

# **Superannuation Handbook and Guidance Notes**

## **Non-established State Employees Scheme**

**Last updated: December 2007**

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## 1. INTRODUCTION

1.1 This handbook sets out the current general superannuation arrangements covering non-established State employees in Ireland.

For Superannuation purposes, a non-established State employee is a person employed in a whole-time capacity by a Government Department or Office who is not an established civil servant and in respect of whom special superannuation arrangements have not been made. It may be noted that this definition covers certain employees who are not civil servants in the strict legal sense (e.g. civilian employees attached to the Defence Forces, who are not employed under the Defence Forces Act 1954)

The purpose of this handbook is to

- promote a better understanding of superannuation matters among personnel and welfare staff and other interested parties throughout the civil service
- provide an information source concerning superannuation provisions applying to non-established State employees
- provide a guide to the provisions of the Superannuation Acts and the Personnel Code (Part IV) relating to the superannuation arrangements of non-established State employees.

1.2 The references outlined in Appendix 1 indicate the origin of the relevant provisions and, in most cases, list circulars etc. from which further information may be obtained.

**1.3 This handbook is not a legal interpretation of the existing superannuation provisions of non-established State employees, nor does it purport to deal with every query that may arise concerning superannuation. 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 documents and these should be consulted for the definitive position.**

1.4 Personnel staff are reminded that non-established State employees who seek general information on superannuation matters may be referred to this website: [www.cspensions.gov.ie](http://www.cspensions.gov.ie) .

1.5 Specific queries from individual state employees which relate to their own personal circumstances or the interpretation of pension scheme rules should be addressed to their own Personnel Section.

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1.6 Members who are aged 60 years or over may attend one of the pre-retirement courses run by the Centre for Management and Organisation Development (CMOD); these courses deal with superannuation matters as part of retirement preparation. (Further information on these courses may be obtained directly from CSTDC, Department of Finance, Unit 2, Central Business Park, Clonminch, Tullamore, Co. Offaly. Lo call 1890 661010.)

1.7 The superannuation provisions set out in this handbook apply equally to men and women unless the contrary is stated.

1.8 Established civil servants are members of separate superannuation Scheme(s) which differ in a number of respects from those applying to non-established State employees. The main provisions of these Schemes are set out in a separate Electronic Handbook which can be accessed at [www.cspensions.gov.ie](http://www.cspensions.gov.ie) .

#### **Format and Updates**

**1.9 Earlier editions of this handbook were distributed in hard copy and comprised Part 2 of the handbook covering civil servants. This separated edition will be available in electronic format only on [www.cspensions.gov.ie](http://www.cspensions.gov.ie) . Please ensure that you are referring to the most recent edition. Each update will carry the latest updated date.**

## **2. SUMMARY OF THE MAIN CHANGES SINCE THE 2000 EDITION**

There have been some significant changes to the Superannuation Scheme terms since this document was last updated. The main changes are outlined below.

### **2.1 Superannuation terms for “New Entrants” to the Public Service from 1 April 2004 - Public Service Superannuation (Miscellaneous Provisions) Act 2004**

The Act removed the maximum retirement age for “New Entrant” Public Servants. Details are in Chapter 3.

### **2.2 Qualifying Period for Benefits**

For members serving on or after 2 June 2002, the qualifying period for certain benefits has been reduced from five years to two (see Chapter 8).

### **2.3 Cost Neutral Early Retirement**

This facility allows actuarially reduced early retirement benefits to be paid immediately on resignation in lieu of preserved benefits. It is now available to staff who resign within 10 years of the minimum pension age. For eligibility and full details, please see Chapter 13A.

### **2.4 Integration with Social Welfare Benefits**

#### **2.4.1 New Integration Formula**

A new integration formula is now available, which delivers increased pensions to members whose full-time salary is less than 3 and 1/3 times Contributory State Pension (CSP) – (see Chapter 7.2).

#### **2.4.2 Pro-rata Integration**

Pro-rata integration has been introduced for all Work sharing and part-time staff – (see Chapter 7.3).

### **2.5 Access to the Scheme and reckoning of prior part-time service**

There is now no minimum threshold for Scheme access – (see Chapter 4.2). There are also new rules on the reckoning of prior part-time service – (see Chapter 8).

## **2.6 Reckoning of Variable Pensionable Allowances**

A new method for the reckoning of variable pensionable allowances has been proposed which assesses the best three consecutive years in the last ten. It is anticipated that a Circular is to be issued by the Department of Finance. Chapter 6 will be updated following publication of any relevant Circular.

## **2.7 Purchase of Added Years Scheme**

The Purchase Scheme and Tables have been updated – see Chapter 14 and Appendix 2).

## **2.8 Disclosure Requirements**

The requirements relating to disclosure of information to pension scheme members as set out in regulations made in 2005 and 2006 under the Pensions Act are summarized in Chapter 22.

## **2.9 Internal Dispute Resolution and the Pensions Ombudsman**

The procedures for dispute resolution and appeals are described in Chapter 23 and the role of the Pensions Ombudsman is outlined.

## **2.10 Family Law Acts and Pensions**

The impact of the Family Law Acts for the administration of the Superannuation Scheme is outlined in Chapter 21.

## **2.11 Provisions in the Finance Act 2006**

The relevant provisions relating to benefit limits are outlined in Chapter 24

## **2A.SUMMARY OF MAIN BENEFITS**

2A.1 A scheme member may be eligible for one or more of the following benefits:

- Retirement pension and lump sum (see Chapter 11);
- Supplementary Pension (see Chapter 11.10);
- Preserved pension and lump sum (see Chapter 13);
- 1. Cost Neutral Early Retirement pension and lump sum (see Chapter 13A)
- Preserved death gratuity (see Chapter 13);
- Death gratuity (see Chapter 12.4);
- Balancing gratuity (see Chapter 12.5);
- Spouses' and children's pensions (see Chapter 16);
- 2. In the case of those non-established State employees who are unestablished civil servants, annual allowance, gratuity or compensation under the Injury Warrants (see Chapter 17).

### **3. SUPERANNUATION TERMS FOR “NEW ENTRANTS” FROM 1 APRIL 2004 – Public Service Superannuation (Miscellaneous Provisions) Act 2004**

**3.1** The Act generally increased the minimum pension age and removed the maximum retirement age for “New Entrants” to the public service.

**3.2** In summary, in relation to Non-established State employees, the Act

- provided that all new entrants would not be required to retire on grounds of age;
- made consequential provisions, such as removing penalties for new entrants who serve beyond the age of 65

The text of the Act is available at:

<http://www.oireachtas.ie/documents/bills28/acts/2004/A0704.pdf>

#### **3.3 Definition of “New Entrant” in the Act – reference Section 2 of the Act**

The term “new entrant” is defined in detail in Section 2 of the Act. In general, a person who is appointed as a public servant, as defined in the Act, on or after 1 April 2004 is a new entrant. There are, however, some exceptions. For example,

- 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;
- a person 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;
- persons training in the Garda College who were admitted to training prior to 1 April 2004 will not be regarded as new entrants on completion of their training;
- 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.

Provision has also been made that 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. To facilitate mobility, there are also provisions regarding staff who transfer within the public service.



#### **4. GENERAL CONDITIONS FOR SCHEME MEMBERSHIP AND ELIGIBILITY FOR BENEFITS**

4.1 Membership of the Non-established Superannuation Scheme and associated Spouses and Children's Scheme is generally a condition of employment for Non-established State Employees. When the Spouses and Children's Scheme was first introduced and later revised, there were transitional arrangements and options, with regard to membership, for staff serving at the time – these are explained in Chapter 16.

4.2 There is no minimum hours requirement for Non-established Civil Servants for access to the Superannuation Scheme or the associated Spouses' and Children's Scheme.

4.3 To be eligible for the award of a superannuation benefit a non-Established State employee must fulfil the following conditions:

- (a) have completed qualifying service (see Chapter 8.1), except in the case of death in service benefits);
- (b) a certificate in respect of reckonable service must be issued (under Section 8 of the Superannuation Act 1859) and signed by the head officer of the Department/Office to which the member belongs, stating that the member has served with diligence and fidelity to the satisfaction of the head officer of the relevant Department/Office.

4. Where a member is dismissed, resigns, retires or dies, any superannuation benefit, including a refund of contributions, may be reduced (or stopped) in order to make good any financial loss to the State arising from the employee's activities (see also Chapter 18 below).

## 5. PENSIONABLE REMUNERATION

5.1 Lump sum superannuation benefits (i.e. retirement lump sums and all gratuities) are calculated by reference to **pensionable remuneration** and reckonable service. Pensionable remuneration is the aggregate of **pensionable salary** and **pensionable emoluments**.

5.2 . Pension is calculated by reference to pensionable remuneration and to an integration method which takes account of the Contributory State Pension (CSP) - see *Chapter 7*.

5.3 **Pensionable salary** is, generally, the annual salary of an member on the last day of established service. Effective from 20 December 2001, if a member is worksharing or part-time pensionable salary is based on the salary which would be payable if the officer was working in a full-time capacity<sup>1</sup>. Moreover, if any member has had a change in grade or has received a personal change in salary - other than a general or grade increase or normal increments - within 3 years of the retirement date, his/her salary is averaged in calculating pensionable salary. The current equivalent of the lower salary (had he or she not been promoted) is averaged with the higher salary as follows:

$$\frac{S1 \times N1}{1095} + \frac{S2 \times N2}{1095}$$

where: **S1** is the higher salary;  
**S2** is the current equivalent of the lower salary (including any increments which would have been received in the lower grade);

**N1** is the number of days in the higher position; and  
**N2** is the number of days in the lower position.

Averaging does not apply in the case of death in service where the member, at the time of death, had the potential of at least three years' service to minimum pension age.

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<sup>1</sup> Jobsharing officers who retired prior to that date also had their pensionable salary calculated in the same way.

## **6. PENSIONABLE EMOLUMENTS**

6.1 **Emoluments** are benefits in cash or in kind which are additional to basic salary.

6.2 Pensionable emoluments are the average annual amount of an employee's emoluments, which are held at the last day of service and which are actually received and deemed to be pensionable, during the three years of reckonable service immediately preceding the employee's last day of established service.

*A new method for the reckoning of variable pensionable allowances has been proposed which assesses the best three consecutive years in the last ten. It is anticipated that a Circular is to be issued by the Department of Finance. This Chapter will be updated following publication of any relevant Circular. The Circular is intended to apply in respect of any retirement or death in service occurring on or after 1 April 2004.*

6.3 Generally speaking, pensionable emoluments are:

- (α) allowances for the performance of work done (e.g. higher duties allowance);
- (β) allowances for the conditions under which work is done (e.g. shift premia, unsocial hours allowances);
- (γ) in certain exceptional cases, specifically approved by the Department of Finance, payments for compulsory, regular and rostered extra attendance which forms an inherent part of the conditions of service for certain posts and where such attendance is considered to be the most effective and economical means of carrying out the work involved;
- (δ) the value (as determined by the Department of Finance) of certain perquisites provided free as part of an employee's conditions of employment (e.g. house, quarters, fuel and light, board and lodgings, uniforms).

### **Non-pensionable items**

6.4 Allowances which recoup out-of-pocket expenses (e.g. mileage allowances, subsistence allowances, office accommodation allowances, foreign service allowances) are not pensionable.

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6.5 Allowances for the performance of duties which do not form an integral part of the duties of an officer's own post (e.g. occasional work performed for another Department/Office) are not pensionable. Payments such as gratuities, merit pay etc. are also not pensionable.

6.6 **Overtime payments are not pensionable** (although some payments which are termed overtime in the Department or Office in question may come within the ambit of 6.3(c) above).

### **Contributions**

6.7 The reckoning of allowances for pension purposes is subject to the payment of appropriate contributions – see Chapter 16.

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## 7. INTEGRATION

7.1 As indicated at paragraph 5.2, **an integration method** is used in calculating the pension (but not the lump sum) benefits. Integration takes into account the value of the Contributory State Pension (CSP) in calculating the pension payable from the Superannuation Scheme. The integration method or formula was amended effective from 1 January 2004.

### 7.2 The 2004 Integration Formula:

The method of calculating Main Scheme pension for employees who qualify for benefits on or after 1 January 2004 is:

- (a) For that part of the employee's pensionable remuneration which is less than or equal to  $3\frac{1}{3}$  times the current rate of CSP,  $\frac{1}{200}$ th of pensionable remuneration multiplied by the number of years of reckonable service

plus

- (b) For any part of the employee's Pensionable Remuneration which exceeds  $3\frac{1}{3}$  times CSP,  $\frac{1}{80}$ th of pensionable remuneration multiplied by the number of years of reckonable service

A multiplier of 3.333333 (i.e. 6 decimal places) is used to calculate  $3\frac{1}{3}$  times CSP.

The maximum number of years of reckonable service is 40.

The CSP rate is the maximum Contributory State Pension payable by the Department of Social and Family Affairs to a single person without dependants on the last day of the employee's pensionable service.

### 7.3 Pro-rata Integration for Part-Time staff including work-sharing or part-time employees

7.3.1 In the case of:

- (a) jobsharing staff  
(b) with effect from 20 December 2001, worksharing or part-time staff, who have a full-time comparator and who have paid all relevant contributions [see Chapter 16], the integration of main scheme pension benefits is calculated by reference to:
- notional full-time pensionable remuneration and
  - actual service (i.e. a worksharer @ 50% accrues  $\frac{1}{2}$  of one year's service for each calendar year)

## 7.4 Examples

[Calculations in these examples are rounded to nearest Euro]

### 7.4.1 Example 1:

A full-time member who retires on or after 1 January 2004:

Actual remuneration at retirement = €24,000  
CSP at retirement (1 Jan 2005) = €9,355.87  
 $3\frac{1}{3}$  CSP = €31,186

Pensionable remuneration = €24,000  
Service (Actual reckonable) = 40 years

**Pension =**

$\frac{1}{200}$  x Pensionable remuneration up to €31,186 x service  
plus  $\frac{1}{80}$ th of balance in excess of €31,186 x service

=  $\frac{€ 24,000 \times 40}{200}$  = €4,800 (note no balance in excess of €31,186)

### 7.4.2 Example 2:

A full-time member who retires on or after 1 January 2004:

Actual remuneration at retirement = €34,186  
CSP at retirement (1 Jan 2005) = €9,355.87  
 $3\frac{1}{3}$  CSP = €31,186

Pensionable remuneration = €34,186  
Service (Actual reckonable) = 40 years

**Pension =**

$\frac{1}{200}$  x Pensionable remuneration up to €31,186 x service  
plus  $\frac{1}{80}$ th of balance in excess of €31,186 x service

=  $\frac{€ 31,186 \times 40}{200}$  = €6,237

plus

$\frac{€ 3,000 \times 40}{80}$  = €1,500

**Total = €7,737**

### 7.4.3 Example 3:

A person in a category described in par 7.3.1 above has worked half-time for 40 years and retires after 1 January 2004:

Actual remuneration at retirement	=
€12,000	
CSP at retirement (1 Jan 2005)	=
€9,355.87	
3 <sup>1</sup> / <sub>3</sub> CSP	= €31,186
Pensionable remuneration (notional full-time)	=
€24,000	
Service (Actual reckonable, assuming all service is reckonable)	=
20 years	

**Pension =**

$\frac{1}{200} \times$  Pensionable remuneration up to €31,186 x service  
plus  $\frac{1}{80}$ th of balance in excess of €31,186 x service

=  $\frac{\text{€ } 24,000 \times 20}{200}$  = €2,400 (note no balance in access of €31,186)

### 7.4.4 Example 4:

A person in a category described in par 7.3.1 above has worked half-time for 40 years and retires after 1 January 2004:

Actual remuneration at retirement	=
€17,093	
CSP at retirement (1 Jan 2005)	=
€9,355.87	
3 <sup>1</sup> / <sub>3</sub> CSP	= €31,186
Pensionable remuneration (notional full-time)	=
€34,186	
Service (Actual reckonable, assuming all service is reckonable)	=
20 years	

**Pension =**

$\frac{1}{200} \times$  Pensionable remuneration up to €31,186 x service  
plus  $\frac{1}{80}$ th of balance in excess of €31,186 x service

=  $\frac{\text{€ } 31,186 \times 20}{200}$  = €3,119

plus

$\frac{\text{€ } 3,000 \times 20}{80}$  = €750

**Total = €3,869**

## **7.5 Points to Note including transitional arrangements**

### **7.5.1 Integration Formula**

- (a) Prior to 1 January 2004, the integration formula was:  
Pensionable remuneration minus (2 x CSP) x Years of Reckonable service
- (b) Pensions in payment on 1 January 2004, were revised with effect from that date in line with the 2004 integration formula. Where a supplementary pension was in payment, a balancing gratuity had been paid or a Pensions Adjustment Order was in place, see paragraphs 12, 14, 19 and 20 of Circular 19/2005.

### **7.5.2 Pro-rata Integration**

- (a) Pensions in payment on or after 20 December 2001 were subject to revision with effect from that date in line with Pro-rata integration subject to the former part-time staff member meeting the criteria at 7.3.1 above
- (b) The Pensions Section of the Department of Finance should be consulted in any case where an employee who was worksharing retired between 1 June 2001 and 19 December 2001
- (c) The approach to be used in the context of Pro-rata integration in cases of death-in-service or ill-health retirements is under consideration. Any such cases should be referred, in writing, to the Pensions Section, Department of Finance.

### **7.5.3 Method of Revision**

In cases of pension revision at 7.5.1 and 7.5.2, a revised pension should be calculated based on the position at retirement date. This pension is then updated in the normal way and any increase applied from 1 January 2004 for paragraph 7.5.1 revisions and from 20 December 2001 for paragraph 7.5.2 revisions.



## 8. QUALIFYING AND RECKONABLE SERVICE

### Qualifying Service

8.1 For employees leaving on or after 2 June 2002, **qualifying service** is a minimum period of two calendar years in which the member is in service, **whether full-time, worksharing or part-time**. Transferred service and prior non-established service also counts towards qualifying service. Qualifying service is required for eligibility for Retirement Benefits (Chapter 11), Preserved Benefits (Chapter 13) and Actuarially Reduced Benefits (Chapter 13A) but is not required for Death in Service benefits.

Prior to 2 June 2002, the relevant minimum period was 5 years.

### Reckonable Service

8.2 For service to be reckonable under the scheme, the following conditions apply.

8.2.1 It must be service in a directly employed personal capacity and not service under a contract for services or on a fee or commission paid basis.

8.2.2 Service will not reckon if additional remuneration in lieu of pensionability has been paid in respect of the service.

8.2.3 The aggregate of reckonable service for superannuation purposes cannot exceed 40 years.

8.2.4 Service which is reckoned for the benefits under the scheme cannot also reckon for the purposes of any other superannuation scheme which is financed largely or wholly from public monies.

8.3 The following service is reckonable for employees serving on or after 20 December 2001:

- (a) full-time service while the employee was over 16 and under 65 years (66 in some circumstances- see 11.2), in a Government Department or Office;
- (b) job-sharing, work-sharing or part-time service - this reckons in the proportion which the hours worked bear to comparable full-time service,
- (c) service transferred to the civil service under the provisions of the Transfer Schemes (see Chapter 15);

- (d) notional service, being added years awarded:
- (i) in cases of death in service (see Section 9.1); or
  - (ii) in cases of ill-health retirement (see Section 9.1);
- (e) prior non-established service, which would be reckonable for the purpose of the Pension Scheme for Non-Established State Employees and which was not transferred to another scheme ;
- (f) prior part-time service in the civil service (including prior part-time service of current full-time staff), on the following basis:
- ☎ (i) For service given prior to 1 June 1973, where the hours worked were at least 18 hours per week, the service reckons on the basis of one half of comparable full-time service (*for further details see DPS Circular 46/75*),
  - ☎ (ii) For service given on or after 1 June 1973 and prior to 20 December 2001, where the hours worked were at least 8 hours per week, the service will reckon in the proportion which the hours worked bear to comparable full-time service,
  - ☎ (iii) For service given on or after 20 December 2001, the minimum 8 hour threshold at (ii) above does not apply.
- These conditions assume that the part-time employee had an appropriate full-time comparator, as defined in the Protection of Employees (Part-time Work) Act 2001. Where this is not the case, the Pensions Section of the Department of Finance should be consulted.
- Appropriate pro-rata Spouses and Children's contributions must be paid if appropriate (see Chapter 16) and the hours worked must have been recorded and verifiable.
- (g) service purchased under the Purchase Schemes (see Chapter 14).
  - (h) service derived from a transfer value payment.

8.4 The service listed above is reckonable in years, with all days in excess of completed years reckoning on a *pro rata* basis.

8.5 Special leave or sick leave, either at full or half-pay, is reckonable **in full** for superannuation purposes.

## **8.6 Unpaid leave, or sick leave at pension rate of pay, is not reckonable, except for**

- (α) special leave without pay for certain specific purposes, as indicated - and to the extent specified - in Finance Circulars **18/39, 23/50, 3/53, 41/69** and **2/76**;
- (β) periods - up to a maximum of 1 year - during which an employee was out of work due to an accident/disease contracted in the course of duty and during which the employee was in receipt of benefits under the Social Welfare (Occupational Injuries) Act 1966.

## **8.8 Calculation of Reduced Reckonable Service arising from Unpaid Leave**

Department of Finance letter dated 29 March 2006 to Personnel Officers, "Unpaid Absences and Pensions Accrual" clarifies the Rules to be applied in calculating the impact of unpaid absences on reckonable service. These apply similarly to full-time staff or staff who work or have worked on a part-time, jobsharing or worksharing basis:

- (a) Reckonable service accrues in years (see 8.4 above). An employee who works part-time accrues 1 year multiplied by the Full Time Equivalent (F.T.E.) decimal in each calendar year e.g. an employee working half-time is credited with 1 year x 0.5.
- (b) For absences of individual days, a day is discounted for each day's absence or for the proportion of the day the person is scheduled to work if the person is scheduled to work less than the full day.
- (c) for absences of more than 1 day and less than 13 weeks, the period of absence is taken as a block and all days (or portion of a day) that the person was scheduled to work in the period from the start to the end of the absence, inclusive, are discounted, including weekend days where the person has been absent on the last working day before and the first working day after the weekend. For worksharers the weekend days are calculated by multiplying those days by the F.T.E. decimal. Where the person has been absent on the last working day before a Public Holiday and the first working day after the Public Holiday, the pensionable service loss in respect of the Public Holiday is equal to the proportion of the day the person was scheduled to work on that day. Where payment is made in respect of a Public Holiday, falling within such a period of unpaid leave, that day (or part of the day) is pensionable.

- (d) For longer periods of absence, such as career breaks, the accrual of pensionable service is stopped and resumes when the member returns from the break.

**Examples:**

Work Schedule - 2 ½ Days on-2 ½ Days off

2 ½ Days on/2 ½ Days off	FTE = .5
Works Mon and Tues (full days) and Wed morning each week.	

Example A		
Unpaid Leave	Pension Loss	
Week 1 – off Mon	1 Full Day	
Total Pension Loss = 1 Day		

Example B		
Unpaid Leave	Pension Loss	
Week 1 – off Mon, Tues, Wed am	2 ½ Days	
Total Pension Loss = 2 ½ Days		

Example C		
Unpaid Leave	Pension Loss	
Week 1 – off Mon, Tues, Wed am	2 ½ Days	2 Weekend days * .5 = 1 Day
Week 2 - off Mon, Tues, Wed am	2 ½ Days	
Total Pension Loss = 6 Days		

Example D		
Unpaid Leave	Pension Loss	
Week 1 – off Mon, Tues, Wed am	2 ½ Days	2 Weekend days * .5 = 1 Full Day +
Week 2 – off Mon, Tues, Wed am	2 ½ Days	
Week 3 – off Mon	1 Day	2 Weekend days * .5 = 1 Full Day
Total Pension Loss = 8 Days		

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## **9. NOTIONAL SERVICE**

### **9.1 Death in service or ill-health retirement**

9.1.1 Where an employee retires having completed at least 5 years' actual service due to a permanent disability which was not self-inflicted or dies in service, notional service may, at the discretion of the Minister for Finance, be added to his/her actual service on the following basis for the purposes of calculating death gratuity (in the case of death in service) or retirement lump sum and personal pension (in the case of retirement on grounds of ill-health):

- (a) employees with between 5 and 10 years actual reckonable service are credited with an equivalent amount of added service subject to such credited service not exceeding the additional reckonable service which would have accrued if the employee had remained in service up to age 65;
- (β) employees with between 10 and 20 years actual reckonable service are credited with the more favourable of
  - (i) an amount of service equal to the difference between actual reckonable service and 20 years, subject to such credited service not exceeding the additional reckonable service which would have accrued if the employee had remained in service up to age 65; or
  - (ii) 6 years and 243 days (i.e. two-thirds of a year), subject to such credited service not exceeding the additional service which would have accrued if the employee had remained in service up to age 65;
- (c) employees with more than 20 years actual reckonable service are credited with the same award of added service as at (b)(ii) above.

The application of the above rules to Worksharing and Part-time employees has yet to be finalised.

## **10.CONTRIBUTIONS**

10.1 The Superannuation Scheme for Non-established State employees is non-contributory – there is no contribution for Main Scheme benefits.

10.2 All scheme members who are members of the Spouses' and Children's Pension Scheme pay contributions in respect of the benefits provided by that Scheme - see Chapter 16 below.

## **11. RETIREMENT BENEFITS**

### **11.1 Benefits:** An employee who retires

- (a) having reached the minimum pension age of 65; or
- (β) due to incapacity to discharge his/her duties on grounds of mental or physical infirmity not brought about by the employee's negligence and likely to be permanent (and having completed 5 years actual service)

may be paid an immediate retirement pension and lump sum. These immediate benefits are only awarded in the circumstances outlined above. However, an employee who resigns with an entitlement to preserved benefit (see Chapter 13) and who is age 55 or over may apply for an actuarially reduced lump sum and pension payable immediately on resignation – details are set out in Chapter 13A.

### **11.2 Retirement conditions:**

The minimum retirement age is 65. For 'New Entrants' (see Chapter 3), there is no compulsory retirement age but for all others it is 65 and in some exceptional cases (i.e. those designated for the purposes of Section 17 of the Industrial Relations Act 1969) it is 66.

**11.3 Recall to duty:** Any employee who retires on grounds of permanent incapacity before age 65 may, if subsequently considered by the Chief Medical Officer to be fit for duty while still under that age, be called upon to fill any civil service post for which previous service renders him/her eligible. In such circumstances the pension ceases to be paid and the lump sum originally awarded to the employee must be repaid, so that all his/her service may subsequently be reckoned for benefit purposes. Repayment may be effected by deduction from the employee's ultimate retirement lump sum. If, when called upon, such a retired employee declines to return to duty, and fails to satisfy an independent medical authority (known as the Medical Referee) that he/she remains permanently unfit for duty, his/her pension entitlements may be terminated, and only resumed if and when he/she attains minimum pension age, in which case the pension would be based on actual service only.

### **11.4 Retirement Lump Sum Calculation:**

Retirement lump sum is **3/80ths of pensionable remuneration** (as defined in paragraph 5.1) for each year of reckonable service, subject to a maximum of 1½ times' pensionable remuneration.



### 11.5 Pension Calculation:

Pension is calculated as follows:

- (a) For that part of the employee's pensionable remuneration which is less than or equal to  $3\frac{1}{3}$  times the current rate of CSP,  $\frac{1}{200}$ th of pensionable remuneration multiplied by the number of years of reckonable service

plus

- (b) For any part of the employee's Pensionable Remuneration which exceeds  $3\frac{1}{3}$  times CSP,  $\frac{1}{80}$ th of pensionable remuneration multiplied by the number of years of reckonable service

A multiplier of 3.333333 (i.e. 6 decimal places) is used to calculate  $3\frac{1}{3}$  times CSP.

The maximum number of years of reckonable service is 40.

The CSP rate is the maximum Contributory State Pension payable by the Department of Social and Family Affairs to a single person without dependants on the last day of the employee's pensionable service. (See also Chapter 7 – Integration)

*Prior to 1 January 2004 the method of calculation of pension was:  $\frac{1}{80}$ th of net pensionable remuneration (pensionable remuneration minus twice the CSP) multiplied by the number of years of reckonable service, subject to a maximum of 40 years.*

### 11.6 Supplementary Pension:

In calculating pension at paragraph 11.5 above, it is assumed (a) that the employee concerned is always entitled to social insurance benefits and (b) that he/she is eligible for the maximum personal rate of such benefits. However, depending on a particular individual's PRSI contribution record, it may transpire that - through no fault of the employee concerned - he/she either has no entitlement to the specified social insurance benefits, or even if so entitled, is eligible for less than the maximum personal rate of the Contributory State Pension payable to a single person without dependants. In such cases, the employee 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. Specifically, such a pension is payable to a retired member in receipt of a civil service pension who is unemployed and, due to causes outside his/her control

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- (a) fails to qualify for any social insurance benefit or pension (i.e. Disability Benefit, Unemployment Benefit, Invalidity Pension or State Pension); or
- (b) qualifies for one or other of the benefits referred to at (a) above, but at less than the maximum personal rate of the Contributory State Pension payable to a single person without dependants.

In such cases, the supplementary pension payable comprises the difference (if any) between

- (a) the amount of the actual pension awarded to the employee plus the amount (if any) of the personal rate of social insurance benefit or pension payable to him/her; and
- (b) the amount of the pension which would have been awarded to the employee if that pension had been calculated by reference to the calculation method for pre-6 April 1995 Established Civil Servants i.e.  $1/80^{\text{th}}$  of pensionable remuneration per year of reckonable service, subject to a maximum of 40 years.

In the case of delegated departments/offices, the Department/Office from which the employee retires has the responsibility for ensuring that the supplementary pension, where appropriate, is put in payment.

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## 12.GRATUITIES

12.1 **Death Gratuity:** Where an employee dies during service, a gratuity is payable equal to the greater of:

- (a) the employee's pensionable remuneration (see par 5.1); or
- (b) the amount of the retirement lump sum which the employee would have received if he/she had retired on grounds of ill-health on the date of his/her death.

Please consult with Pensions Section of the Department of Finance as to how the Death Gratuity is calculated in the case of Worksharing or part-time employees.

12.2 **Preserved Death Gratuity:** Where a person with an entitlement to preserved benefits (see Chapter 13) dies before the preserved pension age of 65, a preserved death gratuity is payable calculated by reference to reckonable service at date of resignation and pensionable remuneration on that date, uprated in line with general and any other pay increase applicable to the his or her former grade, which was applied to pensioners, between the date of his/her final day of reckonable service and the date of death.

12.3 **Balancing Gratuity:** In cases where an employee 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 employee's pensionable remuneration, a gratuity equal to the amount of that shortfall is payable to the deceased employee's legal personal representative.

12.4 The gratuities are payable

- (a) if the deceased employee is survived by a spouse with whom he or she is living at the date of death, to the spouse; or otherwise
- (b) to his or her legal representative.

The legal personal representative is the person who acts as executor of the deceased employee's will, or administrator of his or her estate in the case of intestacy.

## **13.PRESERVED BENEFITS**

### 13.1 An employee who

- (a) leaves the civil service having completed a minimum of 2 years' qualifying service or who left between 1 January 1975 and 1 June 2002 (inclusive) with a minimum of 5 years' qualifying service;
- (b) has not reached the minimum pension age
- (c) is not entitled to immediate superannuation benefits
- (d) does not opt for actuarially reduced superannuation benefits, and
- (c) does not transfer his/her service to another employment,

is entitled to preserved superannuation benefits payable at the preserved pension age of 65.

### 13.2 The benefits are:

- (a) preserved lump sum and pension (if a person survives to preserved pension age, or in the circumstances set out in paragraph 13.6);

or

- (b) preserved death gratuity (if the person dies before an entitlement to preserved pension and lump sum arises – see paragraph 12.2 and 13.5).

and

- (χ) preserved spouses' and children's pensions, where applicable, if the person was a member of the Spouses' and Children's Pension Scheme (see Chapter 16).

13.3 The method of calculation of the preserved lump sum and pension is as set out in paragraphs 5 to 7 of Chapter 11 but is based on the employee's pensionable remuneration (as defined in paragraph 5.1) uprated in line with general and any other pay increase applicable to the his or her former grade, which was applied to pensioners, between the date of his/her final day of reckonable service and the date on which the benefit becomes payable.

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13.4 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 employee incurs permanent ill-health and satisfies the Minister for Finance 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 early, with effect from the date (not earlier than the date of the former employee's application) on which the Minister is so satisfied.

13.5 If a former employee 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.

13.6 Details of preserved spouses' and children's pensions are included in Chapter 16.

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## 13A COST NEUTRAL EARLY RETIREMENT

13A.1 Cost Neutral Early Retirement is a facility which allows qualifying employees who wish to retire up to ten years before the preserved pension age of 65 to apply to receive immediate payment of lump sum and pension, as an alternative to preserved benefits. The lump sum and pension are reduced to make them the equivalent, in actuarial terms, of preserved benefits.

### Eligibility

13A.2 A scheme member who

- (i) has completed two years' qualifying service (see Chapter 8) and
- (ii) at date of resignation is aged at least 55,

may opt to apply for Cost Neutral Early Retirement in lieu of receiving preserved benefits. All applications are subject to paragraph 13A.18.

13A.3 The application to draw down cost neutral superannuation benefits must be made **not later than the date of resignation**; no applications will be accepted from persons who have already resigned except for cases covered by specified transitional arrangements on the introduction of the scheme.

### Conditions

13A.4 Employees whose applications under 13A.2 above 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 13A.5 to the preserved benefit, with appropriate adjustment, as necessary, for exact age (i.e. years and days) at retirement.

13A.5 In adjusting for exact age at retirement, pension and lump sum will be calculated in accordance with the following formula:

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

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.

**Retirement in the 12 months preceding preserved pension age (between ages 64 and 65 years):** In such cases, the actuarial reduction factors to be applied should be determined by means of the above formula, with “C” (actuarial reduction factor at next birthday), set at 100%.

**Table:  
Factors to be applied to preserved benefits to derive actuarially reduced benefits**

<b>Age last birthday</b>	<b>Pension</b>	<b>Lump sum</b>
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%

The Pensions Modeller can be of assistance in estimating the benefits available under cost neutral early retirement (see [www.cspensions.gov.ie](http://www.cspensions.gov.ie)).

**13A.6 The actuarially reduced rate applies throughout the lifetime of the payment of a pension subject to adjustments in line with civil service pensions increases, as appropriate. An employee who avails of cost neutral early retirement cannot subsequently switch to payment of a preserved pension at normal preservation age of 65.**

#### **Impact on Purchase of Notional Service**

13A.7 CNER will have an impact on the benefit derived from purchase options. Two reductions will apply. 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. 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.

## **Spouses' and Children's Pension Schemes**

13A.8 Benefits payable under the Spouses' and Children's Pension Scheme are not affected by cost neutral early retirement, i.e. any benefits payable under the Spouses' and Children's Pension Scheme to survivors of early retirees will be the same as those payable to survivors of staff who opt for preservation of benefits.

13A.9 Any unpaid Spouses' and Children's Pension Scheme contributions must be deducted from the "preserved" lump sum, i.e. the preserved gross lump sum should first be calculated and the unpaid S&CPS contributions should then be deducted from this amount. The appropriate cost neutral early retirement factor is applied to the resultant net lump sum. In relation to other deductions from the lump sum which may arise, the Department of Finance should be consulted.

## **Dismissal**

13A.10 Persons being dismissed from service may apply for cost neutral early retirement provided they meet the eligibility criteria and should be informed of this fact. However, applications from such persons must be approved by the Department of Finance.

## **Career break**

13A.11 Employees on career break who avail of cost neutral early retirement should have their pension *and* lump sum determined by reference to the uprated pensionable remuneration applying at the time of their resignation.

## **Service decimal**

13A.12 In calculating or updating pension benefits (e.g. to reflect pay increases) the service decimal or pay multiplier to be used is arrived at by dividing the pension payable (i.e. following application of the relevant cost neutral early retirement factor) by the total reckonable remuneration. The service decimal will have to be revised when a Spouses' and Children Scheme's benefit becomes payable.

## **Supplementary pensions**

13A.13 Supplementary pensions, where appropriate, are payable to persons availing of cost neutral early retirement on reaching the relevant preserved pension age of 65. In the case of delegated departments/offices, the Department/Office from which the employee retires has the responsibility for ensuring that the supplementary pension, where appropriate, is put in payment.



### **Implications for Social Welfare benefits**

13A.14 As the arrangements for securing Social Welfare credits may vary from time to time, all employees should be advised to check their own individual situations with the Department of Social and Family Affairs prior to availing of cost neutral early retirement and to check, periodically, as to the up-to-date position. Failure to do so could adversely affect an employee's subsequent entitlement to Social Welfare benefits, such as State pension or survivor's pension.

### **Return to public service employment**

13A.15 Where an employee who has availed of cost neutral early retirement returns to public service employment, that person will be subject to the relevant rules of this scheme and the superannuation scheme pertaining to their new employment (e.g. in relation to abatement/cessation of pension and maximum accrual rates). See 20.1.

13A.16 Service in respect of which an actuarially reduced pension is being paid cannot be aggregated with subsequent service in the same scheme or transferred between schemes.

### **Applications**

13A.17 Departments/Offices should make eligible staff aware of the options available, in advance of the date of resignation. Applications for cost neutral early retirement should be made, in writing, through an employee's Personnel Unit. Departments should provide staff who are granted cost neutral early retirement with written confirmation of the terms of the arrangement prior to the date of retirement. Applications for payment of actuarially reduced superannuation benefits will not be considered from former staff members who have already resigned.

### **Restrictions**

13A.18 Departments/Offices must consider all applications in light of business needs. Should a Department or Office consider that the number or nature of applications received are such as to pose difficulties for the effective or efficient operation of the Department/Office concerned, the Department of Finance should be consulted. It may, in such cases, become necessary for the Department of Finance, in consultation with the relevant Department/Office and relevant staff side representatives, as appropriate, to prioritise applications or place some restrictions on the numbers/levels approved in a particular period.

**Monitoring and Review**

13A.19 Departments/Offices have been requested to monitor carefully the operation of the cost neutral early retirement facility and to keep a record of the number of applications by grade, age, part-time/worksharing/full-time, geographical location and sex. The Department of Finance should be notified in the event of any problems or difficulties arising.

## **14. PURCHASE OF NOTIONAL SERVICE**

**The following information can only be considered a guide to the provisions of the purchase of notional service scheme. Personnel Sections should consult the relevant Circulars/Letters (listed at Appendix 1) for the definitive rules on purchase.**

The Pensions Modeller which is available on [www.cspensions.gov.ie](http://www.cspensions.gov.ie) should help an interested individual to establish whether he/she might be in a position to purchase service and the estimated cost but the final position can only be confirmed following formal application to a member's Personnel Unit.

### **Purchase Conditions and Rates**

14.1 There are certain conditions governing the amount of service an employee may purchase and details of the maximum amount which may be purchased are set out in Appendix 2.

14.2 Service may be purchased by a lump-sum contribution or by periodic deductions from salary. Contribution rates vary by reference to age. Rates also depend on membership or non-membership of the Spouses' and Children's Pension Scheme.

14.3 The rates are set out in Appendix 2.

14.4 Please note that:

(a) the purchase tables apply to both male and female (i.e. there is no distinction on gender basis for purchase), and

(b) the lump-sum contribution rates are levied on gross salary only (i.e. there are no Net Pay/Pay contribution rates for lump-sum purchase). For periodic purchase options, however, contributions are levied on both Net Pay **and** Pay.

14.5 An employee who wishes to purchase service must

(a) be serving in a non-established capacity and not on sick leave, or on special leave without pay, or suspended from duty (with or without pay); and

- (b) have already accrued, or have the prospect of accruing by age 65, at least 9 years' reckonable service, including transferred service and service credited on foot of a Transfer Value received from outside the Public Service Transfer Network.

## Purchase Options

14.6 As indicated above, an employee may opt to purchase by either

- (a) periodic deductions from salary commencing on the employee's next birthday following the exercise of the purchase option and ending at age 65; these deductions are a fixed percentage of pay, so their cash amount will increase as salary rates increase during the term of the purchase agreement;

or

- (b) a lump-sum contribution, calculated by reference to the rate of salary applicable at the time the option is exercised, at a percentage rate based on the employee's age next birthday.

14.7 Contributions (both periodic and lump-sum) are levied on basic salary only (ie. excluding allowances, etc.). Where, at retirement, an employee's final pensionable remuneration includes an amount in addition to basic salary (eg. a pensionable allowance), an extra purchase contribution is payable in respect of that additional amount by way of a deduction from the employee's retirement lump-sum.

14.8 Where an employee is on a reduced rate of salary for any reason (eg. worksharers or employees working part-time) contributions are **always** levied on the full-time rate of salary for the job, **not** the reduced rate of salary.

## Periodic Contributions

14.9 An option to purchase by periodic contributions from salary may be made at any time up to 2 years before retiring age - i.e. an employee who opts for this payment method must have the potential for at least 2 years' payments.

14.10 No deductions are made during any unpaid periods of absence - in such cases the service credit in respect of purchased service is reduced using the formula in paragraph 14.11.

14.11 A periodic purchase option cannot be completely revoked once payments have commenced. However, an employee who wishes to cease making periodic contributions may do so by giving notice, in writing, of his/her intention to cancel the purchase agreement. In that event, the deductions from salary should be cancelled with effect from the employee's next available payday. The service credit accrued up to that date is calculated by the formula:

$$\frac{A \times B}{C}$$

where

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

B = the period (to the nearest day) during which periodic contributions have been made; and

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

Note: in addition to calculating the service credit in a case where a periodic purchase agreement ceases before the due date, this formula is also used to calculate the service credit to take account of missed contributions (see par 14.18) during a periodic purchase agreement (eg. due to a period of special leave without pay).

### **Lump Sum Contributions**

14.12 Service may be purchased by a lump-sum contribution, subject to the following conditions:

- (a) only one such option may be made in any calendar year, and
- (b) the minimum amount of lump-sum contribution which may be made in this way is 10% of the employee's annual rate of salary, or, if less, the contribution required to purchase the employee's potential shortfall in service below the maximum reckonable service of 40 years.

Note: this 'once-a-year' option is in addition to the option whereby a period of special leave without pay can be purchased by lump-sum within 6 months of return to duty – i.e. an employee may purchase a period of special leave by lump sum and exercise a further lump-sum option in the same year.

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14.13 In the case of employees on a reduced rate of salary (eg. worksharers or employees working part-time), “annual rate of salary” is **always** the full-time rate of salary for the job, **not** the reduced rate of salary.

14.14 In cases where special leave without pay has been granted to an employee, a sponsoring organisation, or the employee, may - subject to the normal rules of the purchase scheme - make a lump-sum purchase payment in respect of the period of special leave. In such cases the payment must be made within 6 months of the employee’s return to duty.

14.15 Where a period of service to be purchased is less than 1 year, the purchase must always be made by lump-sum contribution.

#### **Purchase while on a Career Break**

14.16 An employee who is about to embark on a career break may apply **in advance** to have that period of leave reckoned for superannuation purposes, subject to the normal rules of the purchase scheme. The mechanism is that the employee makes lump-sum payments to his/her Department/Office on a quarterly basis on foot of quarterly requests from their Personnel Section. The amount due each quarter is calculated by applying to the employees’s uprated salary applicable at the time of calculation, the normal lump-sum purchase rate applicable to the employee concerned, determined by the age next birthday at the time the quarterly payment due is being calculated.

14.17 Employees currently on career break who are reckoning service under the arrangements in this Department’s Letter to Personnel Officers dated 14 March 1990 (*Reckoning of Career Breaks Periods for Superannuation Purposes*) and are paying under the rates set out in that Letter may continue to have those rates applied for the duration of the career break.

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## **Unpaid contributions during a Periodic purchase agreement**

14.18 Under the purchase scheme rules, periodic purchase contributions are not levied during periods of absence without pay (e.g. term time, special leave without pay, etc.). The periodic contributions recommence upon return to service (at the same percentage rate(s) which applied before the period of leave) and, if the employee does not avail of the options set out in the next paragraph to take account of the unpaid contributions then, at retirement, a pro-rata reduction (see par 14.11) is applied to the amount of service the employee initially contracted to purchase to take account of those unpaid contributions. The employee may then consider purchasing the reduction under a separate lump-sum purchase option, subject to the normal rules of the scheme.

14.19 Alternatively, on return to employment, the employee may avail of one of the following options to take account of the unpaid contributions.

The first option is to make a single lump-sum payment within six months of the date of return to duty from the period of special leave. The payment due under this option is the amount obtained by:

- (a) applying the purchase rate(s) the employee is paying under the purchase agreement(s) to the annual rate of salary applicable on the date the employee returns to duty, and
- (b) multiplying the result at (a) by the number of days on leave without pay divided by 365.

The second option is to double-up on periodic contributions for a period equivalent to the period of leave without pay when payment of periodic contributions recommences.

14.20 In addition to the pro-rata reduction mentioned in paragraph 14.18, it should be noted that the leave of absence period itself is an additional loss of service which may be purchased separately. If the employee wishes to purchase this additional shortfall in service then a separate purchase agreement, either by periodic contributions or lump-sum as appropriate, must be entered into in accordance with the normal rules of the purchase scheme.

## **Purchase of service by Worksharers/Part-time Employees**

14.21 Worksharers/Part-time employees 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 the existing worksharing/part-time 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.

14.22 Where an employee who is purchasing (or has purchased) service increases their worksharing or part-time attendance pattern, or returns to full-time attendance and, as a result, the service purchased or being purchased exceeds the amount required to bring the employee's potential reckonable service, by age 65, 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.

### **Purchase of service by staff on contract**

14.23 An employee who wishes to purchase service must have an expectation of a minimum of 9 years' reckonable service by age of 65 (including any transferred service and service credited on foot of a Transfer Value received from outside the Public Sector Transfer Network).

The following arrangements apply for the purposes of determining the potential service of non-established State employees employed on a contract basis:

- (a) an employee on a fixed term contract which clearly states that it is non-renewable, or on a fixed purpose contract which is not expected to extend to at least 9 years, may not purchase service (unless the employee has prior reckonable service or transferred service or service credited on foot of a Transfer Value received from outside the PSTN, which would result in potential service equalling or exceeding 9 years);
- (b) an employee on a "contract of indefinite duration" may be considered to have potential service to age 65;
- (c) otherwise an employee may be considered to have potential service to either age 65 or, where appropriate, the potential maximum allowable service in the post subject to any potential service beyond age 65 being disregarded.

The maximum amount of notional service which may be purchased in any of the above situations will be determined in accordance with the normal rules of the purchase scheme.

**Refunding purchase contributions, which is particularly relevant in the case of contract staff, is dealt with in sections 14.27 to 14.30.** It should be noted that where an employee ceases employment with less than 9 years reckonable service (including transferred service or service credited on foot of a Transfer Value received from outside the PSTN), all purchase contributions must be refunded. In other cases, it may be necessary to make partial refunds of purchase contributions.



## **Crediting of purchased service**

14.24 Purchased service reckons for all superannuation benefits provided that the employee concerned has the minimum actual service required to qualify for the benefit in question. Purchased service does not reckon in calculating any award of notional service which is service-related (e.g. ill-health added years).

14.25 Where periodic contributions cease before age 65 (e.g. resignation, ill-health retirement, death in service), the amount of service purchased up to the date of cessation of the contributions is calculated using the formula in paragraph 14.11.

14.26 Where an employee who has purchased/is purchasing service dies in service, the service purchased at the date of death reckons in full for death gratuity and spouses' and children's pension purposes. However, if an employee qualifies for any other superannuation benefit before age 65 (e.g. ill-health retirement), the portions of the employee's benefits which are attributable to purchased service are subject to actuarial reduction to take account of the early payment of those benefits. The extent to which the benefits are reduced is set out in Appendix 2 (Table 3).

## **Refunds**

14.27 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 an employee does not qualify for superannuation benefits and does not transfer his/her service to another employment;
- (b) where an employee who is purchasing service leaves the Civil Service before attaining the minimum service requirement of 9 years (including transferred service and service credited on foot of a Transfer Value from outside the Public Sector Transfer Network), all purchase contributions must be refunded. Where an employee who is purchasing service leaves the Civil Service having attained 9 years' service but before attaining the minimum service required in respect of the amount of notional service being purchased, or already purchased, an appropriate refund of purchase contributions must be made so that the amount of service actually purchased concurs with the relevant limit in Appendix 2 (taking account of any retained benefits of course);

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- (c) if an employee, having exercised an option to purchase service, subsequently becomes eligible for an award of notional service (see Chapter 9) as a result of which his/her total service would be in excess of the maximum reckonable (40 years). (See paragraph 14.28).

14.28 In a case described in paragraph 14.27(c), the refund arrangements are as follows:

- (a) where service has been purchased by lump-sum only, a refund will be made through the payroll in respect of the amount of purchased service which exceeds the 40-year limit;
- (b) where periods of service have been purchased both by lump-sum and periodic contributions, the excess service in respect of which a refund will be made (through the payroll) will be the service most recently purchased;
- (c) where an employee is purchasing service by periodic contributions, and all of that service would exceed the 40-year limit, deductions will cease forthwith and all contributions will be refunded through the payroll;
- (d) where an employee is purchasing service by periodic contributions, and some, but not all, of that service would exceed the 40-year limit, the rate of contributions will be adjusted under a revised purchase option, based on the employee's age next birthday at the date of the original option, aimed at securing only such service as is necessary for maximum benefits; excess contributions paid under the original option will be offset against contributions owed under the revised option, and any remaining excess will be refunded through the payroll.

14.29 Interest is **not** payable in respect of refunds of purchase contributions.

14.30 The element in purchase contributions attributable to benefits under the Spouses' and Children's Pension Scheme may also be refunded in certain limited circumstances, i.e. where periodic contributions paid under that Scheme are being refunded to, or in respect of, a Scheme member (see paragraphs 16.20 and 16.21).

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**Employment Records:**

14.31 Before an employee finalises a purchase option, the position regarding any transferred or transferable service, and retained superannuation benefits (if any) must be ascertained. Accordingly, employees interested in purchasing service must furnish full details of all previous employment to their Personnel Section.

**Tax Relief:**

14.32 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:

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

14.33 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 employee concerned. Because the tax relief limits cover **all** superannuation contributions paid by an employee (including contributions under the Spouses' and Children's Pension 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, worksharing/part-time employees (or any other employee on a reduced rate of salary) should note that, while purchase contributions are levied on the full annual rate of salary, the tax relief is based on an employee's actual income in a given year – i.e. the reduced rate of salary.

14.34 Employees 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 Tax Office if they have any queries in that regard.

## **15.TRANSFER OF SERVICE**

### **The Transfer Scheme [The Public Sector Transfer Network]**

15.1 The Transfer Scheme provides for the reckoning by each participating organisation of earlier pensionable service with any other member of the transfer "network". Under its provisions, there are links between the Civil Service, the Garda Siochana, the Defence Forces, the national and secondary teaching services and a large number of other participating bodies, comprising virtually all of the Irish public sector, together with a small number of private organisations. A list of organisations in the transfer network is available on request from the Department of Finance. Membership of the transfer network is voluntary for the organisations concerned. Not all organisations currently or previously in the public sector are members of the network.

15.2 The Scheme improves on the transfer provisions of the Superannuation and Pensions Act 1963 in the following respects

- (a) transfers after the "operative date" (see paragraphs 15.4 to 15.6) are automatic rather than discretionary;
- (b) "pre-operative date" service may be covered at the discretion of the final employing organisation;
- (c) service given in a non-pensionable capacity may be transferred in certain circumstances;
- (d) the organisations in the transfer network have a number of contribution options;
- (e) a break in service does not necessarily debar the transfer of earlier service.

15.3 The detailed provisions of the Scheme are contained in the Transfer Scheme document issued in 1979, and in subsequent Letters to Personnel Officers. Its terms are outlined below.

## Conditions

15.4 A transfer of service is normally allowed provided the following conditions are met:

- (a) the service in question must be confirmed (i.e. the previous body must formally certify that the service was given). Where the personnel records of the previous body do not give detailed confirmation of the service being claimed, the Minister may, at his discretion, accept such supporting documentary evidence of the service as he may prescribe, in order to establish the veracity of the claim.
- (b) the service in question must have been satisfactory (i.e. of such a nature that a superannuation benefit would ultimately have been payable in respect of it if the person had remained in the employment of the previous body).
- (c) all reckonable service with the previous body must be transferred (not just a portion of it).
- (d) the service in question must have been either
  - (i) pensionable service for the purpose of the previous body's pension scheme, or
  - (ii) service which was not pensionable at the time it was given, because the category of employees to which the person belonged was not then covered by a pension scheme, but which would have become pensionable if the person concerned had remained with that body up to retiring age.
- (e) the transfer must be either without a break in service or, if there was such a break and some or all of the intervening period was spent in the employment of another network body, the individual must transfer reckonable service in both bodies (i.e. an employee cannot in these circumstances opt to have the intervening period of service omitted from the transfer).
- (f) transfer is debarred if a pension has already been paid in respect of the earlier service.
- (g) where an employee is eligible for preserved superannuation benefits, or has previously been paid a refund of contributions (or any other form of lump sum payment) under the pension scheme of a network body, service with that body cannot be transferred unless the employee concerned

(i) forgoes any entitlement to such preserved benefits where applicable, and

(ii) agrees to repay the amount of any refund or lump sum previously paid, together with compound interest on that amount at the appropriate rates.

(h) where service with a previous body is reckonable under (d)(ii) above and that body has a contributory pension scheme, the employee concerned must pay appropriate contributions to his/her employing Department/Office in respect of such service, together with compound interest where applicable.

(Appropriate interest under g(ii) above means compound interest in respect of the period between the date of the original payment and the date of repayment. Interest at the rate of 3% per annum is payable in respect of periods up to 31 March 1971; 6% per annum in respect of periods between 1 April 1971 and 13 November 2000, and 4% per annum in respect of periods from 14 November 2000 onwards).

## **Contributions**

15.5 A contribution option is agreed bilaterally between network bodies when a transfer between these bodies first arises. The contribution options are:

(a) "Knock-for-knock" - also known as "Paragraph 16(a)" (this is a reference to the relevant paragraph in the Transfer Scheme document) - which means that credit is given for transferred service but no payments are made between the bodies involved. The final employing body bears the full cost of the transferred service without any contribution from the earlier employing body.

(b) "Paragraph 16(b)" contributions. Under this option

(i) where an employee retires on pension on ill-health or age grounds, a contribution toward the cost of pension (equal to 1/80th of salary on the last day of service with the first body for each year of reckonable service in that body) is payable to the second body. Payment by the first body is made half-yearly in arrears for the duration of pension payments by the final employing body. In addition, a contribution towards the cost of the retirement lump sum (equal to 3/80ths of the same salary figure for each year of service) is made by the first body.

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(ii) where an employee dies in the service of the final employing body, a contribution towards the death gratuity - equal to the contribution payable towards the cost of the retirement lump sum (see above) - is made by the first body.

(iii) where spouses' and children's pensions are paid by the final body, an ongoing contribution - equal to half of the amount specified at (i) above in respect of pension - is made by the first body.

(c) "Paragraph 16(c)" contributions. These are similar to the contributions at (b) above, except that they are uprated in line with pension increases awarded throughout the public service.

(d) Transfer Value (TV) - also known as "paragraph 16(d)" payments. This is a single lump sum payment incorporating the transferred employee's accrued preserved benefits (including spouses' and children's benefits where appropriate). It is calculated by reference to special transfer value tables. This method has the advantage of being a once-off payment which cuts out subsequent administrative work. This contribution method may only be used for "post-operative date" transfers.

15.6 Transfer contributions are always based on full salary, even in cases where "co-ordination" with the Contributory State Pension applies. This means that a body with a co-ordinated pension scheme would make a payment based on full salary, even though its own pension payments are adjusted to take account of the Contributory State Pension. Equally, however, such a body would receive payments based on full salary in the case of transfers into that body.

### **Operative dates**

15.7 Transfers to and from network bodies are divided into two categories - "pre-operative date" cases and "post-operative date" cases. The latter cases are automatically covered, as network bodies are obliged to honour "post-operative date" transfers. Employees who transfer before the agreed operative date (and are still serving on that date) will only be covered if the final body so decides. Network bodies have discretion to cover "pre-operative date" cases either on a general or a selective basis. The bodies in parts I and II of the Scheme (the Civil Service, Garda Siochana, Defence Forces, and national and secondary teaching services) honour all "pre-operative date" cases.

15.8 The following points should be noted in considering whether a particular transfer falls into the "pre-operative date" or "post-operative date" category:

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- (a) where two bodies involved in a transfer case have different operative dates, the later date applies. For example, if A has an operative date of 1 June 1973 and B has an operative date of 12 July 1976, then 12 July 1976 becomes the operative date - any transfers occurring between both these bodies before 12 July 1976 are "pre-operative date", while those occurring on or after 12 July 1976 are "post-operative date";
- (b) a particular transfer case is judged to be "pre-operative date" or "post-operative date" on the basis of the date of departure from the first body. Thus, if a transferee joins a body after the operative date, he will still be classified as a "pre-operative date" case if he left the first body before that date (e.g. to take up employment outside the network);
- (c) a person who does not formally cease to be an employee of the first body until after the operative date but who had left its payroll (perhaps on special leave and working in the second body) before that date is classified as a "pre-operative date" transfer case;

15.9 The operative date of the scheme for non-established State employees is 1 October 1975. Each other network body chooses its own operative date on joining the network, subject to certain conditions, but that date cannot in any case be earlier than 1 June 1973.

### **Extent of Service Credit**

15.10 Transferred service reckons for all superannuation purposes, including spouses' and children's scheme benefits, minimum service requirements, computation of ill-health notional service and gratuities. The scheme however provides for the transfer of service only as distinct from entitlements, such as an entitlement to a marriage gratuity. Thus, for example, if Organisation A provides marriage gratuities for certain categories of staff but Organisation B does not do so, a person who transfers from A to B does not thereby retain an entitlement to marriage gratuity.

15.11 In the case of transfers between bodies with standard superannuation terms - i.e. terms which provide a maximum pension of 2/3rds of pay (or, as more usual in the public sector, a maximum pension of 50% of pay and a maximum lump sum of 1.5 times pay), accruing over 40 years and payable at or after age 60 - actual service will, in general, be transferred on a "year-for-year" basis. Even though a network body may only allow completed years of service to reckon when calculating a pension under its scheme, any days of service in excess of a completed year are still transferable in so far as the days in question constitute "pensionable service".



15.12 In the case of transfers to and from certain groups with enhanced superannuation terms - e.g. the Garda Síochána and Prisons Service (both of which allow doubling of benefit for service in excess of 20 years, so that 30 years actual pensionable service equates to 40 years service in "normal" schemes) - a system known as "uniform accrual" operates. A person transferring into such a group has two options. He/she may opt to be credited with 3/4ths of his/her previous service, in which case the reduced service (when added to subsequent actual service in these groups) would, where appropriate, attract the "double benefit" provisions. Alternatively, he/she may opt to carry his/her full actual service, in which case doubling of benefit for service in excess of twenty would not apply to the transferred service. A person transferring out of such a group will be credited with 4/3rds of his/her actual service. A person transferring between two groups with similar enhanced superannuation terms will transfer the actual previous service.

### **Local Authorities**

15.13 The transfer arrangements applicable to local authorities, health and other bodies to which the local government superannuation code applies are independent from, but broadly similar to, the provisions of the Public Sector Transfer Scheme. That scheme is known as the Local Government Transfer Network and is administered by the Department of the Environment, Heritage and Local Government. Service can transfer to the Local Authorities from a body which is a member of that Network and vice versa.

### **Transfers involving Non-Network Bodies**

15.14 There are enabling provisions in Part V of the Transfer Scheme to deal with transfers involving non-network bodies. The intention is to provide for the payment and receipt of transfer values in cases involving "specified organisations", i.e. non-network bodies which are willing to enter into reciprocal arrangements acceptable to the Minister for Finance and which have been approved by the Minister for the purpose of Part V. At present, only certain bodies are "specified organisations" e.g. the European Commission, Eurocontrol, European Investment Bank.

15.15 Transfer Values are used for all transfers with these bodies. These are calculated in accordance with the standard civil service transfer value tables and in the case of the Civil Service are dealt with directly by the Department of Finance. All queries concerning unestablished staff employed in such transfers should therefore be referred to the Superannuation Section of the Department of Finance.

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15.16 Currently, in the case of transfers into the Civil Service from non-network bodies, any Transfer Value paid by such a body may be used to purchase service on behalf of the transferee under the terms of the Purchase Scheme.

### **Other Features**

15.17 Service can be transferred only at the request of the employee concerned.

15.18 Transfer options should be made known to each new appointee at the time of appointment and to every employee shortly before retirement or resignation from service.

15.19 Transfers should be effected as soon as possible after taking up a new appointment.

15.20 Employees on career breaks or other forms of special leave without pay cannot transfer their service to a new employer unless they formally resign from service.

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## 16.SPOUSES' AND CHILDREN' S PENSIONS

### Membership

16.1 There are two schemes – the Original Scheme and the Revised Scheme.

16.2 Employees in the following categories are members of the Revised Scheme:

- (a) all employees appointed on or after 1 June 1986;
- (b) members of the Original Scheme who opted to join the Revised Scheme;
- (c) all other employees serving on and after 31 May 1986 who opted to join the Revised Scheme;
- (d) other persons (with at least 5 years' potential reckonable service to age 65) who had served as non-established State employees on or after 1 December 1978 and who opted to join the Revised Scheme.

16.3 Employees in the following categories, who did not opt to join the Revised Scheme, are members of the Original Scheme:

- (a) male employees appointed on or after 1 December 1978 and before 1 June 1986;
- (b) male employees serving on and after 30 November 1978 who did not avail of the facility to opt out of the Scheme; and
- (c) female employees appointed on or after 31 May 1986 who opted to join the Original Scheme.

### Benefits

16.4 Subject to the provisions of paragraph 16.11, both the Original and the Revised Schemes provide for payment of a pension to the spouse and, where applicable, the children of a deceased member. (The definition of children includes stepchildren and adopted children.) The rate of spouse's pension is 50% of the deceased's pension. The "**deceased's pension**" means

- (a) where a member dies in service or after having retired with an ill-health pension, the pension which would have been payable if the member had served to age 65;

- (b) where a member dies while in receipt of pension (other than an ill-health pension), the member's actual pension entitlement;
- (c) where a member resigns with preserved pension entitlements but dies before reaching pension age, a pension based on actual service and on the employee's pensionable remuneration, as increased by reference to pension increases granted in the interim.

*Please consult with Pensions Section of the Department of Finance as to how the potential service referred to at (a) is calculated in the case of Worksharing or part-time employees.*

16.5 Rates of children's pension under the Scheme vary, depending on whether or not a spouse's pension is being paid and also on the number of eligible children:

- (a) Where a spouse's pension is in payment and the number of eligible children is
  - (i) less than 4 -----  $\frac{1}{6}$ th of the deceased's pension for each child,
  - (ii) 4 or more -----  $\frac{1}{2}$  of the deceased's pension divided equally among the children,
- (b) Where a spouse's pension is not in payment (because there is no spouse or the spouse subsequently dies) and the number of eligible children is
  - (i) 1 -----  $\frac{1}{3}$  of the deceased's pension,
  - (ii) 2 or more -----  $\frac{1}{2}$  of the deceased's pension divided equally among the children.

(The rates of pension referred to at (b) above may, at the discretion of the Minister for Finance, be applied in cases where no spouse's pension is payable to the parent of the surviving children or where the deceased member's children are in the care of a person other than the spouse.)

16.6 On the death of a member while in service or in receipt of pension, the rate of the spouse's pension for the first month (including any additions for children) is increased as follows:

- (a) where a member dies while in receipt of pension (or sick pay at pension rate),  $\frac{1}{12}$ th of the deceased's annual pension or sick pay;
- (b) where a member dies in service,  $\frac{1}{12}$ th of the deceased's annual pensionable pay;

provided that this enhanced rate is more favourable than that which would otherwise be payable (see 16.4).

16.7 A spouse's pension ceases on remarriage (or cohabitation) but may subsequently be restored on compassionate grounds at the discretion of the Minister for Finance. Children's pensions may continue to be paid, at the Minister's discretion or if the marriage or cohabitation ends. Where a child is in the care of a member's spouse, the appropriate child's pension is paid to that spouse. If a child is not in a spouse's care, the child's pension is paid either direct to the child or to a person approved by the Minister.

### **Beneficiaries**

16.8 Under both versions of the Scheme, "spouse" means the surviving spouse of a marriage which is accepted as valid under the law of the State. Accordingly, the scheme does not recognise either

- (a) common law marriages, or
- (b) church marriages or church annulments

16.9 To be eligible for benefit under either version of the Scheme a child must be under 16 years of age, or under 22 years of age and in full-time education/training. However, in cases of permanent physical or mental incapacity, a child's pension may (if the incapacity occurred when the child was under 16, or under 22 while in full-time education/training) be continued for life.

16.10 A person who complies with the criteria set out in paragraph 16.9 may still be disqualified for children's pension if he/she

- (a) was not mainly dependent on the member immediately prior to the member's death;
- (b) is married or cohabiting with another person as man and wife; or
- (c) is in receipt of earnings sufficient for self-support (the criterion used here is the single person's rate of Contributory State Pension: if the earnings are greater than this no pension is payable; if not, the entire pension is payable - i.e. partial abatement does not apply).

The disqualification rules in this paragraph may, however, be waived by the Minister for compassionate reasons in individual cases.

16.11 Whereas the eligibility rules set out in paragraphs 16.8 to 16.10 are common to both versions of the Scheme, the Original Scheme contains additional restrictive clauses which exclude the following categories of persons from benefit

- (a) non-marital children of members;
- (b) children conceived or adopted after a member's retirement/resignation;
- (c) where a member marries after retirement/resignation, the spouse (and stepchildren, if any) of that marriage;
- (c) where a member is widowed before joining the Scheme, and does not remarry before retirement/resignation, the children (if any) of the original marriage.

Where the deceased was a member of the Original Scheme and was married during scheme membership, a non-marital child may qualify for benefit in certain circumstances – the Department of Finance should be consulted for guidance in such a case.

## **Contributions**

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

### **Periodic Contributions:**

16.13 These contributions are paid by deduction from salary on a continuous basis. The contribution rate is 1.5% of nett salary (salary minus twice the the single rate State Pension (Contributory) - CSP). Periodic contributions are only payable in respect of periods of pensionable service - thus, they are not paid during periods of unpaid special or sick leave, or sick leave at pension 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 invariably 1.5% of nett salary (even where sick pay is at half rate). Contributions are related to basic salary and acting up allowances only (but excluding other allowances in the nature of pay).

### **Non-periodic Contributions:**

16.14 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 cesser of service,

- (a) are married, or

- (b) were married at some time during membership of the relevant Scheme.

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

- (a) for a married member, all service (including notional service) which is reckonable for spouse's pension purposes;
- (b) for a widowed or divorced member, the period from the start of the member's reckonable service up to the date of the end of the marriage

And in respect of which periodic contributions have not been paid.

16.16 The non-periodic contribution rate is:

- (a) 1% of nett retiring salary for each year of relevant service, less any years in respect of which periodic contributions (or purchase contributions) were paid; plus
- (b) 1% of pensionable allowances (if any) (including 1% of the monetary value of pensionable emoluments in kind) for each year of relevant service.

16.17 Non-periodic contributions are not payable by any employee who was unmarried at all times during his/her membership of either Scheme.

16.18 Apart from cases involving pensionable allowances, 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 grounds of ill-health (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 , or
- (c) prior transferred service for which periodic contributions were not paid.

16.19 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.

## **Refund of Contributions**

16.20 Under the 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 dies and no benefit is payable under the Scheme because the provisions of the Civil Service Injury Warrants apply - in this case, a full refund is also payable, but with interest;
- (c) 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).

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

- (a) where a member is unmarried at the time of cesser of service, has remained unmarried throughout his/her period of 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 at the time of cesser of service and has paid periodic contributions in excess of "relevant service" (see par. 16.15(b)) - 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 spouse 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.

16.22 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 circumstance will generally, under current Revenue Rules, be tax free.



## **Ex Gratia Scheme**

16.23 A special non-contributory scheme - entitled the Non-established State Employees Spouses' and Children's Ex Gratia Pension Scheme - applies in respect of staff who retired or died prior to 1 December 1978 and were as a result prevented from joining the contributory Schemes.

16.24 Under the Ex Gratia Scheme, the rates of pension benefit, and the rules governing eligibility for benefit, are the same as those which apply in the New Scheme except that the provisions at paragraph 16.6 above do not apply.

## **Information Note: Working Group on Spouses and Children's Schemes**

16.25 A joint management-union "*Working Group on possible changes to Public Service Spouses' and Children's Pension Schemes*" in 2007 completed its examination of the feasibility of implementing certain reforms to survivors' superannuation benefits in the public service which were recommended by the Commission on Public Service Pensions. These recommendations include the payment of survivors' pensions to financially dependent non-marital partners of public servants through a nomination system, along with the removal of the bar on paying pensions to widows/widowers who remarry or cohabit and an improvement in the position of orphaned children in cases where both parents were members of the same Spouses' and Children's Scheme. It will be a matter for the Minister for Finance/Government to consider what changes, if any, should be made in this area, taking account of the original Commission recommendations, the Working Group Report and any other relevant considerations.

## 17. INJURY WARRANT BENEFITS

17.1 The Injury Warrants are a series of statutory instruments, made under the Superannuation Act 1887, which provide benefits to or in respect of civil servants who, through no fault of their own, are killed or injured while performing their duties. These benefits comprise (a) annual allowances, (b) gratuities, (c) loss of earnings allowances and (d) refunds of certain expenses. Some non-established State employees i.e. those employees who are unestablished civil servants may, in certain circumstances be eligible for such benefits. However all cases must be submitted to the Department of Finance for examination.

### Annual Allowance

17.2 To qualify for the award of an annual allowance under the Injury Warrants, all of the following conditions must be met

- (a) the injury must result in
  - (i) retirement on grounds of ill-health; or
  - (ii) death (within 7 years of the date of the injury);
- (b) the injury must occur in the actual discharge of duties;
- (c) the injury must be specifically attributable to the nature of the employee's duties; and
- (d) the injury must not result from the employee's own default.

17.3 Allowance payments are at varying rates, depending on the degree of impairment to which the employee's capacity to contribute to his/her support is impaired. These rates are set out in Appendix 4 to this Handbook.

17.4 The degree of impairment is assessed by the Chief Medical Officer for the civil service, but the final decision in this matter rests with the Minister for Finance.

17.5 If the injured employee is not eligible for any other superannuation benefits in respect of his/her service up to the date of injury, the allowance payment is a proportion of the employee's salary and emoluments at the date of injury.

17.6 If other superannuation benefits are payable to the injured employee in respect of his/her service up to the date of injury, the allowance payment is a proportion of the **difference** between

- (a) the employee's salary and emoluments at the date of injury; and
- (b) the amount of such superannuation benefits (i.e. the annual amount of any pension, plus the annuity value of any lump sum payable, calculated in a manner approved by the Minister for Finance).

17.7 The amount of the allowance payment, together with the value of any other superannuation benefits payable and any benefit payable under the Social Welfare Acts, cannot in any case exceed **5/6ths** of the injured employee's salary and emoluments at the date of injury.

17.8 An annual allowance may also be payable to the spouse and/or dependent children of an injured employee who dies as a direct result, and within 7 years, of the injury. This allowance may also be paid to the deceased employee's dependent parent(s), if any. The categories of dependant who may benefit, and the rates of payment, are set out in Appendix 4 to this Handbook.

17.9 To qualify for an annual allowance, a dependent parent of a deceased employee must be in receipt of a dependent parent's pension under the Occupational Injuries Acts. A dependent parent who is widowed will be eligible at the rate shown in Appendix 4 - where there are 2 such parents, each of them will qualify for half that rate.

17.10 The annual allowance payable to a spouse or child is **in substitution for** any pension otherwise payable under the Spouses' and Children's Pension Scheme - see Section 16 above - and as indicated in that Section, any contributions paid under that Scheme will be refunded with interest.

### **Special Gratuities**

17.11 A special gratuity not exceeding **3 ½ times** a deceased or injured employee's salary and emoluments at the date of injury may be payable where, as a result of injury sustained in the course of his/her duties

- (a) while travelling by air; or
- (b) as a direct result of war, insurrection or civil unrest,

an employee dies, or loses a limb(s) or an eye(s), or suffers total disablement.

17. When deciding the amount of a special gratuity in the case of an injury incurred outside the State, account is taken of any compensation paid by the State authorities in the country where the injury occurred.

17.13 The special gratuity is payable in addition to the normal death gratuity or retirement lump sum.

### **Loss of Earnings Allowance**

17.14 In the case of injury referred to at 17.11 above, a special loss of earnings allowance may be paid, at the discretion of the Minister for Finance, for up to 2 years after the injury if an employee suffers temporary disablement as a result. The amount of this allowance - together with sick pay, pension, or any benefit under the Social Welfare Acts - must not exceed **5/6ths** of the current value of the employee's salary and emoluments at the date of injury. Also, the amount of the allowance, together with any special gratuity referred to above, cannot exceed **3 ½ times** the employee's salary and emoluments at the date of injury.

### **Refund for Expenses**

17.15 Vouched expenditure up to **€1270** may be recouped in respect of medical, surgical and hospital expenses, and also reasonable emergency travelling expenses (the latter emergency expenses include expenses incurred by the spouse or relatives of the employee and, in the case of death outside the State, necessary funeral expenses and the cost of transporting the remains to the State).

## 18.TREATMENT OF DISMISSED EMPLOYEES

18.1 With effect from 1 January 1994, in cases of dismissal or pre-emptive resignation, the former employees concerned retain entitlement to immediate superannuation benefits (if over minimum pension age of 65) or preserved benefits (if below that age). **However in cases involving financial loss to the Exchequer, the amount of the loss - plus interest - is recouped by deduction from the benefits payable. Interest is charged at a compound rate in respect of the period between the date the loss was incurred and the date of recoupment. The compound rate is 6% per annum up to 13 November 2000 and 4% per annum in respect of periods from 14 November 2000 onwards.**

18.2 Prior to 1994, any employee who - for whatever reason - was dismissed from his/her post, or resigned from his/her post so as to pre-empt dismissal, forfeited all entitlements to superannuation benefits.

18.3 The arrangements outlined at 18.1 also apply to dismissals or pre-emptive resignations arising **between 1 June 1973 and 31 December 1993**, on the following basis:

- (a) former employees who attained minimum retiring age before **1 January 1994** have their benefits paid, on application, (subject to any necessary recoupment) with effect from 1 January 1994 (without retrospection prior to that date). In such cases, lump sums are calculated on the basis of relevant salary scales in force on the dates the employee attained minimum pension age (or on the last day of the employee's service, if later), and pensions are calculated by reference to salary scales in force on 1 January 1994;
- (b) in the case of former employees who are alive and attain minimum retiring age on or after **1 January 1994**, preserved benefits are payable, on application, with effect from the dates on which the persons concerned attain that age;
- (c) in the case of former employees who have died, subject to any necessary recoupment,
  - (i) preserved death gratuities, based on the relevant salary scales in force on the date of death, are payable to the former employees' estates; and
  - (ii) where applicable, preserved spouses' and children's pensions in respect of the deceased employees are payable on the following basis:

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- (I) in the case of a former employee who died **before** 1 January 1994, the initial pension award is based on relevant salary scales on that date and is effective from that date (i.e. there is no retrospection prior to 1 January 1994); and
- (II) in the case of former employees who died **on or after** 1 January 1994, the initial pension award is based on relevant salary scales on the date of death and is effective from that date.

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## **19.PENSION INCREASES**

19.1 Pensions are increased at the discretion of the Minister for Finance. In the Civil Service, since 1984 in respect of general pay increases and since 1986 in respect of general and special pay increases, the application of the Minister's discretion in this regard has been based on '*parity*' which means that, where increases paid to serving staff are being passed on to pensioners, the pension increases are effective from the same date as the increases being paid to serving staff. This is not the same as providing that pensioners are paid at the same rates as serving staff. There is no provision for a pensioner to be paid an increase in advance of any such increase having been paid to their serving counterpart.

19.2 In practice, all general pay increases since 1984 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.

19.3 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 re-grading 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.

19.4 In applying pensions parity, a former employee who had not reached the maximum of the pay scale by the time of retirement is not subsequently deemed to advance along the incremental scale in respect of periods after retirement. Thus, for example, the pension of an employee who retires 6 months after reaching the 6th point on a 9-point salary scale will (subject to paragraph 19.5) be revised by reference to the 6th point of that scale or the corresponding point where the number of scale points subsequently changes.

19.5 Where a post or grade is abolished, the normal practice is to base the pension of an employee who has retired from that post or grade on the scale point of an existing related grade which is closest to the point held at retirement by the former employee. Future increases in the former employee's pension are then based on pay increases applicable to the existing grade concerned. Where a post is upgraded or downgraded subsequent to the date of an employee's retirement, the pension is increased by reference to the pay the employee would have had if he or she had remained in the post, but ignoring the upgrading or downgrading which occurred after the retirement.

A post is not treated for this purpose as being downgraded solely because, for example, there is a change in the method of pay determination for serving staff. A post would only be regarded as being downgraded for this purpose if, for example, the change involved a reduction in the duties and responsibilities of the post and the person serving at the time of the downgrading retained the original salary rate on a personal basis - i.e. only a future appointee would be subject to the lower salary rate. If the change did not have these characteristics, pensions increases of staff who retired before the change would generally continue to be determined by reference to the salary rate of the serving staff.

19.6 Where a retired employee had allocated a portion of his or her pension to another person (under the arrangements referred to in Section 20.2 ), pay increases are applied to the notional full pension, which is then reallocated in the proportions determined by the former employee at the time of retirement.

19.7 A retiree is awarded a pension based on net pensionable remuneration, which takes account of the rate of social insurance pension paid on the date of retirement. The pension from the scheme is not recalculated in full (taking account of changes in the social insurance pension) on the occasion of a pay increase. The employee's occupational pension, when calculated at retirement, is expressed as a percentage of full pay at that time - e.g. 30% of scale pay - and pension increases are based on changes in scale pay, without regard to changes in social insurance pension rates.

19.8 Where a pension is based on pensionable remuneration which includes pensionable emoluments, the element in the pension which reflects the emoluments is increased by reference to general pay increases only.

19.9 If an emolument which was not hitherto pensionable becomes pensionable, or a new pensionable emolument is introduced with effect from a specific date, employees who have retired prior to that date do not benefit from such developments.



## **20.MISCELLANEOUS PROVISIONS**

### **20.1 Abatement of Pension**

20.1.1 Where an employee who goes on pension is retained in the Civil Service, or is re-employed in the Civil Service in a non-established capacity beyond maximum retiring age, 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 employee's pay in respect of that period, does not exceed the remuneration which the employee 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.

### **20.2 Delegated Authority**

20.2.1 All authority for superannuation awards is vested in the Minister for Finance, but the Minister can delegate that authority to other Ministers or designated persons.

20.2.2 The following Departments/Offices have been granted delegated authority to deal with superannuation benefits for non-established staff, other than ill-health retirement benefits and the award of Spouses' and Children's pensions which are dealt with by the Department of Finance.

**Office of the Revenue Commissioners**  
**Office of Public Works**  
**Department of Transport and the Marine**  
**Department of Justice, Equality and Law Reform**  
**Department of the Environment, Heritage and Local Government**  
**Department of Education and Science**  
**Department of Agriculture, Fisheries and Food**  
**Department of the Communications, Energy and Natural Resources**  
**Department of Arts, Sport and Tourism**  
**Department of Enterprise, Trade and Employment**  
**Department of Defence**  
**Department of Social & Family Affairs**

### **20.3 Pensions Declarations**

20.3.1 The Minister for Finance may require any person receiving a pension (or any person having care of an incapacitated pensioner) to make a statutory declaration before payment is made, and at periodic intervals thereafter.

20.3.2 Detailed instructions concerning pensions declarations are set out in the **Pensions Declarations Rules** (S.I. 171 of 2003).

20.3.3 If a declaration is made within the State, it must be made before a registered Dáil elector who is not the pensioner or the spouse of the pensioner. If the pensioner is resident outside the State, the declaration must be made before a designated person (e.g. a clergyman).

20.3.4 Any person who knowingly makes a false declaration is guilty of an offence and, on summary conviction, is liable to a fine.

## 20.4 Procedures

20.4.1 Before a pension and lump sum may be awarded

- (a) full details of the service and salary record of the employee concerned must be furnished (on Form E.Gen.24) by the relevant Personnel Unit and Accounts Branch and (except as provided for at 20.2.2) forwarded to the Department of Finance for calculation of benefit; and
- (b) a pensions declaration form must be completed by the retiring employee.

20.4.2 Before a death gratuity can be paid

- (a) details of the service and salary of the deceased employee must be completed (on Form E.Gen.23) by the relevant Personnel Unit; and
- (b) a pensions declaration form must be completed by the legal personal representative of the deceased employee.

## 20.5 Purchase Contributions

20.5.1 Each Department/Office must keep a note of all contributions paid by each employee who opts to purchase service, whether by periodic deductions or lump sum contribution. These amounts are applied as Appropriations-in-Aid to the Vote for Superannuation and Retired Allowances. Transfers are made quarterly to that Vote.

## 20.6 Injury Warrant Payments

20.6.1 **All payments** under the Injury Warrants (which are made by the Paymaster General's Office) must be authorised by the Department of Finance and are charged to the appropriate Subhead on the Vote for Superannuation and Retired Allowances.

## 20.7 Distribution Without Probate

20.7.1 When an employee dies in service, or a retired employee dies, the Minister for Finance may, at his discretion, approve the payment of any outstanding superannuation benefit to that person's legal personal representative **without proof of probate**, provided the gross amount involved does not exceed **€ 20,000**.

## 20.8 Payment of Pensions

20.8.1 All pensions are paid fortnightly in arrears.

20.8.2 By arrangement with the Paymaster-General's Office, deductions for voluntary health contributions, life assurance policies etc. may be made from pension at the request of the recipient.

## 20.9 Incapacity

20.9.1 Where a person in receipt of any pension or other superannuation benefit is certified by a medical practitioner to be physically or mentally incapacitated, and incapable of giving receipts for payments due, all or part of the pension or other benefit may be paid to

- (a) any institution caring for the beneficiary; or
- (b) a designated nominee for the beneficiary

in any proportion that the Minister for Finance shall decide. Such payments discharge the Minister of any obligations to the beneficiary as regards superannuation entitlements.

**Note:** Except in this case, and in the case of pension allocation, a pension may not be assigned to any third party. Also, a pension may not be charged for the clearance of a civil debt.

## **21.IMPLICATIONS OF THE FAMILY LAW ACTS**

### **Family Law Acts (1995 and 1996)**

21.1 The interaction between the Family Law Acts and the rules of the Civil Service pension schemes is extremely complex. Comprehensive information and guidelines on the effect of the Family Law Acts on the administration of pension schemes (including a glossary on Family Law terms, template information forms for the provision of information and guidelines on the checking/implementation of Pensions Adjustment Orders - PAOs) are available on the website [www.cspensions.gov.ie](http://www.cspensions.gov.ie)

21.2 These guidelines should be consulted in all cases and cases of doubt or difficulty should be referred to the Department of Finance.

### **Trustees of schemes under the Family Law Acts**

21.3 In the case of the Civil Service, the staff who administer the schemes are deemed to be the Trustees. Staff of Departments/Offices with delegated authority to award pensions are the trustees of the Civil Service schemes for their employees. In the case of non-delegated Departments/Offices the trustees are the relevant staff in the Department of Finance.

### **Provision of Information under the Family Law Acts**

21.4 Parties to proceedings under the Family Law Acts 1995 (Judicial Separation) or 1996 (Divorce) are obliged to include information about their superannuation entitlements in the Affidavit of Means which they must furnish to the court. This information should be supplied to the member by the Trustees. All requests for information must be made in writing and state that the information is required in connection with Family Law proceedings. The spouses of members are entitled to general information about the rules of the schemes but member-specific information may only be supplied to them with the consent of the member or on foot of a court order. All requests for actuarial valuations should be referred to the Department of Finance.

### **Pension Adjustment Orders (PAOs)**

21.5 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 and/or dependent children. Such orders are granted only if a decree of judicial separation or divorce 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.

## **Checking/implementation of PAOs**

21.6 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.

## **22.OBLIGATIONS TO PROVIDE INFORMATION TO SCHEME MEMBERS**

22.1 Under S.I. No. 301 of 2006, every Pension Scheme Member and certain other people are entitled to information on pension benefits, etc., automatically, on request or in specified circumstances. Paragraphs 2 to 9 below set out Departments' obligations in this context. The Regulations make the scheme trustees responsible for provision of such information. However, because the Civil Service pension schemes are not based on Trust Deeds, the actual request and delivery of information should be by way of the Personnel Officer. Therefore, if a member is making a request for information, he or she should submit the request in writing to the Personnel Officer of their Department or Office. The Personnel Officer is de facto responsible for supplying accurate information to the member.

### **Annual Benefit Statements**

22.2 Benefit Statements must be provided **automatically** on an annual basis to every member of the Civil Service pension schemes. However, paper versions of such statements are not necessary where an electronic alternative is in place. In view of the availability in the Civil Service of such a facility, the Pensions Modeller [www.cspensions.gov.ie](http://www.cspensions.gov.ie), the requirements in the Regulations can be met by notifying members annually of some basic information about their salary and pension scheme and of how to access the electronic Pensions Modeller. The precise information required is as follows.

22.3 At least once in every year commencing on or after 1 January 2007, a notification must be given to each member that the information specified in (a) to (g) below is available to that person in electronic format and details of how the information can be accessed. Otherwise, that information must be supplied to the member on paper;

- (a) a description of the benefits available under the scheme and how they are calculated, including preserved benefits and a statement that benefits may be adjusted due to Pension Adjustment Orders,
- (b) whether the scheme provides a pension integrated with the Contributory State Pension and, if so, a statement that the scheme takes account of the Contributory State Pension,
- (c) a statement that qualification for the Contributory State Pension is subject to tests administered by the Department of Social and Family Affairs and the address and telephone number of the information service of the Department of Social and Family Affairs,

- (d) whether additional benefits can be secured, purchased or granted under the scheme by way of any or all of –
  - (i) notional service;
  - (ii) additional voluntary contribution; or
  - (iii) transfer of rights from another scheme or PRSA,
- (e) worked examples of the main benefits based on a range of salary bands (or on a range of rates applicable in the scheme) and a range of pensionable service bands,
- (f) names of trustees of the scheme at the date specified, and
- (g) relevant pay scales applicable at the date of the statement.

22.4 Members must also be informed of the availability of the Annual Report of the scheme of which they are a member not later than 4 weeks after it becomes available.

#### **Basic information about the Scheme to be supplied to new members**

22.5 Within two months of becoming a member, a person must be given the following information in writing. The information required will be available in the relevant FAQs on [www.cspensions.gov.ie](http://www.cspensions.gov.ie) but Departments must, in line with (p) below, supply the name and contact details of the staff member(s) within the Department, to whom any queries can be addressed;

- (a) the categories of persons who are eligible to be members of the scheme,
- (b) whether or not membership of the scheme is a condition of employment and the categories of persons (if any) to whom such a condition applies,
- (c) the conditions of membership,
- (d) how members' contributions are calculated,
- (e) how employers' contributions are calculated,
- (f) whether the scheme is approved under Chapter II of Part I of the Finance Act, 1972 or Chapter 1 of Part 30 of the Taxes Consolidation Act, 1997, and, if not, whether an application for such approval of the scheme is under consideration by the Revenue Commissioners,
- (g) whether the scheme is a defined benefit or defined contribution scheme for the purposes of the Pensions Act 1990,

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- (h) what benefits, if any, are payable under the scheme, and how they are calculated,
- (i) the conditions on which benefits are paid and any options relating thereto,
- (j) which benefits, if any, are payable only at some person's discretion,
- (k) which of the benefits are, and which are not, funded,
- (l) which of the benefits, if any, are such that fulfilment of the obligation to pay them to or in respect of particular members is guaranteed by means of one or more insurance policies which are specifically allocated to the provision of benefits payable to or in respect of those members. Where the payment of the benefit under any life assurance policy is subject to the satisfaction of any underwriting criteria, this should be stated,
- (m) the short title of the Act or Acts of the Oireachtas (if any) which provides for both -
  - (a) the setting up of the scheme, and
  - (b) the determination of the rate or amount of the benefits under the scheme,
- (n) if the employer of any person who is entitled to benefits under the scheme has entered into an obligation to pay the benefits if the scheme's resources are insufficient to do so, the extent of that obligation,
- (o) other than in the case of a defined contribution scheme, if there is discretionary power under the scheme rules to increase pensions after they become payable, a statement that, where discretionary increases to pensions already in payment have been granted, details of who exercised this discretionary power and information about the increase given will be set out in the annual report,
- (p) the name or title and address of the person to whom enquiries about the scheme generally or about an individual's entitlement to benefit should be sent,
- (q) whether there is power to amend the scheme terms detailing who may amend the scheme and whether there are any significant conditions on the exercise of that power,

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- (r) the arrangements (if any) which are made for the payment by members of additional voluntary contributions,
- (s) a statement that the scheme has been registered with the Pensions Board and the registration number,
- (t) a statement, that in the event of judicial separation or divorce, a Court application for a Pension Adjustment Order in respect of the retirement or contingent benefits payable to or in respect of a married member may be made noting that further information about the operation and impact of Pension Adjustment Orders may be obtained from the Pensions Board,
- (u) if the scheme provides an integrated pension (within the meaning of section 59C of the Pensions Act) the inclusion of a statement describing integration in the form set out below or in such other form as the trustees deem appropriate:

“This scheme is an integrated scheme meaning it is one that takes account of State Pension Contributory (or other similar contributory benefits payable under social insurance) in designing the overall pension package. An integrated scheme looks at the State Pension (Contributory) as part of the total pension package. Both employers and employees make pay-related social insurance (PRSI) contributions and these in turn entitle scheme members to Social Welfare benefits.

Integration is used as a means of taking into account the benefits payable under the Social Welfare system to calculate –

- the amount of occupational pension required so that the combined pension from both sources is at the level being aimed for in designing the scheme;
- the level of contributions payable by the employee towards the cost of his or her occupational pension.”.

### **Information to be supplied on termination of relevant employment**

22.6 The following information must be made available to a member, not later than two months from the date of termination of employment where the member has **not** acquired an entitlement to preserved benefits:

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An explanation of any rights and options available to the member including –

- (a) details of whether a refund of contributions is available and an estimate of the amount of refund and an explanation of the method of calculating it, and
- (b) the name and address of the person from whom details of any other rights or options may be obtained on request.

22.7 The following information must be made available not later than two months from the date of termination of employment where the member **has** acquired an entitlement to preserved benefit:

- (a) the rights and options (if any) available to a member whose service in relevant employment terminates before he attains normal pensionable age, including details of:
  - (i) the amount of preserved benefits payable under the rules of the scheme to or in respect of a member, and the method by which such amount has been calculated;
  - (ii) the amount of benefits (if any) payable under the rules of the scheme to or in respect of a member in addition to those specified in sub-paragraph (i), and, for a member whose relevant employment terminated after 1<sup>st</sup> day of January 1991, the method by which such amount has been calculated;
  - (iii) the date or dates on which such benefits become payable;
  - (iv) whether there is an option to have alternative benefits payable immediately and the relevant details of such alternative benefits;
  - (v) the provisions (or, as the case may be, a statement that there are no provisions) under which benefits may or will be increased, and the extent to which such increases are dependent on the exercise of a discretion;
  - (vi) whether a refund of contributions is available, or would be available in any circumstances, and in the latter case, a statement of the circumstances, and in either case, an estimate of the amount of the refund and an explanation of the method of calculating it;
  - (vii) the name and address of the scheme, its trustees and those responsible for the payment of the member's benefits.
- (b) whether any amount of money is available in respect of the member for transfer out of the scheme and, if so –

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- (i) an estimate of the amount available, calculated on the basis that the member's service in relevant employment terminated or will terminate on one particular date;
  - (ii) the accrued rights to which that amount relates, and
  - (iii) if the amount available reflects a reduction made in accordance with the proviso to section 34(2) of the Pensions Act, this must be stated together with the amount of the reduction.
- (c) the procedures for claiming the member's benefits payable in the event of the termination of the member's service in relevant employment prior to normal pensionable age.
- (d) if any transfer payment has been effected or any amount has been paid in respect of the benefits specified in sub-paragraph (ii) of paragraph 22.7(a) by the trustees of the scheme without the consent of the member the name and address of the scheme to which the transfer payment or any amount has been paid or of the undertaking with whom the policy or contract of assurance has been entered into on behalf of the member.
- (e) whether a Pension Adjustment Order has been issued in respect of the member's benefits under the scheme and if so either a statement of the effect of the Pension Adjustment Order or details as to where further information relating to the effect and operation of the Pension Adjustment Order on the benefits to or in respect of the member may be obtained.

**Information to be supplied on retirement or death of a member or beneficiary.**

22.8. Where a benefit under the scheme has become payable or is about to become payable to

- (a) the member of the scheme,
- (b) the spouse of the member of the scheme, and
- (c) persons within the application of the scheme and qualifying for its benefits,

the (imminent) beneficiary must be supplied with the following information as soon as practicable and in any event within 2 months after the benefit becomes payable:

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- (i) the amount of benefit which is payable to or in respect of the person and any options relating thereto and the procedure for exercising them,
- (ii) the method by which the amount specified in paragraph (i) has been calculated,
- (iii) if the amount of benefit is payable periodically the conditions (if any) subject to which the payment will continue,
- (iv) if a benefit is payable periodically the provisions (if any) under the rules of the scheme whereby the amount payable will be altered.

### **Information on request**

22.9. The Regulations also provide that members may request a range of additional information, and time limits apply to such requests. On receipt of a request for such information, the Regulations should be consulted to ensure that the information is provided in an accordance with their requirements.

The following information must be supplied to any prospective member of the Scheme *on request* within 2 months of the request being made:

(a) whether the member or prospective member has an option to purchase additional benefits or to acquire additional benefits in exchange for any transfer payment provided by another scheme and if so,

(i) the amount of these benefits or an explanation of how they will be calculated, and

(ii) a statement of how the option may be exercised.

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## **23.DISPUTE RESOLUTION AND APPEALS**

23.1 Serving staff or pensioners who have a complaint about a pensions issue should raise it with the Personnel Section of their Department, or former Department, in the first instance.

### **Pensions Ombudsman**

23.2 In the event that the complaint cannot be resolved at local level, the complainant may be entitled to pursue it by Ministerial appeal and/or a complaint to the Pensions Ombudsman.

23.3 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.

23.4 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.

### **Time Limits for Complaints**

23.5 The time limits for making such complaints are:

- (i) 6 years since the date of the act giving rise to the complaint or dispute, or
- (ii) 3 years since since the complainant became aware or should have been aware of the act giving rise to the complaint or dispute.

**There is a total ban on any complainant going back further than 13th April 1996.**

23. The Pensions Ombudsman cannot investigate a complaint until internal dispute resolution (IDR) procedures have been exhausted or the 3 month time limit expires. For the Civil Service schemes, the existing statutory provisions for Ministerial appeals are used, but on the basis that the Minister for Finance's decision is NOT final. The Ministerial appeals system does not fully overlap with the jurisdiction of the Pensions Ombudsman. In cases proceeding to the Pensions Ombudsman which are not suitable for Ministerial appeal, please consult the Department of Finance.

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23.7 To ensure that deadlines are met, Departments must notify the Department of Finance as soon as a valid complaint (as in paragraph 23.3) is lodged. If in doubt, consult the Pensions Ombudsman's comprehensive website at <http://www.pensionsombudsman.ie> or contact the Pensions Ombudsman at: Office of the Pensions Ombudsman, 36, Upper Mount Street, Dublin 2. Tel+ 00353 [0] 1 6471650 Fax+ 00353 [0] 1 6769577 email:info@pensionsombudsman.ie)

23.8 Even in cases where there are doubts as to whether a complaint is appropriate for the Pensions Ombudsman, Departments should process it in any case, pointing out such reservations.

23.9 Consideration of a valid complaint should begin on its receipt by a Department. The Department of Finance should be notified immediately of the complaint. The Department or Office receiving the complaint should assemble all papers (such as Personnel records, contributions records, scheme rules, legislation and the complaint as submitted together with any related correspondence), set out a factual description of the circumstances surrounding the complaint, any notable features and the rationale underlying the decision being complained of.

23.10 Copies of all papers related to the case should then be submitted to Pensions Section, Department of Finance at least 6 weeks prior to expiry of the three month deadline.

23.11 The Department of Finance will then arrange for the Minister for Finance to issue a determination, though further inter-Departmental consultation may be necessary in preparing such a final determination.

23.12 In cases where correspondence from the Pensions Ombudsman addresses both a specific complaint and more general issues, a prompt reply should be issued addressing the specific complaint, in consultation with the Department of Finance, as appropriate. If necessary, a subsequent, separate reply should be issued in relation to the broader points, again in consultation with the Department of Finance.

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## **Appendix 1: Sources and References**

The sources and references for the contents of this Part are listed (by Chapter) below.

### **3. Superannuation terms for “New Entrants” from 1 April 2004 – Public Service Superannuation (Miscellaneous Provisions) Act 2004**

1. Public Service Superannuation (Miscellaneous Provisions) Act 2004 [no. 7 of 2004]
2. Letter to Departments dated 26 March regarding the 2004 Act and “new entrants”

### **4. General conditions for eligibility**

1. Finance Confidential Circular 12/71
2. Non-Contributory Pension Scheme For Non-Established State Employees (dated 1 October 1971) (referred to below as "Main Scheme") (section 2.1)
- 3.. Main Scheme (sections 6.1, 6.2, 8.1, 9)
4. Special Modifications (appended to Main Scheme)
5. DPS Letter to Departments 13 July 1976 (Appendix, par. 3)
6. Finance Letter to Departments June 2007 (Appointment of Ministerial Private Office Staff)

### **5/6/7. Pensionable remuneration/Emoluments/Integration**

1. Main Scheme (sections 5, 7.1, 2.5)
2. DPS Letter to Departments 13 July 1976 (Appendix, pars. 5, 6)
3. Finance Letter to Personnel Officers, 11 November 1998 (Integration)
4. Circular 19/2005, 20 July 2005 - Revised Method of Integration
5. Circular 20/2005 dated 20 July 2005
6. Circular 3/2006 dated 29 March 2005 – extending time limit for option and other matters
7. Letter of 2 October 2006 to Departments – re options
8. Protection of Employees (Part-TimeWork) Act 2001

### **8. Reckonable Service**

1. Main Scheme (section 4)
2. DPS Letter to Departments 13 July 1976 (Appendix, pars. 6, 7, 8, 9)
3. DPS Letter to Departments 31 May 1979
4. DPS Letter to Personnel Officers 29 June 1982
5. Finance Letter to Personnel Officers, 31 May 2002 (vesting period)

## **9. Notional Service: Ill health/death in service**

1. DPS Letter to Departments 13 July 1976 (Appendix, par. 10)

### **11.2 Retirement Conditions**

1. Civil Service Regulation Act 1956 (section 8)
2. Main Scheme (section 6)
3. DPS Letter to Departments 13 July 1976 (Appendix)

### **11.4 Recall to Duty**

1. Main Scheme (section 6.5)

### **11.5 Lump Sum**

1. Main Scheme (section 8.2)
2. DPS Letter to Departments 13 July 1976 (Appendix, par. 1)

### **11.7 Pension**

1. Main Scheme (sections 7.1, 7.2)

### **11.10 Supplementary Pension**

### **12.1 Death Gratuity**

1. Main Scheme (section 9.1)
2. DPS Letter to Departments 13 July 1976 (Appendix, pars. 1, 2)
3. Finance Letter to Personnel Officers, 29 October 1997 (Payment of Death Gratuity)

### **12.2 Balancing Gratuity**

1. Main Scheme (section 9.2)

## **13. Preserved Benefits**

1. DPS Letter to Departments 13 July 1976 (Appendix, par. 4)

### **13A. Cost Neutral Early Retirement**

1. Department of Finance Circular 10/2005: Public Service Pension Reform: Introduction of cost neutral early retirement
2. Department of Finance letter to Personnel Officers: Cost neutral early retirement: supplementary note to Department of Finance Circular 10/2005 dated 13 July 2005



## **14. Purchase of Service**

1. DPS Circular 24/88
2. Purchase Scheme for Non-established State Employees (effective 1 January 1989)
3. Letter to Personnel Officer of 17 June 1994 "Purchase of service for Superannuation Purposes by job-sharers"
4. Department of Finance Letter to Personnel Officers of 3 May 2005.
5. Department of Finance Letter to Personnel Officers of 5 May 2005.
6. Circular 4/2006: Purchase of notional service for superannuation purposes by Established Civil Servants and by Non-Established State Employees.

## **15. Transfer of Service**

1. Superannuation and Pensions Act, 1963 (No. 24 of 1963) (section 4)
2. Circular 9/73: Reckoning for superannuation purposes of service with the Defence Forces during the Emergency
3. DPS Letter to Personnel Officers, 19 August, 1977: Reckoning for superannuation purposes of service with the Defence Forces during the Emergency
4. Draft Transfer Scheme, 19 April 1979
5. DPS Letter to Personnel Officers, 24 April, 1979: Transfer of service for superannuation purposes
6. DPS Letter to Personnel Officers of 17 December, 1979: transfer of pension rights to the EEC
7. DPS Letter to Personnel Officers 5 May, 1980
8. DPS Letter to Personnel Officers, 30 January 1981 Transfer of service for superannuation purposes
9. Letter to Personnel Officers, 31 August, 1983: Transfer of service for superannuation purposes
10. DPS Letter to Personnel Officers, 17 January, 1986: Superannuation Transfer Scheme
11. Department of Finance Letter of 14 July 2006 to certain Network members titled: Public Sector Transfer Network (PSTN) – revised Transfer Value tables.

## **16. Spouses and Children's Pensions**

1. DPS Circular Letter 1/79
2. DPS Letter to Personnel Officers 10 January 1979 (and appended Scheme and Instructions)
3. DPS Letter to Departments 1 August 1979
4. DPS Circular Letter 1/86 (and Appendices)
5. DPS Letter to Personnel Officers 28 May 1986
6. Finance Letter to Personnel Officers 30 January 1998

## **17. Injury Warrant Benefits**

1. Finance Letter to Personnel Officers of April 1990

## **18. Treatment of Dismissed Employees**

1. General Council Reports 1276 and 1333

## **20.8 Payment of pension**

1. DPS Circular Letter 1/78: Application for payment of pension and deductions from pensions

## **21. Implications of Family Law Acts**

1. Family Law Acts of 1995, 1996
2. S.I. no. 84 of 1997 Circuit Court Rules (No. 1) of 97 (Judicial Separation and Family Law Reform Act 1989 and Family Law Act, 1995 and Family Law (Divorce) Act 1996
3. S.I. no. 107 of 1997 Pensions Schemes (Family Law) Regulations
4. S.I. no. 349 of 1998 Occupational Pension Schemes (Disclosure of Information) (No. 2) Regulations 1998
5. Letters to Personnel Officers of 19 December 2001 and 12 August 2004 – Family Law Legislation and the Administration of Public Service Pensions
6. S.I. 301 of 2006:Occupational Pension Schemes (Disclosure of Information) Regulations 2006

## **22. Obligations to provide Information to Scheme Members**

1. Department of Finance letter to Personnel Officers of 18 April 2001 – Pension Scheme Annual Report
2. Finance : Letter to Personnel Officers 13 September 2004
3. Finance Letter to Heads of Departments 14 October 2005 :Pensions Benefit Statement Requirements and Information Technology Systems
4. Finance Letter to Secretaries General 20 December 2006 Occupational Pension Schemes (Disclosure of Information) Regulations 2006
5. Finance Letter to Secretaries General 30 July 2007 Occupational Pension Schemes (Disclosure of Information) Regulations 2006 – Statutory requirement to give an annual notification to scheme members.
6. Finance Circular 33/2007: Civil Service Superannuation Arrangements

## **23. Dispute resolution and Appeals**

1. Part IX of the Pensions Act 1990 (inserted by the Pensions (Amendment) Act 2002
2. Pensions Ombudsmans Regulations, 2003, (S.I. No. 397 of 2003)
3. Circular letter to all Heads of Departments/Offices re. Pensions Ombudsman complaints – 2 December 2004.

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**Appendix 2: Purchase Scheme Tables**  
(See Chapter 14)

## APPENDIX 2

### PURCHASE OF SERVICE

**Table A: Amount Of Service Which May Purchased**

1. The maximum amount of notional service which may be purchased is as follows:

<b>Actual reckonable service</b> (including transferred service but excluding notional added service) which the officer would have if he or she remains in service until age 60 or 65 as appropriate)	<b>Maximum service purchasable</b>
<u>Years</u> 20 or more	<u>Years</u> 40 years less reckonable service at age 60 or 65 (as appropriate)
19	17
18	15
17	13
16	11
15	9
14	7
13	5
12	4
11	3
10	2
9	1

2. The amount of service which may be purchased together with service otherwise reckonable, shall not in any case exceed 40 years.

3. Where an officer who wishes to purchase service is also entitled to retained benefits from another occupational pension scheme, and those benefits are identical to the benefits which would be payable under the Superannuation Acts for an equivalent period of service, the amount of service which may be purchased will be the lesser of

- (i) the maximum amount specified in Table A; or
- (ii) the amount produced by the formula  $40 - A - B$

where

A = the reckonable service which the officer would have at age 60 or 65 as appropriate; and

B = the length of the officer's pensionable service in the previous scheme.

4. Where the value of the retained benefits paid or payable is not identical to the value of the benefits which would be payable under the Superannuation Acts for an

equivalent period of service, or where there are retained benefits under a personal or private pension plan, the case must be referred to the Department of Finance for decision on the amount of service which may be purchased.

5. Where the potential service at the relevant age is less than 20 years but includes days of service in excess of a complete number of years, these days may be taken into account as follows. A number of days equal to 365 less the excess days in question may be purchased in addition to the appropriate number of years outlined in paragraph 1, e.g. an officer with potential service of 17 years and 145 days may purchase a maximum of 13 years and 220 days.

**Table 1: PERIODIC contribution rates for NON-ESTABLISHED staff (retirement age of 65) - Members and Non-members of the Spouses' and Children's Scheme.**

Age next birthday	Members		Non-Members	
	% of Pay	% of Net Pay *	% of Pay	% of Net Pay *
26	0.09%	0.66%	0.09%	0.58%
27	0.09%	0.69%	0.09%	0.60%
28	0.10%	0.71%	0.10%	0.62%
29	0.10%	0.73%	0.10%	0.64%
30	0.10%	0.76%	0.10%	0.66%
31	0.11%	0.78%	0.11%	0.68%
32	0.11%	0.80%	0.11%	0.70%
33	0.11%	0.82%	0.11%	0.72%
34	0.12%	0.85%	0.12%	0.74%
35	0.12%	0.87%	0.12%	0.76%
36	0.12%	0.89%	0.12%	0.78%
37	0.13%	0.91%	0.13%	0.80%
38	0.13%	0.93%	0.13%	0.82%
39	0.14%	0.95%	0.14%	0.83%
40	0.14%	0.97%	0.14%	0.85%
41	0.14%	0.99%	0.14%	0.87%
42	0.15%	1.02%	0.15%	0.89%
43	0.15%	1.04%	0.15%	0.91%
44	0.16%	1.06%	0.16%	0.93%
45	0.17%	1.09%	0.17%	0.96%
46	0.17%	1.12%	0.17%	0.98%
47	0.18%	1.18%	0.18%	1.04%
48	0.20%	1.26%	0.20%	1.10%
49	0.21%	1.34%	0.21%	1.18%
50	0.22%	1.43%	0.22%	1.26%
51	0.24%	1.54%	0.24%	1.35%
52	0.26%	1.66%	0.26%	1.46%
53	0.29%	1.80%	0.29%	1.59%
54	0.31%	1.97%	0.31%	1.74%
55	0.35%	2.18%	0.35%	1.93%
56	0.39%	2.42%	0.39%	2.15%
57	0.44%	2.73%	0.44%	2.43%
58	0.51%	3.13%	0.51%	2.79%
59	0.60%	3.66%	0.60%	3.26%
60	0.72%	4.40%	0.72%	3.93%
61	0.91%	5.51%	0.91%	4.94%
62	1.22%	7.37%	1.22%	6.62%
63	1.85%	11.07%	1.85%	9.97%

\* NOTE: The periodic contribution rates for Integrated Officers on full PRSI are levied on both Net Pay and Pay. 'Net Pay' = gross pay less twice the rate of State Pension (Contributory) payable at the maximum rate to a person with no adult dependent or qualified children.

**Table 2: LUMP SUM contribution rates for NON-ESTABLISHED staff (retirement age of 65) - Members and Non-Members of the Spouses' and Children's Scheme.**

Age next birthday	Members	Non-Members
	% of Pay *	% of Pay *
26	27.0%	24.3%
27	27.5%	24.8%
28	27.9%	25.2%
29	28.3%	25.5%
30	28.7%	25.9%
31	29.0%	26.1%
32	29.3%	26.4%
33	29.5%	26.6%
34	29.6%	26.7%
35	29.7%	26.8%
36	29.8%	26.8%
37	29.7%	26.8%
38	29.7%	26.8%
39	29.5%	26.6%
40	29.3%	26.5%
41	29.1%	26.3%
42	28.8%	26.0%
43	28.4%	25.7%
44	28.0%	25.3%
45	27.5%	24.9%
46	27.0%	24.4%
47	26.4%	23.9%
48	25.8%	23.3%
49	25.1%	22.7%
50	24.4%	22.1%
51	23.6%	21.4%
52	22.8%	20.7%
53	22.0%	20.0%
54	21.4%	19.7%
55	21.7%	19.9%
56	21.9%	20.1%
57	22.1%	20.3%
58	22.3%	20.6%
59	22.6%	20.8%
60	22.8%	21.1%
61	22.8%	21.1%
62	22.4%	20.8%
63	22.5%	21.0%
64	22.9%	21.4%
65	23.2%	21.7%

\* NOTE: The lump-sum contribution rates for Integrated Officers on full PRSI are levied on Pay only (i.e. there are no Net Pay/Pay contribution rates as heretofore).

**Table 3: Actuarial Reduction Factors for purchase by reference to age 65**

<b>Age last birthday</b>	<b>Pension</b>	<b>Lump Sum</b>
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%

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**Appendix 3: Injury Warrant Benefits**

**TABLE 1: ANNUAL ALLOWANCE PAYABLE UNDER THE INJURY WARRANTS**

<b>Degree of impairment</b>	<b>Proportion of salary and emoluments (or of difference between salary and emoluments and other superannuation benefits)</b>
<b>Slight impairment</b>	<b>1/8th</b>
<b>Impairment</b>	<b>1/4</b>
<b>Material impairment</b>	<b>3/8ths</b>
<b>Total impairment</b>	<b>½</b>

**TABLE 2: ANNUAL ALLOWANCE PAYABLE TO SPOUSE AND/OR DEPENDENTS UNDER THE INJURY WARRANTS**

<b>Relationship</b>	<b>Proportion of employee's salary and emoluments (1)</b>
<b>The spouse</b>	<b>1/2</b>
<b>Each child, where the person leaves a spouse to whom an award is granted</b>	<b>2/15ths</b>
<b>Each child, where the person does not leave a spouse to whom an award is granted</b>	<b>4/15ths</b>
<b>A dependent parent, where the person leaves a spouse, but no children</b>	<b>1/18th</b>
<b>A dependent parent, where the person leaves a child or children but no spouse</b>	<b>1/9th</b>
<b>A dependent parent, where the person leaves neither a spouse nor children</b>	<b>1/3rd</b>

**Notes:**

**(1) The aggregate of the pensions payable in respect of children cannot exceed 40% of the employees's salary and emoluments.**

**(2) In the case of dependent parent(s) the rate of benefit payable is the difference between the relevant proportion of salary and emoluments and the rate of Social Welfare dependent parent's pension.**