme set out the relevant provisions where a member is in receipt of a preserved pension. Articles 141(5)(b), 185(5)(b) and 208(5)(b) of the Scheme provide for the payment of a supplementary pension where a spouse's pension is in payment. The sixth bullet point of paragraph 6 of circular letter S.1/99 refers also.
3. In order to qualify for a supplementary pension, the pension in payment to the member or his/her spouse must be co-ordinated and must be, when taken together with any benefits payable by the Department of Social, Community and Family Affairs (DSCFA) (as set out in the statutory provisions referred to above), less than the pension that would have been paid had the pension not been co-ordinated. In addition, the pensioner must not be employed and his/her failure to qualify for benefit from the DSCFA or for the maximum amount thereof must not arise through the person's own fault.
4. In practice, staff retiring below the age at which Retirement Pension/Old Age Contributory Pension become payable, having paid full PRSI, will in most cases be entitled to the payment of Unemployment Benefit following retirement and the payment of the supplementary pension will in most instances not become payable during this period. If a pensioner retired at age 60 and a Retirement Pension is payable at age 65 then any supplementary pension payable would cease at age 65 provided the combination of the pension under the Scheme and the Retirement Pension exceeds the value of the unco-ordinated pension.

OFFICE RIALTAIS  
BÉAL AN ÁTHA  
CO. MAHAIGH EO  
GOVERNMENT OFFICES  
BALLINA, CO. MAYO  
TEIL 096 70677  
FACS 096 70680



## APPENDIX

### Example 1

An employee aged 55 retires on 1 January, 1999 on ill health grounds and is entitled to Disablement Benefit (DB) from the Department of Social Community and Family Affairs (DSCFA). He has 20 years service (inclusive of the ill health addition) and his PR is £266. The Contributory OAP rate is £83. He is getting £30 in DB per week.

His pension is calculated as  $(£266 - £166) \times 20/80 = £25$ .  
If he was paid an unco-ordinated pension it would amount to –  
 $£266 \times 20/80 = £66.50$ .

The supplementary pension in this case is the difference between the Unco-ordinated pension and the sum of the social welfare benefit and the co-ordinated pension i.e.  $£66.50 - (£25 + £30) = £11.50$  weekly.

Pension increases and changes in the rate of DB will cause the allowance to be revised.

### Example 2

An employee retires on normal age grounds at age 60 on a pension of £40 per week. He does not qualify for any benefit from the DSCFA until his 65 birthday when he will become entitlement to a Retirement Pension. (The maximum rate of a Retirement and Contributory Old Age Pension is the same). If his pension had not been co-ordinated it would have amounted to £55 per week.

In this case the employee is entitled to a supplementary pension at the rate of £15 per week. This is to be increased in line with pension increases in the normal way. The supplementary pension will cease at age 65 on his becoming entitled to a Retirement Pension from DSCFA.

If he died immediately after his retirement the spouse's pension payable would be £20 i.e. half of the deceased's pension in this case. A supplementary pension may be payable to the spouse depending on the amount of any contributory widow's pension benefit she may be entitled to from the DSCFA.