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An Roinn Comhshaoil



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Circular Letter LA 6/95 - VEC's, RTC's & DIT

30 March 1995

Application of Full PRSI to future Public Sector Entrants
Superannuation

A Chara,

I am directed by the Minister for the Environment to refer to the Department's circular letter S.5/95 of 6 March 1995 regarding the application of full PRSI (Class A) to certain public sector employees appointed on or after 6 April 1995.

The issue of a detailed circular letter dealing with all aspects of the changes in occupational scheme arrangements on the education side, including superannuation arrangements, arising from the new social insurance measures, is a matter for the Department of Education. This Department has forwarded superannuation material in relation to persons becoming pensionable under the Local Government Superannuation Code to the Department of Education for incorporation in their circular letter.

In the meantime VEC's, RTC's and the DIT may wish to familiarise themselves with the brief summary of the revised superannuation arrangements as set out in the Appendix to this circular letter.

Mise le meas,

Declan Naughton,
Higher Executive Officer,
Superannuation Section,
Ext. 408.

To VEC's, RTC's, DIT and Post Primary Branch, Department of Education.



RECYCLED PAPER

APPENDIX

INTRODUCTION OF FULL PRSI FOR NEW ENTRANTS OFFICERS SUMMARY OF SUPERANNUATION TERMS

(a) Benefits

There will be no change in retirement lump sum or death gratuity calculation

Personal pension benefit will be co-ordinated by deducting twice the rate of Social Welfare OAP from pensionable pay

Spouses' and children's pension benefit will be part co-ordinated by deducting once the rate of Social Welfare OAP from pensionable pay

There will be provision for the payment of supplementary pensions in certain circumstances

(b) Contributions

Contributions for personal superannuation benefits will be at the rate of 1½% of full pensionable pay and 3½% of net pensionable pay, i.e. the amount by which pensionable pay exceeds twice the rate of Social Welfare OAP

Contributions for spouses' and children's pension benefits will be at the same rates as for serving pensionable officers, i.e. periodic contributions will be at the rate of 1½% of full pensionable pay and non-periodic contributions will be at the rate of 1% of full pensionable pay at retirement or death

(c) Other Issues

Abatement of added years allowable under circular S.6/87 by reference to entitlements under the Social Welfare Acts will not apply to new entrant officers

The rates of contributions in respect of the purchase of notional service by new entrant officers will change - details to be supplied later

Preservation of earlier superannuation entitlements built up by an officer during a previous period of reckonable service while insured at the modified rate of PRSI (Class B, C or D) may be allowed, subject to certain conditions, where such officer subsequently takes up a local authority officer post covered by full (Class A) PRSI