



Explanatory Booklet
Nominated Health Agencies
&
Voluntary Hospitals
Main Superannuation Schemes and
Spouses' and Children's Contributory
Pensions Schemes

DEPARTMENT OF HEALTH & CHILDREN
2007

Superannuation Schemes

Nominated Health Agencies Superannuation Scheme 1981

Nominated Health Agencies Spouses' and Children's Contributory Pension Scheme 1986

Voluntary Hospitals (Officers) Superannuation Scheme 1969 (as amended 1977)

Voluntary Hospitals (Non-Officers) Superannuation Scheme 1985

Voluntary Hospitals Spouses' and Children's Contributory Pension Scheme 1986

With effect from 6th April 1995 all staff recruited into the public service are required to pay class A PRSI contribution rates.

The NHASS and VHSS main and spouses' and children's schemes are non-statutory schemes.

Section 16 of the Finance Act, 1972 applies to both schemes.

They are defined benefit schemes for the purpose of the Pensions Act, 1990 and the Pensions Amendment Act 2002. The schemes are not funded and benefits are met on a “**pay-as-you-go**” basis.

Part A of the booklet deals with the Main Scheme and Part B deals with the Spouses' and Children's Scheme. In each case, a question and answer format is followed by a summary of the provisions of the scheme.

Table of Contents

Main Scheme.....	4
Summary of Principle Provisions of the Main Scheme	18
Spouse's and Children's Contributory Pension Scheme, 1986.....	21
Summary of the Principal Provisions of the Spouse's and Children's Contributory Pension Scheme	26
Glossary.....	28
Appendix 1	30
Appendix 2 - Contribution Examples.....	31
Appendix 3 Employee (aged 65 on 08 December 2005) – Options on.....	32
Ex-Gratia Vs. Scheme Membership.....	32

Part A

Main Scheme

1. *Who can join the Scheme?*

Subject to contractually binding arrangements, membership of the schemes is mandatory for all employees. The exclusion of any employee (or grade / group of employees) from a scheme is subject to the prior agreement of the Pension Section of the Department of Finance, following consultation with the appropriate employee interests.

2. *What benefits does the Scheme provide?*

The main benefits are:

- Retirement pension and tax free lump sum
- Death gratuity

3. *What factors will be taken into account in determining benefits?*

- Pensionable remuneration at retirement
- Length of service

4. *Are contributions payable towards the benefits of the scheme?*

Contributions are payable towards pension and lump sum benefits. The rate of contribution will depend upon the rate of PRSI paid by the member. Members paying Class D PRSI will receive their full pension from the scheme administrators (through their employing organisation). Members paying Class A PRSI will receive their occupational pension from the scheme administrators and by virtue of paying higher PRSI contributions will qualify for eligibility to the State Pension(Contributory) (SPC) from the Department of Social & Family Affairs.

EXAMPLES OF CONTRIBUTIONS PAYABLE

Class D PRSI (Modified)

Lump sum 1½% of gross pensionable earnings.

Plus

Pension 3½% of gross pensionable earnings.

Example: Class D PRSI

(Wholetime)

Weekly pensionable earnings.....	€600.00
Lump sum contribution of 1½% of gross pensionable earnings	€9.00
Pension contribution of 3½% of gross pensionable earnings.....	€21.00
Total contribution.....	€30.00

(Part time)

Weekly pensionable earnings.....	€300.00
Lump sum contribution of 1½% of gross pensionable earnings	€4.50
Pension contribution of 3½% of gross pensionable earnings.....	€10.50
Total contribution.....	€15.00

Class A PRSI (Full PRSI)

Lump sum 1½% of gross pensionable earnings.

Plus

Pension 3½% of net pensionable earnings

Example: Class A PRSI Full Contribution (Wholetime)

Weekly pensionable earnings.....	€600.00
2 * SPC (€209.30 * 2)	€418.60
Net pensionable earnings	€181.40
Lump sum contribution of 1½% of gross pensionable earnings	€9.00
Pension contribution of 3½% of net pensionable earnings	€6.35
Total contribution.....	€15.35

Example: Class A Full Contribution (Part Time, 30/39 hours per week)

Weekly pensionable earnings for 30 hours (€600 * 30/39)	€461.54
2 * SPC (€209.30 * 2) * 30/39	€321.99
Net pensionable earnings	€139.55
Lump sum contribution of 1½% of gross pensionable earnings	€6.92
Pension contribution of 3½% of net pensionable earnings	€4.88
Total contribution.....	€11.80

(An additional contribution is payable for the Spouses' and Children's scheme, see Question 11 under Spouses' and Children's Pension Scheme)

5. *What service is reckonable for benefits?*

Reckonable service is paid service and once you have two years qualifying service the following service is reckonable for pension purposes:

- Permanent, wholetime and approved job/work sharing service in the public service.
- Temporary wholetime service in the public service for which superannuation contributions were not deducted.
- Certain part time service (see circular 23/2005)
- Additional or added service granted in certain circumstances (question 9);
- Certain service in respect of which you may already have received a gratuity or a refund of contributions provided you make an appropriate repayment.
- Transferred service (question 22)
- Purchased service (question 10)

Periods on pension rate of pay are not reckonable for benefits.

6. *On what rate of pay are benefits calculated?*

In most cases, benefits are based on basic salary plus pensionable allowances on the date of retirement or death. If you change grade or receive an increase in salary within the last three years of service, the average of your salary is used. Such averaging does not apply in certain circumstances e.g. retirement on grounds of permanent infirmity. Pensionable allowances are based on the best three consecutive years of service in the last ten preceding retirement.

7. *When are benefits payable?*

Retirement pension and lump sum are payable on retirement. For non new entrants the minimum retirement age is 60 and maximum retirement age is 65. The minimum age for retirement for new entrants is 65 and the maximum retirement age is removed. Benefits are also payable where retirement is on grounds of ill-health (see question 15) and if a member wishes to avail an actuarially reduced pension (see question 14).

8. *What is the minimum amount of service required for benefits?*

A minimum of 2 calendar years of reckonable service is required for payment of pension and lump sum benefits under the schemes. If you have less than 2 calendar years of service you will receive a refund of your contributions less a reduction for income tax. (Please refer to Section 21 for restrictions on the preservation of benefits / refund of contributions).

9. *What are added years?*

Added years may be awarded in certain circumstances:

- On ill-health retirement (see question 15), and
- In respect of certain approved grades requiring specific professional qualification and/or expertise. For new entrants recruited on or after 1st April 2005 an award of up to five years may be granted (see circular 03/ 2005). For

non – new entrants an award of up to 10 years may be granted (members must purchase all reckonable service ie. temporary service, service for which refunds / gratuity was authorised before granting an award for professional added years).

10. *Can I purchase notional years of service?*

If you have potential for 9 years service and your total service by age 65(60 non new entrant) will not be sufficient to give you maximum service (40 years) for pension purposes you can purchase additional years of service at full actuarial cost. Notional years can be purchased by lump sum or periodic deduction from pensionable salary, provided contributions for all reckonable service is fully paid. Employees who have a minimum retirement age of 60 may now purchase service with reference to age 60. Where the minimum retirement age is 65 you must purchase service with reference to age 65. (Notional service cannot be purchased after retirement).

Members working part-time accumulate service on a pro-rata basis. For example if you work 19½ hours per week of a 39 hour whole-time equivalent week you accumulate pensionable service of 19½/39 of a year for each calendar year of service; effectively ½ year service per year for purposes of superannuation calculation.

Purchase of notional service by periodic deduction from salary may be exercised at any time during service and prior to reaching age 63 while the option to purchase by lump sum is available once a year. (See circular 23/2006)

10 (a) *Can I purchase a portion of a year?*

Irrespective of whether employment is full-time, work-sharing etc. members may only purchase **whole years of service** under the notional service scheme.

10 (b) *What happens if I take unpaid leave, such as career break or parental leave?*

Periods of special leave without pay may be reckoned for superannuation purposes within six months of the member's return to duty. (The amount of service purchased in such a case may not exceed the duration of the period of special leave without pay).

Where the duration of the special leave without pay is less than one year it must be paid for by lump sum contribution. Periods of greater than one year may be purchased by lump sum or periodic contribution. Notional service rates apply.

10 (c) *Can service prior to joining the scheme be purchased?*

If you have previously served in the public service or in an agency in Ireland recognised under the public sector transfer network you can apply to your Human Resources / Superannuation Section to determine whether the relevant service may be purchased. Such service includes;

- Previous pensionable service for which you have received a refund of superannuation contributions or a gratuity.

- Temporary fulltime or part-time service, for which superannuation contributions were not paid.

NOTE: The earlier service is purchased or a gratuity repaid the less expensive it will be to members.

11. What are AVC's?

Additional Voluntary Contribution (AVC) schemes are a facility available through your staff association which allow you to enhance your superannuation benefits at your own expense, as permitted by the Revenue Commissioners. They are essentially a private arrangement between the individual and a private sector pension provider. The benefit is generally in the form of an additional cash amount of pension or lump sum rather than the additional notional years of service under the purchase scheme. The cash benefit is dependent on the performance of the fund in which the AVC contributions are invested. Contributions are allowed against income tax, subject to Revenue rules.

12. What rate of retirement pension and lump sum is payable?

The maximum lump sum and pension is payable after 40 years service subject to reaching minimum retirement age. However, you do not need to have 40 years service to qualify for a pension. You must have a minimum of 2 calendar years reckonable service to preserve benefits to normal pension age. (Where service is less than two calendar years a refund of contributions less deduction for tax is payable).

Lump Sum

Your Lump Sum is calculated as follows (regardless of PRSI rate):

$\frac{3}{80}^{\text{th}}$ of pensionable remuneration multiplied by the number of wholetime equivalent years' service. The maximum reckonable service is 40 years. Fractions of a year count proportionately.

Example – Member with 40 years service and pensionable remuneration of €600 per week will receive the following lump sum

$$\frac{3}{80} \times €600.00 \times 52.18 \times 40 = €46,962.00$$

Similarly, a member who served for 28 years on a part-time basis of 17½ hours per week where the whole-time equivalent would have worked 35 hours (attracting pensionable remuneration of €600 per week). The lump sum will be based on a whole-time equivalent service of 14 years.

$$\frac{3}{80} \times €600.00 \times 52.18 \times 14 = €16,436.70$$

Pension

Class D PRSI Members

Pension is payable at 1/80th of pensionable remuneration multiplied by the number of years service. A member paying Class D PRSI does not have eligibility to SPC.

Example – Member with 40 years service and pensionable remuneration of €600 per week. The member will receive the following annual pension from the scheme.

$$1/80 \times €600 \times 52.18 \times 40 = €15,654$$

Example – Member with 40 years service working on pensionable remuneration of €300 per week for 19.5 hours per week. The member will receive the following annual pension from the scheme.

$$1/80 \times (2 \times €300) \times 52.18 \times 20 + €7,827$$

Class A PRSI Members

Pension is payable at 1/80th of net pensionable remuneration multiplied by number of whole-time equivalent years of service. The pension is 1/80th of net pensionable remuneration for each year of service subject to a maximum of 40/80^{ths}. This means that on retirement with 40 years reckonable service the occupational pension along with the State Pension (Contributory) amounts to one-half of pensionable remuneration.

Effective from 1 January 2004, if pensionable remuneration is less than 3 1/3rd times SPC the formula for the calculation of pension has been amended to: pensionable remuneration /200th x WTE service. (Circular 20/2005 refers). The table below sets out how the lower paid revision formula operates for single SPC rate of €10,921.27 and verging levels of PR.

SPC	2*SPC	3½ SPC	
€ 10,921	€ 21,843	€ 36,404	
PR	WTE	Revised Integration Formula	Conventional Formula
		WTE*PR/200	WTE*(PR-2*SPC)/80
€ 15,000	40.0000	€ 3,000	€ 0
€ 18,000	40.0000	€ 3,600	€ 0
€ 21,000	40.0000	€ 4,200	€ 0
€ 24,000	40.0000	€ 4,800	€ 1,079
€ 27,000	40.0000	€ 5,400	€ 2,579
€ 30,000	40.0000	€ 6,000	€ 4,079
€ 33,000	40.0000	€ 6,600	€ 5,579
€ 36,000	40.0000	€ 7,200	€ 7,079

€ 39,000	40.0000	€ 8,579	€ 8,579
€ 42,000	40.0000	€ 10,079	€ 10,079
€ 45,000	40.0000	€ 11,579	€ 11,579
€ 48,000	40.0000	€ 13,079	€ 13,079

Effective from 20th December 2001 worksharing service is treated on a pro-rata basis and the pensionable remuneration is the notional full rate of pay for the job. This means that the period of jobsharing/worksharing service is reckoned pro-rata to whole time reckonable service and the salary base is the whole time equivalent salary.

Example – Member with 40 years service and pensionable remuneration of €300 per week.

$$1/80 \times €600 - (2 \times €209.30) \times 52.18 \times 20 = €2,366.25$$

Revised integration formula will apply:

$$1/200 \times €600 \times 52.18 \times 20 = €3,130.80$$

This member will receive an annual pension of €3,130.80 from the scheme.

Members paying Class A PRSI should contact the Department of Social and Family Affairs to determine eligibility to benefits under the Social Welfare Acts. Under the terms of this scheme a Supplementary Pension may be payable where the pension paid to a former member based on Class D PRSI service exceeds the combined occupational pension, Department of Social & Family Affairs benefit and income of a former Class A PRSI member. It represents the total of the pensions actually received by the person and the pension that would be payable if the occupational pension was not co-ordinated with the State Pension (Contributory). Your Human Resources / Superannuation Section will be able to assist in queries relating to supplementary pension.

13. *If I resign before normal retirement age what happens to my benefits?*

If you resign voluntarily with at least 2 calendar years' reckonable service and do not transfer your service to another organisation where the superannuation scheme allows for the reckoning of your service you will qualify for a pension and lump sum at minimum retirement age. Your superannuation benefits will be based on pensionable remuneration at the date of resignation up-rated to take account of increases in pay and allowances applied to your former grade between resignation date and your retirement. It is your responsibility to notify your previous employer of the date when you reach minimum retirement age that you wish to draw down your superannuation benefits.

14. *What is the Actuarially Reduced Pension Scheme.*

An actuarially reduced pension is available to members (with at least two calendar years' service) who wish to retire up to 10 years before reaching the minimum

retirement age. An actuarially reduced lump sum and pension are payable in lieu of preserved benefits at a later date. Under this scheme the pension is actuarially reduced for the lifetime of the pension payable. You must indicate if you are availing of an actuarially reduced pension prior to leaving your employment. Actuarially reduced retirement was introduced in 2005 and applies to resignations effective from 1st April 2004.

Factors to be applied to preserved benefits to derive actuarially reduced benefits					
Members with preserved age of 60			Members with a preserved age of 65		
Age Last Birthday	Pension	Lump Sum	Age Last Birthday	Pension	Lump Sum
50	62.40%	82.20%	55	58.20%	82.40%
51	65.10%	83.90%	56	61.10%	84.00%
52	67.90%	85.50%	57	64.10%	85.60%
53	71.00%	87.20%	58	67.40%	87.30%
54	74.30%	88.90%	59	71.00%	89.00%
55	77.80%	90.70%	60	74.80%	90.70%
56	81.60%	92.40%	61	79.00%	92.50%
57	85.70%	94.30%	62	83.60%	94.30%
58	90.10%	96.10%	63	88.50%	96.10%
59	94.80%	98.00%	64	94.00%	98.00%

Members availing of an actuarially reduced pension should take account of the following points;

- Any supplementary benefit payable will be reduced by the same actuarial factor applying to the pension paid.
- Return to the public service is only possible by general recruitment procedures. (A return to previous employment is not permitted).
- Abatement rules will be applied where a member takes up employment in an organisation where the same superannuation scheme is available.

(Circular 5/2005 refers)

15. *What is the position if I become too ill to continue in employment?*

Subject to certain conditions you may be able to retire on ill-health grounds. A pension and lump sum, calculated in the same way as an age retirement pension and lump sum will be paid to you immediately at retirement provided you have a minimum of 5 years reckonable service. As well as your actual service you may be allowed an additional period of notional service. This added service which is calculated by reference to the length of your actual service, is to compensate in the

event that you retire on ill-health grounds. Depending on age and service, generally, an addition of up to 6²/₃rd years is fairly common.

The application of these rules to worksharers/part timers has not yet been finalised. In the meantime the Department of Health and Children will consult the Department of Finance as appropriate.

The following table outlines the notional added years available under the schemes.

Service (Years)	Added years
05 – 10	Actual service subject to limit of potential service to age 65
10 – 20	Better of (i) Total service not exceeding 20 years, subject to limit of potential service to age 65 or (ii) 6 ² / ₃ years, subject to potential service to age 60
20+	6 ² / ₃ years, subject to potential service to age 60

Short Service Gratuity

If you retire on the grounds of ill health with between one and two years service a short service gratuity equal to 1/12th of pensionable pay for each year of service may be payable. If you have between two and five years' actual service you may be eligible to receive a gratuity of 1/12th of pensionable remuneration for each year of pensionable service and, in addition, a gratuity equal to 3/80ths of pensionable remuneration for each year of pensionable service.

If you are a new entrant and have completed at least two years' actual service and retire or are retired after attaining the age of 65 you will be eligible to receive a gratuity at the rate of 3/80ths of pensionable remuneration for each year of pensionable service subject to a maximum of 120/80ths.

If you are a non new entrant and have completed at least two years' actual service and retire or are retired on grounds of ill health, you can choose between taking a short service gratuity or opting to preserve benefits payable in the normal way to age 60.

If you are a non new entrant and have completed at least two years' actual service and retire or are retired after attaining the age of 60 you shall be eligible to receive a gratuity at the rate of 3/80ths of pensionable remuneration for each year of pensionable service subject to a maximum of 120/80ths.

16. For how long is my pension paid?

Your pension is payable for the period of your lifetime.

17. *Is there any provision for my pension to be increased to take account of inflation?*

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. In practice, all general pay increases since 1986 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.

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

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

In addition, if an allowance becomes pensionable from a particular date, the benefit is not passed on to pensioners who retired before that date. If a new pensionable allowance is introduced, it does not apply to pensioners who never held that allowance while serving.

18. *What happens if I die in service?*

Probate or letters of administration are required to be produced.

(a) *What benefits would apply?*

Your legal personal representative will receive the greater of:

Where you are working full time:

- One year’s pensionable remuneration (at the rate applicable on the date of death), or
- The lump sum that would have been paid to you had you retired on ill-health grounds on date of death subject to a maximum of 150% of pensionable remuneration at the date of death, or
- 97.43% of the 2nd point of the Department of Health & Children’s Consolidated Craftsman’s Pay scale at the date of death.

The application of these rules to worksharers/part timers has not yet been finalised. In the meantime the Department of Health and Children will consult the Department of Finance as appropriate.

NOTE: Outstanding contributions due to the Spouses’ and Children’s Scheme and for pre-scheme service will be deducted from any lump sum payable.

(b) *What benefits apply on death after retirement?*

If at the time of death the total pension received since retirement, together with the amount of the retirement lump sum, comes to less than one year's pensionable remuneration at the date of retirement, a balancing gratuity sufficient to bring the total up to the equivalent of one year's pensionable remuneration is payable to the officer's legal personal representative. This does not apply in the case of persons who are paid a preserved pension. Spouses' and Children's benefits are also payable where appropriate ([see Part B question 4](#)).

19. *How will my benefits be affected if I separate or divorce?*

Your pension will only be affected by divorce or judicial separation if there is a Pensions Adjustment Order in force apportioning some of the superannuation entitlements to the spouse or dependant children (See question 7 in Spouses' and Children's). Death gratuity and spouses pension entitlements may also be affected by a Pensions Adjustment Order. Where there is no PAO then benefits will be payable in accordance with the rules of the scheme.

20. *What happens if I leave employment other than by reason of age or ill-health retirement?*

If you resign voluntarily and have at least 2 calendar years reckonable service, you may qualify for;

Transfer of service: If you change employment to another organisation that is a member of Public Sector Transfer Network arrangements can be made to transfer your superannuation entitlements to your new employment.

Preserved Benefits: You may on application, at age 65 (60 non new entrant) be paid preserved benefits ([question 21](#)).

Actuarially Reduced Benefits: You may qualify to take an actuarially reduced pension where you leave employment within 10 years of your minimum retirement age. ([question 14](#)).

If you have less than 2 calendar years of service contributions will be returned less appropriate income tax deduction.

21. *How or when do I qualify for preserved benefits?*

If you resign before minimum retirement age (other than on grounds of ill-health or actuarially reduced pension) and have at least 2 calendar years' reckonable service your pension and lump sum benefits will be preserved. You must apply in writing to your former employer for these benefits on reaching minimum retirement age. Benefits will be based on your reckonable service and reckonable pay on the date of your resignation up-rated by the appropriate increases between that date and your retirement.

In the event that a member dies before reaching the minimum retirement age preserved pension and lump sum benefits will become payable immediately to your legal

personal representative. If the former member becomes seriously ill, payment of superannuation benefits may be permitted on ill-health grounds.

22. *The Pensions Amendment Act (2002) imposes various restrictions on the preservation of benefits/refund of contributions as follows:*

Scenario 1	
Join Scheme after 1/7/1995	Leave Scheme before 2/6/2002
Less than 5 years contributions	Refund of contributions
More than 5 years contributions	Preservation compulsory
Scenario 2	
Join Scheme before 1/7/1995	Leave Scheme before 2/6/2002
Less than 5 years contributions	Refund of contributions
More than 5 years contributions	Option of refund – waiver form
Scenario 3	
Join Scheme after 1/7/1995	Leave Scheme after 2/6/2002
Less than 2 years contributions	Refund of contributions
More than 2 years contributions	Preservation compulsory
Scenario 4	
Join Scheme before 1/7/1995	Leave Scheme after 2/6/2002
Less than 2 years contributions	Refund of contributions
More than 2 years contributions	Option of refund – waiver form
Note: Please refer to Department of Finance circular letter P18/27/90 of 31st May 2002 and Department of Health and Children circular letter of 26 th June 2002. Subject to the provisions of the Pensions Amendment Act 2002 it is possible in certain cases to get a refund of contributions on termination of service.	

23. *Can my service be transferred?*

If you change employment from one public sector organisation to another covered by the Local Government Superannuation Code (LGSS) or Irish Public Service Transfer Network (PSTN) you may transfer your previous reckonable service to your new employment.

Members with such service (in a LGSS or PSTN organisation) should notify the Human Resources / Superannuation Section to assist in arranging the transfer of service.

(a) [Can I transfer service from a private scheme or from a U.K scheme?](#)

Where a member has preserved benefits arising from contributions made to a private occupational pension scheme in a previous employment in Ireland or the UK it may be possible to assess a **transfer value** that will facilitate the purchase of notional years in these schemes. Transferring of value is dependant on the agreement of the private pension company to pass accrued contributions to the administrators / trustees of the public sector scheme. When a transfer value from a former scheme is notified to the trustees an estimate of the amount of service that can be purchased under the public health sector schemes will be calculated.

(b) [Can I get a transfer value for my public health sector service?](#)

No. This is a non funded pension scheme. Benefits only become payable on reaching minimum retirement age.

24. [What is Abatement of pension?](#)

Abatement of pension applies where a retired former member, in receipt of a pension from the scheme, returns to work in an organisation in which the scheme is available. (Generally, it is applied to retired members returning to work after retirement). The abatement provisions provide that for a period of re-employment, the employee cannot earn more by way of pension and pay on re-employment than the up-rated remuneration of the former post. (Circular 21/2005 refers)

The nature of **the contract of employment** determines the extent of abatement, if any. For example if the ‘specified period’ of re-employment is identified in the contract of employment as:

1. **Full time over six months**
The individual is employed on a full time basis over a specified period of six months. Therefore no pension is payable as the remuneration for the specified period is equal to the up-rated remuneration of the former post.
2. **Full time for six months over the course of one year (including working week on/week off, mornings only etc)**
The period of re-employment is one year and no reduction in pension will occur
3. **If and when required over the course of a specified period**
Where the period of re-employment is stated and provided their re-employment does not exceed half the whole time equivalent for that period the pension will not be reduced.

It is the responsibility of Superannuation Officers to notify the trustees of the re-employment (post-retirement) of pensioners. The trustees will indicate the rate of pension payable in each case. If the period of re-employment fluctuates the trustees should be notified.

25. *How are benefits and contributions treated for income tax purposes?*

Under the current rules, the retirement lump sum, marriage or death or balancing gratuities are currently exempt from income tax. Pensions are subject to income tax in the normal way.

Contributions for personal benefits, Spouses' and Children's Contributory Pension Scheme and Purchase Scheme contributions (subject to certain limits) would normally qualify for income tax relief.

26. *Can I appeal decisions made by my employer?*

Where an employee makes a complaint or is unhappy with a determination, they can exercise their right to appeal.

Appeals in the first instance should be made to the Appeals Officer for the scheme. The administrator of the scheme will provide you with the details of the Appeals Officer.

27. *What avenues of appeal are available if I am dissatisfied with any decision made by the trustees or administrators?*

Where a member makes a complaint or is unhappy with any decision made by the trustees or administrators they can exercise their right to appeal to the Pensions Ombudsman. Department of Health and Children circular ref: 21/2004 of 12 May 2004 refers – Pensions Ombudsman Procedures for Internal Resolution of Disputes.

28. *Is there any other information available regarding my pension entitlement?*

You should contact the Human Resources / Superannuation Section of your employing organisation if you require any further details. The Irish Pensions Board provides comprehensive information that is easily accessible at www.pensionsboard.ie

Summary of Principle Provisions of the Main Scheme

1. [Contribution rate](#)

Class D PRSI:
Lump sum 1½% of gross pensionable earnings, Plus
Pension 3½% of gross pensionable earnings.

Class A PRSI:
Lump sum 1½% of pensionable earnings, Plus
Pension 3½% of net pensionable earnings.(full salary less twice SPC)
2. [Allowances](#)

Allowances which are in the nature of pay will be taken into account as pensionable allowances for the purpose of both superannuation contribution and benefits, subject to certain exclusions.
3. [Normal qualification for lump sum and pension](#)

2 calendar years service at normal retirement age.
4. [Amount of Lump sum](#)

3/80th of annual pensionable pay multiplied by the number of years service (subject to a maximum of 1½ times pensionable remuneration). Maximum reckonable service is forty years.
5. [Amount of Pension](#)

Class D PRSI:
1/80th of annual pensionable remuneration multiplied by the number of years service (subject to a maximum of ½ pensionable remuneration). Maximum reckonable service is forty years.

Class A PRSI:
1/80th of net pensionable remuneration multiplied by the number of years (subject to a maximum of ½ pensionable remuneration). Maximum reckonable service is forty years

6. [Co-ordination of pension with Social Welfare Pensions where employee is fully insured under Social Welfare Acts](#)

Class A PRSI:

The pension of a member will be based on pensionable remuneration on last day of service reduced by twice the SPC payable to a person who has no adult dependent or qualifying children.

- A supplementary pension is payable where the co-ordinated pension is less than the un-coordinated pension (based on Class D PRSI).
- A co-ordinated pension is made up of the occupational pension and the benefits payable to the member under the Social Welfare Acts.
- From 1st January 2004 a revised formula is used to calculate the pension for members' whose salary is less than 3 1/3rd the maximum single rate of SPC.

7. [Averaging](#)

Where an employee changes grade or receives an increase in salary within the last three years of pensionable service, benefits payable are based on average pay over the three year period. Such averaging will not apply in certain circumstances e.g. retirement on grounds of permanent infirmity.

8. [Part-time service](#)

An employee who had prior part-time non-pensionable service may have that service reckoned (subject to eligibility and the payment of contributions).

9. [Purchase of notional service](#)

A member with potential service at age 65/60 of less than 40 years may purchase additional years of service at full actuarial cost.

10. [Additional Voluntary Contributions \(AVC's\)](#)

The purchase of an AVC is an agreement between a member and a private pension operator and is separate from purchasing pre-scheme service, notional service or repaying a marriage gratuity, etc.

(Details of AVC schemes available in your employment may be obtained direct from your Human Resources / Superannuation Section).

11. [Preserved benefits](#)

An employee with over 2 calendar years pensionable service, who ceases to hold office and is not employed in another position in which service may be reckoned, will have benefits preserved until age 65 (60 for non new entrants).

12. [Short service gratuity](#)

A gratuity may be granted to an employee with less than 5 years' pensionable service who ceases to hold his office because of permanent infirmity. Where the employee has more than 2 years wholtime equivalent service, the amount of gratuity payable may equal to 1/12th of pensionable pay for each year of service plus 3/80th of such pay for each year of service. Where a member has between one and two years service a short service gratuity equal to 1/12th of pensionable pay for each year of service is payable. (Any odd fraction of a year will be taken into account in calculating the gratuity).

13. [Death Gratuity](#)

There is no qualifying period of service for payment of a death in service gratuity. In the case of a full time employee the gratuity will be the maximum of;

- one year's actual pensionable remuneration,
- the amount of the lump sum that would be payable to the members legal personal representative if the employee had ceased to hold office on the grounds of permanent infirmity at the date of death. Death gratuity may be subject to deduction in respect of contributions due to the Main Scheme or Spouses' and Children's' Scheme from date of death to age 65, if applicable or
- 97.43% of the existing 2nd point on the Craftsman's Rate or

The application of these rules to worksharers/part time employees has not been finalised. The Pension Policy Unit of the Department of Health and Children should be consulted in the first instance where guidance is required.

14. [Repayment of contributions and gratuities](#)

A member who received a refund of contributions or gratuity on ceasing previous employment may have that previous service reckoned for superannuation purposes by repaying the refund and/or gratuities. The repayment will be subject to compound interest applied from the date of the refund of contribution to the date of the repayment.

The member is offered an option to repay by lump sum, instalment or periodic contribution within two years of the date of the costing. An option to reckon such service by way of percentage deduction against current pensionable remuneration can also be arranged, with the expense being determined by the rate of contributions (in addition to existing contributions).

Part B

Spouse's and Children's Contributory Pension Scheme, 1986

1. What is the Spouses' and Children's' Pension Scheme?

It is a scheme to provide pensions for the spouse and/or dependent children of a deceased member of the scheme.

2. Who does the Scheme apply to?

The scheme applies to any person, who becomes pensionable on or after 1st January, 1986.

(Any employee in a pensionable post immediately prior to that date had an option to join the scheme. Some employees would have decided to remain in an earlier Spouses' and Children's Scheme (1984) or in the Widows' and Orphan's Scheme, both of which are broadly similar to the current scheme. Persons who did not exercise their option to join the 1986 Scheme at that time currently have no further option to join).

3. Can I leave the Scheme?

No. Membership is mandatory for all pensionable employees.

4. *How are spouses' and children's pensions calculated?*

One month's salary is payable to the spouse for the first month after death. If you die in service or after retirement on ill-health grounds the spouses' and children's pensions will be calculated by reference to the pension you would have received had you continued in pensionable employment up to age 65, subject to a maximum of 40 years.

In all other cases the spouses' and children's pensions will be calculated by reference to your actual pension entitlement.

Spouses' and Children's Pensions are calculated according to the following

Details of Dependents	Pension payable to spouse	Pension payable to children	Total pension payable
Spouse	One-half	----	One-half
Spouse & 1 child	One-half	One-sixth	Two-thirds
Spouse and 2 children	One-half	One-third	Five-sixths
Spouse & 3 children	One-half	One-half	The whole
1 child	----	One-third	One-third
2 or more children	----	One-half	One-half

An enhanced rate of pension is payable for the first month after your death. This amounts to one month's pay if you die in service and one month's pension (your pension rate on the date of death) if you die after retirement

5. *Who is regarded as a child for the purpose of the scheme?*

For the purposes of the scheme a Child is a person under the age of 16 (22 if in full-time education or training). A child's pension may also be granted where a child is permanently incapacitated from maintaining him/herself by reason of disability. There is no age limit provided the disability was there from birth or arose before the child reached the age of 16 years (22 if in full-time education or training).

6. *If my spouse predeceases me will my children be provided for under the scheme?*

Yes- all of your children are covered under the scheme (subject to 5 above).

7. *What provisions exist if I have more than three children?*

The children's pension is for the joint benefit of all your children. If you leave a spouse and three or more children, the maximum children's pension will be payable. Similarly, if you are unmarried at death the maximum children's pension of ½ will be payable as long as at least two children remain eligible. Children's pension is divided equally among all eligible children. Pension is apportioned equally to each qualifying child.

8. *Are Spouses' and Children's Pension Scheme benefits affected if I separate or divorce?*

Your pension will only be affected by divorce or judicial separation if there is a Pensions Adjustment Order (PAO) in force apportioning some of the superannuation entitlements to the spouse or dependant children. Where there is no PAO then benefits will be payable in accordance with the rules of the scheme.

It is the responsibility of the trustees to deal with pension adjustment orders under the Family Law Acts. The trustees will furnish information on a member's superannuation entitlements and, with the member's consent to the other party or their legal representatives. The trustees will also make available draft pension adjustment orders.

It is the responsibility of the parties concerned to decide whether or not to seek pension adjustment orders. The trustees will not advise the party on whether or not to do so but will give them all the factual information necessary to frame orders to reflect whatever agreements they reach on appropriation of superannuation benefits.

9. *If my spouse dies what happens to the children's pension?*

In the event of the death of a spouse the spouse's pension ceases. A single child under the age of 16 (22 if in full-time education) will thereafter receive 1/3rd children's pension. If there is a second such child ½ children's pension will be paid. If there are 3 or more such children the total amount of the children's pension remains unchanged.

10. *If my spouse re-marries, what happens to the pension?*

In the event of the spouse re-marrying, the pension automatically ceases.

11. *Do I have to contribute if I do not have a spouse or child(ren)?*

Membership of the Scheme is mandatory.

Periodic contributions rates are as follows;

Class D PRSI	1½% of gross pensionable earnings. (VHSS and NHASS)
Class A PRSI	1½% of gross pensionable earnings. (Officer, VHSS)
Class A PRSI	1½% of net pensionable earnings. (Non-Officer, VHSS and members of the NHASS)

Retirement \ Death in Service Contributions (deducted from retirement lump sum or death gratuity for service where periodic contributions were not made) are as follows;

Class D PRSI	1% of gross pensionable remuneration at retirement for the relevant period of service.
Class A PRSI	1% of net pensionable remuneration at retirement for the relevant period of service.

If you have reckonable service prior to joining the scheme the relevant contributions due will be deducted from the lump sum or death gratuity. However, you may instead opt to contribute for that service by way of additional contributions from salary.

12. *For how long do I have to contribute?*

Your spouse and children qualify for payment of a pension calculated on your actual pensionable service plus, if you die in service or after retirement on ill-health grounds, potential pensionable service to age 65. The total is your 'reckonable service' and you must therefore pay contributions to cover the whole of that service.

13. *Please tell me more about the system of contributions?*

Membership of the scheme is mandatory and contributions are made until retirement, resignation or death and as a member you are required to pay contributions irrespective of your marital status. If however a member is single or unmarried at retirement, non-periodic contributions are not collected.

14. *Are there provisions for refund of contributions under the spouses' and children's scheme?*

Subject to the provisions of the Pension Amendment Act, 2002, it is possible in certain cases to get a refund of contributions on termination of service. Under the 1971 scheme (men) and 1984 scheme Page 24 of 33(women) there is an option for a refund of contributions where the member is single on retirement. For members of the 1986 scheme there is no provision for a refund of contributions.

15. *Do I have to go on contributing if my spouse dies while I am serving?*

Yes, contributions secure benefits for spouse and children subsequent to the death of a member or scheme pensioner. Should you marry again benefits will be payable under this scheme.

16. *Does joining the Scheme affect my own pension?*

No; the scheme is designed to provide a pension to your surviving spouse and eligible children. Benefits are payable based on your pension entitlements from your membership of the main scheme.

Summary of the Principal Provisions of the Spouse's and Children's Contributory Pension Scheme

A. Beneficiaries:

A Spouses' and Children's pension is payable in the event of the death of a member. Benefits include a pension for:

- Spouse of member, and
- All dependent children of member.

B. Benefits:

1. Where a member dies in service or after retirement on ill-health grounds, a pension of one half of the member's accrued pension (with credit for potential service to age 65) is payable to a spouse.
2. Where a member dies after retirement, pension of one half of the member's pension is payable to the spouse.
3. Where a member dies, having resigned with preserved pension rights, pension of one-half of the member's pension entitlement (credit for actual service only) is payable to the spouse.
4. Where a spouse's pension is payable an additional allowance of one-third of the member's pension is payable for each eligible dependent child (up to a maximum of one-half of the member's pension).
5. Children under the age of 16 (22 if in full-time education or training) are eligible. A child's pension may also be granted where a child is permanently incapacitated from maintaining himself \ herself arising from a disability, provided the disability was there from birth or arose before the child reached the age of 16 (22 if in full-time education or training).
6. A refund of periodic contributions (less deduction for tax) is payable where a member resigns **without** entitlements to pension or preserved pension and does not transfer to another employment in which this service can reckon for superannuation purposes.
7. A partial refund of periodic contributions (less deduction for tax) is payable where the member retires on pension or dies and had paid periodic contributions for a period in excess of the maximum 40 years service. A refund of the contributions paid in the initial years of membership is paid, with contributions in respect of the final 40 years of membership retained.

8. No refund is payable on the basis that a non-member spouse predeceases the member.

C. Contributions:

Contributions must be paid for all reckonable service that will be taken into account for the purposes of calculating benefit. Periodic contribution rate of 1½% of gross pensionable earnings for Class D PRSI employees and Class A VHSS officers. The rate for non-officers and members of NHASS is 1½% of net pensionable earnings for Class A PRSI employees. Where pre scheme service is taken into account, the charge levied for such service can be paid by periodic deduction as above.

Where deductions are taken from retirement lump sum or death in service gratuity a contribution applies for the relevant period. The contribution rate applicable for Class D PRSI members and Class A VHSS officers is 1% of gross pensionable remuneration. The rate applicable for Class A PRSI non-officers and members of NHASS is 1% of net pensionable remuneration.

The member is required to pay contributions irrespective of marital status.

THIS BOOKLET IS NOT A LEGAL DOCUMENT AND IS DESIGNED ONLY AS A GENERAL SUMMARY AND EXPLANATORY NOTE FOR INFORMATION OF MEMBERS AND IS SUBJECT TO CHANGE IN LINE WITH PENSION REFORMS.

Glossary

The following terms are used in the booklet.

Abatement	Reduction in pension paid to retirees continuing / resuming employment with an organisation where the scheme is available.
Actuarially Reduced Pension	Whereby a member can within ten years of normal retirement age opt to avail of a reduced pension for life rather than a preserved pension at normal retirement age.
Calendar year	Qualification for benefits is dependent on a minimum of 2 calendar years of membership, ie 2 years from the date of joining the scheme, regardless of whether service is WTE or less.
Class A PRSI	This is the rate of PRSI paid by non-officer members of the VHSS, almost all members of the NHASS and all public sector employees recruited since 06 April 1995.
Class D PRSI	Reduced rate of PRSI is paid by Officers in continuous pensionable employment prior to 06 April 1995. Officers paying class D rate of PRSI in general do not qualify for a number of the benefits payable under the Social Welfare Acts.
Normal retirement age	The earliest age at which members may retire; 65 (60 for non new entrants)
New entrant	<u>A new entrant</u> is a person who takes up employment as a public servant on or after the 1 April 2004. Or A person who was serving in a public service body prior to the 31 March 2004 and left such an office for a period greater than 26 weeks.
Net pensionable remuneration	Gross Pensionable remuneration less twice the maximum SPC
Net pensionable earnings	Gross Pensionable earnings less twice the maximum SPC

Notional Service	Service not actually given
Pensionable Allowances	Allowances which are reckonable for Pension purposes.
Pensionable Remuneration	Final salary/wages plus the average of the best three years' pensionable allowances in the final ten years of service
Pensionable Salary	Salary plus pensionable allowances
Pro Rata	Proportion of service of salary in relation to whole-time value.
PSTN	Public Service Transfer Network
Reckonable Service	Service in relevant employment during membership of any pension scheme
SPC	State Pension (Contributory) paid by the Department of Social and Family Affairs
Temporary Service	Service that is not permanent. Up to December 2002 persons employed on a temporary basis could not access the scheme.
Up-rated Salary	Current salary for grade held previously.
Whole-Time Equivalent	Whole-time value of salary or service

Appendix 1

Cost of Restoring Service.

Where a member rejoins employment in the public service he/she may restore previous public service by repaying a marriage gratuity or refund of contributions. The cost of restoring the service is subject to a compound interest charge. The rate of interest charged is dependent upon the period when service was given. Interest is calculated from the day following payment of gratuity or refund up to the date of repayment. The member has a period of two years from the date of costing to restore the service by

- Single once-off payment of full cost
- Instalments over a two year period
- Additional contributions from salary.
- Deduction from benefit at retirement.

If restoration is not completed within two years of issue of costing, additional compound interest is levied.

The rates of compound interest and effective dates applying to restoration of service in the schemes are

Rate	Effective Date
7%	For service prior to 01/05/1989
6%	For service from 01/05/1989 to 14/11/2000
4%	For service after 14/11/2000.

Appendix 2 - Contribution Examples

Part-time Circular 2005 - Calculation of Contributions

Examples for Salaries / Wages Integrated with Social Welfare Benefits Etc.

(Contributions are based on current PE and OACP Rates for both full and pro-rata integration methods.)

Public Health Sector Superannuation Schemes (DoH&C 23/2005)

LGSS, NHASS, VHSS	Case I		Case II		Case III		Case IV	
	LGSS Officer, VHSS Officer		LGSS Officer, VHSS Officer		LGSS Non-Officer, NHASS Member, VHSS Non-Officer		LGSS Non-Officer, NHASS Member, VHSS Non-Officer	
	Pre - 20/12/01	Post - 20/12/01	Pre - 20/12/01	Post - 20/12/01	Pre - 01/04/96	Post - 01/04/96	Pre - 01/04/96	Post - 01/04/96
	Full Integration	Pro-Rata Integration	Full Integration	Pro-Rata Integration	Full Integration	Pro-Rata Integration	Full Integration	Pro-Rata Integration
Whole-time equivalent (WTE) for grade	33.00	33.00	39.00	39.00	39.00	39.00	39.00	39.00
Hours worked by member	19.80	19.80	15.60	15.60	19.50	19.50	15.60	15.60
% of WTE worked by member	60.00%	60.00%	40.00%	40.00%	50.00%	50.00%	40.00%	40.00%
Gross Weekly Pensionable Earnings (PE)	€ 1,724.80	€ 2,874.66	€ 400.00	€ 1,000.00	€ 229.97	€ 459.94	€ 400.00	€ 1,000.00
2 * OACP	€ 358.60	€ 358.60	€ 358.60	€ 358.60	€ 358.60	€ 358.60	€ 358.60	€ 358.60
Net Pensionable Earnings (PE)	€ 1,366.20	€ 2,516.06	€ 41.40	€ 641.40	€ 0.00	€ 101.34	€ 41.40	€ 641.40
Contributions								
Lump Sum (1½% of PE)	€ 25.87	€ 25.87	€ 6.00	€ 6.00	€ 3.45	€ 3.45	€ 6.00	€ 6.00
Pension (3½% of Net PE)	€ 47.82	€ 52.84	€ 1.45	€ 8.98	€ 0.00	€ 1.77	€ 1.45	€ 8.98
S & C (1½% of PE or Net PE) *	€ 25.87	€ 25.87	€ 6.00	€ 6.00	€ 0.00	€ 0.76	€ 0.62	€ 3.85
Total Weekly Contributions	€ 99.56	€ 104.58	€ 13.45	€ 20.98	€ 3.45	€ 5.98	€ 8.07	€ 18.83
Outcome (Increase in contributions)	€ 5.02		€ 7.53		€ 2.53		€ 10.76	

* LGSS Non-Officers, NHASS Members and VHSS Non-Officers pay 1½% of Net PE towards Spouses' & Children's Contributory Pension Scheme. All other public health sector members pay 1½% of Gross PE. Calculation of contributions in public health sector superannuation schemes is already provided for on an administrative basis under circular S.4/2002 (LGSS) and circular 64/2002 (NHASS & VHSS).

Existing job-sharers are currently subject to pro-rata contributions and will retain these arrangements.

OACP is the rate on 07 January 2005 payable to an adult with no dependant(s) @ €179.30 per week. 2 * OACP equals €358.60 per week.

For more information please contact the superannuation officer in your organisation.

Issued by the Pension Policy Unit of the Department of Health & Children

	Annual	Weekly
OACP Single	€ 9,355.87	€ 179.30
OACP * 2	€ 18,711.74	€ 358.60
OACP * 3 1/3	€ 31,186.23	€ 597.67

Appendix 3 Employee (aged 65 on 08 December 2005) – Options on Ex-Gratia Vs. Scheme Membership.

Part-time Circular 2005 - Calculation of Pension Benefits Integrated with Social Welfare

Examples for Varying Public Health Sector Grades, Lengths of Service, Remuneration Etc.

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8	Case 9
Service (Period of Years in Service)	40.0000	37.5000	35.0000	32.5000	30.0000	27.5000	25.0000	22.5000	20.0000
WTE Service (Years)	30.0000	27.0000	24.0000	21.0000	18.0000	15.0000	12.0000	9.0000	6.0000
WTE Commitment	75.00%	72.00%	68.57%	64.62%	60.00%	54.55%	48.00%	40.00%	30.00%
Actual PR (Salary + Pensionable Allowances)	€ 30,000	€ 28,000	€ 16,000	€ 14,000	€ 12,000	€ 28,000	€ 26,000	€ 24,000	€ 22,000
WTE PR	€ 40,000	€ 38,889	€ 23,333	€ 21,667	€ 20,000	€ 51,333	€ 54,167	€ 60,000	€ 73,333
Lump Sum	€ 45,000	€ 39,375	€ 21,000	€ 17,063	€ 13,500	€ 28,875	€ 24,375	€ 20,250	€ 16,500
Current Arrangement									
Service (Period of Years in Service)	40.0000	37.5000	35.0000	32.5000	30.0000	27.5000	25.0000	22.5000	20.0000
Actual PR (Salary + Pens Allowances)	€ 30,000	€ 28,000	€ 16,000	€ 14,000	€ 12,000	€ 28,000	€ 26,000	€ 24,000	€ 22,000
2 * OACP	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712
Abated PR	€ 11,288	€ 9,288	€ 0	€ 0	€ 0	€ 9,288	€ 7,288	€ 5,288	€ 3,288
Annual Pension (Current Arrangement)	€ 5,644	€ 4,354	€ 0	€ 0	€ 0	€ 3,193	€ 2,278	€ 1,487	€ 822
Revised Arrangement									
WTE Service (Years)	30.0000	27.0000	24.0000	21.0000	18.0000	15.0000	12.0000	9.0000	6.0000
WTE PR	€ 40,000	€ 38,889	€ 23,333	€ 21,667	€ 20,000	€ 51,333	€ 54,167	€ 60,000	€ 73,333
2 * OACP	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712	€ 18,712
Abated PR	€ 21,288	€ 20,177	€ 4,622	€ 2,955	€ 1,288	€ 32,622	€ 35,455	€ 41,288	€ 54,622
Annual Pension (Revised Arrangement)	€ 7,983	€ 6,810	€ 1,386	€ 776	€ 290	€ 6,117	€ 5,318	€ 4,645	€ 4,097
Revised Integration Formula									
Service	30.0000	27.0000	24.0000	21.0000	18.0000	15.0000	12.0000	9.0000	6.0000
WTE PR	€ 40,000	€ 38,889	€ 23,333	€ 21,667	€ 20,000	€ 51,333	€ 54,167	€ 60,000	€ 73,333
Annual Pension (Revised Integration Formula)	€ 0	€ 0	€ 2,800	€ 2,275	€ 1,800	€ 0	€ 0	€ 0	€ 0
Actual Annual Pension Payable	€ 7,983	€ 6,810	€ 2,800	€ 2,275	€ 1,800	€ 6,117	€ 5,318	€ 4,645	€ 4,097

Service (Period of years) indicates the total period of service, regardless of full-time or part-time.

WTE Service (Years) indicates the whole-time equivalent years for the period of reckonable service (E.g. 19½ / 39 hours represents ½ WTE year).

WTE Commitment calculates the percentage of WTE Service (Years) to Service (Period of years)

PR is pensionable remuneration

Actual PR is the final salary plus 3 years' pensionable allowances.

WTE PR is the Actual PR divided by the WTE Commitment.

Lump sum is the retirement gratuity payable; i.e. 3/80ths of WTE PR

Current arrangement calculates the pension payable to retiring employees with part-time service based on Actual Service and Actual PR

Revised arrangement calculates pension payable to retiring employees with part-time service based on WTE (Service Years) and WTE PR.

Revised Integration Formula calculates pension payable to retiring employees whose WTE PR is less than 3.333333 times the current rate of OACP

OACP is the Old Age Contributory Pension paid by the Department of Social & Family Affairs. (€9,356 the annual single rate payable with effect from 07 January 2005)

For more information please contact the superannuation officer in your organisation.

Issued by the Pension Policy Unit of the Department of Health & Children, October 2005

OACP Single	€ 9,356
OACP * 2	€ 18,712
OACP * 3 1/3	€ 31,186

Appendix 4

Abatement Calculation - Examples for Varying Public Health Sector Grades, Lengths of Service,

	Case 1	Case 2	Case 3	Case 4	Case 5	Case 6	Case 7	Case 8	Case 9
PRSI Class Pre-Retirement	Modified PRSI (Class D1)					Full PRSI (Class A1)			
Grade	Chief Officer	Medic Officer	Nurse	Care Worker	Director	Caterer	Porter	Manager	Doctor
D-O-B	01/05/1941	03/09/1941	06/01/1942	11/05/1942	13/09/1942	16/01/1943	21/05/1943	23/09/1943	26/01/1944
Service (Years)	40.0000	37.5000	35.0000	32.5000	30.0000	27.5000	25.0000	22.5000	20.0000
Date of Retirement	09/01/2002	24/05/2002	06/10/2002	18/02/2003	03/07/2003	15/11/2003	29/03/2004	11/08/2004	24/12/2004
Age at retirement	60.69 years.	60.72 years.	60.75 years.	60.77 years.	60.80 years.	60.83 years.	60.86 years.	60.88 years.	60.91 years.
Date of Recommencement	19/01/2002	03/06/2002	16/10/2002	28/02/2003	13/07/2003	25/11/2003	08/04/2004	21/08/2004	03/01/2005
Contract Period (Months, Max 12)	12	11	10	9	8	7	6	5	4
Uprated Remuneration (Annual) for grade	€ 100,000	€ 80,000	€ 43,210	€ 37,500	€ 76,543	€ 100,000	€ 39,000	€ 100,000	€ 80,000
Pension Factor (Max 50.0000%)	50.0000%	46.8750%	43.7500%	40.6250%	37.5000%	27.7362%	15.3518%	22.5447%	19.0693%
Current Remuneration (Annual)	€ 80,000	€ 80,000	€ 43,210	€ 40,000	€ 76,543	€ 80,000	€ 39,000	€ 80,000	€ 80,000
Commitment (0.00% of WTE)	50.00%	40.00%	45.00%	60.00%	62.50%	65.00%	100.00%	80.00%	100.00%
Uprated WTE (Contract Period)	€ 100,000	€ 73,333	€ 36,008	€ 28,125	€ 51,029	€ 58,333	€ 19,500	€ 41,667	€ 26,667
Period Remuneration	€ 40,000	€ 29,333	€ 16,204	€ 18,000	€ 31,893	€ 30,333	€ 19,500	€ 26,667	€ 26,667
Unabated Pension (Contract Period)	€ 50,000	€ 34,375	€ 15,754	€ 11,426	€ 19,136	€ 16,179	€ 2,994	€ 9,394	€ 5,085
Actual Pension (Contract Period) Max	€ 50,000	€ 34,375	€ 15,754	€ 10,125	€ 19,136	€ 16,179	€ 0	€ 9,394	€ 0
Total (Contract Period) Remuneration	€ 90,000	€ 63,708	€ 31,957	€ 28,125	€ 51,029	€ 46,513	€ 19,500	€ 36,060	€ 26,667
Abatement	€ 0	€ 0	€ 0	€ 1,301	€ 0	€ 0	€ 2,994	€ 0	€ 5,085

Contract period may not exceed 12 months.

Uprated Remuneration (Annual) is the current remuneration for the former grade in respect of the contracted period of re-employment

Current Remuneration (Annual) is the estimated / actual annual remuneration on which the individual is returning to work for the contracted period of re-employment.

Current Remuneration (Annual) may be less than the WTE if the individual is re-employed with less allowances, different work patterns, lower grade etc.

Uprated WTE (Contract Period) is the remuneration payable if the individual was to work the WTE for the grade over the contracted period of employment

Period Remuneration is calculated from the amount estimated / paid for the contracted period of re-employment

Unabated Pensions (Contract Period) is the pension calculated as due based on uprated remuneration and pension factor for the contracted period of re-employment

Actual Pension (Contract Period) Max is the pension payable preventing current pension plus current remuneration exceeding uprated remuneration for the contracted period

Total (Contract Period) Remuneration is the maximum payable in remuneration and pension

Period Remuneration plus Unabated Pension (Contract Period) may not exceed Uprated WTE for the contract period.

Abatement is the impact on the individual's pension in the period of re-employment.

The above examples are set out as a guide to the application of abatement provisions to public health sector pensions.

For more information please contact the superannuation officer in your organisation.

Issued by the Pension Policy Unit of the Department of Health & Children, October 2005