

Education Sector Superannuation Scheme 2015

Explanatory Booklet Officers



etbi

Education and Training
Boards Ireland

*Boird Oideachais agus
Oiliúna Éireann*



An Roinn Oideachais
agus Scileanna
Department of
Education and Skills

thea
Technological Higher
Education Association
I R E L A N D

NOTE

THIS BOOKLET IS NOT A LEGAL INTERPRETATION OF THE EXISTING SUPERANNUATION PROVISIONS FOR STAFF IN ETBS/IOTS, NOR DOES IT PURPORT TO DEAL WITH EVERY QUERY THAT MAY ARISE. CARE HAS BEEN TAKEN TO ENSURE THAT IT IS ACCURATE BUT NOTHING CAN OVERRIDE THE RULES OF THE SCHEME, AS SET OUT IN THE RELEVANT STATUTES, REGULATIONS AND OTHER OFFICIAL DOCUMENTATION.

PREFACE

This booklet only relates to the Education and Training Board/Institute of Technologies Education Sector Superannuation Scheme 2015 and there is a separate booklet pertaining to the Single Public Service Pension Scheme.

The following are the major scheme revisions which have occurred since the previous booklet was issued. These revisions and the effective dates are:

- 1 September 2001:** Admission of tutors in ETB sector and unqualified academic staff in IOTs who were not previously in the scheme to membership of the Scheme.

- 1 January 2004:** Revised method of calculation of pension entitlement for members whose pensions are integrated with social welfare benefits.

- 1 April 2004:** Raising the minimum pension age to 65 for new entrants to employment under the Public Service Superannuation (Miscellaneous Provisions) Act 2004.

- 1 April 2004:** Introduction of cost-neutral early retirement.

- 10 November 2006:** Revision of Notional Service Purchase Scheme.

- 21 May 2008:** Revised arrangements for certain part-time staff (introduction of pro-rata integration).

- 1 August 2012:** Revised ill-health and death in service arrangements for part-time staff.

- 28 July 2012:** Chapter 4 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 in so far as it relates to pre-existing public service pension schemes.

Information regarding all the above changes has already been communicated to Education and Training Boards and Institute of Technologies by circular letters but is being explained fully in this booklet.

All monetary values in the examples in the booklet have been rounded up/down for convenience purposes only. All examples using the SPC (State Pension Contributory) rates are based on the current rates applicable at 10th March 2017.

It is hoped that staff will find the revised booklet helpful in considering their individual situations. However, if a staff member requires further details as to their individual pension entitlements, they should contact the Pension Section of their relevant ETB/IOT.

Pensions Unit (Department of Education and Skills)

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THE EDUCATION AND TRAINING BOARD/INSTITUTE OF TECHNOLOGY

EDUCATION SECTOR SUPERANNUATION SCHEME 2015

MEMBERSHIP

1. MEMBERSHIP:

Membership of the ETB/IOT Education Sector Superannuation Scheme is compulsory for all eligible staff employed by Education & Training Boards and Institute of Technologies in approved pensionable positions as follows:

(a) Main Scheme:

Contract Type	Relevant dates:	Admission dates to scheme:
Permanent wholetime staff in an ETB/IOT	Employed on or after 1 June 1978	From date of permanent appointment
Permanent wholetime staff in an ETB/IOT	Employed prior to 1 June 1978 (1956 scheme later referred to as the 1987 scheme applied pending an option to join this scheme (see note 1 below for option dates))	From date of permanent appointment
Fully qualified Temporary wholetime (TWT) Lecturers or Pro-Rata Part-time Assistant Lecturers	Granted admission to scheme effective from 1 September 1996	1 September 1996 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 8-11. See Note 2 below if employed on a contract of less than 18 hours per week in the IOT sector
Fully qualified Part-time hourly paid Assistant Lecturers who were in quasi-permanent employment during any academic year from 1 September 1996 to 19 December 2001 for a minimum of 200 hours and a minimum of 25 weeks	Granted admission to scheme effective from 1 September 1996	1 September 1996 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 8-11. See Note 2 below if employed on a contract of less than 18 hours per week in the IOT sector
Lecturers in eligible Part Time (EPT) posts who are not fully qualified but have been in regular part time service without interruptions from a date prior to 1 September 1987	Granted admission to scheme effective from 1 September 1996	1 September 1996 or date of appointment if later

Lecturers holding Pro Rata Part Time Assistant Lecturer positions who are not fully qualified but were appointed to the post as a result of the special competition held during the 1999/2000 academic year	Granted admission to scheme effective from 1 September 1996	1 September 1996 or date of appointment if later.
Part time Lecturers with an appropriate full time comparator and in a pensionable post	Granted admission from 21 May 2008	21 May 2008 or date of appointment if later. Prior service must be reckoned and contributions paid.
Effective from 1 September 2001, part time Lecturers with an appropriate full time comparator and in a pensionable post and who opted to join the scheme	Granted admission from 1 September 2001	1 September 2001 or date of appointment if later.
Co-ordinators and Resource Staff employed in Youthreach	Effective from 1 September 1996	1 st September 2001 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Sections 8-11.
Temporary Wholetime Officers	1 st January 1998	1 st January 1998 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 8-11.
Adult Literacy Organisers	Effective from 1 July 1999	1 st July 1999 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 8-11.
Tutors (excluding self-financing positions) in ETBs and Unqualified Lecturers in IOTs	Effective from 1 September 2001	1 September 2001 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Sections 8-11.
Adult Education Guidance Counsellors and Adult Education Guidance Co-ordinators in accordance with Dept. of Education and Science Circular Letter M15/2001		
Part-time Officer provided he or she has an appropriate full-time comparator	Effective from 21 May 2008	21 May 2008 of date of appointment if later. Service prior to date of admission may be reckonable in accordance with Sections 8-11.

All staff in pensionable positions	Employed after 1 January 2013 unless they had previous employment in public sector without a break of more than 26 weeks.	Single Public Service Pension Scheme applies - details of this Scheme can be obtained from: www.per.gov.ie/pensions
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Note 1:

Option dates to join this scheme: 27 May 1977 to 31 May 1978, 1 January 1990 to 30 November 1990

Note 2:

Effective from 21 May 2008 onwards, a part-time member who commences employment in an ETB/IOT will be a member of the scheme on a pro-rata integration basis. Part-time staff employed prior to this date will be given an option if applicable to have this scheme applied on a pro-rata integration basis (see section 24 for details of pro-rata integration).

1.2 Survivors' and Children's Schemes:

In addition to the main scheme is the **Survivors' and Children's Scheme**. This is a scheme which provides pensions for the survivor and/or dependant children of a member of the Education and Training Board/Institute of Technology Education Sector Superannuation Scheme who dies in service or after qualifying for a pension or preserved pension.

There are two schemes in operation (Original Survivors' and Children's Scheme (now Closed) previously referred to as the Widows & Orphans Scheme and the Revised Scheme previously referred to as the Spouses & Children's Scheme).

Dates of employment:	Scheme applicable:
Employed on or after 1 January 1970 (male PWT) or 1 October 1984 (female PWT)	Original Scheme applied from date of permanent appointment. (see Note 1 below)
Employed prior to 1 January 1970 (male PWT) or 30 September 1984 (female PWT)	Option given to join the original scheme. If option to join the scheme was exercised, membership was backdated to 1 January 1969 (male PWT) or 10 January 1984 (female PWT) (see Note 1 below) or date of appointment if later
Employed after 1 January 1986	Revised Scheme applies (see Note 1 below)

Note 1: All staff in pensionable service between 1 September 1984 and 31 December 1985 (even if they opted out of the earlier scheme) were given an option to join the Revised Scheme. Where a staff member was not a member of the Original Scheme and then exercised an option to join the Revised Scheme, contributions under this scheme became payable from 1 September 1984 or date of appointment to a pensionable post, if later.

BENEFITS AND CONDITIONS FOR BENEFITS

2. BENEFITS:

The various benefits under the Scheme are:

- Retirement pension and lump sum (see Sections 21-26)
- Ill Health retirement pension and lump sum (See Section 30)
- Cost Neutral actuarially reduced retirement pension and lump sum (see Section 29)
- Preserved pension and lump sum (see Section 28)
- Death gratuity (see Section 32)
- Survivors' and Children's Pensions (see Section 33)

3. THE FACTORS THAT DETERMINE BENEFITS:

Superannuation benefits are dependent on a number of factors as follows:

- The Scheme of which the employee is a member
- Rate of PRSI
- Reckonable Service
- Unpaid Leave
- Pensionable Remuneration

As a member of the scheme, the member must pay the appropriate contributions.

4. RATE OF PRSI:

4.1 All staff pay PRSI contributions at either the full rate – PRSI Class A or the modified rate – PRSI Class D. The PRSI rate is a factor when calculating the member's pension scheme contributions and the calculation of the member's pension benefits.

4.2 For the purposes of this scheme, the rate of PRSI is dependent on employment as follows:

PRSI Rate:	Payable:
Class D PRSI – modified rate	In the case of a staff member who was appointed to a permanent position prior to 6 April 1995 or where appointed as a PWT after this date, has continued to serve in such a post without interruption from a date prior to 6 April 1995 (see Note 1)
Class A PRSI – full rate	In the case of a staff member who was appointed on or after 6 April 1995 or if employed prior to this date had interrupted service

Example 3:

A part-time tutor in the ETB sector on a notional wholetime equivalent salary of €72,567 in **limited membership** who works 900 hours per year paying Class A PRSI. Their wholetime comparator works 1,931 hours per annum. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

$$\begin{aligned}
 &900/1,931 \text{ hours} = 46.61\% \\
 &\text{Salary} = €72,567 \times 46.61\% = €33,823 \\
 &\text{State Pension (Contributory)(SPC)} = €238.30 \times 2 \times 52.18 = €24,869 \\
 \\
 &\text{Contribution due:} \\
 &(\text{€}33,823 \times 3\%) + (\text{€}33,823 - \text{€}24,869 \times 3.5\%) \\
 &= (\text{€}1,014.69 + \text{€}313.39) = \text{€}1,328.08 \text{ contributions due}
 \end{aligned}$$

Example 4:

A Pro-rata tutor in the ETB sector on a notional wholetime equivalent salary of €72,567 who is a member of the revised pension scheme who works 900 hours per annum paying Class A PRSI. Their wholetime comparator works 1.931 hours per annum. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

$$\begin{aligned}
 &900/1,931 \text{ hours} = 46.61\% \\
 &\text{Wholetime Equivalent Salary} = €72,567 \\
 &\text{State Pension Contributory (SPC)} = €238.30 \times 2 \times 52.18 = €24,869 \\
 \\
 &\text{Contribution due:} \\
 &(\text{€}72,567 \times 3\%) + (\text{€}72,567 - \text{€}24,869 \times 3.5\%) \\
 &= (\text{€}2,177.01 + \text{€}1,669.43) = \text{€}3,846.44 \\
 &= \text{€}3,846.44 \times 46.61\% = \text{€}1,792.83 \text{ contributions due}
 \end{aligned}$$

Example 5:

A wholetime Lecturer in the IOT sector on an annual salary of €79,106 and paying Class A PRSI. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

$$\begin{aligned}
 &\text{Contribution due:} \\
 \\
 &\text{Salary} = \text{€}79,106 \qquad \qquad \qquad \text{State Pension (Contributory) (SPC)} = \text{€}238.30 \times 2 \times 52.18 = \\
 &\text{€}24,869 \\
 \\
 &(\text{€}79,106 \times 3\%) + (\text{€}79,106 - \text{€}24,869 \times 3.5\%) \\
 &= (\text{€}2,373.18 + \text{€}1,898.30) = \text{€}4,271.48 \text{ contributions due}
 \end{aligned}$$

Example 6:

A wholetime Lecturer in the IOT sector on an annual salary of €79,106 paying Class D PRSI. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

Contribution due:

Salary = €79,106

$(€79,106 \times 6.5\%) = €5,141.89$ contributions due

6. QUALIFYING SERVICE FOR BENEFITS:

6.1 For staff leaving on or after 2 June 2002, **qualifying service** is a minimum period of two calendar years in which the staff member is in service, **whether full-time, work sharing, job sharing or regular part-time**. Transferred service and prior reckonable service also count towards qualifying service. Qualifying service is required for eligibility for Retirement Benefits but is not required for Death in Service benefits.

6.2 Prior to 2 June 2002, the relevant minimum period was 5 years actual pensionable service.

6.3 The calculation of the two years' service is dependent on the type of contract:

(a) Staff member employed on a fixed-term contract:

A staff member employed on a fixed-term contract will have a start date and end date, therefore the qualifying service for benefits is 2 calendar years or 730 days (i.e. $365 \times 2 = 730$ days). Once a contract in itself or in combination with one or more other contracts, reaches 2 years, then the staff member will qualify for benefits.

Example 1:

A staff member has a pro-rata part-time contract from 1 September 2008 to 31 August 2009 and then gets a subsequent contract from 1 September 2010 to 31 August 2011. The staff member will have 2 years' service provided contributions were not refunded for the first period of service and therefore will qualify for some retirement benefit at retirement.

Example 2:

A staff member has a pro-rata part-time contract from 1 September 2008 to 31 August 2009 and then gets subsequent contracts from 1 September 2010 to 28 February, 2011 and 01 September, 2011 to 29 February, 2012. The staff member will have 2 years' service provided contributions were not refunded for the first period of service and therefore will qualify for some retirement benefit at retirement.

Example 3:

A staff member is employed on a contract from 1 September 2009 to 31 August 2010 and then gets a subsequent contract from 1 November 2011 to 31 March 2012. In this case, the staff member has worked 516 days and requires another 214 days in order to qualify for a benefit at retirement (i.e. $365 \text{ days} \times 2 = 730$ day threshold for qualifying for a benefit).

(b) Lecturers

A Lecturer shall be regarded as having completed the vesting period if for any period ending after 1 June 2002 –

- **In the case of a member who is working on a casual basis, he or she has been employed for a period or periods comprising not less than 334 days, and**
- **In all other cases, he or she has been employed under a contract of employment for a period or periods comprising not less than 730 days.**

(c) **Tutor in the ETB sector employed on a casual basis:**

In the case of a tutor employed on a casual basis (e.g. substitute), the qualifying period is 2 years of possible working days. Tutors are not employed for weekends or holiday periods and therefore the maximum number of possible working days in an academic year is 522 days (i.e. 261 working days per year x 2). Therefore, in order to qualifying for benefits, a casual tutor is required to work 522 days (i.e. 261 x 2). A day's credit will be given for each day of service regardless of the hours worked on that day. If a casual tutor is employed in more than one centre on the same day, only 1 day will count for the combined hours.

Example 1:

A tutor working on a casual basis on the following days:

<u>Date:</u>	<u>Hours claimed:</u>
9 September 2014	2 hours 40 minutes
11 September 2014	40 minutes
10 October 2014	2 hours
11 October 2014	1 hour 20 minutes
10 November 2014	40 minutes
11 November 2014	2 hours
10 December 2014	2 hours 20 minutes
11 December 2014	1 hour 30 minutes
10 January 2015	2 hours
11 January 2015	40 minutes

In this example, the tutor will qualify for 10 days towards the qualifying period of 522 days.

Different categories of staff will have different qualifying periods of service depending on the possible working days for their wholetime comparator.

PENSIONABLE SERVICE

7. RECKONABLE SERVICE FOR BENEFITS:

7.1 The following service is reckonable for benefits:

- Pensionable service
- Temporary wholetime service which is pensionable on an ongoing basis or temporary wholetime service which was not pensionable while the service was given but can now be reckoned for pension purposes
- Certain part-time service (see Sections 9-12)
- Certain other transferred service (see Section 15)
- Additional or added service allowed for Professional Added Years (see Section 18), ill-health added years (see Section 30) or the purchase of added years under the Notional service purchase scheme (see Section 17)
- Certain service in respect of which the member may have already received a gratuity or refund of contributions

7.2 For service to be reckonable, the appropriate contributions must be paid.

7.3 From 28th July 2012 onwards, the aggregate of reckonable service for superannuation purposes cannot exceed 40 years in any public sector scheme with the exception that if on 27th July 2012 service in excess of 40 years has been earned in more than one public sector scheme, the service is capped at the service accrued on that date.

8. RECKONABILITY OF WHOLETIME SERVICE:

8.1 Wholetime Service is reckonable based on the number of years and days the member is employed for.

Example:

A member working in a full-time capacity is employed from 1 September 1975 to 31 October 2013. This is reckonable as follows:

1 September 1975 to 31 August 2013	=	38 years
1 September 2013 to 31 October 2013	=	61 days / 365 = 0.1671 years

Therefore, the reckonable service in this example is 38.1671 years for pension purposes.

8.2 Contributions are paid on an ongoing basis for permanent wholetime service. However, contributions for temporary wholetime (**TWT**) service were deducted on an ongoing basis from staff as follows:

Category of Staff:	Earliest date contributions deducted or date of commencement if later:
College Teachers/ Assistant Lecturers/Lecturers	1 st September 1996
Youthreach Resource/Co-ordinators	1 st September 1996
Other Temporary wholetime Officers	1 st January 1998

Temporary Wholetime Maintenance Staff once they had reached 130 working days in a calendar year.

Any temporary wholetime service prior to this date is reckonable as at 8.1 subject to contributions being payable as follows:

(a) Members liable for Class D (modified rate of PRSI), the cost of reckoning TWT service is as follows:

2.5% of historic pay for all reckonable service given up to 31 December 1985
5% of historic pay for all reckonable service given from 1 January 1986 onwards

Example 1:

A member who is liable for Class D PRSI had previous TWT service from 1 September 1990 to 31 August 1992. The total earnings for the period were €40,000

The cost of reckoning the service is as follows:

€40,000 x 5% = €2,000 superannuation contributions due

The contributions due should be paid within a period of three years (or corresponding period of service if more than 3 years reckonable) from the date of notification. Failure to pay the contributions by the due date as listed in the correspondence will result in compound interest being applied in accordance with the rates laid down by the Minister for Public Expenditure and Reform.

(b) Members liable for Class A (full rate of PRSI), the cost of reckoning TWT service is as follows:

1.5% of current pensionable pay plus 3.5% of current co-ordinated pensionable pay for each year and part thereof of reckonable TWT service. The current pensionable pay rates to be used should be based on the pay rates three months after the date of pensionable employment.

Example 2:

A member who is liable for Class A PRSI had previous TWT service from 1 September 1990 to 31 August 1992. Their current pensionable salary is €34,883 p.a. The rate of State Pension (Contributory)(SPC) is €12,434.49 p.a. (twice the SPC is deducted = €12,434.49 x 2 = €24,869 p.a.)

The cost of reckoning the service is as follows:

(Current pensionable salary x 1.5%) + (Current co-ordinated pensionable salary x 3.5%)

= (€34,883 x 1.5%) + (€34,883 - €24,869 x 3.5%)
= (€523.25 + €350.49)
= €873.74 x 2.0000 reckonable years
= €1,747.48 due

- 8.3 The contributions due under paragraph 8.2 (b) should be paid within a period of 3 months from the date of notification. If payment is not made within the 3 month period, compound interest will accrue on the outstanding balance from the date the 3 month period expires to the date of final payment. If the amount outstanding amounts to 20% or more of the member's salary, the 3 month period will be extended on request of the member to ensure that payments are kept below the 20% threshold.
- 8.4 The calculation of the contributions in the above examples does not include contributions due for the Survivors' and Children's pension scheme. A member can opt to pay additional contributions of 1.5% of current salary over the corresponding period of service (i.e. matching period of service to be reckoned) or alternatively 1% of retirement salary for each year or part thereof of liability will be deducted from the retirement lump sum.

9. RECKONABILITY OF PRO-RATA PART-TIME SERVICE (Academic Staff in IOT)

- 9.1 Unless the member retires from part-time service and limited membership applies or dies whilst in part-time employment where Circular 11/2012 applies, Pro-rata part-time service in respect of which contributions have been paid will be reckoned as follows:

Example 1:

A Pro-rata Part-time Assistant Lecturer in the IOT sector is employed for 14 hours per week from 1 September 2005 to 31 August 2006 will be reckoned as follows:

$14/18 = 0.7778$ of a year for pension purposes

Example 2:

A Pro-rata Part-time Assistant Lecturer is employed on a contract for 12 hours per week from 01 November 2004 to 31 August 2005 will be reckoned as follows:

$12/18 \times 304/365 = 0.5553$ of a year for pension purposes

Overall the maximum credit cannot exceed one year in the academic year.

- 9.2 Contributions on an ongoing basis were only deducted from 1 September 1996 in the case of fully qualified or Pre 1987 PRPTTs or EPTs and in the case of unqualified PRPTTs and EPTs, ongoing contributions are due from 1 September 2001. Any PRPTT or EPT service prior to these dates is reckonable as 9.1 above subject to contributions being payable as follows:

- (a) **Eligible IOT Academic staff liable for Class D (modified rate of PRSI), the cost of reckoning PRPTT or EPT service is as follows:**

5% of historic pay for all reckonable service

Example 1:

An eligible IOT Academic staff member who is liable for Class D PRSI had previous PRPTT or EPT service from 1 September 1993 to 31 August 1996. The total earnings for the period were €60,000

The cost of reckoning the service is as follows:

€60,000 x 5% = €3,000 superannuation contributions due

The contributions due should be paid within a period of three years from the date of notification. Failure to pay the contributions by the due date as listed in the correspondence will result in compound interest being applied from the date the period expires up to date of final payment.

(b) IOT Academic Staff liable for Class A (full rate of PRSI), the cost of reckoning PRPTT service is as follows:

(i) For Fully qualified or Pre 1987 service:

1.5% of current pensionable pay plus 3.5% of current co-ordinated pensionable pay for each year and part thereof of reckonable PRPTT service calculated on pensionable salary within three months of permanent appointment/CID appointment.

Example 1:

An EPT Lecturer 1 who is liable for Class A PRSI had previous EPT service from 1 September 1990 to 31 August 1992 (i.e. 1 year's reckonable service – worked 8 hours each week). Their current pensionable salary within three months of their CID appointment is €45,000 p.a. The rate of State Pension (Contributory) (SPC) is €12,434.49 p.a. (twice the SPC is deducted = €12,434.49 x 2 = €24,869 p.a.)

The cost of reckoning this service is as follows:

(Current pensionable salary x 1.5%) + (Current co-ordinated pensionable salary x 3.5%)

= (€45,000 x 1.5%) + (€45,000 - €24,869 x 3.5%)

= (€675 + €704.59)

= €1,379.59 due for 1.00 year's reckonable service

The contributions due should be paid within a period of 3 months from the date of notification. If payment is not made within the 3 month period, compound interest will accrue on the outstanding balance from the date the 3 month period expires to the date of final payment. If the amount outstanding amounts to 20% or more of the member's salary, the 3 month period will be extended on request of the member to ensure that payments are kept below the 20% threshold.

(ii) **For unqualified PRPTT or EPT service:**

1.5% of current pensionable pay plus 3.5% of current co-ordinated pensionable pay for each year and part thereof of reckonable PRPTT or EPT service calculated on pensionable salary calculated within three months of permanent appointment/CID appointment or **20th December 2001** whichever is more favourable.

Example 2:

An EPT Lecturer 1 who is liable for Class A PRSI had previous unqualified EPT service from 1 September 1996 to 31 August 1998 at 8 hours class contact per week for each academic year (i.e. 1 year's reckonable service). Their current pensionable salary within three months of their CID appointment is €34,883 p.a. however their pensionable salary at 20th December 2001 was €24,293 p.a. As 20th December 2001 salary is more favourable, the rate of State Pension (Contributory)(SPC) at 20th December 2001 should also be used i.e. €7,022.91 p.a. (twice the SPC is deducted = €7,022.91 x 2 = €14,046)

The cost of reckoning this service is as follows:

(Current pensionable salary x 1.5%) + (Current co-ordinated pensionable salary x 3.5%)

$$= (\text{€}24,293 \times 1.5\%) + (\text{€}24,293 - \text{€}14,046 \times 3.5\%)$$

$$= (\text{€}364.40 + \text{€}358.65)$$

$$= \text{€}723.05 \text{ due}$$

(1) By Lump Sum

The lump sum must be paid within 6 months of receiving a demand for payment from the IOT. The rate of contribution payable will be:

- for service given before 1 September 2001, based on the rate of pay applicable on 20 December 2001 (or on date of first appointment if later)
- for service given on or after 1 September 2001, based on the salary and social welfare rates applicable to the period in question

(2) Instalment

The arrears will be recovered by increasing the ongoing contribution. The period of this increase will not continue beyond the length of previous service to which the arrears relate. The rate of contribution will be the same as that for a person paying by the lump sum option.

Where through no fault of the IOT, the full liability is not discharged by the end of the stated period of the increase; the outstanding liability will be determined by the pensionable salary and State Pension (Contributory) rates applicable on the date of payment. If the full liability is not discharged by the date of retirement, the arrears will be calculated based on the retirement salary and will be deducted from the retirement lump sum.

(3) At retirement

The arrears payable will be calculated based on the pensionable salary and State Pension (Contributory) rates applicable on the date of retirement and will be deducted from the retirement lump sum.

9.3 The calculation of the contributions in the above examples does not include contributions due for the Survivors' and Children's pension scheme. A member can opt to pay additional contributions of 1.5% of current salary over the corresponding period of service (i.e. matching period of service to be reckoned) or alternatively 1% of retirement salary for each year or part thereof of liability will be deducted from the retirement lump sum.

10. RECKONABILITY OF PART-TIME ACADEMIC SERVICE (IOTs)

This is dependent on when the part-time service was given and the 1st substantive post to which the member was appointed to:

10.1 Where the member's 1st appointment to a pensionable post was as a **College Teacher or Lecturer 1**, part-time academic service **prior to 1st September 1977**, will be reckoned as follows:*

Reckonable hours in academic year:	Pensionable Credit:
800 hours or more	1.0000 year
400 – 799 hours	0.5000 year
Less than 400 hours	Each week in which 10 reckonable hours or more are worked is credited as a half a week

* Note that the scheme refers to 27th May 1977, however, since the scheme is based on the academic year, this may be regarded, for practical purposes as 1st September 1977

10.2 For service **between 1st September 1977 and 30st August 1996**, part-time academic service will be reckoned by comparison to the relevant wholetime service to as follows:

Reckonable hours in academic year:	Pensionable Credit:
Equal or greater than comparable wholetime service	1.0000 year
At least half but less than comparable wholetime yearly service	Total hours worked divided by comparable yearly service
Less than half of comparable yearly service	Each week in which 10 reckonable hours or more are worked is credited in the proportion which the total reckonable hours worked bear to comparable wholetime yearly service

In this Paragraph, "comparable wholetime yearly service" means, in accordance with Department of Education and Science Circular Pen 09/04, with reference to the first substantive post to which he or she is appointed-

- (I) in the case of a College Teacher post from 1 December 1979, 700 hours,
- (II) in the case of a Lecturer I post from 2 December 1979 to 31 August 1982, 595 hours,
- (III) in the case of a Lecturer I post from 1 September 1982, 560 hours, and
- (IV) in the case of a Lecturer post from 1 September 1998, 560 hours.

10.3 For service **between 1st September 1996 and 31st August 2001**, part-time academic service will be reckoned as follows:

Reckonable hours in academic year:	Pensionable Credit:
835 hours or more	1.0000 year
Where hours worked come to at least half of comparable yearly service i.e. referenced to 835 hours	Reckonable hours/835 (i.e. 600 reckonable hours = 600/835 = 0.7186 years)
Less than half of comparable wholetime service	Each week in which 7 reckonable hours or more are worked is credited as pro-rata credit (i.e. 200 reckonable hours = 200/835 = 0.2395 years). Service in a week of less than 7 hours is not reckonable for pension purposes.

10.4 Part-time service given from **1 September 2001 onwards** will be reckoned as follows:

Reckonable hours in academic year:	Pensionable Credit:
630 hours or more	1.0000 year
Less than 630 hours	All reckonable hours would be credited as pro-rata credit (i.e. 600 reckonable hours = 600/630 = 0.9524 years)

10.10 Contributions on an ongoing basis were only due from 1 September 1996 in the case of fully qualified part-time academic staff who worked 9 hours or more each week from the outset of the academic year or in the case of unqualified Part-time academic staff or fully qualified part-time academic staff who didn't satisfy the criteria, ongoing contributions are due from 1 September 2001.

10.11 Any contributions due prior to ongoing deductions are calculated as set out in the following paragraphs:

10.12 For academic staff liable for Class D (modified rate of PRSI), the cost of reckoning PTT service is as follows:

5% of historic pay for all reckonable service

Failure to pay the contributions by the due date as listed in the correspondence will result in compound interest being applied from the date the period expires up to date of final payment.

10.13 For academic staff liable for Class A (full rate of PRSI), the cost of reckoning Part-time service is as follows:

(a) For Fully qualified academic staff:

1.5% of current wholetime equivalent pensionable pay plus 3.5% of current co-ordinated wholetime equivalent pensionable pay for each year and part thereof of reckonable Part-time service calculated on pensionable salary within three months of permanent appointment/CID appointment

The contributions due should be paid within a period of 3 months from the date of notification. If payment is not made within the 3 month period, compound interest will accrue on the outstanding balance from the date the 3 month period expires to the date of final payment. If the amount outstanding amounts to 20% or more of the member's salary, the 3 month period will be extended on request of the member to ensure that payments are kept below the 20% threshold.

(b) For unqualified part-time academic staff:

1.5% of current wholetime equivalent pensionable pay plus 3.5% of current co-ordinated wholetime equivalent pensionable pay for each year and part thereof of reckonable Part-time service calculated on pensionable salary as follows:

The contributions due can be paid in 1 of 3 ways as follows:

(1) By Lump Sum

The lump sum must be paid within 6 months of receiving a demand for payment from the IOT. The rate of contribution payable will be:

- for service given before 1 September 2001, based on the rate of pay applicable on 20 December 2001 (or on date of first appointment if later)
- for service given on or after 1 September 2001, based on the salary and social welfare rates applicable to the period in question

(2) Instalment

The arrears will be recovered by increasing the ongoing contribution. This period of this increase will not continue beyond the length of previous service to which the arrears relate. The rate of contribution will be the same as that for a person paying by the lump sum option.

Where through no fault of the IOT, the full liability is not discharged by the end of the stated period of the increase; the outstanding liability will be determined by the pensionable salary and State Pension (Contributory) rates applicable on the date of payment. If the full liability is not discharged by the date of retirement, the arrears will be calculated based on the retirement salary and will be deducted from the retirement lump sum.

(3) At retirement

The arrears payable will be calculated based on the pensionable salary and State Pension (Contributory) rates applicable on the date of retirement and will be deducted from the retirement lump sum.

10.14 The calculation of the contributions in sections 8.2 and 9.2 above do not include contributions due for the Survivors' and Children's pension scheme. A member can opt to pay additional contributions of 1.5% of current salary over the corresponding period of service (i.e. matching period of service to be reckoned) or alternatively 1% of retirement salary for each year or part thereof of liability will be deducted from the retirement lump sum.

11. RECKONABILITY OF PART-TIME SERVICE (NON ACADEMIC STAFF)

This is dependent on the pensionable post and when the part-time service was given

11.1 **Tutors in ETB sector:** Part-time service given **prior to 27th May 1977**, where 18 hours or more per week, the service will be reckoned as one half of the comparable wholetime service, i.e. half a week's credit will be given for each week in which 18 hours or more were worked.

11.2 **Tutors in ETB sector:** Part-time service given **between 27th May 1977 and before 1st September 2001** where 10 hours or more per week, the service will be reckoned pro-rata to their wholetime comparator.

Reckonable hours in school year:	Pensionable Credit:
1,826 hours (i.e. 35 hours per week x 52.18 weeks)	1.0000 year
Less than 1,826 hours	All reckonable hours would be credited as pro-rata credit (i.e. 925 reckonable hours = $925/1826 = 0.5066$ years)

11.3 **Tutors in ETB sector:** Part-time service given between **1st September 2001 and before 1st September 2013**, all hours worked are reckonable pro-rata to their wholetime comparator:

Reckonable hours in school year:	Pensionable Credit:
1,826 hours (i.e. 35 hours per week x 52.18 weeks)	1.0000 year
Less than 1,826 hours	All reckonable hours would be credited as pro-rata credit (i.e. 925 reckonable hours = $925/1826 = 0.5066$ years)

11.4 **Tutors in ETB sector:** Part-time service given **after 1st September 2013**, will be reckoned as follows: *

Reckonable hours in school year:	Pensionable Credit:
1,931 hours (i.e. 37 hours per week x 52.18 weeks)	1.0000 year
Less than 1,931 hours	All reckonable hours would be credited as pro-rata credit (i.e. 600 reckonable hours = $600/1,931 = 0.3107$ years)

11.5 All other Non-academic staff:

Where the part-time service given **prior to 27th May 1977**, was 18 hours or more per week, the service will be reckoned as one half of the comparable wholetime service, i.e. a half a week's credit will be given for each week in which 18 hours or more were worked.

Example 1:

A part-time clerical officer works 20 hours per week for 30 weeks in a year. The reckonable service is as follows:

$$30 \text{ weeks} \times 7 \text{ days} = 210 \text{ days} \times 50\% = 105 \text{ days} / 365 \text{ days} = 0.2877 \text{ years}$$

11.6 Where the Part-time service given **on or after 27th May 1977** was 10 hours or more per week, the service will be reckoned pro-rata to their wholetime comparator.

Example 1:

A part-time clerical officer works 20 hours per week for 30 weeks in a year. The reckonable service is as follows:

$$30 \text{ weeks} \times 20 \text{ hours} = 600 \text{ hours reckonable}$$

If their wholetime comparator works 35 hours per week at that time, the reckonable service will be as follows:

$$\text{Wholetime comparator} = 35 \text{ hours} \times 52.18 \text{ weeks} = 1,826.30 \text{ hours}$$

$$\text{Reckonable service} = 600 / 1,826.30 = 0.3285 \text{ years}$$

11.7 Where the Part-time service given **on or after 1st September 2001**, all hours worked are reckonable pro rata to the wholetime comparator.

Example 1:

A part-time clerical officer works 1,500 hours in the year 2014. The reckonable service is as follows:

Their wholetime comparator works 37 hours per week, the reckonable service will be as follows:

$$\text{Wholetime comparator} = 37 \text{ hours} \times 52.18 \text{ weeks} = 1,930.66 \text{ hours}$$

$$\text{Reckonable service} = 1,500 / 1,930.66 = 0.7769 \text{ years}$$

11.8 For members liable for Class D (modified rate of PRSI), the cost of reckoning PT service is as follows:

5% of historic pay for all reckonable service

Failure to pay the contributions by the due date as listed in the correspondence will result in compound interest being applied from the date the period expires up to date of final payment.

11.9 For staff liable for Class A (full rate of PRSI), the cost of reckoning PT service is as follows:

1.5% of current wholetime equivalent pensionable pay plus 3.5% of current co-ordinated wholetime equivalent pensionable pay for each year and part thereof of reckonable PT service calculated on pensionable salary within three months of permanent/CID appointment or salary at 20th December 2001 or date of first appointment if later whichever is more favourable.

The contributions due should be paid within a period of 3 months from the date of notification. If payment is not made within the 3 month period, compound interest will accrue on the outstanding balance from the date the 3 month period expires to the date of final payment. If the amount outstanding amounts to 20% or more of the member's salary, the 3 month period will be extended on request of the member to ensure that payments are kept below the 20% threshold.

11.10 The calculation of contributions due does not include contributions due for the Survivors' and Children's pension scheme. A member can opt to pay additional contributions of 1.5% of current salary over the corresponding period of service (i.e. matching period of service to be reckoned) or alternatively 1% of retirement salary for each year or part thereof of liability will be deducted from the retirement lump sum.

12. RECKONABILITY OF WORK SHARING/JOB SHARING SERVICE:

12.1 Work Sharing/Job-Sharing involves an option by a member to work less hours than their wholetime comparator (i.e. reduction in their hours for a particular period of time). In accordance with the provisions of the schemes, a work sharer/job-sharer will be credited with pro-rata pensionable service in respect of each year of work sharing/job-sharing service and if a work sharer/job-sharer retires whilst on reduced hours, pension benefits will be based on the **wholetime equivalent** of their salary at retirement.

13. RECKONABILITY OF CAREER BREAKS:

13.1 Career breaks are not reckonable for pension purposes as they are periods of unpaid leave. However, if a member has at least 9 years' service by compulsory retirement age, they can purchase their career break in accordance with the limits in Section 17. There are two ways in which a member can reckon their career break.

(a) When a member returns to employment:

A member can opt to purchase the career break by purchasing notional service for the same period of service (or less). The contribution due may be made either by lump sum payment where the member decides to purchase at least one year, or by periodic contributions from salary. An option to purchase by lump sum must be made within 6 months of returning to duty. The cost of the lump sum payment will be based on the member's salary at the date the option is made and the rate will be calculated on the age next birthday in accordance with the notional service tables in Appendices 2 or 3 depending on PRSI rate.

(b) Paying additional contributions while on career break:

In this case, the contribution will be based on the rate of salary on the last date of paid service prior to the commencement of the career break and will take account of any changes in salary that may arise during the course of the career break. The rate of contributions is based on the lump sum purchase rates in accordance with the notional service tables in Appendices 2 or 3 and is determined by the member's age next birthday at the time the quarterly payment due is being calculated. There are two different rates which are dependent on the member's date of retirement (i.e. age 60 or 65). In the case of a new entrant, the only rates available are the age 65 rates in Appendices 3. This is due to the minimum retirement age being 65 for new entrants.

The contributions payable while on career break are paid in quarterly instalments as follows

If a member wishes to purchase a career break by paying the additional contributions in quarterly instalments, the member should notify their pension section **prior to taking the career break**. When the fourth instalment is received by the employer, a statement of the total contributions paid will be issued in order to claim any tax relief that may be due from Revenue on the additional contributions.

Example: -

A Youthreach Co-ordinator goes on career break from 1/9/14 to 31/8/15, opts to make the career break reckonable on the basis of retirement at age 60, is age 46 since 15/2/14, annual salary on last day of service (31/8/14) = €60,000 per year

Contribution due in respect of first quarter, (1/9/14 to 30/11/14)
= 26.6% of salary in respect of that period
= (€60,000 x 91/365) x 26.6%
= €14,958.90 x 26.6%
= €3,979.07

Contribution due in respect of second quarter, (1/12/14 to 29/2/15)
= (26.6% of notional salary from 1/12/14 to 14/2/15) +
= (25.6% of notional salary from 15/2/15 to 29/2/15)
= [(€60,000 x 76/365) x 26.6%] + [(€60,000 x 15/365) x 25.6%]
= €3,323.18 + €631.23
= €3,954.41

Contributions due in respect of the third and fourth quarters will be calculated similarly

14. UNPAID LEAVE:

14.1 Unpaid leave or sick leave paid at the Temporary Rehabilitation Remuneration (TRR) is not reckonable for pension purposes. During this period as the member was not in receipt of any salary, superannuation contributions were not deducted.

14.2 Examples of non-reckonable unpaid period of leave or absence are: strike days *, parental leave, unpaid maternity leave, career breaks, special leave without pay

*certain strike days in 1985/86 can be reckoned now for pension purposes (the days in question are 5/11/85, 6/12/85, 18-20/03/86)

14.3 Certain periods of unpaid leave can be purchased on resumption from unpaid leave and payment of the relevant amount must be submitted to the member's employer within six months of resumption of duty. The purchase can be done under the notional service purchase scheme. (Contact the relevant employer for further details)

15. PREVIOUS SERVICE IN THE PUBLIC SECTOR:

15.1 Pensionable service in the Civil Service and in most other public sector employments may be reckonable for pension purposes under the Education Sector Superannuation Scheme. In relation to such service, the member will normally have the following options:

(a) If the amount of service is in excess of 2 years or more (5 years for resignations prior to 2 June 2002), the member may be entitled to a preserved pension and lump sum from the employer in question when they reach the qualifying age as laid down in their Pension Scheme. The amount of the pension and lump sum would be based on the uprated value of their salary at the time of the resignation.

Example: An Education Sector member was previously employed in the HSE as a Senior Staff Officer (point 04) of the salary scale for 6 years and has a preserved pension age of 60. Therefore, at age 60, they can apply for their benefits from the HSE and under current rules they will be paid on the uprated salary based on point 04 of the Senior Staff Officer scale at the time the benefits are paid

(b) The member can opt to apply to transfer their previous service to the current employer. Depending on the rate of PRSI they paid for their previous employment, length of service and the rate of PRSI they are currently paying, the following options will be available:

(i) **Class D rate of PRSI:** They can transfer their service to the current employer and this will be aggregated with their current service and the retirement pension and lump sum will be calculated on the total pensionable service and pensionable remuneration at retirement.

Example:

A member was previously employed in a temporary wholtime capacity with another ETB from 1 September 1975 to 31 August 1978 paying Class A PRSI.

This service can be transferred to their current employer and is reckonable as 3 years for pension purposes. This will be aggregated with their current service and the pension benefit will be paid accordingly at retirement based on the accrual rates for Class D service (i.e. pensionable salary x service x 1/80)

(ii) **Class A rate of PRSI:** A member can transfer their service to the current employer and aggregate it with their current service or alternatively, if they have a preserved benefit in this scheme for which they paid the modified rate of PRSI for, they can opt to maintain their preserved benefit entitlement (i.e. this portion of the award will be paid on the uprated salary of the scale they were on at the time of their resignation and the pension calculation relating to that service).

Example 1:

A member who was previously employed by Dublin City Council for 1½ years. As they do not have a preserved entitlement with them, they can transfer this service to the current employer and this will be aggregated with their current service provided that they have at least two years' service (for resignations after 2 June 2002), their retirement benefit award will include their total service with both organisations and will be based on their retirement salary with their current employer.

Example 2:

A member who was previously employed for 6 years in the 1970's in another ETB and paid Class D PRSI. They were paid at point 08 of the Class III Teacher's salary scale with a Degree (Pass) Allowance. They ceased and were subsequently re-employed in an ETB paying Class A PRSI. The options available in this case are to:

- Transfer the service to their current ETB and aggregate it with their current service and their final retirement benefit award will be calculated accordingly **or**
- Transfer the service on a preserved basis and at retirement their award will be calculated on a split pension basis (**See Section 26 for details**)

15.2 If the member received a refund of contributions from any public sector body in the transfer network in lieu of any retirement benefits, they can re-instate this service by paying the appropriate contributions (i.e. repaying the gross refund received with the relevant compound interest).

15.3 If the member had previous service in another public body that wasn't pensionable at the time of their employment (i.e. part-time service) but would have been pensionable had the member still been employed in that organisation, then this service may be transferred via the transfer network and reckoned on payment of the appropriate contributions due.

15.4 The transfer option only applies to organisations that are part of the transfer network and who have opted to transfer service on a knock for knock basis (i.e. the final organisation at retirement bears the cost of the benefit). There are other organisations in the semi state sector that have transfer arrangements in place, however, depending on the transfer agreement that is applicable will determine what service if any can be transferred.

16. SERVICE OUTSIDE THE STATE:

16.1 Service outside the state cannot be reckoned for purposes of a pension benefit under this Scheme. However, there is a scheme whereby certain academic service in Northern Ireland or UK may be made pensionable provided certain criteria is satisfied. Cases should be referred to the individual ETB's.

16.2 If the service outside the state was pensionable in accordance with the Pension Scheme of the country in question, a member may be eligible for payment of a pension from that country (based on their service) when they reach the qualifying age defined in the country's scheme. If the member has paid contributions to their Pension Scheme and does not qualify for a pension benefit, they may be entitled to a refund of contributions paid but details should be obtained directly from the relevant organisations. However, in this or in any case where a member had a prior benefit in an approved

Revenue exempt pension fund, it may be possible to transfer a transfer value from that fund into the scheme to enhance their pensionable service. Please check with the scheme administrator.

17. PURCHASE OF NOTIONAL SERVICE TO MAXIMISE BENEFITS:

17.1 There is a Notional Service Purchase Scheme that allows members who do not have a full pension at retirement to purchase additional years to make up the difference.

17.2 Purchase Conditions and Rates

There are limitations on the amount of service that can be purchased.

Actual Reckonable service (including transferred service & purchased actual service, but excluding purchased notional and notional added years) which the member would have if they remained in service until age 65	Maximum service which can be purchased
20 years or more	Difference between 40 years and reckonable service by age 65
19 years	17 years
18 years	15 years
17 years	13 years
16 years	11 years
15 years	9 years
14 years	7 years
13 years	5 years
12 years	4 years
11 years	3 years
10 years	2 years
9 years	1 year

The limits above are subject to the overriding restriction that the amount of service which is reckonable plus the notional service being purchased does not exceed 40 years.

17.3 Contribution rates vary by reference to age. Rates also depend on:

- (a) membership of the Survivors' & Children's pension scheme
- (b) whether purchase is by reference to age 60 (only applicable to staff employed prior to 6 April 2004) or to age 65, and
- (c) rate of PRSI applicable

The rates are set out in Appendices 2 and 3 and the purchase tables apply both to male and female staff.

17.4 Members who wish to purchase notional service must fulfil the following conditions:

- (a) Must be in service
- (b) Have at least 9 years' **actual** pensionable service (i.e. excluding notional service) by age 60 or 65 as appropriate
- (c) Cannot be on sick leave or suspended from duty (with or without pay) or likely to retire on medical grounds

17.5 Purchase Options:

There are two methods of purchase for notional service:

1) Periodic deductions	This involves paying additional contributions from salary each payment on the rate applicable to the member's age next birthday and continues up to age 60 or 65 as applicable. As it is a fixed percentage, as salary increases, the amount of payment will also increase. This option can be made at any time up to 2 years before the appropriate retirement age
2) Lump Sum contribution	This involves paying a once off contribution based on salary at the time the option is exercised and the rate is based on the member's age next birthday. This option can be made once in a calendar year provided that the amount is 10% or more of gross pay

17.6 Where a member is paid less than full salary for any period, contributions are calculated and deducted as if full salary was payable for that period. However, no deductions are made during any unpaid periods of absence - in such cases the service credit in respect of purchased service is reduced using a set formula.

Example 1:

A member liable for Class D PRSI wishes to purchase one year of notional service at age 38. The member is also a member of the Survivors' & Children's Scheme and commenced prior to 1 April 2004. Their salary is €43,073 per annum.

Option:	Retirement age:	Rate applicable at age 39:	Cost of purchase:
Periodic deduction	65	0.96% of salary	€43,073 x 0.96% = €413.50 p.a. until age 65
Periodic deduction	60	1.29% of salary	€43,073 x 1.29% = €555.64 p.a. until age 60
Lump Sum	65	38.0% of salary	€43,073 x 38.0% = €16,367.74
Lump Sum	60	43.1% of salary	€43,073 x 43.1% = €18,564.46

Example 2:

A member liable for Class A PRSI wishes to purchase one year of notional service at age 42. The member is also a member of the Survivors' & Children's Scheme and commenced after 1 April 2004. Their salary is €43,073 per annum.

Option:	Retirement age:	Rate applicable at age 43:	Cost of purchase:
Periodic deduction	65	0.15% of gross salary plus 1.07% of net salary*	(€43,073 x 0.15%) + (€43,073 - €24,869 x 1.07%) = €259.39 p.a. until age 65
Lump Sum	65	38.0% of salary	€43,073 x 28.9% = €12,448.10

As this member is deemed a new entrant, they can only purchase notional service by reference to age 65 since this is the minimum age for pension payment.

*Net salary is gross salary less twice the annual State Pension (Contributory) rate. Current rate of SPC: (€238.30 x 52.18 x 2 = €24,869 p.a.)

17.7 Cancelling a notional service purchase contract:

A periodic purchase option cannot be completely revoked once payments have commenced. However, a member who wishes to cease making periodic contributions can do so by giving notice, in writing, of his/her intention to cancel the purchase agreement. The deductions from salary will cease from the next available salary payment. The service credit accrued up to that date is calculated by the formula:

$$\text{Where: } \frac{A \times B}{C}$$

A = the number of years of notional service which the member originally opted to purchase;

B = the period during which periodic contributions have been made; and

C = the total period during which periodic contributions should have been made had the member completed the purchase agreement.

17.8 The formula in paragraph 17.7 is also used to calculate the service credit taking account of missed contributions during a periodic purchase agreement (e.g. due to a period of special leave without pay).

17.9 If a member retires prior to age 60 or 65 (depending on which rates were used), a further reduction will apply in addition to above based on the rates in Appendix 4.

Example 1:

A member commenced a 5 year purchase of notional service from 31 July 2008 by periodic contributions up to age 60. The contract was cancelled with effect from 1 December 2014.

The 5 year purchase will be reduced in accordance with the formula above as follows:

A = 5.0000

B = 6.3370 (31 July 2008 to 30 November 2014)

C = 12.0000 (31 July 2008 to 30 July 2020)

$$\frac{5.0000 \times 6.3370}{12.0000} = 2.6404 \text{ years credited}$$

If the member in this example retires prior to age 60, a further reduction in accordance with Appendix 4 will be made

17.10 Purchase of service by Work sharing/Job sharing/part-time members:

(a) Work/Job sharing or part-time members who have completed at least 2 years' consecutive service in such work patterns may, subject to the normal purchase scheme rules, consider purchasing service on the assumption that they will continue to work in that pattern to the appropriate retirement age. The maximum amount of service which may be purchased is determined by the scheme rules in the normal way.

(b) Where there is an increase in the working pattern of the part-time member or if the work/job sharing member resumes full-time work and, as a result, the service purchased or being purchased exceeds the amount required to bring the member's potential reckonable service, by age 60 or 65, as appropriate, to 40 years, the contribution rate(s) must be adjusted (or cancelled altogether if required) and any excess contributions (including all contributions if necessary) should be refunded through the payroll system.

17.11 Refunds of notional service:

Payments made for purchased service - whether by periodic or lump-sum contributions - are refundable through the payroll system and only in the following limited circumstances:

- (a) if the member resigns and does not qualify for superannuation benefits and does not transfer his/her service to another employment;
- (b) where a member who is purchasing service leaves before attaining the minimum service requirement of 9 years, all purchase contributions must be refunded. Where a member who is purchasing service leaves the employer having attained 9 years' service but before attaining the minimum service required (in the table above for limitations on service to be purchased) an appropriate refund of purchase contributions must be made for any service in excess of the limitations.
- (c) if the member, having exercised an option to purchase service, subsequently has service transferred which as a result his/her total service would be in excess of the maximum reckonable (40 years).

18. AWARD OF PROFESSIONAL/TECHNICAL ADDED YEARS: (IOT SECTOR)

18.1 This scheme applies to IOT employees recruited or appointed to a professional, technical or specialist post by competition and where by reason of the essential entry requirements of the competition it is not possible for the employee to secure full service by maximum retiring age or by age 65 in the case of persons who are new entrants for the purposes of the Public Service Superannuation (Miscellaneous Provisions) Act 2004.

18.2 Department of Education & Science Circular Letter PEN 03/05 applies to employees recruited to such posts from competitions advertised on or after 01 April 2005 and who are new entrants for the purposes of the Public Service Superannuation (Miscellaneous Provisions) Act 2004. In the case of staff appointed to such positions prior to 31 March 2005, the appropriate Circular Letters are Department of Environment Circular Letter S 6/87 as amended by Department of Education & Science Circular Letter PEN 23/05.

18.3 Added years:

Professional added years are awarded at retirement in accordance with Department of Education & Science Circular Letter PEN 03/05, Department of Education & Science Circular Letter PEN 23/05 or Department of Environment Circular Letter S 6/87 as appropriate. The amount of added years awarded depends on the rules outlined in the relevant circulars, including the following:

- (a) Minimum qualifications and experience required for appointment to the added years post
- (b) Age on appointment to the added years post
- (c) Age at retirement
- (d) If the member had prior pensionable service
- (e) Entitlements to any Social Protection benefits
- (f) Service in the added years post

Example:

Person appointed to a professional post on 1 September 2005 (from a competition advertised in May 2005). The minimum requirements for appointment to the post are a Primary Degree in Engineering (which normally takes 4 years of full-time study in a University) and 3 years of post-qualification experience. No minimum age was specified in relation to the appointment. The person concerned is appointed at age 32 and has been employed in the private sector since qualifying as an engineer at age 23.

The new Scheme applies since the competition was advertised on or after 1 April 2005 and the person is a new entrant to the public service. The person may be entitled to the award at retirement of one added year under the formula:-

$$19 + Q (4 \text{ years in this case}) + E (3 \text{ years in this case}) - 25 = 1$$

(25 in the formula above is the minimum age at which the person could be appointed based on the requirement of a qualification/experience)

The potential award of 1 added year would be abated by reference to any superannuation benefits retained from the person's previous employment.

18.4 Application for added years:

An application should be made to the member's Institute at or close to retirement. The Institute will then forward the request to the Pensions Unit, Department of Education and Skills for processing. Because an entitlement to Social Protection benefits can affect the added years awarded, the Department will be unable to determine the precise amount of added years which may be awarded until the relevant information has been provided. All forms are available from the Pensions Office of the Institute. Spouses' and Children's contributions must be paid on any professional added years awarded.

RETIREMENT AGE AND PENSION CALCULATIONS

19. RETIREMENT AGES:

19.1 The ages at which a staff member may retire with pension are shown on the following table:

	Retirement Age:
Officers employed prior to 1 April 2004	60 with a compulsory date of 31 st August following 65 th birthday
Staff employed after 1 April 2004 <i>(see 19.2 below)</i>	65 with no compulsory retirement age
Cost Neutral Early retirement	50 (in the case of a member employed prior to April 2004) Or 55 (in the case of a member employed after April 2004)

19.2 Members recruited after 1st January 2013 do not come under the terms of this scheme but are members of a new Single Public Service Pension Scheme. Further details can be obtained on www.per.gov.ie/pensions

19.3 Some employers may have a local retirement policy in operation.

19.4 "New Entrant"

If the member is appointed on or after 1 April 2004, they are a new entrant for the purposes of superannuation. However, there are some exceptions:

- staff on paid or unpaid leave or on secondment from public service bodies on 31 March 2004 will not be regarded as new entrants on their return;
- staff who received a written offer of employment prior to 1 April 2004 but had not taken up duty by that date will not be regarded as a new entrant on accepting that appointment;
- staff who were employed in a temporary or seasonal capacity prior to 1 April 2004 will not be regarded as new entrants if they resume duty in the public service within the same contract of employment;
- any public servant who was serving on 31 March 2004 and who leaves employment but subsequently returns, within a period of 26 weeks, to a public service job, will not be regarded as a new entrant.

20. PENSIONABLE REMUNERATION:

20.1 Pensionable Remuneration is the annual rate of incremental salary held on the last day of service together with the reckonable rate of any pensionable allowances held in the last 3 years of pensionable service. If an allowance is not held for the full three year period prior to retirement, averaging applies.

20.2 Averaging is calculated in accordance with the following formula:

$\frac{A \times B}{1095}$ <p>Where A is value of the allowance held B is the number of days the allowance is held for C is 1095 (i.e. 365 x 3)</p>
--

20.3 Example 1:

A member retiring on 31 August 2015 is paid at the 2nd LSI of the Grade VI salary scale (€55,031). On 1st July 2013, the member is paid an acting allowance of €1,386 per annum.

As the acting allowance has not been held for the full 3 years prior to retirement, averaging will apply as follows:

Relevant period for the 1095 days: 1 September 2012 to 31 August 2015
Allowance held: 1 July 2013 to 31 August 2015 (792 days)

Therefore, using the formula above, the allowance is averaged as follows:

$A = \text{€}1,386$ $B = 792 \text{ days}$ $C = 1095$ $\frac{\text{€}1,386 \times 792}{1095} = \text{€}1,002.48 \text{ p.a.}$
--

In this example, pensionable remuneration is:

Grade VI (2 nd LSI)	-	€55,031
Acting Allowance	-	<u>€ 1,002</u>
Pensionable Remuneration	-	€56,033

21. LUMP SUM CALCULATION

21.1 Retirement lump sum is **3/80ths** of **pensionable remuneration** for each year of reckonable service, subject to a maximum of 1½ times pensionable remuneration regardless of what PRSI stamp is paid.

The formula for wholetime, job sharing or part-time officers who are members of the revised scheme is as follows:

<p>On a wholetime equivalent salary of €60,648 with 40 years' service, the lump sum would be as follows:</p> $\text{€}60,648 \times 40.0000 \times 3/80^{\text{th}}\text{'s} = \text{€}90,972 \text{ (max payable)}$
--

Note: the service of a job sharing or part time officer (with the exception of those in limited

membership) is calculated on a pro-rata basis – see section 12.

The formula for a part-time officer who remains in limited membership:

On an annual averaged salary of €30,324 with 40 years' service, the lump sum would be as follows:
 $€30,324 \times 40.0000 \times 3/80^{\text{th}}\text{'s} = €45,486$ (max payable)

All work/job sharing staff have superannuation contributions deducted on a revised scheme basis and therefore the revised scheme automatically applies to them.

22. PENSION CALCULATION FOR STAFF RECRUITED BEFORE 6 APRIL 1995:

22.1 The method of calculation of pension for pre 6 April 95 officers (i.e. paying the modified rate of PRSI – Class D) is **1/80th of pensionable remuneration** for each year of reckonable service, subject to a maximum of 40 years.

The formula is as follows:

On a salary of €60,648 with 40 years' service the pension calculation would be as follows:
 $€60,648 \times 40.0000 \times 1/80^{\text{th}}\text{'s} = €30,324$ per annum (max payable)

On a salary of €52,988 with 32.6439 years' service, the pension calculation would be as follows:
 $€52,988 \times 32.6439 \times 1/80^{\text{th}}\text{'s} = €21,621.69$ per annum

23. PENSION CALCULATION FOR STAFF RECRUITED POST 6 APRIL 1995

23.1 A revised integration method applies to all full-time and work/job sharing Officers who pay the Class A rate of PRSI with effect from 1 January 2004.

23.2 The method of calculation of pension for full-time and work/job sharing officers who qualify for benefits on or after 1 January 2004 is:

1/200th of pensionable remuneration up to 3 1/3 times SPC* x service

Plus

1/80th of any balance in excess of 3 1/3 times CSP* x service

Overall service is subject to a maximum of 40 years

***Note:** The SPC rate is the maximum State Pension (Contributory) rate payable by the Department of Social Protection to a single person without dependants on the last day of the officer's pensionable service.

A multiplier of 3.333333 (i.e. 6 decimal places) is used to calculate 3¹/₃ times SPC. The current value is €238.30 x 52.18 x 3.333333 = €41,448.31

23.3 Prior to 1 January 2004 the method of calculation for post 6 April 1995 staff was: 1/80th of net pensionable remuneration (pensionable remuneration minus twice the SPC) multiplied by the number of years of reckonable service, subject to a maximum of 40 years.

Example 1:

A full-time Grade VII paying Class A PRSI who retires on or after 1 January 2004:

Actual remuneration at retirement	=	€61,418
State Pension (Contributory) rate at retirement (10 March 2017)	=	€12,434
3 1/3 State Pension (Contributory) rate	=	€41,448
Service (Actual)	=	30 years

Pension =

$\frac{1}{200}$ x Pensionable remuneration up to €41,448 x service plus

$\frac{1}{80}$ th of balance in excess of €41,448 x service

$\frac{€41,448 \times 30.0000}{200}$	= €6,217.20
Plus	
$\frac{€19,970 \times 30.0000}{80}$	= €7,488.75

Total: €13,705.95 per annum

Example 2:

A Youth Worker employed full-time for 20.00 years and in a work sharing capacity for 20.00 years and on retirement paying Class A rate of PRSI. The total reckonable actual service at retirement is 30.0000 years (20 years full-time + 20 years' work sharing (20/2 = 10 years) = 30.00 years)

Actual remuneration at retirement	=	€22,299
State Pension (Contributory) rate at retirement (10 March 2017)	=	€12,434
3 1/3 State Pension (Contributory) rate	=	€41,448
Pensionable remuneration (notional full-time)	=	€44,598
Service (Actual reckonable)	=	30 years

Pension =

$\frac{1}{200}$ x Pensionable remuneration up to €41,448 x service plus

$\frac{1}{80}$ th of balance in excess of €41,448 x service

$\frac{€41,448 \times 30.0000}{200}$	= €6,217.20
Plus	
$\frac{€3,150 \times 30.0000}{80}$	= €1,181.25

Total: €7,398.45 per annum

Example 3:

A tutor employed in a part-time capacity paying Class A rate of PRSI. The total reckonable actual service at retirement is 3.2758 years

Actual remuneration at retirement for averaged hours	=	€13,700
State Pension (Contributory) rate at retirement (10 March 2017)	=	€12,434
3 1/3 State Pension (Contributory) rate	=	€41,448
Pensionable remuneration (notional full-time)	=	€72,567
Service (Actual reckonable)	=	3.2758 years

Pension =

$\frac{1}{200} \times$ Pensionable remuneration up to €41,448 x service plus

$\frac{1}{80}$ th of balance in excess of €41,448 x service

$\frac{€41,448 \times 3.2758}{200}$	= €678.88
Plus	
$\frac{€31,119 \times 3.2758}{80}$	= €1,274.25

Total: €1,953.13 p.a.

Example 4:

A Clerical Officer employed in a part-time capacity paying Class A rate of PRSI. The total reckonable actual service at retirement is 10.0000 years

Actual remuneration at retirement	=	€17,959.50
State Pension (Contributory) rate at retirement (10 March 2017)	=	€12,424
3 1/3 State Pension (Contributory) rate	=	€41,448
Pensionable remuneration (notional full-time)	=	€35,919
Service (Actual reckonable)	=	10.0000 years

Pension =

$\frac{1}{200} \times$ Pensionable remuneration up to €41,448 x service plus

$\frac{1}{80}$ th of balance in excess of €41,448 x service

$\frac{€35,919 \times 10.0000}{200}$	= €1,795.95
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Total: €1,795.95 p.a.

24. RETIREMENT FROM PART-TIME EMPLOYMENT:

ETB Sector

24.1 Where a member retires from pensionable part-time employment (not work/job sharing), pension benefits will be dependent on whether pro-rata integration applies. Pro-rata integration automatically applies to all part-time tutors. It also applies automatically to any other part-time officers employed after 21 May 2008. Any other part-time officers employed prior to 21 May 2008 will receive an option under Circular Letter 25/2008. If a part-time officer has a break in service, pro-rata integration automatically applies on resumption.

24.2 Retiring where pro-rata integration doesn't apply (Limited Membership):

Where a member decides not to have pro-rata integration applied (i.e. certain part-time staff employed prior to 21 May 2008), the retirement award will be based on actual salary at retirement and based on pensionable service where the officer is given one full year's credit for each year of part-time service. In order to obtain the correct amount where hours vary each year, the salary is calculated on a year by year basis.

Example 1:

A part-time tutor in an ETB employed on a part-time basis from September 2002 to August 2014. Their hourly rate of pay is €37.58 per hour. For reckonable service, the divisor used in the example below is 1,826 hours for service up to 31st August 2014 and 1,921 for service after 1st September 2014. A retirement award would be calculated as follows:

Service Record:

Employment dates:	Reckonable Hours:	Pro-rata service :	Reckonable Service:
2002/03	520.00	0.2848 years	1.0000 years
2003/04	600.00	0.3286 years	1.0000 years
2004/05	357.00	0.1955 years	1.0000 years
2005/06	420.67	0.2304 years	1.0000 years
2006/07	498.33	0.2729 years	1.0000 years
2007/08	500.00	0.2738 years	1.0000 years
2008/09	433.33	0.2373 years	1.0000 years
2009/10	510.00	0.2793 years	1.0000 years
2010/11	505.67	0.2769 years	1.0000 years
2011/12	505.33	0.2767 years	1.0000 years
2012/13	470.00	0.2574 years	1.0000 years
2013/14	450.67	0.2334 years	1.0000 years
2014/15	695.00	0.3599 years	1.0000 years
Total Service			13.0000 years

Pension Calculation:

Salary €37.58 x 1,931 = €72,567 notional salary

Session:	Full-time Salary:	Actual Salary:	SPC	Net PR:	Service:	Pension: (1/80 for each year)
2002/03	€72,567	€20,667.08	€24,869	€0.00	1.0000	€0.00
2003/04	€72,567	€23,845.52	€24,869	€0.00	1.0000	€0.00
2004/05	€72,567	€14,186.85	€24,869	€0.00	1.0000	€0.00
2005/06	€72,567	€16,719.44	€24,869	€0.00	1.0000	€0.00
2006/07	€72,567	€19,803.53	€24,869	€0.00	1.0000	€0.00
2007/08	€72,567	€19,868.85	€24,869	€0.00	1.0000	€0.00
2008/09	€72,567	€17,220.15	€24,869	€0.00	1.0000	€0.00
2009/10	€72,567	€20,267.96	€24,869	€0.00	1.0000	€0.00
2010/11	€72,567	€20,093.80	€24,869	€0.00	1.0000	€0.00
2011/12	€72,567	€20,079.29	€24,869	€0.00	1.0000	€0.00
2012/13	€72,567	€18,678.75	€24,869	€0.00	1.0000	€0.00
2013/14	€72,567	€16,937.14	€24,869	€0.00	1.0000	€0.00
2014/15	€72,567	€26,116.86	€24,869	€0.00	1.0000	€15.60
Total Pension						€15.60 p.a.

Lump Sum Calculation:

Salary €37.58 x 1,931 = €72,567 notional salary

Session:	Full-time Salary:	Actual Salary:	Service:	Lump Sum: (3/80 for each year)
2002/03	€72,567	€20,667.08	1.0000	€775.02
2003/04	€72,567	€23,845.52	1.0000	€894.21
2004/05	€72,567	€14,186.85	1.0000	€532.01
2005/06	€72,567	€16,719.44	1.0000	€626.98
2006/07	€72,567	€19,803.53	1.0000	€742.63
2007/08	€72,567	€19,868.85	1.0000	€745.08
2008/09	€72,567	€17,220.15	1.0000	€645.76
2009/10	€72,567	€20,267.96	1.0000	€760.05
2010/11	€72,567	€20,093.80	1.0000	€753.52
2011/12	€72,567	€20,079.29	1.0000	€752.97
2012/13	€72,567	€18,678.75	1.0000	€700.45
2013/14	€72,567	€16,937.14	1.0000	€635.14
2014/15	€72,567	€26,116.86	1.0000	€979.38
Total Lump Sum				€9,543.20

Actual salary is obtained by calculating the full-time salary by the pro-rata reckonable years for each year, however, it is based on the uprated amount at retirement.

24.3 Retiring where pro-rata integration applies:

Where pro-rata integration applies, the retirement award will be based on wholetime equivalent salary at retirement and to pensionable service where the officer is given pro-rata service for each year of part-time service.

Example 1:

Using the same details in the example above, the retirement benefit will be calculated as follows:

Service Record

Employment dates:	Reckonable Hours:	Pro-rata service :
2002/03	520.00	0.2848 years
2003/04	600.00	0.3286 years
2004/05	357.00	0.1955 years
2005/06	420.67	0.2304 years
2006/07	498.33	0.2729 years
2007/08	500.00	0.2738 years
2008/09	433.33	0.2373 years
2009/10	510.00	0.2793 years
2010/11	505.67	0.2769 years
2011/12	505.33	0.2767 years
2012/13	470.00	0.2574 years
2013/14	450.67	0.2334 years
2014/15	695.00	0.3599 years
Total Service		3.5069 years

Pension Calculation:

Notional Wholetime salary:	Reckonable Service:	Pension (1/200th for salary up to €41,448 and 1/80 for salary over this amount)
€72,567	3.5069 years	€2,090.91 p.a.

Lump Sum Calculation:

Notional Wholetime salary:	Reckonable Service:	Lump Sum (3/80th for salary each year of service)
€72,567	3.5069 years	€9,543.20

Increased contributions are due under Pro-rata integration.

IOT Sector

24.4 Where a member retires from pensionable part-time employment (not work/job sharing), pension benefits will be dependent on whether pro-rata integration applies. It applies automatically to any part-time officers employed after 21 May 2008. Any part-time officers employed prior to 21 May 2008 will receive an option under Circular Letter 25/2008. If a part-time officer has a break in service, pro-rata integration automatically applies on resumption.

24.5 Retiring where pro-rata integration doesn't apply:

Where a member decides not to have pro-rata integration applied (i.e. certain part-time staff employed prior to 21 May 2008), the retirement award will be based on actual salary at retirement and to pensionable service where the officer is given one full year's credit for each year of part-time service. In order to obtain the correct amount where hours vary each year, the salary is calculated on a year by year basis.

Example 1:

A part-time hourly paid Assistant Lecturer with a full time comparator and therefore eligible to be a member of the Scheme in an Institute of Technology employed from September 2002 to August 2014. The hourly rate of pay is €63.04 per hour. A retirement award would be calculated as follows:

Service Record:

Employment dates:	Reckonable Hours:	Pro-rata service:	Reckonable Service:
2002/03	520.00	0.8254 years	1.0000 years
2003/04	600.00	0.9524 years	1.0000 years
2004/05	357.00	0.5667 years	1.0000 years
2005/06	420.67	0.6677 years	1.0000 years
2006/07	498.33	0.7910 years	1.0000 years
2007/08	500.00	0.7936 years	1.0000 years
2008/09	433.33	0.6878 years	1.0000 years
2009/10	510.00	0.8095 years	1.0000 years
2010/11	505.67	0.8027 years	1.0000 years
2011/12	505.33	0.8021 years	1.0000 years
2012/13	470.00	0.7460 years	1.0000 years
2013/14	450.67	0.7153 years	1.0000 years
Total Service			12.0000 years

Pension Calculation:

Salary €63.04 x 630 = €39,715.00

Session:	Full-time Salary:	Actual Salary:	SPC	Net Pay:	Service:	Pension: (1/80 for each year)
2002/03	€39,715	€32,780.80	€24,869	€7,911.80	1.0000	€98.90
2003/04	€39,715	€37,824	€24,869	€12,955.00	1.0000	€161.94
2004/05	€39,715	€22,505.28	€24,869	€0.00	1.0000	€0.00
2005/06	€39,715	€26,519.04	€24,869	€1,650.04	1.0000	€20.63
2006/07	€39,715	€31,414.72	€24,869	€6,545.72	1.0000	€81.82
2007/08	€39,715	€31,520	€24,869	€6,651.00	1.0000	€83.14
2008/09	€39,715	€27,317.12	€24,869	€2,448.12	1.0000	€30.60
2009/10	€39,715	€32,150.40	€24,869	€7,281.40	1.0000	€91.02
2010/11	€39,715	€31,877.44	€24,869	€7,008.44	1.0000	€87.61
2011/12	€39,715	€31,856.00	€24,869	€6,987.00	1.0000	€87.34
2012/13	€39,715	€29,628.80	€24,869	€4,759.80	1.0000	€59.50
2013/14	€39,715	€28,410.24	€24,869	€3,541.24	1.0000	€44.27
Total Pension						€846.77 p.a.

Lump Sum Calculation:**Salary €63.04 x 630 = €39,715.00**

Session:	Full-time Salary:	Actual Salary:	Service:	Lump Sum: (3/80 for each year)
2002/03	€39,715	€32,780.80	1.0000	€1,229.28
2003/04	€39,715	€37,824	1.0000	€1,418.40
2004/05	€39,715	€22,505.28	1.0000	€843.95
2005/06	€39,715	€26,519.04	1.0000	€994.46
2006/07	€39,715	€31,414.72	1.0000	€1,178.05
2007/08	€39,715	€31,520	1.0000	€1,182.00
2008/09	€39,715	€27,317.12	1.0000	€1,024.39
2009/10	€39,715	€32,150.40	1.0000	€1,205.64
2010/11	€39,715	€31,877.44	1.0000	€1,195.40
2011/12	€39,715	€31,856.00	1.0000	€1,194.60
2012/13	€39,715	€29,628.80	1.0000	€1,111.08
2013/14	€39,715	€28,410.24	1.0000	€1,065.38
Total Lump Sum				€13,642.63

Actual salary is obtained by calculating the full-time salary by the pro-rata reckonable years for each year, however, it is based on the uprated amount at retirement.

24.6 Retiring where pro-rata integration applies:

Where pro-rata integration applies, the retirement award will be based on wholetime equivalent salary at retirement and to pensionable service where the officer is given pro-rata service for each year of part-time service.

Example 1:

Using the same details in the example above, the retirement benefit will be calculated as follows:

Service Record:

Employment dates:	Reckonable Hours:	Pro-rata service:
2002/03	520.00	0.8254 years
2003/04	600.00	0.9524 years
2004/05	357.00	0.5667 years
2005/06	420.67	0.6677 years
2006/07	498.33	0.7910 years
2007/08	500.00	0.7936 years
2008/09	433.33	0.6878 years
2009/10	510.00	0.8095 years
2010/11	505.67	0.8027 years
2011/12	505.33	0.8021 years
2012/13	470.00	0.7460 years
2013/14	450.67	0.7153 years
Total Service		9.1602 years

Pension Calculation:

Wholetime salary:	Reckonable Service:	Pension (1/200th for salary up to €41,448)
€39,715	9.1602 years	€1,818.99 p.a.

Lump Sum Calculation:

Wholetime salary:	Reckonable Service:	Lump Sum (3/80th for salary each year of service)
€39,715	9.1602 years	€13,642.63

Increased contributions are due under Pro-rata integration.

25. SUPPLEMENTARY PENSION:

25.1 In calculating a pension for a member where social welfare has been taken into account, it is assumed

- (a) that the member is entitled to social insurance benefits and
- (b) that they are eligible for the maximum personal rate of such benefits.

25.2 However, depending on their PRSI contribution record, they may fail to qualify for social insurance benefits or if they do, may qualify for a reduced social insurance benefit.

In such cases, the member may be paid a supplementary pension, to take account of the difference between their personal circumstances and the general assumptions on which standard pension calculations are based. In order for payment to be made, the member must:

- (a) for reasons outside of his or her control, fail to qualify for a Social Welfare benefit or qualifies for a Social Welfare benefit at a reduced rate,
- (b) be unemployed and
- (c) other than a person in receipt of a pension on medical grounds, have reached the minimum pension age or, in the case of a member in receipt of a pension under the cost neutral early retirement scheme, the preserved pension age,

then, so long as the employer is satisfied that the pre-conditions set out are met, the former member may, at the discretion of the employer, be paid a supplementary pension.

Notional service is excluded in the calculation of an entitlement to a supplementary pension.

25.3 Value of the supplementary pension:

The supplementary pension payable comprises the difference (if any) between

- the amount of the actual ETB/IOT pension awarded to the member plus the amount (if any) of the personal rate of social insurance benefit or State Pension (Contributory) payable to him/her; *and*
- the amount of the pension which would have been awarded to the member if that pension had been calculated by reference to the calculation method for pre-6 April 1995 members as set out in **section 22**

25.4 Examples:

Example 1:

A member paying Class A PRSI who retires on 31 August 2017 with 30 years' service:

Pensionable remuneration	=	€48,495
State Pension (Contributory) rate at retirement (10 March 2017)	=	€12,434
3 1/3 State Pension (Contributory) rate	=	€41,448
Reckonable service	=	30 years

Pension =

$\frac{1}{200} \times$ Pensionable remuneration up to €41,448 \times service plus

$\frac{1}{80}$ th of balance in excess of €41,448 \times service

$\frac{€41,448 \times 30.0000}{200}$	= €6,217
Plus	
$\frac{€7,047 \times 30.0000}{80}$	= €2,643

Total: €8,860 per annum

The member qualifies for a reduced payment from social protection of 50% of State Pension (Contributory) (€12,434 \times 50% = €6,217). Therefore, the total annual pension for the member is €15,077 (€8,860 + €6,217).

If the member had paid the modified rate of PRSI (Class D), then their pension would have been calculated as follows:

Pension calculation – Class D	
€48,495 (pensionable remuneration) \times 30.0000 (service) \times 1/80	
= €18,561 p.a.	

Therefore, the supplementary pension payable is:

Pension payable at Class D calculation:	€18,561
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Pension payable at Class A calculation plus reduced social protection benefits:	€15,077
Supplementary pension payable (difference)	€3,484 p.a.

Example 2:

A member paying Class A PRSI who retires on 31 August 2017 with 19 years' service:

Pensionable remuneration	=	€52,988
State Pension (Contributory) rate at retirement (10 March 2017)	=	€12,434
3 1/3 State Pension (Contributory) rate	=	€41,448
Reckonable service	=	19 years

Pension =

$\frac{1}{200} \times$ Pensionable remuneration up to €41,448 x service plus

$\frac{1}{80}$ th of balance in excess of €41,448 x service

$\frac{€41,448 \times 19.0000}{200}$	= €3,938
Plus	
$\frac{€11,540 \times 19.0000}{80}$	= €2,741

Total: €6,679 per annum

The member qualifies for a reduced payment from social protection of 80% of State Pension (Contributory) (€12,424 x 80% = €9,947). Therefore, the total annual pension for the member is €16,626 (€6,679 + €9,947).

If the member had paid the modified rate of PRSI (Class D), then their pension would have been calculated as follows:

Pension calculation – Class D	
€52,988 (pensionable remuneration) x 19.0000 (service) x 1/80	
= €12,585	

Therefore, the supplementary pension payable is:

Pension payable at Class D calculation:	€12,585
Pension payable at Class A calculation plus reduced social protection benefits:	€16,626
Supplementary pension payable	NONE

25.5 Supplementary pension on retirement under cost neutral early retirement:

Supplementary pensions, where appropriate, are payable to members availing of cost neutral early retirement on reaching the relevant preserved pension age (60 or 65 years, as appropriate).

26. SPLIT BENEFIT AWARD:

26.1 A split benefit may arise where a member who is paying Class A PRSI has a preserved pension in respect of an earlier employment to which they paid the modified rate of PRSI.

Example:

A member paying full PRSI who is retiring on 31 August 2017 has reckonable service as follows:

Employer:	Reckonable Service:	PRSI:	Pensionable remuneration:
Civil Service	9.2500 years	D	Max of staff officer scale
ETB/IOT	18.0000 years	A	2 nd LSI of Grade VI scale

The member opted to transfer their service in the Civil Service to the ETB/IOT on a preserved benefit basis.

At retirement, they will have a split benefit calculation as follows:

Pension calculation:

Civil Service preserved benefit (uprated value of remuneration at retirement = €45,458 p.a)

Pensionable remuneration:	Reckonable Service:	Pension (1/80th)
€45,458	9.2500	€5,256.08

ETB/IOT service (salary at retirement = €55,031 p.a.)

Pensionable remuneration: €55,031	Reckonable Service:	Pension (1/200th for salary up to €41,448 plus 1/80th for balance)
€41,448	18.0000	€3,730.32
€13,583	18.0000	€3,056.18

Total Pension = €12,042.58 p.a.

Lump Sum calculation:

Civil Service preserved benefit

Pensionable remuneration:	Reckonable Service:	Lump Sum (3/80th)
€45,458	9.2500	€15,768.24

ETB/IOT service

Pensionable remuneration:	Reckonable Service:	Lump Sum (3/80th)
€55,031	18.0000	€37,145.93

Total Lump Sum = €52,914.17

27. RESIGNATION FROM SERVICE:

27.1 Where a member resigns not having accrued the minimum service for preservation of benefit (see section 6 for details), there are 3 options available.

(a) If the member intends returning to employment covered by this scheme, then he/she need do nothing in regard to their superannuation contributions, and, on return he/she will accrue further service. The earlier service will be taken into account for calculation of benefit on ultimate retirement.

(b) If moving to another public service body that participates in the Public Service Transfer Network or the Local Government Transfer Network, he/she may transfer the service to that body.

(c) Apply for a refund of the contributions paid to the scheme. The refund currently payable is the total contributions paid less 20% tax.

27.2 Where the member leaves service, before pension age but has accrued the minimum service for preservation of benefit a refund of contributions is not available. The following options are available:

(a) If the member intends returning to employment covered by this scheme, then he/she need do nothing in regard to his/her superannuation, and, on return he/she will accrue further service. The earlier service will be taken into account for calculation of benefit on retirement.

(b) If the member never returns to any public service employment, then a [preserved benefit](#) based on the accrued service will be payable on reaching Preserved Pension, (age 60 in the case of a person whose employment commenced before 1 April 2004 OR age 65 in the case of a person who is a new entrant). **N.B. A member who has left service must apply for the preserved benefits. Application should be made at least 3 months before reaching pension age.**

(c) Transferring Service: If moving to another public service body that participates in the Public Service Transfer Network or the Local Government Transfer Network, he/she may opt to transfer the service for pension purposes to that body. A member's decision on whether to transfer service to the new employment or preserve benefit in the former employment will be influenced by a number of factors including potential pay progression; whether benefit in one or either scheme is integrated with Social Protection benefits; whether membership of the Survivors' & Children's scheme applies. The ETB/IOT will not provide any advice to a member on whether to transfer service or not. This is solely a matter for the member themselves.

28. PRESERVED BENEFITS:

28.1 A member who:

(a) leaves the public service having completed a minimum of 2 years' qualifying service (a minimum of 5 years was required for resignations prior to 2 June 2002) (see section 6 for details)

(b) has not reached the minimum pension age (see section 19 for details)

(c) is not entitled to immediate superannuation benefits

(d) does not opt for actuarially reduced superannuation benefits (i.e. Cost Neutral), and

(e) does not transfer his/her service to another employment,

is entitled to preserved superannuation benefits payable at the preserved pension age.

28.2 **Benefits:**

The benefits are:

(a) preserved lump sum and pension

or

(b) preserved death gratuity (if the member dies before an entitlement to preserved pension and lump sum arises)

and

(c) preserved survivors' & children's pensions, where applicable, if the member was paying contributions into the relevant Scheme (see Section 1 for details)

28.3 **Calculation:**

The method of calculation will be as set out in Sections 21 to 23 and will be based on reckonable service and on the member's pensionable remuneration on his/her last day of service as increased by reference to salary adjustments which have occurred between the date of resignation and the date the preserved benefit becomes payable from.

28.4 **Payment:**

Preserved lump sum and pension benefits are normally paid, **on application**, with effect from minimum pension age. However, if before reaching that age, a former member incurs permanent ill-health and satisfies the ill-health criteria that if he/she were still serving, he/she would have been eligible to retire on grounds of incapacity, the benefits (based on actual reckonable service) may be paid from the date of the former member's application.

28.5 Death prior to payment:

If a former member with eligibility for preserved benefits dies before preserved pension and lump sum become payable to him/her, a preserved death gratuity - equal to the amount of the preserved lump sum - is payable, on application, to his/her legal personal representative.

29. COST NEUTRAL EARLY RETIREMENT:

29.1 Cost Neutral Early Retirement allows qualifying staff who wish to retire up to ten years before preserved pension age to apply to receive immediate payment of lump sum and pension, as an alternative to preserved benefits. The lump sum and pension are actuarially reduced.

29.2 Eligibility

A member who

(i) has completed two years' qualifying service (see Section 6) and

(ii) at date of resignation is aged at least 50, if a preserved pension age of 60 applies or aged at least 55 if a preserved pension age of 65 applies,

may opt to apply for Cost Neutral Early Retirement in lieu of receiving preserved benefits.

29.3 The application to draw down cost neutral superannuation benefits must be made **not later than the date of resignation.**

29.4 Conditions

Members whose applications are approved, will have their pension and lump sum actuarially reduced. The reduced pension and lump sum will be calculated by applying the relevant percentages from the table at Section 29.6 to the preserved benefit, with appropriate adjustment, as necessary, for exact age (i.e. years and days) at retirement.

29.5 In adjusting for exact age at retirement, pension and lump sum will be calculated in accordance with the following formula:

$[A + ((B/365) \times (C-A))] \times$ preserved benefit based on service where

A is the actuarial reduction factor (pension or lump sum, as appropriate) in the table below, appropriate to the person's age at his or her last birthday,

B is the number of days since his or her last birthday, *and*

C is the actuarial reduction factor (pension or lump sum, as appropriate) in the table below, appropriate to the person's age at his or her next birthday.

29.6 Tables and examples:

Factors to be applied to preserved benefits to actuarially reduced benefits

(a) **Staff with a preserved age of 60:**

Age last birthday	Pension:	Lump Sum:
50	62.4%	82.2%
51	65.1%	83.9%
52	67.9%	85.5%
53	71.0%	87.2%
54	74.3%	88.9%
55	77.8%	90.7%
56	81.6%	92.4%
57	85.7%	94.3%
58	90.1%	96.1%
59	94.8%	98.0%

Example 1:

A member with a preserved pension age of 60 applies for cost neutral early retirement on 31 August 2017. The date of birth is 23 March 1961.

They have 32.6658 years' reckonable service at retirement and their pensionable remuneration is €48,495 and they pay the modified rate of PRSI.

The pension benefit award is calculated as follows:

<p>Cost Neutral Pension Calculation: Pensionable remuneration x service x 1/80</p> <p>€48,495 x 32.6658 x 1/80 = €19,802 p.a.</p> <p>The pension should be actuarially reduced as follows: [A + ((B/365) × (C-A))]</p> <p>A = factor in table above relevant to age last birthday (age 56) = 81.6% B = number of days since last birthday (23 March to 31 August) = 162 days C = factor in table above relevant to age next birthday (age 57) = 85.7%</p> <p>[81.6 + ((162/365) × (85.7 – 81.6))] = [81.6 + (0.4438) × (4.10)] = [81.6 + 1.82] = 83.42%</p> <p>Therefore, pension above will be actuarially reduced as follows: €19,802 x 83.42% = €16,519 p.a.</p>
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Cost Neutral Lump Sum calculation:

Pensionable remuneration x service x 3/80

$$€48,495 \times 32.6658 \times 3/80 = €59,404.80 \text{ p.a.}$$

The lump sum should be actuarially reduced as follows:

$$[A + ((B/365) \times (C-A))]$$

A = factor in table above relevant to age last birthday (age 56) = 92.4%

B = number of days since last birthday (23 March to 31 August) = 162 days

C = factor in table above relevant to age next birthday (age 57) = 94.3%

$$[92.4 + ((162/365) \times (94.3 - 92.4))]$$

$$= [92.4 + (0.4438) \times (1.90)]$$

$$= [92.4 + 0.84]$$

$$= 93.24\%$$

Therefore, lump sum above will be actuarially reduced as follows:

$$€59,404.80 \times 93.24\% = €55,389.04$$

(b) Staff with a preserved age of 65:

Age last birthday	Pension:	Lump Sum:
55	58.2%	82.4%
56	61.1%	84.0%
57	64.1%	85.6%
58	67.4%	87.3%
59	71.0%	89.0%
60	74.8%	90.7%
61	79.0%	92.5%
62	83.6%	94.3%
63	88.5%	96.1%
64	94.0%	98.0%

Example 2:

A member with a preserved pension age of 65 applies for cost neutral early retirement on 31 August 2017. The date of birth is 2 January 1957.

They have 23.6631 years' reckonable service at retirement and their pensionable remuneration is €61,418 and they pay the full rate of PRSI.

The pension benefit award is calculated as follows:

Cost Neutral Pension Calculation:**Pension (1/200th for salary up to €41,448 plus 1/80th for balance)**

$$€41,448 \times 23.6631 \times 1/200 = €4,904$$

$$€19,970 \times 23.6631 \times 1/80 = \underline{€5,907}$$

$$\text{Total Pension P.A.} = €10,811$$

The pension should be actuarially reduced as follows:

$$[A + ((B/365) \times (C-A))]$$

A = factor in table above relevant to age last birthday (age 60) = 74.8%

B = number of days since last birthday (2 January to 31 August) = 242 days

C = factor in table above relevant to age next birthday (age 61) = 79.0%

$$[74.8 + ((242/365) \times (79.0 - 74.8))]$$

$$= [74.8 + (0.6630) \times (4.20)]$$

$$= [74.8 + 2.78]$$

$$= 77.58\%$$

Therefore, pension above will be actuarially reduced as follows:

$$€10,811 \times 77.58\% = €8,387 \text{ p.a.}$$

Cost Neutral Lump Sum calculation:**Pensionable remuneration x service x 3/80**

$$€61,418 \times 23.6631 \times 3/80 = €54,500.26$$

The lump sum should be actuarially reduced as follows:

$$[A + ((B/365) \times (C-A))]$$

A = factor in table above relevant to age last birthday (age 60) = 90.7%

B = number of days since last birthday (2 January to 31 August) = 242 days

C = factor in table above relevant to age next birthday (age 61) = 92.5%

$$[90.7 + ((242/365) \times (92.5 - 90.7))]$$

$$= [90.7 + (0.6630) \times (1.80)]$$

$$= [90.7 + 1.19]$$

$$= 91.89\%$$

Therefore, pension above will be actuarially reduced as follows:

$$€54,500.26 \times 91.89\% = €50,080.29$$

29.7 The actuarially reduced rate applies throughout the lifetime of the payment of a pension subject to adjustments in line with public sector pension increases, as appropriate. A member who avails of cost neutral early retirement cannot subsequently switch to payment of a preserved pension at normal preservation age (60 or 65 years).

29.8 Survivors' & Children's Pension Schemes in relation to Cost Neutral Early retirement:

Benefits payable under the Survivors' & Children's Pension Schemes are not affected by cost neutral early retirement, i.e. any benefits payable under these Schemes will be the same as those payable to survivors of staff who opt for preservation of benefits.

Any unpaid contributions under these schemes must be deducted from the "preserved" lump sum, i.e. the preserved gross lump sum should first be calculated and the unpaid contributions for the S&C schemes should then be deducted from this amount. The appropriate cost neutral early retirement factor is applied to the resultant net lump sum. Any other deductions should be taken from the actuarially reduced lump sum.

Example:

Based on example 1 above for the member with a preserved pension age of 60. If they died after retirement on cost neutral early retirement, the survivors' and children's benefits would be calculated on the pension of €19,802 and not the actuarially reduced pension.

29.9 Supplementary Pension in relation to Cost Neutral Early Retirement:

Supplementary pensions, where appropriate, are payable to members availing of cost neutral early retirement on reaching the relevant preserved pension age (60 or 65 years as appropriate).

29.10 Cost Neutral Early Retirement and impact on purchase of notional service:

Cost neutral early retirement will have an impact on the benefit derived from purchase options. Two reductions will apply:

- (a) Firstly, the relevant purchase scheme reduction arrangements, as appropriate (including the application of purchase scheme actuarial reduction factors appropriate to payment of pension at minimum pension age and the scheme reduction arrangements applying in the case of cessation of periodic contributions) will apply.
- (b) Secondly, the resultant service will then be added to actual service and the relevant cost neutral early retirement factor will be applied to the preserved benefits derived from the aggregate service.

29.11 Implications for Social Protection benefits:

As the arrangements for securing Social Protection credits may vary from time to time, all member's (regardless of PRSI class) should check their own individual situations with the Department of Social Protection prior to availing of cost neutral early retirement and check, periodically, as to the up-to-date position. Failure to do so could adversely affect any subsequent entitlement to Social Protection benefits, such as State Pension or survivor's pension.

30. RETIREMENT ON MEDICAL GROUNDS:

30.1 Procedure for applying for ill-health retirement

(a) An application for ill-health retirement is made by completing two forms:

(1) RET.D1 (application for benefits) – which is returned to the relevant ETB/IOT

(2) TMED 1 form – the member must complete the relevant part of this form and give to his/her **treating** physician for completion.

(b) The physician should complete the form and attach a confidential doctor to doctor medical report. This is returned directly to the occupational health service (OHS) details of which are listed on the form. It is essential that the medical evidence submitted is comprehensive and includes all relevant clinical details. It must address diagnosis, treatment and prognosis.

(c) On receipt of TMED 1 (including all the necessary reports) and notification from the ETB/IOT that RET.D1 has been received, the OHS will contact the member to arrange an appointment.

(d) The member will attend for a medical assessment, part of which will involve completing an assessment form.

(e) A recommendation will issue to the ETB/IOT, following medical assessment by OHS.

(f) A report will be retained on file by the OHS.

(g) The decision to approve or reject an application for ill-health retirement pension is made by ETB/IOT in their role as pension scheme provider. The decision is based on the recommendation of the OHS.

30.2 Added years:

Where a member retires on medical grounds having completed at least 5 years' actual service, notional service may, be added to his/her actual service on the following basis for the purposes of the retirement pension and lump sum:

Service:	Added years:
Between 5 – 10 years	Equivalent amount of added service subject to potential service to age 65
Between 10 – 20 years	The more favourable of: (i) the difference between actual service and 20 years subject to potential service to age 65 or (ii) 6.6667 years subject to potential service to age 60
Over 20 years	As at (ii) above

30.3 In the event of a member recovering from an illness and returning to employment, pension will cease. On subsequent retirement, pension and lump sum will be based on total pensionable service, excluding the added years previously awarded, and the amount of lump sum paid on the retirement on medical grounds will be recovered from the final lump sum payment.

31. GRATUITIES

31.1 Short Service Gratuity:

A short service gratuity is payable to a member who retires on grounds of ill-health and who has at least 1 year of actual reckonable service but less than the minimum service (5 years' actual reckonable service) required for ill-health retirement lump sum and pension. The amount of the gratuity is

(a) **1/12th** of pensionable remuneration for each year of actual reckonable service; plus

(b) **3/80ths** of pensionable remuneration per year of actual reckonable service provided the member has at least **2** years' actual reckonable service.

In this calculation, part years reckon on a **pro rata** basis.

A member with more than 2 years' service may opt for a preserved benefits award in lieu of the Short Service Gratuity in the instance above.

31.2 Marriage Gratuity:

A member who received a marriage gratuity in lieu of pension benefits for previous service and is subsequently re-employed in the public sector may opt to repay the gratuity, in which case all prior service will be aggregated with subsequent service for superannuation purposes. The cost of reinstating the service is to repay the gross refund received together with the relevant compound interest charged from the date the gratuity was made up to the date of final payment. The following options are available for member's who repay a marriage gratuity:

- (a) Repayment in one lump sum payment.
- (b) Payment by way of monthly instalments. The minimum instalment will be 10% of the gross monthly pay. Compound interest will be charged on the reducing balance at the appropriate compound interest rate.
- (c) Opt to repay by way of a deduction from the retirement lump sum.

Further details can be obtained from the relevant ETB/IOT pension section.

31.3 Death Gratuity (please refer to section 32)

31.4 Balancing Death Gratuity (please refer to section 32)

DEATH BENEFITS

32. PROVISIONS APPLICABLE IN THE CASE OF DEATH

32.1 Death in service:

If a member dies in service, his/her legal personal representative is paid a death gratuity equal to the greater of:

- (a) the member's pensionable remuneration (see Section 20 for details); or
- (b) the amount of the retirement lump sum which the member would have received if he/she had retired on grounds of ill-health on the date of his/her death.
- (c) In the case of a part-time member, the minimum gratuity is equal to one year of actual salary and not wholetime equivalent salary

If the member is a member of the Survivors' & Children's Scheme, a pension may also be granted to the survivor or any eligible children (see Section 33 for details).

32.2 Death after retirement:

(a) Where a member dies after retiring with immediate pension and lump sum, and the amount of the lump sum, plus total pension payments up to the date of death, is less than the deceased member's pensionable remuneration, a gratuity equal to the amount of that shortfall is payable to the deceased member's legal personal representative.

(b) If the member is a member of the Survivors' & Children's Scheme, a pension may also be granted to the survivor or any eligible children (see Section 33 for details).

In order for any death gratuity to be paid, the original probate of the will or if the member dies intestate, original letters of administration should be submitted to the member's ETB/IOT.

33. SURVIVORS' AND CHILDREN'S PENSION SCHEME (INCLUDING THE ORIGINAL SCHEME): (S&C)

33.1 The S&C's scheme provides pensions for the survivor and/or dependant children of a member who dies in service or after qualifying for a pension award. See Section 1 for details of membership.

33.2 Benefits:

The original and the revised scheme provide for payment of a pension to the survivor and, where applicable, the children of a deceased member.

33.3 The beneficiaries under the scheme are as follows:

Original Scheme	Revised Scheme
Spouse/Civil partner if marriage/civil partnership takes place before retirement	Spouse/Civil partner regardless of date of marriage/civil partnership

Children born or adopted within marriage during the period of contributing membership	All children
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33.4 Children will be deemed eligible for payment of a pension if they are:

- (a) Under 16 years of age
- (b) Under 22 years of age and receiving full-time education, or
- (c) Where the child is incapacitated because of mental or physical infirmity and this infirmity was present while the child was under 16 or 22 if in full-time education. In such a case, the pension may be paid for the lifetime of the incapacitated member

33.5 Rate of payment:

For the **first month following the member's death**, the spouse/civil partner will receive the following payment:

Where the member dies in service	a pension equal to 1/12 of the deceased annual salary
Where the member dies on pension and was liable for Class D PRSI	a pension equal to 1/12 of the deceased annual retirement pension or equal to 1/12 of the annual rate of the Survivors' pension, whichever is greater
Where the member dies on pension and was liable for Class A PRSI	a pension equal to 1/12 of the annual retirement pension which the deceased would have had by reference to adjusted pensionable remuneration (i.e. pensionable remuneration less once the State Pension (Contributory) rate) or 1/12 of the annual rate of the survivors' pension, whichever is greater

Thereafter, the spouse/civil partner will receive the following payment:

Member liable for Class D PRSI	Survivors' pension payable:
Where the member dies in service or in receipt of an ill-health pension	a pension equal to 50% of the pension the member would have had at age 65 subject to a max of 40 years
Where the member dies on pension	a pension equal to 50% of the deceased actual pension
Where the member dies while having a preserved benefit	a pension equal to 50% of the preserved member's pension

For members liable for Class A PRSI, the spouse/civil partner's pension will be calculated by reference to Adjusted Pensionable remuneration (i.e. pensionable remuneration less **once** the maximum rate of State Pension (Contributory)).

Member liable for Class A PRSI	Survivors' pension payable:
Where the member dies in service or in receipt of an ill-health pension	a pension equal to 50% of the pension the member would have had at age 65 recalculated by reference to adjusted pensionable remuneration
Where the member dies on pension	a pension equal to 50% of the deceased actual pension the member would have had recalculated by reference to adjusted pensionable remuneration
Where the member dies while having a preserved benefit	a pension equal to 50% of the preserved member's pension recalculated by reference to adjusted pensionable remuneration

Example:

A member who paid Class A PRSI dies in service on 1 October 2017 at age 42 with 14 years' service. His potential service to age 65 is 23 years. His pensionable remuneration at the time of death was €55,031 per annum.

The survivor's pension is calculated as follows:

Pensionable remuneration	€55,031
State Pension (Contributory) at 1 October 2017	€12,434
Adjusted Pension remuneration	€42,597
Notional member's pension based on 37 years' service (€42,597 x 37.0000 x 1/80)	€19,701
Spouse/Civil Partner (€19,701 x 50%)	€9,850.50

33.6 Where the deceased has dependant children, a pension will be payable to each dependant child. The maximum amount of children's pension will be the equivalent of the Survivors' pension. Where the deceased leaves a survivor and up to 3 dependant children, the pension payable to each child will be at the rate of one third of the survivors' pension. Where there are more than 3 dependant children, the maximum amount will be divided equally between the children.

In the example above, if there were 2 eligible children, the pension payable would be €9,850.50/ 3 x 2 = total of €6,567 for the 2 children.

If there were 4 eligible children, the maximum payable would be €9,850.50 divided equally among the 4 children.

33.7 Where the deceased has dependant children and is not survived by a spouse or civil partner or he or she is survived by a spouse or civil partner who subsequently dies, then the pension payable will be as follows:

- (a) Where there is one child, 1/3 of the deceased's pension, or
- (b) Where there are 2 or more children, a rate in respect of each child equivalent to 1/2 the deceased's pension divided by the number of children

33.8 Contributions

Two types of contribution are payable by members of Schemes, Periodic Contributions and Non-periodic Contributions.

33.9 Periodic Contributions:

The contributions are paid by deduction from salary on a continuous basis. The contribution rate is 1.5% of gross pensionable salary. Periodic contributions are only payable in respect of periods of pensionable service; they are not paid during periods of unpaid special or sick leave, or sick leave at temporary rehabilitation rate of pay. Contributions are however payable during periods of paid sick leave, at full pay or half pay, and the contribution for these periods is 1.5% of full pay (even where sick pay is at half rate).

33.10 Non-periodic Contributions:

These contributions are paid (by deduction from retirement lump sum, preserved lump sum, death gratuity or preserved death gratuity, as appropriate) in respect of members who, on cessation of service,

(a) are married or in a civil partnership, or

(b) were married or in a civil partnership at some time during membership of the relevant Scheme.

33.11 Non-periodic contributions are payable in respect of "relevant service", which means:

(a) for a member who is married or in a civil partnership, all service (including notional service) which is reckonable for survivor's pension;

(b) for a widowed member or a member who has had a divorce or civil partnership dissolved, the period from the start of the member's reckonable service up to the date of the end of the marriage/civil partnership.

33.12 The non-periodic contribution rate is:

(a) 1% of retiring salary for each year of relevant service, less any years in respect of which periodic contributions (or purchase contributions) were paid;

33.13 Non-periodic contributions are not payable by any member who was unmarried and not in a civil partnership at all times during his/her membership of either Scheme.

33.14 Payment of non-periodic contributions only arises if a member has not paid periodic contributions in respect of all relevant service, e.g.

(a) in cases of death in service or retirement on medical grounds (where the member is credited with notional service to maximum retiring age); or

(b) in cases of service given prior to the date on which the system of periodic contributions commenced (1 January 1969 for male officers and 10th January 1984 for female officers), or

(c) prior transferred service for which periodic contributions were not paid; or

(d) added years granted for retirement on medical grounds or professional added years

33.15 A member with "pre-Scheme service" (as at (b) in the preceding paragraph) may reduce or eliminate the non-periodic charge in respect of that service by paying additional periodic

contributions at a rate of 1.5% of current salary for the corresponding period of service for which contributions are owed.

Example:

A member is married and has previous part-time service which amount to 2.50 years. No contributions were made for the S&C scheme and therefore at retirement there is a liability of 2.50 years.

The liability is $2.50 \times 1\% = 2.50\%$ of retirement salary to be deducted from the lump sum

Alternatively, the member could have opted to pay an additional 1.5% of their current salary over a period of 2.50 years or they could double up and pay 3.75 ($2.50 \times 1.5 = 3.75\%$) over a twelve-month period.

33.16 Refund of Contributions

Under both the Original and Revised Schemes, contributions paid by members are refunded in the following circumstances:

- (a) where a member ceases service (other than on death), does not qualify for pension or preserved pension and does not transfer service to another organisation - in this case, a full refund is payable (the most common reason for this is that the member has less than 2 years' service);
- (b) where a member has paid periodic contributions for a period in excess of 40 years; in this case, a refund is made in respect of the excess period only (starting with the initial contributions paid by the member i.e. the first payments made into the scheme).
- (c) where a member who retires on pension or dies in service and who has been in the religious life and bound by a vow of celibacy throughout the period of their membership is entitled to a refund of their periodic contributions.

33.17 Refunds are also payable, under the Original Scheme only, in the following circumstances:

- (a) where a member is unmarried and not in a civil partnership at the time of cesser of service, has remained unmarried throughout their membership of the scheme and does not transfer service to another organisation – in this case, a full refund is payable;
- (b) where a member is widowed or whose civil partner has died at the time of cesser of service and has paid periodic contributions in excess of "relevant service" - in this case, a refund is made in respect of the excess period (starting with the final contributions paid by the member);
- (c) where the survivor of a member who has retired on grounds of ill-health dies before the member reaches the compulsory retirement age - in this case, the member receives a partial refund of the non-periodic contributions which were deducted from the retirement lump sum.

33.18 All refunds of contributions in respect of living persons are generally subject to a tax charge. However, refunds in respect of Death in Service cases come within the ambit of the Revenue tax free limits for death in service lump sums, so refunds in such circumstances will generally, under current Revenue Rules, be tax free.

34. APPLICATION FOR BENEFITS (INCLUDING DECLARATIONS)

34.1 For any pension benefit to be processed, an application form must be completed and submitted to the ETB/IOT. Each section should be completed and details of any previous service should be submitted for verification for pension purposes.

34.2 On the application form are a number of declarations. If a member has any other private pension or Additional Voluntary contribution plan (AVC), they should ensure that details are completed in relation to these on the application form.

35. PAYMENT OF PENSIONS:

35.1 Under the current arrangement, all pensions are paid fortnightly in arrears by the Payroll Shared Services Centre. All payments including the payment for the lump sum are made directly into a bank account. On retirement, a new Pay mandate must be completed with the nominated bank account as ETB's/IOT's are not permitted to transfer a member's account details.

35.2 By arrangement with the Payroll Shared Services Centre, deductions for VHI contributions, life assurance policies, property tax etc. may be made from pension at the request of the pensioner.

35.3 The fortnightly payment is calculated by the following formula:
Annual Pension / 365.25 multiplied by the number of days the pension is payable for.

Example:

Based on an annual pension of €30,000, the fortnightly payment would be as follows:

$$€30,000 / 365.25 \times 14 = €1,149.90 \text{ gross}$$

36. ABATEMENT OF PENSION:

36.1 Where a member retires, and is subsequently re-employed in the public sector, the pension is, where necessary, abated (i.e. reduced) during the period of retention to ensure that the amount of the pension, together with the member's pay in respect of that period, does not exceed the remuneration which the member would have received if, during that period, he/she had remained in the post which he or she held on the last day of reckonable service.

Example:

A member who retires on a pension of €24,247. The pensionable remuneration on retirement was €48,495. The member is subsequently re-employed in the public sector on a salary of €35,491 p.a.

As the combined pension and salary will exceed the pensionable remuneration at retirement by €11,243, the pension will be abated by €11,243 as the combined earnings cannot exceed €48,495 p.a.

37. IMPLICATIONS OF FAMILY LAW ACTS:

37.1 Trustees of schemes under the Family Law Acts

If a member requires information for pension purposes under the Family Law Acts, the pension staff who administer the scheme in the member's ETB/IOT are deemed to be the Trustees.

37.2 Provision of Information under the Family Law Acts

Parties to proceedings under the Family Law Acts 1995 (Judicial Separation) or 1996 (Divorce) or the Civil Partnership and Certain Rights of Co-habitants Act 2010 (dissolution of a Civil Partnership) are obliged to include information about their superannuation entitlements in the Affidavit of Means which they must furnish to the court. This information is supplied to the member by the Trustees (ETB/IOT pension staff). All requests for information must be:

- (a) made in writing
- (b) must state that the information is required in connection with Family Law proceedings and which Act applies
- (c) survivors of members are entitled to general information about the rules of the schemes but member-specific information can only be supplied with the consent of the member or on foot of a court order.

37.3 Pension Adjustment Orders (PAOs)

PAOs are orders granted by a court directing that some or all of the member's superannuation benefits should be paid to the member's spouse or formal civil partner and/or dependant children. Such orders are granted only if a decree of judicial separation, divorce or dissolution of a civil partnership is obtained. The terms of a PAO may override the terms of the Pensions Act, 1990 and the rules of any superannuation scheme to which it refers to the extent necessary to secure payment under the order.

37.4 Implementation of PAOs

Many courts will not make PAOs unless the trustees have seen the draft orders and verified that they are acceptable and will be implemented by them. Trustees are often, therefore, involved in correspondence about the effects and outcomes of draft orders submitted to them. When orders are made, the trustees are obliged, under the law, to furnish the beneficiaries with certain information on the effect of the orders. They are also obliged to implement the orders when payment falls to be made. The Acts contain deadlines for the provision of certain information, making payments in certain circumstances, etc.

38. DISPUTE RESOLUTION AND APPEALS:

38.1 Existing staff or pensioners who have a complaint about a pensions issue should raise it with the HR Section of their ETB/IOT in the first instance. If the complaint is not resolved through this process the staff member or pensioner or a person acting on his or her behalf may make an application to the Minister for Education and Skills for a determination in relation to a complaint or dispute through the Internal Disputes Resolution (Appeals) Process.

38.2 Appeals Process:

An application shall be in writing, signed by or on behalf of the actual or potential beneficiary and shall contain the following details:

- the full name, address and date of birth of the actual or potential beneficiary
- the address to be used for service or documents in connection with the application
- a statement concerning the nature of the complaint or dispute with sufficient details to show why the actual or potential beneficiary is aggrieved
- such other information as the Minister may reasonably require

38.3 Timescale for certain appeals

(a) Appeals may be made directly by the member under:

- (1) Part VII of the Pensions Act 1990 (Equality),
- (ii) the Protection of Employees (Part-time Work) Act 2001 or
- (iii) the Protection of Employees (Fixed-Term Work) Act 2003.

(b) These Acts set out strict time limits for the making of appeals to the Director of the Equality Tribunal in the case of Part VII of the Pensions Act (6 or 12 months from date of termination of employment) or a Right Commissioner in the case of the other two Acts (6 or 12 months from the date of the contravention to which the appeal relates or from the date of the termination of the employment, whichever is earlier).

38.4 Position of IDR where applicant seeks a second pension option

An application for a second or further category of retirement pension shall not commence while the original application process is ongoing. The IDR process is considered to be a part of the overall process in making application for pension benefit. Where an applicant makes a second application for separate pension option, this may be accepted and processed **only** when the applicant has confirmed in writing that s/he is ceasing the original application including an IDR and has declined his/her right to proceed with an IDR where the IDR has not already been activated.

38.5 Determination

The Minister shall make a determination in relation to the application and notify in writing the complainant of the determination within 3 months from the date on which all the details specified above are received.

The determination shall include:

- (a) a statement of the determination
- (b) a reference to any legislation (other than the pension scheme), legal precedent, ruling of the Pensions Board, ruling or practice of the Revenue Commissioners or other material relied upon in making the Determination
- (c) a reference to the provisions of the pension scheme relied upon in making the determination and, where a discretion has been exercised, a reference to those of its provisions by which such discretion is conferred
- (d) a statement that the determination is not binding upon any person unless, upon or after he making of the determination, the person assents, in writing, to be bound by it, and
- (e) a statement that the applicant should establish whether or not the complaint or dispute is one in respect of which the Pensions Ombudsman has jurisdiction to investigate under section 131 of the Pensions Act 1990 (No. 25 of 1990) and that further information can be found in an information booklet available from the Office of the Pensions Ombudsman, 4th Floor, Lincoln House, Lincoln Place, Dublin 2, Telephone (01)6471650 or www.pensionsombudsman.ie

38.6 Pensions Ombudsman

- (a) In the event that the complaint, other than a claim under Part VII of the Pensions Act (Equality), the Part-Time Work Act or the Fixed-Term Work Act is not resolved under the Appeals (Internal Dispute Resolution) Procedure outlined above the complainant may be entitled to make a complaint to the Pensions Ombudsman
- (b) The Pensions Ombudsman investigates complaints about financial loss due to acts of maladministration in relation to occupational pensions and PRSAs, and certain disputes of fact or law in relation to acts done.
- (c) A determination by the Pensions Ombudsman cannot require:
 - (i) a change in scheme rules or
 - (ii) the substitution of the decision of the Pensions Ombudsman in cases where Trustees have exercised a discretionary power.

38.7 Time Limits for Complaints to the Pensions Ombudsman

The time limits for making such complaints are:

- (a) 6 years since the date of the act giving rise to the complaint or dispute or
- (b) 3 years since the complainant became aware or should have been aware of the act giving rise to the complaint or dispute.
- (c) There is a total ban on any complainant going back further than 13th April 1996.

38.8 Except in exceptional cases, the Pensions Ombudsman cannot investigate a complaint until internal dispute resolution (IDR) procedures have been deemed to have been exhausted. For the Public Sector schemes, the existing statutory provisions for Ministerial appeals are used, but on the basis that the Minister for Education & Skills decision is NOT final as the Minister's determination may be appealed to the Pensions Ombudsman.

39. PENSION ADJUSTMENTS:

39.1 Adjustments in public sector pensions are awarded at the discretion of the Minister for Public Expenditure & Reform under Regulations made under Section 29 of the Pensions (Increase) Act 1964.

39.2 In practice, all general pay increases between 1984 and 2008 have been passed on to pensioners on the same basis as to serving staff. In the case of special pay increases for serving staff, some are passed on to pensioners, others are not.

39.3 Some of the conditions which may have to be met before special pay increases are passed on to pensioners are:

- (a) the increase must apply to all staff serving in the grades or posts concerned;

- (b) assimilation of serving staff to the revised pay scales must be on the basis of “corresponding points” (i.e. not on “starting pay on promotion” or “re-grading” terms);
- (c) the increase must not have been awarded in consequence of a substantial restructuring or alteration of duties which, in effect, constitutes regrading of the posts or grades concerned.
- (d) the increase must not have been awarded in respect of increased productivity from serving staff and the increase must be a permanent feature of the pay scale. Since 2008, a Public Service Pension Reduction has been implemented on two occasions which has had the effect of reducing certain pensions in payment. In addition, the Minister for Public Expenditure and Reform has been given the powers under the Public Service Pensions (Single Scheme and other Provisions) Act 2012 to make regulations to provide for pension increases linked to the Consumer Price Index (CPI).

40. TAX RELIEF ON SUPERANNUATION CONTRIBUTIONS:

40.1 The maximum amount of pension contributions in any one year for which a person is entitled to tax relief is related to age and is expressed as a percentage of gross income as follows (rates current in September 2015):

<i>Highest age in year of pension contribution</i>	<i>% of gross income for which tax relief is available for pension contributions</i>
Under age 30	15%
Age 30 to 39	20%
Age 40 to 49	25%
Age 50 to 54	30%
Age 55 to 59	35%
Age 60 and over	40%

40.2 Tax relief for periodic purchase contributions is given at source through the payroll. However, for purchase by lump-sum option, the relief must be claimed directly from the Revenue Commissioners by the member concerned. Because the tax relief limits cover **all** superannuation contributions paid by a member (including contributions under the Survivors & Children’s Scheme) very large periodic or lump-sum purchase contributions may not be fully relievable for tax purposes in the year in which the contributions are made. In particular, job sharing/part-time staff members should note that, while purchase contributions are levied on the full annual rate of salary, the tax relief is based on a member’s actual income in a given year – i.e. the reduced rate of salary.

40.3 Member’s considering purchase of service, particularly if the purchase option is at or very close to retirement, are advised prior to embarking on a purchase option to clarify the tax relief position with their own local Tax Office if they have any queries in that regard.

40.4 Example:

A member has a liability for contributions for previous part-time service to the sum of €3,200. They pay Class A rate of PRSI and their gross salary is €35,919 per annum. The member is aged 38.

Based on their age, they are permitted to pay 20% of their gross salary into a pension scheme.

$€35,919 \times 20\% = €7,183.80$	
<p>Normal Superannuation contributions (3% of gross salary + 3.5% of net salary) $(€35,919 \times 3\%) + (€35,919 - €24,869 \times 3.5\%)$ $= (€1,077.57) + (€386.75)$ $= €1,464.32$</p>	
20% of salary	= €7,183.80
Less normal contributions	= <u>€1,464.32</u>
Amount available	= €5,719.48
<p>Tax relief is available on the full €3,200 for outstanding contributions and if the member is liable for tax relief at 20%, tax relief is calculated:</p>	
$€3,200 \times 20\% = €640$ in tax relief so the actual cost of service is €2,560 after relief	
<p>If tax relief is available at 41%:</p>	
$€3,200 \times 41\% = €1,312$ in tax relief so the actual cost of service is €1,888 after relief	

41. TAXATION:

41.1 Section 14(1)(e) of the Finance Act 2006 provides that a person with retirement benefits (from any source, including all public sector superannuation schemes, but excluding social protection benefits) with an aggregate capital value on drawdown above a specified threshold is liable for tax on the amounts above that threshold. This threshold, which applies only to benefits payable for the first time on or after 7 December 2005, and is currently set at €2 million, following further amendments inserted by the Finance Act 2012 and the Finance (NO.2) Act 2013. Where the threshold is exceeded, an up-front income tax charge of 42% on the excess arises. For further details see Department of Public Expenditure and Reform Letter to Personnel Officers of 27 June 2014.

Important Note: The relevant declaration form is part of the Retirement Application forms and no benefits can be approved until the necessary completed forms have been received by the member's ETB/IOT.

Defined Benefit Factors

Age	Factor	Age	Factor
50 & under	37	61	29
51,52	36	62	28
53	35	63,64	27
54	34	65	26
55,56	33	66	25
57	32	67,68	24
58	31	69	23
59,60	30	70+	22

Example:

A member who retires on 31 August 2017 aged 65 on a pension of €31,500 and a lump sum of €94,500. They also have an AVC policy which will provide an annual annuity of €6,000 and a lump sum of €10,000. We calculate any liability to tax as follows:

The formula applicable is:
Pension amounts x decimal (which is age related) + value of any lump sum received

Benefit Amount:	Decimal:	Amount:
Pension ETB/IOT €31,500	26	€819,000
Lump Sum ETB/IOT	N/A	€94,500
Pension AVC €6,000	26	€156,000
Lump Sum AVC - €10,000	N/A	€10,000

Total Benefit: €1,079,500.00

As the capital value of the defined benefits is less than the €2 million threshold, there is no further tax due.

41.2 With effect from 1 January 2011, combined lump sums from approved Pension Schemes (e.g. defined benefit/defined contribution occupational pension scheme, retirement annuity contract, PRSA, Additional Voluntary Contributions (AVC's) are subject to tax when the cumulative lump sum exceeds €200,000. **Note: Under the terms of the ETB/IOT Education Sector pension scheme, there is a limit of 1.5 retirement salary, therefore, unless there is a private pension or AVC policy, it is unlikely that this will affect many staff, however, if the amount is exceeded, tax will apply once the threshold has been reached.**

41.3 Tax due on retirement lump sums are calculated as follows:

Lump sum taxation rates	
Amount of lump sum	Income tax rate
Up to €200,000	0%
€200,001 - €575,000	20%
Over €575,000	Taxpayer's marginal rate

42. CHAPTER 4 OF THE PUBLIC SERVICE PENSIONS (SINGLE SCHEME AND OTHER PROVISIONS) ACT 2012 IN SO FAR AS IT RELATES TO THIS SCHEME

42.1 Chapter 4 (sections 49-54) of Part 2 of the Act (Provisions Applicable to all public service pension schemes) became fully operational with effect from 1st November 2012.

42.2 Chapter 4 brings a number of provisions together in one area of primary legislation including a 40 year limit on total pensionable service across multiple pre-existing public service pension

schemes, extending the scope of pension abatement and several provisions designed to support efficient pension administration.

42.3 The relevant sections in Chapter 4 are as follows:

- *Section 49 (Duty to give information etc)*
When a member is applying for a pension or they are in receipt of a pension, there is now a duty to give information necessary for the proper operation of the scheme.
- *Section 50 (Use of Personal Public Service Number – PPSN)*
As this is a unique identifier, it is put on all pension documents and is also supplied to the Payroll Shared Services Centre.
- *Section 51 (Duty to make declarations, etc)*
There is a duty to declare when taking up employment to give details of any entitlement to any preserved benefit or notify the ETB/IOT if a member is in receipt of any retirement benefits.
- *Section 52 (Abatement and reckoning of pensionable service)*
This section extends pension abatement to all public service employment where the retired member subsequently returns to work in the public sector whilst in receipt of a pension. There is also an overall cap of 40 years' service across the public sector schemes for the calculation of retirement benefits.
- *Section 53 (Cesser or reduction of benefit)*
This section provides for the refusal or reduction of retirement benefits, including preserved benefits where a Scheme member is dismissed or resigns and there is a financial loss to the public sector body. The benefits can be reduced to recoup this loss.
- *Section 54 (Survivor's entitlement to pension)*
Section 54 limits the payment of Survivors Pensions under the Scheme to one deceased member. However, if a case arises where a deceased member was entitled to receive more than one public sector pension, the surviving spouse/civil partner may receive more than one survivors pension.

APPENDIX 1

DIFFERENCES BETWEEN CURRENT SCHEME AND 1956 SCHEME

Type of condition:	Current Scheme:	1956 Scheme:
Normal qualification for lump sum and pension	Previously 5 years at age 60, however, this has been reduced to 2 years under legislation	20 years of service (10 in certain circumstances, e.g. permanent infirmity, abolition of office) at age 60
Amount of Pension	One-eightieth of pensionable pay (Class D PRSI) multiplied by the number of years, and any odd fraction of a year of service. Co-ordination applies to Class A members. Maximum will be ½ of pensionable pay at retirement	One-eightieth of pensionable pay multiplied by the number of whole years of service (any odd fraction of a year being disregarded, unless it exceeds three quarters when it may be rounded up to make a whole year). Maximum will be ½ of pensionable pay at retirement
Amount of Lump Sum	Three-eightieths of pensionable pay multiplied by the number of years, and any odd fraction of a year of service. Maximum will be 1½ times pensionable pay after 40 years' service	One-thirtieth of pensionable pay multiplied by the number of whole years of service (any odd fraction of a year being dis-regarded, unless it exceeds three quarters when it may be rounded up to make a whole year). Maximum as for Current Scheme but only after 45 years of service
Purchase of additional years of service	A member whose service at age 65 would not give them a full pension and lump sum may purchase additional years of service at full actuarial cost	No corresponding provision
Added years in case of permanent infirmity	<p><i>Member with 5 – 10 years' service</i></p> <ul style="list-style-type: none"> • Equivalent amount of added service, subject to a limit of potential service at age 65; <p><i>Member with 10 – 20 years' service</i></p> <p>The more favourable of:</p> <ul style="list-style-type: none"> • (a) the difference between service and 20 years, subject to a limit of potential service at age 65; • (b) six and two third years, subject to a limit of potential service at age 60; <p><i>Member with 20 years' service or more</i></p> <ul style="list-style-type: none"> • As at (b) above <p>Overall limits – addition not to exceed 10 years or make service greater than 40</p>	<p>Minimum service requirement is 10 years.</p> <p><i>Addition:</i> - 5 years or half the difference between service and 40 years, whichever is the greater, subject to a limit of potential service at age 65</p> <p>Overall limits – addition not to exceed 10 years or make service greater than 40 years.</p>

Part-time Service	A member who had certain prior part-time non-pensionable service may have the part-time service reckoned on a proportionate basis (subject to the payment of contributions) – <i>See reckonability of part-time service</i>	No corresponding provision; part-time service doesn't count for superannuation purposes
Reckonability of sick leave at pension rate of pay	A period of sick leave for which a member is paid at the TRR rate of pay will not be reckonable (Ordinary paid sick leave is reckonable)	A period of sick leave for which is salary is paid at pension rate of pay is reckonable in the same way as "ordinary" paid sick leave
Preserved benefits	A member with not less than 5 years' of service, who ceases to hold office (otherwise than by removal) and is not employed in another position in which his service can be reckoned under the 1956 Act, may have his benefits preserved until he reaches age 60. In recent years, this has been reduced to 2 years' service on order to have a preserved benefits entitlement	No corresponding provision; an member ceasing to hold office (otherwise than by removal) and not receiving a superannuation award, receives a return of his contributions
Death Gratuity	No qualifying period of service will be required. Amount of gratuity (subject to a minimum in any case of a year's pay) will be equal to the amount of the lump sum that would be payable if the member ceased to hold office on the grounds of permanent infirmity at the date of death	Qualifying period is one year's service. Gratuity may equal one-twelfth of pensionable pay multiplied by the number of whole years of service for a member with less than 5 years of service. In the case of a member with 5 years' service or more, the gratuity is equal to one-thirtieth of pensionable pay for each whole year of service up to a max forty-five (subject to a minimum equal to the member's pensionable pay)
Short Service Gratuity	Gratuity may be granted to an member with between one and 5 years of pensionable service who ceases to hold office because of permanent infirmity, abolition of office, etc.; where the member has not less than 2 years' of service, the amount of the gratuity in a case of permanent infirmity may equal one-twelfth of pensionable pay for each year of service plus three-eighths of such pay for each year of service; in other cases it may equal one-twelfth of pensionable pay for each year of service. (Any odd fraction of a year will be taken into account in calculating the gratuity).	Scope of gratuity as for Current Scheme but gratuity may also be granted to a member with 5 years or more, but less than 10 years' service. Amount of gratuity may not exceed one-twelfth of pensionable pay for each year of service for a member with under 5 years' of service and pensionable pay for a member with 5 to 9 year of service. (Any odd fraction of a year is not taken into account in calculating the gratuity).

Allowances	Allowances which are in the nature of pay (e.g. shift allowances, on call allowances, posts of responsibility allowances etc) will be taken into account as “emoluments” for the purposes of both superannuation contributions and benefits, unless they come within the scope of the kinds of payments referred to in section 26 (1) of the 1956 Act	Similar for Current Scheme but practice may differ in some cases
Averaging	The provisions of the 1956 Act in relation to averaging of salary for superannuation purposes will not apply in certain circumstances, e.g. where a member has to retire on permanent infirmity. Where, despite the new provisions, averaging still arises, the method of averaging will be improved so as to reflect pay rates prevailing on the date of cessation of office. Under recent legislation, averaging the based on the best three consecutive years in the last 10 years prior to retirement	Averaging applies in cases where a member’s salary has changed during the last three years of service otherwise than in accordance with changes applicable generally to the grade. The method of averaging is related to actual salary received during the three years referred to and is thus based to only a limited extent on pay rates prevailing on the date of cessation of office
Repayment of contributions and gratuities	A member to whom contributions are returned or to whom a gratuity is paid, on ceasing to hold office, and who subsequently obtains a position in which the service can be reckoned may have the former service restored by repaying the amount originally returned or paid to them plus an additional sum for compound interest. The addition of interest will not apply to a widow, repaying a marriage gratuity, if her husband died after she ceased to hold her office and before the date of her re-employment, or where the second position was obtained before the 27 th May 1977. <i>Different rules apply to Class A members</i>	As for Current Scheme, except that the amount to be repaid is equal in all cases to the amount of the contributions originally returned or the gratuity originally paid
Contribution Rate	5% of the annual salary and emoluments (For Class D members). 1½% of the annual gross salary and emoluments plus 3½% of co-ordinated net salary (see section on contributions for further detail)	Similar to Current Scheme for Class D members. There are no Class A members who are members of the 1956 Act.

APPENDIX 2

**Table 1 – Officers: Purchase by reference to age 65
Member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 10/11/06)**

Age next birthday	Integrated (Class A PRSI)*		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
26	0.68%	0.09%	0.65%
27	0.70%	0.09%	0.67%
28	0.73%	0.10%	0.70%
29	0.75%	0.10%	0.72%
30	0.77%	0.10%	0.74%
31	0.80%	0.11%	0.76%
32	0.82%	0.11%	0.79%
33	0.84%	0.11%	0.81%
34	0.87%	0.12%	0.83%
35	0.89%	0.12%	0.86%
36	0.91%	0.12%	0.88%
37	0.93%	0.13%	0.91%
38	0.96%	0.13%	0.93%
39	0.98%	0.14%	0.96%
40	1.00%	0.14%	0.99%
41	1.03%	0.14%	1.02%
42	1.05%	0.15%	1.05%
43	1.07%	0.15%	1.09%
44	1.10%	0.16%	1.13%
45	1.13%	0.17%	1.17%
46	1.16%	0.17%	1.22%
47	1.23%	0.18%	1.30%
48	1.30%	0.20%	1.38%
49	1.39%	0.21%	1.48%
50	1.49%	0.22%	1.58%
51	1.60%	0.24%	1.71%
52	1.72%	0.26%	1.85%
53	1.87%	0.29%	2.01%
54	2.05%	0.31%	2.21%
55	2.26%	0.35%	2.44%
56	2.52%	0.39%	2.73%
57	2.84%	0.44%	3.09%
58	3.25%	0.51%	3.55%
59	3.80%	0.60%	4.17%
60	4.57%	0.72%	5.03%
61	5.72%	0.91%	6.32%
62	7.64%	1.22%	8.48%
63	11.48%	1.85%	12.80%

* see Footnote 1 to Table 5.

**Table 2 – Officers: Purchase by reference to age 65
Member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 10/5/05)**

Age next birthday	Integrated (Class A PRSI)	Non-integrated (modified PRSI)
	% of gross salary	% of gross salary
26	27.5%	33.6%
27	28.0%	34.3%
28	28.4%	34.8%
29	28.8%	35.4%
30	29.2%	35.9%
31	29.5%	36.3%
32	29.8%	36.7%
33	30.0%	37.0%
34	30.1%	37.3%
35	30.2%	37.6%
36	30.3%	37.8%
37	30.2%	37.9%
38	30.2%	38.0%
39	30.0%	38.0%
40	29.8%	38.0%
41	29.6%	37.9%
42	29.3%	37.7%
43	28.9%	37.6%
44	28.5%	37.3%
45	28.0%	37.0%
46	27.5%	36.7%
47	26.9%	36.3%
48	26.3%	35.9%
49	25.6%	35.4%
50	24.9%	34.9%
51	24.1%	34.3%
52	23.3%	33.7%
53	22.5%	33.1%
54	21.9%	32.5%
55	22.2%	31.8%
56	22.4%	31.1%
57	22.6%	30.4%
58	22.8%	29.7%
59	23.1%	29.1%
60	23.3%	28.5%
61	23.3%	27.9%
62	22.9%	27.3%
63	23.0%	26.8%
64	23.4%	26.3%
65	23.7%	25.8%

**Table 3 – Officers: Purchase by reference to age 65
Non-member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 10/11/06)**

Age next birthday	Integrated (Class A PRSI)*		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
26	0.58%	0.09%	0.58%
27	0.60%	0.09%	0.60%
28	0.62%	0.10%	0.62%
29	0.64%	0.10%	0.64%
30	0.66%	0.10%	0.66%
31	0.69%	0.11%	0.68%
32	0.70%	0.11%	0.70%
33	0.72%	0.11%	0.72%
34	0.74%	0.12%	0.74%
35	0.76%	0.12%	0.76%
36	0.78%	0.12%	0.79%
37	0.79%	0.13%	0.81%
38	0.81%	0.13%	0.83%
39	0.84%	0.14%	0.86%
40	0.85%	0.14%	0.88%
41	0.87%	0.14%	0.91%
42	0.89%	0.15%	0.94%
43	0.91%	0.15%	0.97%
44	0.93%	0.16%	1.01%
45	0.96%	0.17%	1.05%
46	0.98%	0.17%	1.09%
47	1.04%	0.18%	1.16%
48	1.10%	0.20%	1.23%
49	1.18%	0.21%	1.32%
50	1.26%	0.22%	1.42%
51	1.35%	0.24%	1.53%
52	1.46%	0.26%	1.66%
53	1.59%	0.29%	1.81%
54	1.74%	0.31%	1.99%
55	1.93%	0.35%	2.20%
56	2.15%	0.39%	2.46%
57	2.43%	0.44%	2.79%
58	2.79%	0.51%	3.21%
59	3.26%	0.60%	3.78%
60	3.93%	0.72%	4.57%
61	4.94%	0.91%	5.76%
62	6.62%	1.22%	7.74%
63	9.97%	1.85%	11.71%

* see Footnote 1 to Table 5.

**Table 4 – Officers: Purchase by reference to age 65
Non-member of the Spouses’ and Children’s Scheme
Lump Sum contribution rates (applicable from 10/5/05)**

Age next birthday	Integrated (Class A PRSI)	Non-Integrated (modified PRSI)
	% of gross salary	% of gross salary
26	24.3%	30.0%
27	24.8%	30.6%
28	25.2%	31.1%
29	25.5%	31.6%
30	25.9%	32.0%
31	26.1%	32.5%
32	26.4%	32.8%
33	26.6%	33.1%
34	26.7%	33.4%
35	26.8%	33.6%
36	26.8%	33.8%
37	26.8%	33.9%
38	26.8%	34.0%
39	26.6%	34.1%
40	26.5%	34.0%
41	26.3%	34.0%
42	26.0%	33.9%
43	25.7%	33.7%
44	25.3%	33.5%
45	24.9%	33.3%
46	24.4%	33.0%
47	23.9%	32.6%
48	23.3%	32.3%
49	22.7%	31.9%
50	22.1%	31.4%
51	21.4%	30.9%
52	20.7%	30.4%
53	20.0%	29.9%
54	19.7%	29.3%
55	19.9%	28.7%
56	20.1%	28.1%
57	20.3%	27.6%
58	20.6%	27.0%
59	20.8%	26.5%
60	21.1%	25.9%
61	21.1%	25.4%
62	20.8%	25.0%
63	21.0%	24.5%
64	21.4%	24.1%
65	21.7%	23.7%

APPENDIX 3

**Table 5 – Officers: Purchase by reference to age 60
Member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 27/4/05 – see Footnote 2)**

Age next birthday	Integrated (Class A PRSI)*		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
21	0.78%	0.09%	0.74%
22	0.81%	0.10%	0.77%
23	0.84%	0.10%	0.79%
24	0.87%	0.11%	0.82%
25	0.90%	0.11%	0.85%
26	0.93%	0.11%	0.88%
27	0.95%	0.11%	0.90%
28	0.98%	0.12%	0.93%
29	1.01%	0.12%	0.96%
30	1.03%	0.12%	0.98%
31	1.06%	0.13%	1.01%
32	1.09%	0.13%	1.04%
33	1.11%	0.14%	1.07%
34	1.13%	0.14%	1.10%
35	1.16%	0.14%	1.13%
36	1.19%	0.15%	1.17%
37	1.22%	0.15%	1.21%
38	1.24%	0.16%	1.24%
39	1.27%	0.17%	1.29%
40	1.30%	0.17%	1.34%
41	1.33%	0.18%	1.39%
42	1.41%	0.19%	1.48%
43	1.50%	0.20%	1.57%
44	1.60%	0.21%	1.68%
45	1.71%	0.23%	1.80%
46	1.84%	0.25%	1.94%
47	1.98%	0.27%	2.10%
48	2.16%	0.29%	2.29%
49	2.36%	0.32%	2.51%
50	2.60%	0.35%	2.78%
51	2.90%	0.39%	3.11%
52	3.27%	0.45%	3.51%
53	3.74%	0.51%	4.04%
54	4.37%	0.60%	4.74%
55	5.26%	0.73%	5.71%
56	6.59%	0.92%	7.18%
57	8.80%	1.23%	9.63%
58	13.22%	1.86%	14.52%

FOOTNOTE 1: *In the case of Integrated Officers, contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the maximum personal rate of Old Age Contributory Pension. (This footnote also applies to Table 1 above).

FOOTNOTE 2: Under transitional provisions, set out in paragraph 5 of Circular 0125/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**Table 6 – Officers: Purchase by reference to age 60
Member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 27/4/05 – see Footnote)**

Age next birthday	Integrated (Class A PRSI)	Non-integrated (modified PRSI)
	% of gross salary	% of gross salary
21	31.5%	38.8%
22	32.1%	39.5%
23	32.6%	40.2%
24	33.1%	40.8%
25	33.5%	41.4%
26	33.8%	41.9%
27	34.1%	42.4%
28	34.4%	42.8%
29	34.5%	43.1%
30	34.7%	43.4%
31	34.7%	43.6%
32	34.7%	43.8%
33	34.6%	43.9%
34	34.4%	43.9%
35	34.2%	43.8%
36	33.9%	43.7%
37	33.5%	43.6%
38	33.1%	43.4%
39	32.6%	43.1%
40	32.1%	42.7%
41	31.4%	42.3%
42	30.8%	41.9%
43	30.0%	41.4%
44	29.2%	40.8%
45	28.4%	40.2%
46	27.5%	39.5%
47	26.6%	38.8%
48	25.6%	38.1%
49	25.1%	37.3%
50	25.3%	36.5%
51	25.6%	35.7%
52	25.8%	34.9%
53	26.0%	34.1%
54	26.3%	33.3%
55	26.6%	32.6%
56	26.5%	31.9%
57	26.0%	31.2%
58	25.6%	30.5%
59	26.2%	29.9%
60	26.8%	29.2%

FOOTNOTE: Under transitional provisions, set out in paragraph 5 of Circular 0125/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

Table 7- Officers: Purchase by reference to age 60
Non-member of the Spouses' and Children's Scheme
Periodic contribution rates (applicable from 27/4/05 - see Footnote 2)

Age next birthday	Integrated (Class A PRSI) *		Non-integrated (modified PRSI)
	% of net salary	% of gross salary	% of gross salary
21	0.69%	0.09%	0.68%
22	0.72%	0.10%	0.70%
23	0.74%	0.10%	0.72%
24	0.77%	0.11%	0.75%
25	0.79%	0.11%	0.77%
26	0.82%	0.11%	0.80%
27	0.84%	0.11%	0.82%
28	0.86%	0.12%	0.84%
29	0.89%	0.12%	0.87%
30	0.91%	0.12%	0.89%
31	0.93%	0.13%	0.92%
32	0.95%	0.13%	0.95%
33	0.97%	0.14%	0.97%
34	1.00%	0.14%	1.00%
35	1.02%	0.14%	1.03%
36	1.04%	0.15%	1.06%
37	1.06%	0.15%	1.10%
38	1.09%	0.16%	1.13%
39	1.11%	0.17%	1.18%
40	1.14%	0.17%	1.22%
41	1.17%	0.18%	1.27%
42	1.24%	0.19%	1.35%
43	1.31%	0.20%	1.44%
44	1.40%	0.21%	1.54%
45	1.50%	0.23%	1.65%
46	1.61%	0.25%	1.78%
47	1.74%	0.27%	1.93%
48	1.89%	0.29%	2.10%
49	2.07%	0.32%	2.30%
50	2.28%	0.35%	2.55%
51	2.55%	0.39%	2.85%
52	2.87%	0.45%	3.23%
53	3.29%	0.51%	3.71%
54	3.86%	0.60%	4.36%
55	4.64%	0.73%	5.27%
56	5.82%	0.92%	6.63%
57	7.79%	1.23%	8.90%
58	11.72%	1.86%	13.44%

FOOTNOTE 1: *In the case of Integrated Officers, contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the maximum personal rate of Old Age Contributory Pension. (This footnote also applies to Table 1 above).

FOOTNOTE 2: Under transitional provisions, set out in paragraph 5 of Circular 0125/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**Table 8 – Officers: Purchase by reference to age 60
Non-member of the Spouses' and Children's Scheme
Lump Sum contribution rates (applicable from 27/4/05 – see Footnote)**

Age next birthday	Integrated (Class A PRSI)	Non-Integrated (modified PRSI)
	% of gross salary	% of gross salary
21	28.5%	35.4%
22	29.0%	36.0%
23	29.5%	36.7%
24	29.9%	37.3%
25	30.3%	37.8%
26	30.7%	38.3%
27	30.9%	38.7%
28	31.1%	39.1%
29	31.3%	39.4%
30	31.4%	39.7%
31	31.4%	39.9%
32	31.4%	40.0%
33	31.3%	40.1%
34	31.2%	40.1%
35	31.0%	40.1%
36	30.7%	40.0%
37	30.4%	39.9%
38	30.0%	39.7%
39	29.5%	39.4%
40	29.0%	39.1%
41	28.5%	38.8%
42	27.9%	38.4%
43	27.2%	37.9%
44	26.5%	37.4%
45	25.7%	36.9%
46	24.9%	36.3%
47	24.0%	35.7%
48	23.1%	35.0%
49	22.9%	34.3%
50	23.1%	33.6%
51	23.4%	32.8%
52	23.6%	32.1%
53	23.8%	31.4%
54	24.1%	30.7%
55	24.4%	30.1%
56	24.3%	29.4%
57	23.9%	28.8%
58	23.6%	28.2%
59	24.2%	27.7%
60	24.8%	27.1%

NOTE: Under transitional provisions, set out in paragraph 5 of Circular 0125/2006, the relevant birthday may be the first birthday occurring after 26/4/05.

**APPENDIX 4
Actuarial Reduction Factors**

Purchase by reference to age 65

**(Applicable to service purchased through the contribution rates
specified in Circular 0125/2006)**

Age last birthday	Pension	Lump Sum
30	22.9%	50.7%
31	23.6%	51.7%
32	24.4%	52.8%
33	25.2%	53.8%
34	26.0%	54.9%
35	26.9%	55.9%
36	27.8%	57.0%
37	28.7%	58.2%
38	29.7%	59.3%
39	30.8%	60.5%
40	31.8%	61.7%
41	33.0%	62.9%
42	34.2%	64.1%
43	35.5%	65.4%
44	36.8%	66.7%
45	38.2%	68.0%
46	39.7%	69.3%
47	41.3%	70.6%
48	43.0%	72.0%
49	44.8%	73.4%
50	46.7%	74.8%
51	48.7%	76.3%
52	50.8%	77.8%
53	53.1%	79.3%
54	55.6%	80.8%
55	58.2%	82.4%
56	61.1%	84.0%
57	64.1%	85.6%
58	67.4%	87.3%
59	71.0%	89.0%
60	74.8%	90.7%
61	79.0%	92.5%
62	83.6%	94.3%
63	88.5%	96.1%
64	94.0%	98.0%
65	100.0%	100.0%

Actuarial Reduction Factors

Purchase by reference to age 60

(Applicable to service purchased through the contribution rates

specified in Circular 0125/2006)

Age last birthday	Pension	Lump Sum
30	30.6%	55.7%
31	31.6%	56.8%
32	32.6%	57.9%
33	33.6%	59.0%
34	34.7%	60.2%
35	35.9%	61.4%
36	37.1%	62.6%
37	38.4%	63.8%
38	39.7%	65.1%
39	41.1%	66.4%
40	42.5%	67.7%
41	44.1%	69.0%
42	45.7%	70.4%
43	47.4%	71.8%
44	49.2%	73.2%
45	51.1%	74.6%
46	53.1%	76.1%
47	55.2%	77.6%
48	57.4%	79.1%
49	59.8%	80.7%
50	62.4%	82.2%
51	65.1%	83.9%
52	67.9%	85.5%
53	71.0%	87.2%
54	74.3%	88.9%
55	77.8%	90.7%
56	81.6%	92.4%
57	85.7%	94.3%
58	90.1%	96.1%
59	94.8%	98.0%
60	100.0%	100.0%



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