

# Education and Training Board Teachers Superannuation Scheme 2015

## Explanatory Booklet



An Roinn Oideachais  
agus Scileanna  
Department of  
Education and Skills



**etbi**

Education and Training  
Boards Ireland  
*Boird Oideachais agus  
Oiliúna Éireann*

## **NOTE**

**THIS BOOKLET IS NOT A LEGAL INTERPRETATION OF THE EXISTING SUPERANNUATION PROVISIONS FOR TEACHERS IN EDUCATION AND TRAINING BOARDS, NOR DOES IT PURPORT TO DEAL WITH EVERY QUERY THAT MAY ARISE. CARE HAS BEEN TAKEN TO ENSURE THAT IT IS ACCURATE BUT NOTHING CAN OVERRIDE THE RULES OF THE SCHEME, AS SET OUT IN THE STATUTORY INSTRUMENT, *EDUCATION AND TRAINING BOARD TEACHERS SUPERANNUATION SCHEME 2015 (S.I. 292 OF 2015)*, OTHER RELEVANT STATUTES, REGULATIONS AND OTHER OFFICIAL DOCUMENTATION.**

## **PREFACE**

This information booklet replaces the previous booklet which was issued in December 2001. It has been updated with the many changes that have occurred in recent years regarding teachers' pensions. It is hoped that the provision of this updated booklet will meet the need for information and give a better understanding of the Superannuation Scheme.

This booklet only relates to the *Education and Training Board Teachers Superannuation Scheme 2015* and there is a separate booklet pertaining to the Single Public Service Pension Scheme.

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

<b>31 July 1996:</b>	<b>Reduction to 55 in Early Retirement Superannuation arrangements for Education and Training Board Teachers.</b>
<b>1 September 2001:</b>	<b>Admission of unqualified teachers to membership of the Scheme.</b>
<b>1 January 2004:</b>	<b>Revised method of calculation of pension entitlement for members whose pensions are integrated with social welfare benefits.</b>
<b>1 April 2004:</b>	<b>Raising the minimum pension age to 65 for new entrants to employment in Education and Training Boards under the Public Service Superannuation (Miscellaneous Provisions) Act 2004.</b>
<b>1 April 2004:</b>	<b>Introduction of cost-neutral early retirement.</b>
<b>10 November 2006:</b>	<b>Revision of Notional Service Purchase Scheme.</b>
<b>21 May 2008:</b>	<b>Revised arrangements for certain part-time staff (introduction of pro-rata integration).</b>

- 1 August 2012:** Revised ill-health and death in service arrangements for part-time staff.
- 28 July 2012:** Chapter 4 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 in so far as it relates to pre-existing public service pension schemes.

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

All monetary values in the examples in the booklet have been rounded up/down for convenience purposes only.

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

The information contained in this booklet is correct at the time of print. However, updated circulars are on the Department of Education and Skills website so you should refer directly to that website in order to ascertain if subsequent Circular Letters have issued.

**Pension Task Group (December 2016)**

## TABLE OF CONTENTS

Section	Subject:	PAGE
	<b>MEMBERSHIP</b>	<b>6</b>
1	Membership	6
	<b>BENEFITS AND CONDITIONS FOR BENEFITS</b>	<b>8</b>
2	Overview of Benefits	8
3	Factors that determine benefits	8
4	Rate of PRSI	8
5	Contributions	9
6	Qualifying conditions for benefits	11
	<b>PENSIONABLE SERVICE</b>	<b>13</b>
7	Reckonable Service for benefits	13
8	Wholetime Service	13
9	Pro-Rata Part-time Service	15
10	Part-time Service	18
11	Job Sharing Service	20
12	Career Break	21
13	Unpaid Leave	22
14	Previous service as a Primary or secondary teacher	23
15	Previous service in the public sector	24
16	Teaching service outside the state	26
17	Purchase of Notional Service to increase benefits	26
18	Award of Professional/Technical Added Years	30
	<b>RETIREMENT AGE AND PENSION CALCULATIONS</b>	<b>33</b>
19	Retirement Age	33
20	Retirement at age 55 with 35 years qualifying service	34
21	Pensionable Remuneration	34
22	Retirement Lump Sum Calculation (wholetime, job sharing or part-time teachers)	36
23	Pension Calculation for staff recruited before 6 April 1995	37
24	Pension Calculation for staff recruited after 6 April 1995	37
25	Retirement from part-time employment	39

26	Supplementary Pension	42
27	Split Benefit Award	46
28	Resignation from service	47
29	Preserved Benefits	48
30	Cost Neutral Early Retirement	49
31	Retirement on medical grounds	54
32	Gratuities	55
	<b>DEATH BENEFITS</b>	56
33	Death in service and death after leaving service	56
34	Survivors' and Children's Contributory Pension Scheme (including the original scheme)	56
	<b>APPLICATION FOR AND PAYMENT OF BENEFITS</b>	61
35	Application for benefits (including Declarations)	61
36	Payment of Pensions	61
	<b>MISCELLANEOUS PROVISIONS</b>	62
37	Abatement of Pension	62
38	Implications of the Family Law Acts	62
39	Dispute Resolution and Appeals	63
40	Pension Adjustments	65
41	Tax relief on superannuation contributions	66
42	Taxation	67
43	Chapter 4 of the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 in so far as it relates to this scheme	69
	Appendix 1: Differences between 1956 Scheme and the current scheme	70
	Appendix 2: Notional Service – Table of contributions payable by a teacher to whom Class D rate of PRSI applies	75
	Appendix 3: Notional Service – Table of contributions payable by a teacher to whom Class A rate of PRSI applies	79
	Appendix 4: Tables for actuarial reduction for notional service	83

# THE EDUCATION AND TRAINING BOARD TEACHERS SUPERANNUATION SCHEME 2015

## MEMBERSHIP

### 1. MEMBERSHIP:

Membership of the Education and Training Board Teachers Superannuation Scheme (previously known as the Vocational Teachers Superannuation Scheme) is compulsory for all teachers employed by Education & Training Boards in approved teaching positions as follows:

#### (a) Main Scheme:

Contract Type	Relevant dates:	Admission dates to scheme:
Permanent wholetime teachers ( <b>PWT</b> )	Employed on or after 1 June 1978	From date of permanent appointment
Permanent wholetime teachers ( <b>PWT</b> )	Employed prior to 1 June 1978 (1956 scheme later referred to as the 1987 scheme applied pending an option to join this scheme (see note 1 below for option dates) )	From date of permanent appointment
Fully qualified Pro-rata Part-time ( <b>PRPTT</b> ) or Temporary wholetime ( <b>TWT</b> ) teachers employed from outset of school year (i.e. 1 November to end of school term)	Granted admission to scheme effective from 1 September 1996	1 September 1996 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 8 or 9. See Note 2 below if employed on a contract of less than 22 hours per week
Fully qualified Part-time teachers ( <b>PTT</b> ) employed from outset of school year (i.e. 1 November to end of school term) for 9 hours each week	Granted admission to scheme effective from 1 September 1996	1 September 1996 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 10. See Note 2 below if employed on a contract of less than 22 hours per week
Pro-rata part-time teachers ( <b>PRPTT</b> ) who are not fully qualified but have Pre 87 status	Effective from 1 September 1996	1 September 1996 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Section 9. See Note 2 below if employed on a contract of less than 22 hours per week
Unqualified teachers ( <b>UQ</b> ) (excluding self-financing positions)	Effective from 1 September 2001	1 September 2001 or date of appointment if later. Service prior to date of admission may be reckonable in accordance with Sections 8-10. See Note 2 if employed on less than 22 hours per week

All teachers	Employed after 1 January 2013 unless they had previous employment in public sector without a break of more than 26 weeks.	Single Public Service Pension Scheme applies - details of this Scheme can be obtained from: <a href="http://www.per.gov.ie/pensions">www.per.gov.ie/pensions</a>
--------------	---	---

**Note 1:**

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

**Note 2:**

Effective from 21 May 2008 onwards, a part-time teacher who commences employment in an ETB will be a member of the scheme on a pro-rata integration basis. Part-time teachers employed prior to this date will be given an option if applicable to have this scheme applied on a pro-rata integration basis (see section 25 for details of pro-rata integration).

## 1.2 Survivors' and Children's Schemes:

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

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

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

**Note:** All teachers in pensionable service between 1 September 1984 and 31 December 1985 (even if they opted out of the earlier scheme) were given an option to join the Revised Scheme. Where a teacher was not a member of the Original Scheme and then exercised an option to join the Revised Scheme, contributions under this scheme became payable from 1 September 1984 or date of appointment to a pensionable post, if later. Similarly if a teacher who opted to remain in the original scheme resigned and resumed in another pensionable position after 1 January 1986, he/she automatically became a member of the revised scheme.



## **BENEFITS AND CONDITIONS FOR BENEFITS**

### **2. BENEFITS:**

The various benefits under the Scheme are:

- Retirement pension and lump sum (see Sections 22-24)
- Retirement on medical grounds pension and lump sum (See Section 31)
- Cost Neutral actuarially reduced retirement pension and lump sum (see Section 30)
- Preserved pension and lump sum (see Section 29)
- Death gratuity (see Section 33)
- Survivors' and Children's Pensions (see Section 34)

[Back to contents page](#)

### **3. THE FACTORS THAT DETERMINE BENEFITS:**

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

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

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

[Back to contents page](#)

### **4. RATE OF PRSI:**

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

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

<b>PRSI Rate:</b>	<b>Payable:</b>
Class D PRSI – modified rate	In the case of a teacher who was appointed to a permanent position prior to 6 April 1995 or where appointed as a PWT after this date, has continued to serve in such a post without interruption from a date prior to 6 April 1995 (see Note below). This is also known as unco-ordinated service.
Class A PRSI – full rate	In the case of a teacher who was appointed on or after 6 April 1995 or if employed prior to this date had interrupted service. This is known as co-ordinated service.

**Note:**

A teacher will still be liable for PRSI at the full rate (i.e. Class A) for periods of temporary or part-time employment. A contract of indefinite duration (CID) does not change PRSI status. Any queries in relation to PRSI rates should be referred to the SCOPE Section of the Department of Social Protection.

4.3 If a teacher avails of a career break or approved leave of absence without pay, they will pay the same rate of PRSI that applied before commencement of the career break or approved leave of absence without pay as this is not regarded as an interruption of employment for PRSI purposes.

[Back to contents page](#)

## 5. CONTRIBUTIONS:

5.1 The calculation of a teacher's contributions is dependent on the rate of PRSI for which they are liable.

PRSI Rate:	Contributions:
Class D PRSI – Non-member of Survivors & Children's Pension Scheme	5% of gross pensionable remuneration
Class D PRSI – Member of Survivors' & Children's Pension Scheme	6.5% of gross pensionable remuneration
Class A PRSI (all Class A PRSI members are automatically in the Survivors' & Children's Pension Scheme)	3% of gross pensionable remuneration plus 3.5% of net pensionable remuneration (job sharing staff will pay contributions on a pro-rata basis)

Net pensionable remuneration (also known as Co-ordinated Pay) means Pensionable Remuneration less twice the maximum personal rate of State Pension (Contributory) (SPC).

### 5.2 Examples:

#### Example 1:

A teacher on a salary of €61,946 paying Class A PRSI. Their contributions are calculated as follows:

Contribution due:	
Salary = €61,946	State Pension (Contributory) (SPC) = €233.30 x 2 x 52.18 = €24,347.19
$(€61,946 \times 3\%) + (€61,946 - €24,347.19 \times 3.5\%)$ $= (€1,858.38 + €1,315.96) = €3,174.34$ contributions due	

**Example 2:**

A teacher on a salary of €61,946 paying Class D PRSI. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

Contribution due:

$$\begin{aligned} \text{Salary} &= €61,946 \\ (\text{€61,946} \times 6.5\%) \\ &= €4,026.49 \text{ contributions due} \end{aligned}$$

**Example 3:**

A Pro-rata teacher on a wholetime equivalent salary of €61,946 in **limited membership** who works 11 hours per week paying Class A PRSI. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

$$\begin{aligned} 11 \text{ hours} / 22 \text{ hours} &= 50\% \\ \text{Wholetime Equivalent Salary} &= €61,946 \times 50\% = €30,973 \\ \text{State Pension (Contributory)(SPC)} &= €233.30 \times 2 \times 52.18 = €24,347.19 \\ \\ \text{Contribution due:} \\ (\text{€30,973} \times 3\%) + (\text{€30,973} - \text{€24,347.19} \times 3.5\%) \\ &= (\text{€929.19} + \text{€231.90}) = \text{€1,161.09 contributions due} \end{aligned}$$

**Example 4:**

A Pro-rata teacher on a wholetime equivalent salary of €61,946 who is a member of the revised pension scheme who works 11 hours per week paying Class A PRSI. They are a member of the Survivors' & Children's Scheme. Their contributions are calculated as follows:

$$\begin{aligned} 11 \text{ hours} / 22 \text{ hours} &= 50\% \\ \text{Wholetime Equivalent Salary} &= €61,946 \\ \text{State Pension Contributory (SPC)} &= €233.30 \times 2 \times 52.18 = €24,347.19 \\ \\ \text{Contribution due:} \\ (\text{€61,946} \times 3\%) + (\text{€61,946} - \text{€24,347.19} \times 3.5\%) \\ &= (\text{€1,858.38} + \text{€1,315.96}) = \text{€3,174.34} \\ &= \text{€3,174.34} \times 50\% = \text{€1,587.17 contributions due} \end{aligned}$$

[Back to contents page](#)

## 6. QUALIFYING SERVICE FOR BENEFITS:

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

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

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

### (a) **Teacher employed on a fixed-term contract:**

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

#### **Example 1:**

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

#### **Example 2:**

A teacher is employed on a contract from 1 September 2009 to 31 August 2010 and then gets a subsequent contract from 1 November 2011 to 31 March 2012. In this case, the teacher has worked 516 days and requires another 214 days in order to qualify for a benefit at retirement

### (b) **Teacher employed on a casual basis:**

In the case of a teacher employed on a casual basis (e.g. substitute), the qualifying period is 2 years' of possible working days. Substitute teachers are not employed for weekends or holiday periods and therefore the maximum number of possible working days in a school year is 167 days (i.e. 5 days per week for 33.40 working weeks in the school year = 167 days). Therefore, in order to qualifying for benefits, a casual teacher is required to work 334 days (i.e.  $167 \times 2$ ). A day's credit will be given for each day of service regardless of the hours worked on that day. If a casual teacher is employed in more than one school on the same day, only 1 day will count for the combined hours.

#### **Example 1:**

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

<u>Date:</u>	<u>Hours claimed:</u>
10 January 2011	3 hours 40 minutes
11 January 2011	40 minutes
18 January 2011	2 hours 20 minutes
20 January 2011	1 hour 20 minutes
10 February 2011	40 minutes
14 February 2011	2 hours
1 March 2011	2 hours 20 minutes

In this example, the teacher will qualify for 7 days towards the qualifying period of 334 days.

**Example 2:**

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

<u>Date:</u>	<u>School 1 hour:</u>	<u>School 2 hours:</u>
1 November 2012	1 hour 20 minutes	2 hours 40 minutes
8 November 2012	40 minutes	
10 November 2012	40 minutes	40 minutes
1 December 2012	2 hours	1 hour

In this example, the teacher will qualify for 4 days towards the qualifying period of 334 days.

[Back to contents page](#)

## **PENSIONABLE SERVICE**

### **7. RECKONABLE SERVICE FOR BENEFITS:**

7.1 The following service is reckonable for benefits:

- Pensionable service (service which is pensionable on an ongoing basis)
- Temporary wholetime service which is pensionable on an ongoing basis or temporary wholetime service which was not pensionable while the service was given but can now be reckoned for pension purposes
- Certain part-time service (see Section 10)
- Certain other transferred service (see Section 15)
- Additional or added service allowed for Professional Added Years (see Section 18), ill-health added years (see Section 31) or the purchase of added years under the Notional service purchase scheme (see Section 17)
- Certain service in respect of which the teacher may have already received a gratuity or refund of contributions

7.2 For service to be reckonable, the appropriate contributions must be paid before any benefits can be paid.

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

[Back to contents page](#)

### **8. RECKONABILITY OF WHOLETIME SERVICE:**

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

**Example:**

A teacher is employed from 1 September 1975 to 31 October 2013. This is reckonable as follows:

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

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

8.2 Contributions are paid on an ongoing basis for permanent wholetime service. However, contributions for temporary wholetime (**TWT**) service were deducted on an ongoing basis from 1 September 1996. Any temporary wholetime service prior to this date is reckonable as at 8.1 subject to contributions being payable as follows:

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

2.5% of historic pay for all reckonable service given up to 31 December 1985

5% of historic pay for all reckonable service given from 1 January 1986 onwards

**Example 1:**

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

The cost of reckoning the service is as follows:

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

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

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

1.5% of pensionable pay plus 3.5% of pensionable pay for each year and part thereof of reckonable TWT service. The pensionable pay rates to be used should be based on the pay rates three months after the date of pensionable employment or admissibility to the scheme whichever is more favourable.

**Example 2:**

A teacher who became re-employed in 2012, is liable for Class A PRSI had previous TWT service from 1 September 1990 to 31 August 1992. Their relevant pensionable salary is €34,883 p.a. The rate of State Pension (Contributory)(SPC) is €12,017.05 p.a. (twice the SPC is deducted = €12,017.05 x 2 = €24,034.11)

The cost of reckoning the service is as follows:

(Pensionable salary x 1.5%) + (Co-ordinated pensionable salary x 3.5%)

= (€34,883 x 1.5%) + (€34,883 - €24,034.11 x 3.5%)

= (€523.25 + €379.71)

= €902.96 x 2.0000 reckonable years

= €1,805.92 due

- 8.3 The contributions due under paragraph 8.2 (b) should be paid within a period of 3 months from the date of notification. If payment is not made within the 3 month period, compound interest will accrue on the outstanding balance from the date the 3 month period expires to the date of final payment. If the amount outstanding amounts to 20% or more of the teacher's salary, the 3 month period will be extended on request of the teacher to ensure that payments are kept below the 20% threshold.

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

[Back to contents page](#)

## 9. RECKONABILITY OF PRO-RATA PART-TIME TEACHER SERVICE (PRPTT formerly known as EPT)

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

**Example 1:**

A teacher employed on a PRPTT contract for 14 hours per week from 1 September 2003 to 31 August 2004 the following year will be reckoned as follows:

$14/22 = 0.6364$  of a year for pension purposes

**Example 2:**

A teacher employed on a PRPTT contract for 14 hours per week from 15 October 2004 to 31 August 2005 the following year will be reckoned as follows:

15<sup>th</sup> October to 31<sup>st</sup> August following year =  $273 \text{ days} / 365 = 0.7479 \times 14/22 = 0.4760$  of a year for pension purposes

In the above examples, if the teacher worked 60 additional part-time hours in the school year 2003/04, the additional part-time hours would be calculated as follows:

$60/735 = 0.0816$  years in addition to the PRPTT pensionable credit above

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

- 9.2 Contributions on an ongoing basis were only deducted from 1 September 1996 in the case of fully qualified or Pre 87 PRPTT's and in the case of unqualified PRPTT's, ongoing contributions are due from 1 September 2001. Any PRPTT service prior to these dates is reckonable as 9.1 above subject to contributions being payable as follows:

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

5% of historic pay for all reckonable service



**Example 1:**

A teacher who is liable for Class D PRSI had previous PRPTT service from 1 September 1993 to 31 August 1996. The total historic earnings for the three year period was €60,000.

The cost of reckoning the service is as follows:

$$€60,000 \times 5\% = €3,000 \text{ superannuation contributions due}$$

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

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

**(i) *For Fully qualified or Pre 87 service:***

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

**Example 2:**

A teacher who is liable for Class A PRSI had previous PRPTT service from 1 September 1990 to 31 August 1992 (i.e. 1 year's reckonable service – worked 11 hours each week). Their pensionable salary within three months of their CID appointment is €34,883 p.a. The rate of State Pension (Contributory) (SPC) is €12,173.59 p.a. (twice the SPC is deducted = €12,173.59 x 2 = €24,347.19)

The cost of reckoning this service is as follows:

$$(\text{Current pensionable salary} \times 1.5\%) + (\text{Current co-ordinated pensionable salary} \times 3.5\%)$$

$$= (\text{€34,883} \times 1.5\%) + (\text{€34,883} - \text{€24,347.19} \times 3.5\%)$$

$$= (\text{€523.25} + \text{€368.75})$$

$$= \text{€892.00 due for 1.00 year's reckonable service}$$

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

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

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

**Example 3:**

A teacher who is liable for Class A PRSI had previous unqualified PRPTT service from 1 September 1996 to 31 August 1998 (i.e. 1 year's reckonable service). Their current pensionable salary within three months of their CID appointment is €34,883 p.a. however their pensionable salary at 20<sup>th</sup> December 2001 was €24,293 p.a. As 20<sup>th</sup> December 2001 salary is more favourable, the rate of State Pension (Contributory)(SPC) at 20<sup>th</sup> December 2001 should also be used i.e. €7,022.91 p.a. (twice the SPC is deducted = €7,022.91 x 2 = €14,045.81)

The cost of reckoning this service is as follows:

$$\begin{aligned}
 & (\text{Current pensionable salary} \times 1.5\%) + (\text{Current co-ordinated pensionable salary} \times 3.5\%) \\
 = & (\text{€24,293} \times 1.5\%) + (\text{€24,293} - \text{€14,045.81} \times 3.5\%) \\
 = & (\text{€364.40} + \text{€358.65}) \\
 = & \text{€723.05 due}
 \end{aligned}$$

**(1) By Lump Sum**

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

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

**(2) Instalment**

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

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

**(3) At retirement**

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

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

## 10. RECKONABILITY OF PART-TIME TEACHER SERVICE (PTT)

This is dependent on when the part-time service was given:

10.1 For service **prior to 1<sup>st</sup> September 1977**, part-time service will be reckoned as follows:\*

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

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

10.2 For service given **between 1<sup>st</sup> September 1977 and 31<sup>st</sup> August 1995**, part-time service will be reckoned as follows:

Reckonable hours in school year:	Pensionable Credit:
800 hours max	1.0000 year
400 – 799 hours	Reckonable hours/800 (i.e. 600 reckonable hours = 600/800 = 0.7500 years)
Less than 400 hours	Each week in which 10 reckonable hours or more are worked is credited as pro-rata credit (i.e. 300 reckonable hours = 300/800 = 0.3750 years)

10.3 Part-time service given in the **school year 1995/96** will be reckoned as follows:

Reckonable hours in school year:	Pensionable Credit:
735 hours max	1.0000 year
368 – 734 hours	Reckonable hours/735 (i.e. 600 reckonable hours = 600/735 = 0.8163 years)
Less than 368 hours	Each week in which 10 reckonable hours or more are worked is credited as pro-rata credit (i.e. 300 reckonable hours = 300/735 = 0.4082 years)

10.4 Part-time service given from **1 September 1996 to 31 August 2001**, will be reckoned as follows:

Reckonable hours in school year:	Pensionable Credit:
1,148 hours max	1.0000 year
368 – 1,147 hours	Reckonable hours/1148 (i.e. 600 reckonable hours = 600/1148 = 0.5226 years)
Less than 368 hours	Each week in which 9 reckonable hours or more are worked is credited as pro-rata credit (i.e. 200 reckonable hours = 200/1148 = 0.1742 years)

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

<b>Reckonable hours in school year:</b>	<b>Pensionable Credit:</b>
735 hours max	1.0000 year
Less than 735 hours	All reckonable hours would be credited as pro-rata credit (i.e. 650 reckonable hours = $650/735 = 0.8844$ years)

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

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

10.8 **For teachers liable for Class D (modified rate of PRSI), the cost of reckoning PTT service is as follows:**

5% of historic pay for all reckonable service

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

10.9 **For teachers liable for Class A (full rate of PRSI), the cost of reckoning PTT service is as follows:**

(a) ***For Fully qualified teachers:***

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

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

(b) ***For unqualified part-time teachers:***

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

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

(1) By Lump Sum

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

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

(2) Instalment

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

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

(3) At retirement

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

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

[Back to contents page](#)

## 11. RECKONABILITY OF JOB SHARING SERVICE:

11.1 Job sharing involves an option by a teacher to work 50% hours of their wholetime comparator (i.e. reducing their hours to 11 hours per week for the school year). In accordance with the provisions of the scheme, a job-sharer will be credited with pro-rata pensionable service in respect of each year of job sharing service and if a job-sharer retires whilst job sharing, pension benefits will be based on the **wholetime equivalent** of their salary at retirement.

11.2 For the purposes of reaching the 35 year qualifying threshold in Section 29, job sharing service counts as full years to reach the threshold, however benefits will still be paid on actual service.

[Back to contents page](#)

## 12. RECKONABILITY OF CAREER BREAKS:

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

### (a) **When the teacher returns to teaching:**

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

### (b) **Paying additional contributions while on career break:**

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

(i) The contributions payable while on career break are paid in quarterly instalments as follows:

30 November, 28 February, 31 May, 31 August

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

**Example: -**

Teacher goes on career break from 1/9/07 to 31/8/08, opts to make the career break reckonable on the basis of retirement at age 60, is age 46 since 15/2/07, is on 24<sup>th</sup> point of incremental scale from 1/9/06, salary on last day of service (31/8/07) = €60,000 per year, notional salary on 1/9/07 (incremental date) = €63,900 per year, notional salary on 1/3/08 (including 2.5% general pay increase) = €65,498 per year.

Contribution due in respect of first quarter, (1/9/07 to 30/11/07)

= 26.6% of notional salary in respect of that period

= (€63,900 x 91/365) x 26.6%

= €15,931.23 x 26.6%

= €4,237.71

Contribution due in respect of second quarter, (1/12/07 to 29/2/08)

= (26.6% of notional salary from 1/12/07 to 14/2/08) +

= (25.6% of notional salary from 15/2/08 to 29/2/08)

= [(€63,900 x 76/365) x 26.6%] + [(€63,900 x 15/365) x 25.6%]

= €3,539.18 + €672.26

= €4,211.44

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

[Back to contents page](#)

**13. UNPAID LEAVE:**

13.1 Unpaid leave or sick leave paid at the Temporary Rehabilitation Remuneration (TRR) is not reckonable for pension purposes. During this period as the teacher is not in receipt of any salary and therefore no superannuation contributions are deducted.

13.2 Examples of non-reckonable unpaid period of leave of absence are: strike days \*, parental leave, unpaid maternity leave, career breaks, special leave without pay, unpaid sick leave. Under the sick pay scheme, a period of TRR is deemed non reckonable service.

\*in general strike days are not reckonable for pension purposes unless the Department of Education & Skills subsequently grants permission to offer re-instatement under specific circular letters.

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

[Back to contents page](#)

## 14. PREVIOUS SERVICE AS A PRIMARY OR SECONDARY TEACHER:

### 14.1 Service given as a primary teacher:

Service given in a pensionable capacity as a primary teacher can be transferred for pension purposes under this Scheme.

14.2 Service which was not pensionable on an ongoing basis can be reckoned in accordance with the PCW pay agreement (Programme for Competitiveness and Work). The agreement provides that service as a member of a religious order on the approved staff of a capitation primary School or service as a supernumerary teacher in a capitation primary School may be fully reckoned for pension purposes. Capitation primary schools are where the teacher was paid directly by the school and not the Department of Education & Skills from a special capitation grant. In order to benefit from this provision, the teacher must be in pensionable employment on or after 1 February 1996.

- (a) Service given **before 1 July 1968** is reckonable without payment.
- (b) Service given **on or after 1 July 1968** must be purchased for pension purposes. The cost of reckoning this service is payable by way of a deduction from the retirement lump sum and is calculated at 5% of retirement salary or 6% where the teacher is a member of the Survivors' and Children's pension scheme for each year of reckonable capitation service given after 1 July 1968.

### 14.3 Service given as a Secondary Teacher:

Service given as a Secondary teacher is reckonable provided the service was pensionable at the time the service was given or that the service is capable of being made pensionable under the PCW buyback Scheme. The PCW buyback scheme provides for the purchase for superannuation purposes of actual service given in a secondary, community or comprehensive school.

Note that under the Secondary Teachers' Superannuation Scheme, it is a condition for pensionability that the teacher was fully qualified for purposes of registration as a secondary teacher at the time the service was given.

### 14.4 PCW Buyback Scheme:

The teacher had the option of paying the contribution as follows:

- (a) Immediately by lump sum where the application was received by the closing date for this option of 30 October 1998, calculated on the basis of pay on the date the application was made at a rate of 1.5% of pay plus 5% of co-ordinated pay or 3.5% where the teacher is not in the Survivors' and Children's Pension Scheme or
- (b) Paying at retirement. A contribution of 1.5% of pensionable pay at retirement plus 5% of co-ordinated pensionable pay at retirement or 3.5% where the teacher is not in the Survivors' and Children's Pension Scheme.

Where an application was not made by the closing date of 30 October 1998 for option (a) and the service is reckonable, the cost will be based on (b) above. This pension calculation for this service is calculated on a co-ordinated basis, therefore if the teacher is paying the modified rate of PRSI, they will have a split pension (see Section 27 for details).

[Back to contents page](#)



## 15. PREVIOUS SERVICE IN THE PUBLIC SECTOR:

15.1 Pensionable service in the Civil Service and in most other public sector employments may be reckonable for pension purposes under the ETB Teachers Pension Scheme. There are also a number of Semi-State bodies listed on the Public Service Transfer Network who have specific arrangements with regard to transfer. In relation to public sector service, the teacher will normally have the following options:

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

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

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

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

Example:

A teacher was previously employed as a temporary wholetime teacher with another ETB from 1 September 1975 to 31 August 1978 paying Class A PRSI.

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

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

**Example 1:**

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

**Example 2:**

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

- Transfer the service to their current ETB and aggregate it with their current service and their final retirement benefit award will be calculated accordingly **or**
- Transfer the service on a preserved basis and at retirement their award will be calculated on a split pension basis (**See Section 27 for details**)

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

The relevant compound interest is as follows:

- Service given before the 1<sup>st</sup> January 1984, compound interest is charged at 7%
- Service given on or after the 1<sup>st</sup> January 1984, compound interest is charged at 6%
- From the 14<sup>th</sup> November 2000 to 30<sup>th</sup> November 2014, compound interest is charged at 4%
- From the 1<sup>st</sup> December 2014, compound interest is charged at 3½%.

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

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

[Back to contents page](#)

## 16. TEACHING SERVICE OUTSIDE THE STATE:

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

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

[Back to contents page](#)

## 17. PURCHASE OF NOTIONAL SERVICE TO MAXIMISE BENEFITS:

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

### 17.2 Purchase Conditions and Rates

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

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

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

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

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

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

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

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

**17.5 Purchase Options:**

There are two methods of purchase for notional service:

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

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

**Example 1:**

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

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

**Example 2:**

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

Option:	Retirement age:	Rate applicable at age 43:	Cost of purchase:
Periodic deduction	65	0.15% of gross salary plus 1.07% of net salary*	(€43,073 x 0.15%) + (€43,073 - €24,347.19 x 1.07%) = €264.98 p.a. until age 65
Lump Sum	65	28.9% of salary	€43,073 x 28.9% = €12,448.10

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

\*Net salary is gross salary less twice the annual State Pension (Contributory) rate. Current rate of SPC: (€233.30 x 52.18 x 2 = €24,347.19)

**17.7 Cancelling a notional service purchase contract:**

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

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

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

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

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

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

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

**Example 1:**

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

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

A = 5.0000

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

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

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

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

**17.10 Purchase of service by Job sharing/part-time teachers:**

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

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

#### 17.11 Refunds of notional service:

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

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

[Back to contents page](#)

### 18. AWARD AND PURCHASE OF PROFESSIONAL/TECHNICAL ADDED YEARS:

18.1 Professional added years may be applicable if the teacher was recruited from the special competition for the appointment of Woodwork and Building Construction Teachers or Trade teacher.

18.2 The scheme allows a teacher recruited from the above special competition to be awarded professional added years for superannuation purposes where the teacher is appointed to a post where the recruitment conditions are such that the teacher **would be unable** to acquire maximum pensionable service by age 65 (i.e. 40 years' service). The special competition for the recruitment of these teachers was not held after 1980.

18.3 The special competition in question provided that the teachers:

- (a) Had to be at least 25 years of age and
- (b) Have adequate supervisory experience

18.4 In the case of Woodwork and Building Construction, a successful candidate had to undertake a training course of 11 months' duration and therefore they were unable to take up the appointment before the age of 25 years and 11 months. Therefore, up to 7.9166 years of added service may be available in the case of an appointee to the post of Woodwork-and-Building-Construction Teacher. This period consists of up to 7 years in respect of essential experience between age 18 and age 25 and of a training period of 0.9166 years. The maximum of 7.9166 years could apply only in the case of a person who was in the continuous practice of his/her trade between age 18 and age 25 and whose service as a Woodwork-and-Building-Construction Teacher commenced after the age of 32.

Where the applicant was NOT in the continuous practice of his/her trade between age 18 and age 25, the amount of 7.9166 years will be reduced appropriately.

### 18.5 Added years:

Professional added years are awarded in accordance with Department of Education & Science Circular Letter 45/2000 and Department of Education & Science Circular Letter 23/05. The amount of added years depends on the following:

- (a) Age on appointment to the added years post
- (b) Prior essential experience
- (c) Age at retirement
- (d) If the teacher had prior pensionable service
- (e) Entitlements to any Social Protection benefits

18.6 If a teacher retires prior to age 60, otherwise than on medical grounds, they cannot qualify for added years. If retirement occurs between 60 and 65, the added years will be reduced further.

#### **Example 1:**

Teacher appointed at age 29.75 years, having been in the continuous practice of his/her trade between age 18 and age 25. Retires at age 65.75 years (end of school year in which age 65 is attained). The teacher would have 36 years' service at retirement.

The gross amount of professional added years is 4 years (to bring total pensionable service up to 40 years).

**NOTE 1:** If the teacher in this example had retired on his 65<sup>th</sup> birthday, the gross amount of professional added years would have been 4.75 years.

**NOTE 2:** If the teacher had been unemployed for 5 years between age 18 and age 25, the gross amount of professional added years would be 2.9166 years, (7.9166 years less 5 years).

#### **Example 2:**

Teacher appointed at age 29.75 years, having been in the continuous practice of his/her trade between age 18 and age 25. Retires at age 62.75 years with a total of 33 years of service. The teacher could have attained 35.25 years by remaining in service until his 65th birthday.

The gross amount of professional added years is 2.50 years. The 2.50 years is calculated by deducting 2.25 years (the difference between age 65 and the age at retirement of 62.75 years) from 4.75 years (the difference between 40 years and 35.25 years of service).



**Example 3:**

Teacher appointed at age 33.75 years, having been in the continuous practice of his/her trade between age 18 and age 25. Retires at age 65.75 years. The teacher would have 32 years' service at retirement.

The gross amount of professional added years is 7.9166 years.

**18.7 Added Years and Cost Neutral Early Retirement:**

Where a teacher who has been awarded professional added years is approved for cost neutral early retirement, the appropriate reduction arrangements (under the relevant added years scheme) which apply in the case of termination of service below minimum pension age must be applied. The resultant net added years' award is then added to actual service and the relevant cost neutral early retirement factors are applied to the preserved benefits derived from the aggregate service.

**18.8 Application for added years:**

An application should be made to the ETB at or close to retirement. Because an entitlement to Social Protection benefits can affect the added years awarded, the ETB will be unable to determine the precise amount of added years awarded until the relevant information has been provided. Spouses' and Children's contributions must be paid on any professional added years awarded.

[Back to contents page](#)

## RETIREMENT AGE AND PENSION CALCULATIONS

### 19. RETIREMENT AGES:

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

	Retirement Age:
Teachers with 35 years qualifying service (Circular Letter 27/97) <b>(see 20 below)</b> and not deemed a new entrant	55
Teachers employed prior to 1 April 2004	60 with a compulsory date of 31 <sup>st</sup> August following 65 <sup>th</sup> birthday
Teachers employed after 1 April 2004 <b>(see 19.2 below)</b>	65 with no compulsory retirement age
Cost Neutral Early retirement	50 (in the case of a teacher employed prior to 1 April 2004) Or 55 (in the case of a teacher employed after 1 April 2004)

19.2 Teachers recruited after 1<sup>st</sup> January 2013 do not come under the terms of this scheme but are members of a new Single Public Service Pension Scheme. Further details can be obtained on [www.per.gov.ie/pensions](http://www.per.gov.ie/pensions)

19.3 Some ETB's may have a local retirement policy in operation.

#### 19.4 "New Entrant"

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

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

- [Back to contents page](#)

## **20. RETIREMENT AT AGE 55 WITH 35 YEARS QUALIFYING SERVICE**

20.1 Under the PCW agreement, a reduction in the retirement age from 60 to 55 was introduced effective from 31 July 1996 for teachers who have 35 years qualifying service and are not deemed to be a new entrant.

### **20.2 Pre-service training:**

“Qualifying Service” and “pre-Service Training”

Qualifying service” means actual pensionable service plus, on or after 31 July 1996, credit for pre-service training. The credit for pre-service training is two years in the case of an ETB Teacher with a pre-service training period of 4 full-time years and one year in the case of a Teacher with a pre-service training period of 3 full-time years, provided that a period of actual pensionable service may not be taken into account in calculating credit for pre- service training.

“Pre-service training” means the minimum period in which the essential required training or qualification for the teaching post can be gained.

In order to reach the qualifying threshold of 35 years, credit can be given for pre-service training as follows:

Pre-service training period for qualification:	Credit:
4 years or more	2 years
3 years or more	1 year

Only pre-service training for the purpose of obtaining the minimum qualifications necessary for teaching will be reckonable for the purpose of achieving the 35 year threshold for retirement. The pre-service training will only count to reach the threshold, the pension benefit award will be calculated on actual reckonable service only (excluding the pre-service training).

### **20.3 Job sharing service:**

In order to reach the threshold of 35 years, job sharing service will count as full years, however, the calculation of the pension award will be based on actual reckonable service only (i.e. for each year of job sharing service, 0.5 years will be awarded).

[Back to contents page](#)

## **21. PENSIONABLE REMUNERATION:**

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

21.2 Averaging is calculated in accordance with the following formula:

$$\frac{A \times B}{1095}$$

Where

A is value of the allowance held

B is the number of days the allowance is held for

C is 1095 (i.e. 365 x 3)

### 21.3 **Example 1:**

A teacher retiring on 31 August 2014 is paid at the max of the Class III Teacher scale (€59,359) together with a Degree (Pass) (€1,842), H.Dip (Pass) (€591) allowance held since date of appointment. On 1 October 2012, the teacher obtains a Special Duties Teacher Allowance (€3,769). As the special duties teacher allowance has not been held for the full 3 years prior to retirement, averaging will apply as follows:

Relevant period for the 1095 days: 1 September 2011 to 31 August 2014

Allowance held: 1 October 2012 to 31 August 2014 (700 days)

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

A = €3,769

B = 700 days

C = 1095

$$\frac{€3,769 \times 700}{1095} = €2,409 \text{ p.a.}$$

In this example, pensionable remuneration is:

Class III Teacher (maximum)	-	€59,359
Degree (Pass)	-	€ 1,842
H.Dip (Pass)	-	€ 591
Special Duties Teacher allowance	-	<u>€ 2,409</u>
<b>Pensionable Remuneration</b>	-	<b>€64,201</b>

### 21.4 **Example 2:**

A teacher retiring on 31 August 2014 is paid at the max of the Class III Teacher scale (€59,359) together with a Degree (Pass) (€1,842), H.Dip (Pass) (€591) allowance held since date of appointment. On 1 October 2012, the teacher receives the Assistant Principal allowance (€8,520) having previously held a Special Duties Teacher Allowance (€3,769).

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

Relevant period for the 1095 days: 1 September 2011 to 31 August 2014

Allowance held: 1 October 2012 to 31 August 2014 (700 days)

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

Special Duties allowance: 1 September 2011 to 30 September 2012 (395 days)	
Assistant Principal allowance: 1 October 2012 to 31 August 2014 (700 days)	
<b>Special Duties</b>	<b>Assistant Principal</b>
A = €3,769	A = €8,520
B = 395 days	B = 700 days
C = 1095	C = 1095 days
$\frac{(\text{€}3,769 \times 395) + (\text{€}8,520 \times 700)}{1095}$	
= (€1,359.59) + €5,446.58	
= €6,806 p.a.	

In this example, pensionable remuneration is:

Class III Teacher (maximum)	-	€59,359
Degree (Pass)	-	€ 1,842
H.Dip (Pass)	-	€ 591
Assistant Principal Allowance	-	<u>€ 6,806</u>
<b>Pensionable Remuneration</b>	-	<b>€68,598</b>

[Back to contents page](#)

## 22. LUMP SUM CALCULATION (WHOLETIME, JOB SHARING OR PART-TIME TEACHERS):

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

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

On a wholetime equivalent salary of €60,000 with 20 years' service, the lump sum would be as follows:  
 $\text{€}60,000 \times 20.0000 \times 3/80^{\text{th's}} = \text{€}45,000$  (max payable)

The formula for a pro-rata teacher who remains in limited membership:

On an annual salary of €30,000 with 40 years' service, the lump sum would be as follows:  
 $\text{€}30,000 \times 40.0000 \times 3/80^{\text{th's}} = \text{€}45,500$  (max payable)

[Back to contents page](#)

## 23. PENSION CALCULATION FOR STAFF RECRUITED BEFORE 6 APRIL 1995:

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

The formula is as follows:

On a salary of €60,000 with 40 years' service the pension calculation would be as follows:  
 $\text{€60,000} \times 40.0000 \times 1/80^{\text{th}}\text{'s} = \text{€30,000 per annum (max payable)}$

On a salary of €59,359 with 32.6439 years' service, the pension calculation would be as follows:  
 $\text{€59,359} \times 32.6439 \times 1/80^{\text{th}}\text{'s} = \text{€24,221.37 per annum}$

[Back to contents page](#)

## 24. PENSION CALCULATION FOR TEACHERS RECRUITED POST 6 APRIL 1995

24.1 A revised integration method applies to all full-time Class III Teachers and job sharing teachers who pay the Class A rate of PRSI with effect from 1 January 2004.

24.2 The method of calculation of pension for full-time and job sharing teachers who qualify for benefits on or after 1 January 2004 is:

1/200<sup>th</sup> of pensionable remuneration up to 3 1/3 times SPC\* x reckonable service

Plus

1/80<sup>th</sup> of any balance in excess of 3 1/3 times CSP\* x reckonable service

Overall service is subject to a maximum of 40 years

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

A multiplier of 3.333333 (i.e. 6 decimal places) is used to calculate 3<sup>1</sup>/3 times SPC. The current value is  $\text{€233.30} \times 52.18 \times 3.333333 = \text{€40,578.65}$

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

### **Example 1:**

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

Actual remuneration at retirement	=	€61,792
State Pension (Contributory) rate at retirement (1 Jan 2016)	=	€12,173.59
3 1/3 State Pension (Contributory) rate	=	€40,578.65
Service (Actual)	=	30 years

**Annual Pension =**

$\frac{1}{200} \times \text{Pensionable remuneration up to €40,578.65} \times \text{service}$

plus  $\frac{1}{80}$ th of balance in excess of €40,578.65 x service

$\frac{€40,578.65 \times 30.0000}{200}$	= €6,086.80
Plus	
$\frac{€21,213.35 \times 30.0000}{80}$	= €7,955.01

**Total: €14,041.81 per annum**

**Example 2:**

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

Actual remuneration at retirement	=	€25,000
State Pension (Contributory) rate at retirement (1 Jan 2016)	=	€12,173.59
3 1/3 State Pension (Contributory) rate	=	€40,578.65
Pensionable remuneration (notional full-time)	=	€50,000
Service (Actual reckonable)	=	30 years

**Annual Pension =**

$\frac{1}{200} \times \text{Pensionable remuneration up to €40,578.65} \times \text{service}$

plus  $\frac{1}{80}$ th of balance in excess of €40,578.65 x service

$\frac{€40,578.65 \times 30.0000}{200}$	= €6,086.80
Plus	
$\frac{€9,421.35 \times 30.0000}{80}$	= €3,533.01

**Total: €9,619.81 per annum**

If the wholetime pensionable salary is less than 3 1/3 State Pension (Contributory) rate, then the  $\frac{1}{200}$ <sup>th</sup> value automatically applies to the pensionable salary.

**Example 3:**

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

Actual remuneration at retirement for 370 hours	=	€15,115
State Pension (Contributory) rate at retirement (1 Jan 2016)	=	€12,173.59
3 1/3 State Pension (Contributory) rate	=	€40,578.65
Pensionable remuneration (notional full-time)	=	€30,025
Service (Actual reckonable)	=	10 years

**Annual Pension =**

$\frac{1}{200} \times$  Pensionable remuneration up to €40,578.65 x service

plus  $\frac{1}{80}$ th of balance in excess of €40,578.65 x service

$\frac{€30,025 \times 10.0000}{200}$	= €1,501
--------------------------------------	----------

**Total: €1,501 p.a.**

[Back to contents page](#)

**25. RETIREMENT FROM PART-TIME EMPLOYMENT:**

25.1 Where a teacher retires from pensionable part-time employment (not job sharing), pension benefits will be dependent on whether pro-rata integration applies. Pro-rata integration automatically applies to unqualified part-time teachers employed prior to 1 January 2013. Fully-qualified part-time teachers employed prior to this date will receive an option under Circular Letter 25/2008. If a fully-qualified part-time teacher has a break in service, pro-rata integration automatically applies on resumption.

**25.2 Retiring where pro-rata integration doesn't apply (i.e. limited membership):**

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



**Example 1:**

A teacher employed on a part-time basis from September 2004 to August 2016. The hourly rate of pay is €35.95 per hour. A retirement award would be calculated as follows:

**Service Record:**

<b>Employment dates:</b>	<b>Reckonable Hours:</b>	<b>Pro-rata service calculated in accordance with Section 10:</b>	<b>Reckonable Service:</b>
2004/05	520.00	0.7075 years	1.0000 years
2005/06	600.00	0.8163 years	1.0000 years
2006/07	357.00	0.4857 years	1.0000 years
2007/08	420.67	0.5723 years	1.0000 years
2008/09	498.33	0.6780 years	1.0000 years
2009/10	500.00	0.6803 years	1.0000 years
2010/11	433.33	0.5896 years	1.0000 years
2011/12	510.00	0.6939 years	1.0000 years
2012/13	505.67	0.6880 years	1.0000 years
2013/14	505.33	0.6875 years	1.0000 years
2014/15	470.00	0.6395 years	1.0000 years
2015/16	450.67	0.6132 years	1.0000 years
<b>Total Service</b>			<b>12.0000 years</b>

**Pension Calculation:**

**Salary €35.95 x 735 = €26,423**

<b>Session:</b>	<b>Full-time Salary:</b>	<b>Actual Salary:</b>	<b>SPC</b>	<b>Net Pay:</b>	<b>Service:</b>	<b>Pension: (1/80 for each year)</b>
2004/05	€26,423	€18,694.27	€24,347.19	-€5,652.92	1.0000	€0.00
2005/06	€26,423	€21,569.09	€24,347.19	-€2,778.10	1.0000	€0.00
2006/07	€26,423	€12,833.65	€24,347.19	-€11,513.54	1.0000	€0.00
2007/08	€26,423	€15,121.88	€24,347.19	-€9,225.31	1.0000	€0.00
2008/09	€26,423	€17,914.79	€24,347.19	-€6,432.40	1.0000	€0.00
2009/10	€26,423	€17,975.57	€24,347.19	-€6,371.62	1.0000	€0.00
2010/11	€26,423	€15,579.00	€24,347.19	-€8,768.19	1.0000	€0.00
2011/12	€26,423	€18,334.92	€24,347.19	-€6,012.27	1.0000	€0.00
2012/13	€26,423	€18,179.02	€24,347.19	-€6,168.17	1.0000	€0.00
2013/14	€26,423	€18,165.81	€24,347.19	-€6,181.38	1.0000	€0.00
2014/15	€26,423	€16,897.51	€24,347.19	-€7,449.68	1.0000	€0.00
2015/16	€26,423	€16,202.58	€24,347.19	-€8,144.61	1.0000	€0.00
<b>Total Pension</b>						<b>€0.00 p.a.</b>

**Lump Sum Calculation:****Salary €35.95 x 735 = €26,423**

<b>Session:</b>	<b>Full-time Salary:</b>	<b>Actual Salary:</b>	<b>Service:</b>	<b>Lump Sum: (3/80 for each year)</b>
2004/05	€26,423	€18,694.27	1.0000	€701.04
2005/06	€26,423	€21,569.09	1.0000	€808.84
2006/07	€26,423	€12,833.65	1.0000	€481.26
2007/08	€26,423	€15,121.88	1.0000	€567.07
2008/09	€26,423	€17,914.79	1.0000	€671.80
2009/10	€26,423	€17,975.57	1.0000	€674.08
2010/11	€26,423	€15,579.00	1.0000	€584.21
2011/12	€26,423	€18,334.92	1.0000	€687.56
2012/13	€26,423	€18,179.02	1.0000	€681.71
2013/14	€26,423	€18,165.81	1.0000	€681.22
2014/15	€26,423	€16,897.51	1.0000	€633.66
2015/16	€26,423	€16,202.58	1.0000	€607.60
<b>Total Lump Sum</b>				<b>€7,780.05</b>

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

**25.3 Retiring where pro-rata integration applies:**

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

**Example 1:**

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

**Service Record:**

<b>Employment dates:</b>	<b>Reckonable Hours:</b>	<b>Pro-rata service:</b>
2004/05	520.00	0.7075 years
2005/06	600.00	0.8163 years
2006/07	357.00	0.4857 years
2007/08	420.67	0.5723 years
2008/09	498.33	0.6780 years
2009/10	500.00	0.6803 years
2010/11	433.33	0.5896 years
2011/12	510.00	0.6939 years
2012/13	505.67	0.6880 years
2013/14	505.33	0.6875 years
2014/15	470.00	0.6395 years
2015/16	450.67	0.6132 years
<b>Total Service</b>		<b>7.8518 years</b>

**Pension Calculation:**

Wholetime salary:	Reckonable Service:	Pension (1/200 <sup>th</sup> for salary up to €40,578.65)
€26,423	7.8518 years	€1,037.34 p.a.

**Lump Sum Calculation:**

Wholetime salary:	Reckonable Service:	Lump Sum (3/80 <sup>th</sup> for salary each year of service)
€26,423	7.8518 years	€7,780.05

Increased contributions are due under Pro-rata integration.

[Back to contents page](#)

**26. SUPPLEMENTARY PENSION:**

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

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

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

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

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

then, so long as the Board is satisfied that the pre-conditions set out are met, the former member may, at the discretion of the Board, be paid a supplementary pension. Relevant application forms are available on request from your ETB.

**26.3 Value of the supplementary pension:**

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

- the amount of the actual ETB pension awarded to the teacher plus the amount (if any) of the personal rate of social insurance benefit or State Pension (Contributory) payable to him/her; *and*

- the amount of the pension which would have been awarded to the teacher if that pension had been calculated by reference to the calculation method for pre-6 April 1995 teachers as set out in **section 23**
- notional service purchased or service credited under transfer values are not included in the calculation of the supplementary pensions

#### 26.4 Examples:

##### Example 1:

A teacher paying Class A PRSI who retires on 31 August 2016 with 30 years' service:

Pensionable remuneration	=	€61,792
State Pension (Contributory) rate at retirement (1 Jan 2016)	=	€12,173.59
3 1/3 State Pension (Contributory) rate	=	€40,578.65
Reckonable service	=	30 years

##### **Annual Pension =**

$\frac{1}{200} \times$  Pensionable remuneration up to €40,578.65 x service

plus  $\frac{1}{80}$ th of balance in excess of €40,578.65 x service

$\frac{€40,578.65 \times 30.0000}{200}$	= €6,086.80
Plus	
$\frac{€21,213.35 \times 30.0000}{80}$	= €7,955.01

**Total: €14,041.81 occupational pension value per annum**

The teacher qualifies for a reduced payment from social protection of 50% of State Pension (Contributory) (€12,173.59 x 50% = €6,086.80). Therefore, the total annual pension for the teacher is €20,128.61 (€14,041.81 + €6,086.80).

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

Pension calculation – Class D	
€61,792 (pensionable remuneration) x 30.0000 (service) x 1/80	
= €23,172	

Therefore, the supplementary pension payable is:

Pension payable at Class D calculation:	€23,172
Pension payable at Class A calculation plus reduced social protection benefits:	€20,128.61
<b>Supplementary pension payable (difference)</b>	<b>€3,043.39 p.a.</b>

**Example 2:**

A teacher paying Class A PRSI who retires on 31 August 2016 with 19 years' service:

Pensionable remuneration	=	€65,561
State Pension (Contributory) rate at retirement (1 Jan 2014)	=	€12,173.59
3 1/3 State Pension (Contributory) rate	=	€40,578.65
Reckonable service	=	19 years

**Annual Pension =**

$\frac{1}{200} \times$  Pensionable remuneration up to €40,578.65 x service

plus  $\frac{1}{80}$ th of balance in excess of €40,578.65 x service

$\frac{€40,578.65 \times 19.0000}{200}$	= €3,854.97
Plus	
$\frac{€24,982.35 \times 19.0000}{80}$	= €5,933.31

**Total: €9,788.28 occupational pension value per annum**

The teacher qualifies for a reduced payment from social protection of 80% of State Pension (Contributory) (€12,173.59 x 80% = €9,738.88). Therefore, the total annual pension for the teacher is €19,527.16 (€9,788.28 + €9,738.88).

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

Pension calculation – Class D	
€65,561 (pensionable remuneration) x 19.0000 (service) x 1/80	
= €15,571	

Therefore, the supplementary pension payable is:

Pension payable at Class D calculation:	€15,571
Pension payable at Class A calculation plus reduced social protection benefits:	€19,527.16
<b>Supplementary pension payable</b>	<b>NONE</b>

**Example 3:**

A teacher paying Class D PRSI who retires on 31 August 2014 and has 2.0000 years' service as a secondary teacher which has been made reckonable under the PCW agreement. Their total service is 38.0000 years.

Pensionable remuneration	=	€65,561
State Pension (Contributory) rate at retirement (1 Jan 2016)	=	€12,173.59
3 1/3 State Pension (Contributory) rate	=	€40,578.65
Reckonable service	=	38 years

**Pension for PCW service:**

$\frac{1}{200} \times \text{Pensionable remuneration up to €40,578.65} \times \text{service}$

plus  $\frac{1}{80}\text{th of balance in excess of €40,578.65} \times \text{service}$

$\frac{€40,578.65 \times 2.0000}{200}$	= €405.79
Plus	
$\frac{€24,982.35 \times 2.0000}{80}$	= €624.56
Total pension for PCW service	€1,030.35 p.a.

**Pension for balance of service (Class D calculation):**

€65,561 (pensionable remuneration) x 36.0000 (service) x 1/80
= €29,502 p.a.

**Total Pension Payable: €30,532.35 p.a. occupational value pension per annum (€1,030.35 + €29,502)**

The teacher fails to qualify for any social protection benefits.

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

€65,561 (pensionable remuneration) x 38.0000 (service) x 1/80
= €31,141 p.a.

Therefore, the supplementary pension payable is:

Pension payable at Class D calculation:	€31,141.00
Pension payable with PCW service	€30,532.35
<b>Supplementary pension payable</b>	<b>€608.65 p.a.</b>

**26.5 Supplementary pension on retirement under cost neutral early retirement:**

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

[Back to contents page](#)

## 27. SPLIT BENEFIT AWARD:

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

### **Example 1:**

A teacher paying full PRSI who is retiring on 31 August 2016 has reckonable service as follows:

<b>Employer:</b>	<b>Reckonable Service:</b>	<b>PRSI:</b>	<b>Pensionable remuneration:</b>
Civil Service	9.2500 years	D	Max of staff officer scale
ETB	18.0000 years	A	Point 20 plus Degree (Pass)

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

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

### **Pension calculation:**

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

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

ETB service (salary at retirement = €52,472 + €1,842 = €54,314 p.a.)

<b>Pensionable remuneration: €54,314</b>	<b>Reckonable Service:</b>	<b>Pension (1/200<sup>th</sup> for salary up to €40,578.65 plus 1/80<sup>th</sup> for balance)</b>
€40,578.65	18.0000	€3,652.08
€13,735.35	18.0000	€3,090.45

**Total Pension = €11,998.61 p.a.**

### **Lump Sum calculation:**

Civil Service preserved benefit

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

ETB service

<b>Pensionable remuneration:</b>	<b>Reckonable Service:</b>	<b>Lump Sum (3/80<sup>th</sup>)</b>
€54,314	18.0000	€36,661.95

A teacher may have a split pension for service reckoned under the PCW.

[Back to contents page](#)

## 28. RESIGNATION FROM SERVICE:

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

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

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

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

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

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

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

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

[Back to contents page](#)



## 29. PRESERVED BENEFITS:

29.1 Preserved benefits may apply to a teacher who:

- (a) leaves the public service having completed a minimum of 2 years' qualifying service (a minimum of 5 years was required for resignations prior to 2 June 2002) (see section 6 for details)
- (b) has not reached the minimum pension age (see section 19 for details)
- (c) is not entitled to immediate superannuation benefits
- (d) does not opt for actuarially reduced superannuation benefits (i.e. Cost Neutral), and
- (e) does not transfer his/her service to another employment

### 29.2 **Benefits:**

The benefits are:

- (a) preserved lump sum and pension

or

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

and

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

### 29.3 **Calculation:**

The method of calculation will be as set out in Sections 22 to 24 and will be based on reckonable service and on the teacher's pensionable remuneration on his/her last day of service as increased by reference to salary adjustments which have occurred between the date of resignation and the date the preserved benefit becomes payable from.

### 29.4 **Payment:**

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

### 29.5 **Death prior to payment:**

If a former teacher 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.

[Back to contents page](#)

### 30. COST NEUTRAL EARLY RETIREMENT:

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

#### 30.2 Eligibility

A teacher who

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

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

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

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

#### 30.4 Conditions

Teachers, whose applications are approved, will have their pension and lump sum actuarially reduced. The reduced pension and lump sum will be calculated by applying the relevant percentages from the table at Section 30.6 to the preserved benefit, with appropriate adjustment, as necessary, for exact age (i.e. years and days) at retirement.

30.5 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.

#### 30.6 Tables and examples:

## Factors to be applied to preserved benefits to actuarially reduced benefits

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

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

### Example 1:

A teacher with a preserved pension age of 60 applies for cost neutral early retirement on 31 August 2014. The date of birth is 23 March 1958. Their age last birthday was 56 at the date of Cost Neutral being calculated.

They have 32.6658 years' reckonable service at retirement and their pensionable remuneration is €61,792 and they pay the modified rate of PRSI.

The pension benefit award is calculated as follows:

#### **Cost Neutral Pension Calculation:**

Pensionable remuneration x service x 1/80

$$€61,792 \times 32.6658 \times 1/80 = €25,231 \text{ p.a.}$$

The pension should be actuarially reduced as follows:

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

A = factor in table above relevant to age last birthday (age 56) = 81.6%

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

C = factor in table above relevant to age next birthday (age 57) = 85.7%

$$\begin{aligned} & [81.6 + ((162/365) \times (85.7 - 81.6))] \\ & = [81.6 + (0.4438) \times (4.10)] \\ & = [81.6 + 1.82] \\ & = 83.42\% \end{aligned}$$

Therefore, pension above will be actuarially reduced as follows:

$$€25,231 \times 83.42\% = €21,048 \text{ p.a.}$$

**Cost Neutral Lump Sum calculation:**

Pensionable remuneration x service x 3/80

$$€61,792 \times 32.6658 \times 3/80 = €75,692 \text{ p.a.}$$

The lump sum should be actuarially reduced as follows:

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

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

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

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

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

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

$$= [92.4 + 0.84]$$

$$= 93.24\%$$

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

$$€75,692 \times 93.24\% = €70,575 \text{ p.a.}$$

**(b) Staff with a preserved age of 65:**

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

**Example 1:**

A teacher with a preserved pension age of 65 applies for cost neutral early retirement on 31 August 2015. The date of birth is 2 January 1955. Their age last birthday was 60 at the date of Cost Neutral being calculated.

They have 23.6631 years' reckonable service at retirement and their pensionable remuneration is €54,314 and they pay the full rate of PRSI.

The pension benefit award is calculated as follows:

**Cost Neutral Pension Calculation:****Pension (1/200<sup>th</sup> for salary up to €40,057 plus 1/80<sup>th</sup> for balance)**

$$€40,057 \times 23.6631 \times 1/200 = €4,739$$

$$€14,257 \times 23.6631 \times 1/80 = \underline{€4,217}$$

$$\text{Total Pension P.A.} = €8,956$$

The pension should be actuarially reduced as follows:

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

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

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

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

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

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

$$= [74.8 + 2.78]$$

$$= 77.58\%$$

Therefore, pension above will be actuarially reduced as follows:

$$€8,956 \times 77.58\% = €6,948 \text{ p.a.}$$

**Cost Neutral Lump Sum calculation:**

Pensionable remuneration x service x 3/80

$$€54,314 \times 23.6631 \times 3/80 = €48,196 \text{ p.a.}$$

The lump sum should be actuarially reduced as follows:

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

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

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

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

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

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

$$= [90.7 + 1.19]$$

$$= 91.89\%$$

Therefore, pension above will be actuarially reduced as follows:

$$€48,196 \times 91.89\% = €44,287 \text{ p.a.}$$

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

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

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

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

**Example:**

Based on example 1 above for the teacher with a preserved pension age of 60. If they died after retirement on cost neutral early retirement, the survivors' and children's benefits would be calculated on the pension of €25,231 and not the actuarially reduced pension.

**30.9 Supplementary Pension in relation to Cost Neutral Early Retirement:**

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

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

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

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

**30.11 Implications for Social Protection benefits:**

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

[Back to contents page](#)

### 31. RETIREMENT ON MEDICAL GROUNDS:

#### 31.1 Procedure for applying for ill-health retirement

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

(1) IH1 (application for benefits) – which is returned to the relevant ETB

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

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

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

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

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

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

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

#### 31.2 Added years:

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

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

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

[Back to contents page](#)

## **32. GRATUITIES**

### **32.1 Short Service Gratuity:**

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

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

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

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

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

### **32.2 Marriage Gratuity:**

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

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

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

### **32.3 Death Gratuity (please refer to section 33)**

### **32.4 Balancing Death Gratuity (please refer to section 33)**

[Back to contents page](#)



## DEATH BENEFITS

### 33. PROVISIONS APPLICABLE IN THE CASE OF DEATH

#### 33.1 Death in service:

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

- (a) the teacher's pensionable remuneration (see Section 21 for details); or
- (b) the amount of the retirement lump sum which the teacher would have received if he/she had retired on grounds of ill-health on the date of his/her death.
- (c) In the case of a part-time teacher, the minimum gratuity is equal to one year of actual salary and not wholetime equivalent salary.

If the teacher is a member of the Survivors' & Children's Scheme, a pension may also be granted to the survivor or any eligible children (see Section 34 for details).

#### 33.2 Death after retirement:

(a) Where a teacher 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 teacher's pensionable remuneration, a gratuity equal to the amount of that shortfall is payable to the deceased teacher's legal personal representative.

(b) If the teacher is a member of the Survivors' & Children's Scheme, a pension may also be granted to the survivor or any eligible children (see Section 34 for details).

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

[Back to contents page](#)

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

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

#### 34.2 Benefits:

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

34.3 The beneficiaries under the scheme are as follows:

Original Scheme	Revised Scheme
Spouse/Civil partner if marriage/civil partnership takes place before retirement	Spouse/Civil partner regardless of date of marriage/civil partnership
Children born or adopted within marriage during the period of contributing membership	All children

34.4 Children will be deemed eligible for payment of a pension if they are:

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

34.5 **Rate of payment:**

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

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

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

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

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

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

**Example:**

A teacher who paid Class A PRSI dies in service on 1 October 2016 at age 42 with 14 years' service. His potential service to age 65 is 23 years. His pensionable remuneration at the time of death was €58,674 per annum.

The survivor's pension is calculated as follows:

Pensionable remuneration	€58,674.00
State Pension (Contributory) at 1 October 2014	<u>€12,173.59</u>
Adjusted Pension remuneration	€46,500.41
Notional teacher's pension based on 37 years' service (€46,500.41 x 37.0000 x 1/80)	€21,506.44
Spouse/Civil Partner (€21,506.44 x 50%)	€10,753.22

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

In the example above, if there were 2 eligible children, the pension payable would be €10,753.22/3 x 2 = total of €7,168.81 for the 2 children.

If there were 4 eligible children, the maximum payable would be €10,753.22 divided equally among the 4 children.

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

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

**34.8 Contributions to the Survivors Scheme:**

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

#### 34.9 **Periodic Contributions:**

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

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

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

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

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

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

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

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

#### 34.12 The non-periodic contribution rate is:

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

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

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

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

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

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

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

34.15 A member with "pre-Scheme service" (as at (b) in the preceding paragraph) may reduce or eliminate the non-periodic charge in respect of that service by paying additional periodic contributions at a rate of 1.5% of current salary for the corresponding period of service for which contributions are owed.

**Example:**

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

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

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

**34.16 Refund of Contributions**

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

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

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

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

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

[Back to contents page](#)

## APPLICATION FOR AND PAYMENT OF BENEFITS

### 35. APPLICATION FOR BENEFITS (INCLUDING DECLARATIONS)

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

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

[Back to contents page](#)

### 36. PAYMENT OF PENSIONS:

36.1 All pensions are paid fortnightly in arrears by the Payroll Shared Services Centre (PSSC). All payments including the payment for the lump sum are made directly into a bank account. On retirement, a new Pay mandate must be completed with the nominated bank account as ETB's are not permitted to transfer the teacher's account details.

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

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

**Example:**

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

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

[Back to contents page](#)

## MISCELLANEOUS PROVISIONS

### 37. ABATEMENT OF PENSION:

37.1 Where a teacher retires, and is subsequently re-employed as an ETB teacher or re-employed after 1 November 2012 in the public sector, the pension is, where necessary, abated (i.e. reduced) during the period of retention to ensure that the amount of the pension, together with the member's pay in respect of that period, does not exceed the remuneration which the member would have received if, during that period, he/she had remained in the post which he or she held on the last day of reckonable service.

**Example:**

A teacher who retires on a pension of €30,000. The pensionable remuneration on retirement was €65,000. The teacher is subsequently re-employed in the public sector on a salary of €36,000.

As the combined pension and salary will exceed the pensionable remuneration at retirement by €1,000, the pension will be abated by €1,000 as the combined earnings cannot exceed €65,000.

[Back to contents page](#)

### 38. IMPLICATIONS OF FAMILY LAW ACTS:

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

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

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

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

- (a) made in writing at least 10 working days in advance of a pre Court date
- (b) must state that the information is required in connection with Family Law proceedings and which Act applies
- (c) survivors of members are entitled to general information about the rules of the schemes but member-specific information can only be supplied with the consent of the member or on foot of a court order.

#### 38.3 Pension Adjustment Orders (PAOs)

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

#### 38.4 Implementation of PAOs

Many courts will not make PAOs unless the trustees have seen the draft orders and verified that they are acceptable and will be implemented by them. Trustees are often, therefore, involved in correspondence about the effects and outcomes of draft orders submitted to them.

When orders are made, the trustees are obliged, under the law, to furnish the beneficiaries with certain information on the effect of the orders. They are also obliged to implement the orders when payment falls to be made. The Acts contain deadlines for the provision of certain information, making payments in certain circumstances, etc.

[Back to contents page](#)

### 39. DISPUTE RESOLUTION AND APPEALS:

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

#### 39.2 Appeals Process:

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

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

#### 39.3 Timescale for certain appeals

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

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

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

#### 39.4 Position of IDR where applicant seeks a second pension option

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



### **39.5 Determination**

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

The determination shall include:

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

### **39.6 Pensions Ombudsman**

(a) In the event that the complaint, other than a claim under Part VII of the Pensions Act (Equality), the Part-Time Work Act or the Fixed-Term Work Act is not resolved under the Appeals (Internal Dispute Resolution) Procedure outlined in section 39 the complainant may be entitled to make a complaint to the Pensions Ombudsman

(b) The Pensions Ombudsman investigates complaints about financial loss due to acts of maladministration in relation to occupational pensions and PRSAs, and certain disputes of fact or law in relation to acts done.

(c) A determination by the Pensions Ombudsman cannot require:

- (i) a change in scheme rules or
- (ii) the substitution of the decision of the Pensions Ombudsman in cases where Trustees have exercised a discretionary power.

### **39.7 Time Limits for Complaints to the Pensions Ombudsman**

The time limits for making such complaints are:

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

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

[Back to contents page](#)

#### **40. PENSION ADJUSTMENTS:**

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

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

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

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

[Back to contents page](#)

#### 41. TAX RELIEF ON SUPERANNUATION CONTRIBUTIONS:

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

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

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

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

#### 41.4 Example:

A teacher has a liability for contributions for previous part-time service to the sum of €3,200. They pay Class A rate of PRSI and their gross salary is €35,474 per annum. The teacher is aged 38.

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

$$€35,474 \times 20\% = €7,094.80$$

***Normal Superannuation contributions (3% of gross salary + 3.5% of net salary)***

$$\begin{aligned} & (€35,474 \times 3\%) + (€35,474 - €24,347.19 \times 3.5\%) \\ &= (€1,064.22) + (€389.44) \\ &= €1,453.66 \end{aligned}$$

$$\begin{aligned} 20\% \text{ of salary} &= €7,094.80 \\ \text{Less normal contributions} &= \underline{€1,453.66} \\ \text{Amount available} &= \underline{€5,641.14} \end{aligned}$$

Tax relief is available on the full €3,200 for outstanding contributions and if the teacher is liable for tax relief at 20%, tax relief is calculated:

€3,200 x 20% = €640 in tax relief so the actual cost of service is €2,560 after relief

If tax relief is available at 41%:

€3,200 x 41% = €1,312 in tax relief so the actual cost of service is €1,888 after relief

[Back to contents page](#)

## 42. TAXATION:

42.1 Section 14(1)(e) of the Finance Act 2006 provides that a person with retirement benefits (from any source, including all public sector superannuation schemes, but excluding social protection benefits) with an aggregate capital value on drawdown above a specified threshold is liable for tax on the amounts above that threshold. This threshold, which applies only to benefits payable for the first time on or after 7 December 2005, and is currently set at €2 million, following further amendments inserted by the Finance Act 2012 and the Finance (N0.2) Act 2013. Where the threshold is exceeded, an up-front income tax charge of 42% on the excess arises. For further details see Department of Public Expenditure and Reform Letter to Personnel Officers of 27 June 2014.

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

**Defined Benefit Factors (for Revenue purposes)**

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

**Example:**

A teacher who retires on 31 August 2014 aged 65 on a pension of €31,500 and a lump sum of €94,500. They also have an AVC policy which will provide an annual annuity of €6,000 and a lump sum of €10,000. We calculate any liability to tax as follows:

The formula applicable is:

Pension amounts x factor (which is age related) + value of any lump sum received

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

**Total Benefit: €1,079,500.00**

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

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

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

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

[Back to contents page](#)

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

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

43.2 Chapter 4 brings a number of provisions together in one area of primary legislation including a 40 year limit on total pensionable service across multiple pre existing public service pension schemes, extending the scope of pension abatement and several provisions designed to support efficient pension administration.

43.3 The relevant sections in Chapter 4 are as follows:

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

[Back to contents page](#)

## APPENDIX 1

### DIFFERENCES BETWEEN CURRENT SCHEME AND 1956 SCHEME

Type of condition:	Current Scheme:	1956 Scheme:
Normal qualification for lump sum and pension	Previously 5 years at age 60, however, this has been reduced to 2 years under legislation	20 years of service (10 in certain circumstances, e.g. permanent infirmity, abolition of office) at age 60
Amount of Pension	One-eightieth of pensionable pay (Class D PRSI) multiplied by the number of years, and any odd fraction of a year of service. Co-ordination applies to Class A Teachers. Maximum will be $\frac{1}{2}$ of pensionable pay at retirement	One-eightieth of pensionable pay multiplied by the number of whole years of service (any odd fraction of a year being disregarded, unless it exceeds three quarters when it may be rounded up to make a whole year). Maximum will be $\frac{1}{2}$ of pensionable pay at retirement
Amount of Lump Sum	Three-eightieths of pensionable pay multiplied by the number of years, and any odd fraction of a year of service. Maximum will be $1\frac{1}{2}$ times pensionable pay after 40 years' service	One-thirtieth of pensionable pay multiplied by the number of whole years' of service (any odd fraction of a year being disregarded, unless it exceeds three quarters when it may be rounded up to make a whole year). Maximum as for Current Scheme but only after 45 years of service
Purchase of additional years of service	A teacher whose service at age 65 would not give them a full pension and lump sum may purchase additional years of service at full actuarial cost	No corresponding provision

<p>Added years in case of permanent infirmity</p>	<p><i>Teacher with 5 – 10 years’ service</i></p> <ul style="list-style-type: none"> <li>• Equivalent amount of added service, subject to a limit of potential service at age 65;</li> </ul> <p><i>Teacher with 10 – 20 years’ service</i> The more favourable of:</p> <ul style="list-style-type: none"> <li>• (a) the difference between service and 20 years, subject to a limit of potential service at age 65;</li> <li>• (b) six and two third years, subject to a limit of potential service at age 60;</li> </ul> <p><i>Teacher with 20 years’ service or more</i></p> <ul style="list-style-type: none"> <li>• As at (b) above</li> </ul> <p><b><i>Overall limits – addition not to exceed 10 years or make service greater than 40</i></b></p>	<p>Minimum service requirement is 10 years. <i>Addition:</i> - 5 years or half the difference between service and 40 years, whichever is the greater, subject to a limit of potential service at age 65</p> <p>Overall limits – addition not to exceed 10 years or make service greater than 40 years.</p>
<p>Part-time Service</p>	<p>A teacher who had certain prior part-time non-pensionable service may have the part-time service reckoned on a proportionate basis (subject to the payment of contributions) – <b><i>See reckonability of part-time service</i></b></p>	<p>No corresponding provision; part-time service doesn’t count for superannuation purposes</p>
<p>Reckonability of sick leave at pension rate of pay</p>	<p>A period of sick leave for which a teacher is paid at pension rate of pay will not be reckonable (Ordinary paid sick leave is reckonable)</p>	<p>A period of sick leave for which salary is paid at pension rate of pay is reckonable in the same way as “ordinary” paid sick leave</p>



Preserved benefits	A teacher with not less than 5 years' of service, who ceases to hold office (otherwise than by removal) and is not employed in another position in which his service can be reckoned under the 1956 Act, may have his benefits preserved until he reaches age 60. In recent years, this has been reduced to 2 years' service on order to have a preserved benefits entitlement	No corresponding provision; a Teacher ceasing to hold office (otherwise than by removal) and not receiving a superannuation award, receives a return of his contributions
Death Gratuity	No qualifying period of service will be required. Amount of gratuity (subject to a minimum in any case of a year's pay) will be equal to the amount of the lump sum that would be payable if the teacher ceased to hold office on the grounds of permanent infirmity at the date of death	Qualifying period is one year's service. Gratuity may equal one-twelfth of pensionable pay multiplied by the number of whole years of service for a Teacher with under 5 years' of service. In the case of a Teacher with 5 years' service or more, the gratuity is equal to one-thirtieth of pensionable pay for each whole year of service up to a max forty-five (subject to a minimum equal to the Teacher's pensionable pay)
Short Service Gratuity	Gratuity may be granted to an Teacher with between one and 5 years of pensionable service who ceases to hold office because of permanent infirmity, abolition of office, etc; where the Teacher has not less than 2 years of service, the amount of the gratuity in a case of permanent infirmity may equal one-twelfth of pensionable pay for each year of service plus three-eighths of such pay for each year of service; in other cases it may equal one-twelfth of pensionable pay for each year of service. (Any odd fraction of a year will be taken into account in calculating the gratuity).	Scope of gratuity as for Current Scheme but gratuity may also be granted to a Teacher with 5 years or more, but less than 10 years' service. Amount of gratuity may not exceed one-twelfth of pensionable pay for each year of service for a Teacher with under 5 years' of service and pensionable pay for a Teacher with 5 to 9 years of service. (Any odd fraction of a year is not taken into account in calculating the gratuity).

Allowances	Allowances which are in the nature of pay (e.g. shift allowances, on call allowances, posts of responsibility allowances etc) will be taken into account as “emoluments” for the purposes of both superannuation contributions and benefits, unless they come within the scope of the kinds of payments referred to in section 26 (1) of the 1956 Act	Similar for Current Scheme but practice may differ in some cases
Averaging	The provisions of the 1956 Act in relation to averaging of salary for superannuation purposes will not apply in certain circumstances, e.g. where a Teacher has to retire on permanent infirmity. Where, despite the new provisions, averaging still arises, the method of averaging will be improved so as to reflect pay rates prevailing on the date of cessation of office. Under recent legislation, averaging the based on the best three consecutive years in the last 10 years prior to retirement	Averaging applies in cases where a Teacher’s salary has changed during the last three years of service otherwise than in accordance with changes applicable generally to the grade. The method of averaging is related to actual salary received during the three years referred to and is thus based to only a limited extent on pay rates prevailing on the date of cessation of office
Repayment of contributions and gratuities	A Teacher to whom contributions are returned or to whom a gratuity is paid, on ceasing to hold office, and who subsequently obtains a position in which the service can be reckoned may have the former service restored by repaying the amount originally returned or paid to them plus an additional sum for compound interest. The addition of interest will not apply to a widow, repaying a marriage gratuity, if her husband died after she ceased to hold her office and before the date of her re-employment, or where the second position was obtained before the 27 <sup>th</sup> May 1977. <b><i>Different rules apply to Class A Teachers</i></b>	As for Current Scheme, except that the amount to be repaid is equal in all cases to the amount of the contributions originally returned or the gratuity originally paid

Contribution Rate	<p>5% of the annual salary and emoluments (For Class D Teachers).</p> <p>1½% of the annual gross salary and emoluments <b>plus</b> 3½% of co-ordinated net salary (<b>see section on contributions for further detail</b>)</p>	<p>Similar to Current Scheme for Class D Teachers. There are no Class A Teachers who are members of the 1956 Act.</p>
-------------------	--	---

[Back to contents page](#)

## APPENDIX 2

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

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

\* see Footnote 1 to Table 5.

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

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

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

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

\* see Footnote 1 to Table 5.

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

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

### APPENDIX 3

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

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

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

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



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

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

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

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

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

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

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

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

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

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

[Back to contents page](#)

## APPENDIX 4

### Actuarial Reduction Factors

Purchase by reference to age 65

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

Age last birthday	Pension	Lump Sum
30	22.9%	50.7%
31	23.6%	51.7%
32	24.4%	52.8%
33	25.2%	53.8%
34	26.0%	54.9%
35	26.9%	55.9%
36	27.8%	57.0%
37	28.7%	58.2%
38	29.7%	59.3%
39	30.8%	60.5%
40	31.8%	61.7%
41	33.0%	62.9%
42	34.2%	64.1%
43	35.5%	65.4%
44	36.8%	66.7%
45	38.2%	68.0%
46	39.7%	69.3%
47	41.3%	70.6%
48	43.0%	72.0%
49	44.8%	73.4%
50	46.7%	74.8%

51	48.7%	76.3%
52	50.8%	77.8%
53	53.1%	79.3%
54	55.6%	80.8%
55	58.2%	82.4%
56	61.1%	84.0%
57	64.1%	85.6%
58	67.4%	87.3%
59	71.0%	89.0%
60	74.8%	90.7%
61	79.0%	92.5%
62	83.6%	94.3%
63	88.5%	96.1%
64	94.0%	98.0%
65	100.0%	100.0%

## Actuarial Reduction Factors

### Purchase by reference to age 60

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

Age last birthday	Pension	Lump Sum
30	30.6%	55.7%
31	31.6%	56.8%
32	32.6%	57.9%
33	33.6%	59.0%
34	34.7%	60.2%
35	35.9%	61.4%
36	37.1%	62.6%
37	38.4%	63.8%
38	39.7%	65.1%
39	41.1%	66.4%
40	42.5%	67.7%
41	44.1%	69.0%
42	45.7%	70.4%
43	47.4%	71.8%
44	49.2%	73.2%
45	51.1%	74.6%
46	53.1%	76.1%
47	55.2%	77.6%
48	57.4%	79.1%
49	59.8%	80.7%
50	62.4%	82.2%
51	65.1%	83.9%

52	67.9%	85.5%
53	71.0%	87.2%
54	74.3%	88.9%
55	77.8%	90.7%
56	81.6%	92.4%
57	85.7%	94.3%
58	90.1%	96.1%
59	94.8%	98.0%
60	100.0%	100.0%

**For notional service purchases under the previous scheme – please refer to Circular Letter S8/90 for reduction charts**

[Back to contents page](#)



AN ROINN  
OIDEACHAIS AGUS SCILEANNA  
DEPARTMENT OF  
EDUCATION AND SKILLS



**etbi**

Education and Training  
Boards Ireland  
*Boird Oideachais agus  
Oiliúna Éireann*