

Roinn na Seirbhíse Poiblí, Sraid Chill Dara, Ath Cliath 2.

Department of the Public Service, Kildare Street, Dublin 2.

Reference P18/7/75

24 April 1979

A Chara

I am directed by the Minister for the Public Service to refer to this Department's minutes of 2 December 1976 and 23 June 1977 about revised arrangements for the transfer of service for superannuation purposes. The draft arrangements have now been reviewed in the light of the observations received and a copy of the resultant document is enclosed. The revised arrangements can be brought into operation as from dates agreed between the various participating organisations. Preparation of the appropriate statutory instrument to cover the scheme is in hands.

I am, accordingly, to ask you to reply to the following queries as soon as possible:

- (1) Are you prepared to adopt the revised arrangements?
- (2) What operative date (which must be on or subsequent to 1 June 1973 - see paragraph 15 of Scheme) do you wish to adopt in relation to transfer to and from the groups covered by Parts I and II of the Scheme, i.e. the civil service, teaching, Garda Síochána and Defence Forces.
- (3) Which system of contribution (see paragraph 16 of the Scheme) do you wish to adopt in relation to post-operative date transfers between your organisation and the groups covered by Parts I and II of the Scheme (please supply a list of the cases involved in due course). This Department is of the opinion that the knock-for-knock system should apply to the greatest extent possible both in the interests of simpler administration and to reduce the immediate impact of transfers.

If however, the option is for transfer values, this Department would not be prepared to agree to an operative date as early as 1 June 1973 if the immediate cost to the State is significant.

- (4) Do you intend to apply paragraph 15(iii) of the Scheme in relation to your own employees and pensioners (i.e. provide cover for pre-operative date transfers)? It will be noted that the system of transfer values will not apply to pre-operative date cases.

In this connection, I am to say that, subject to the proviso mentioned below, it is intended that the State would be prepared to accept liability in respect of pre-operative date transfers into the groups mentioned in Parts I and II. It is, of course, strongly recommended that other network organisations accept liability for their own past transfer cases. As already indicated, this Department's preference is for a knock-for-knock arrangement in all cases, but particularly for pre-operative date cases. The state will, however, be prepared to pay contributions, (on the basis outlined in paragraph 16(b) or (c) of the Scheme) in respect of past transfers from the groups mentioned in parts I and II.

This will, of course, be subject to the proviso that the other organisation gives an undertaking to reciprocate in respect of transfers from it. If you wish to adopt this procedure, please supply a list of the cases involved as soon as possible.

(5) Will the service credit in respect of transfers to and from your organisation normally be on a year for year basis or will paragraph 15(iv) apply?

(6) Do you intend to use the Civil Service Transfer Value tables? If you intend to use a different set of tables please forward a copy to this Department for consideration, indicating the assumptions made in their preparation.

We intend to apply the revised arrangements to the groups covered by Parts I and II of the Scheme in advance of the making of a formal statutory instrument, the preparation of which is, as already mentioned, in hands. We would, therefore, like to be in a position to deal with existing pensioners as soon as possible. To do this in relation to past service in your organisation, we require answers to queries (1), (2), (4) and (5) above as soon as possible (the answer to (2) is required because pensions only - and not lump sums or death gratuities - will be revised in pre-operative date cases).

It should be noted that the new scheme will apply to transfers between network members. Transfers within a particular group (i.e., between two local authorities) will continue to be governed by existing arrangements.

The introduction of these arrangements represents a major development in the provision of flexible superannuation arrangements designed to facilitate mobility of personnel and to ensure equitable treatment for those who change employment. In view of the importance of these objectives, the Minister seeks and looks forward to your full co-operation in operating the new system.

The operation of these arrangements will be reviewed after three years.

The Pensions Section of this Department will be available to advise on and clarify any points on which difficulties may arise.

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P J Moore

APPENDIX

Title of group or organisation which will have the option to participate in the new network__	Deciding Authority
<p>1 Established civil servants and persons to whom the Non-contributory Pensions Scheme for Non-established State Employees applies.</p> <p>2 Garda Síochána</p> <p>3 Defence Forces</p> <p>4 National and Secondary Teaching</p> <p>5 Local authorities, or bodies to which the Local Government Act 1956 applies as if they were local authorities.</p> <p>6 Organisations designated under section 4 of the Superannuation and Pensions Act 1963.</p>	<p>Minister for the Public Service</p> <p>Minister for Justice</p> <p>Minister for Defence</p> <p>Minister for Education</p> <p>Minister for the Environment (except in relation to selection of contribution system, which will be left to the discretion of individual bodies).</p> <p>The organisation in question</p>

Draft Scheme for the transfer of service for superannuation purposes between organisation to whom section 4 of the Superannuation and Pensions Act, 1963 applies.

Part I

1 This part applies to persons who, on or after 1 June 1973, are serving

(1) in a pensionable capacity in the Garda Síochána, Defence Forces, or as a National or Secondary Teacher, or

(2) as an established civil servant.

2 (1) Subject to the other provisions of this Scheme, a person referred to in paragraph 1 may reckon as pensionable service for purposes of the pension scheme applying to him –

(a) any actual full-time service he gave with any group referred to in paragraph 1 which was pensionable service for purposes of that group's pension scheme, and

(b) any actual full-time service which, despite the fact that it was not given with the group concerned, was pensionable service for purposes of the group's pension scheme, and

(c) where a group's pension scheme allows the purchase of notional years of service at a person's own expense, any notional service actually purchased.

(2) Where a person referred to in paragraph 1 gave actual full-time service in any of the other groups referred to in that paragraph which was not pensionable because the category of employee to which he belonged was not covered by a pension scheme before he left the group, he may reckon such service as pensionable service for purposes of the pension scheme applying to him provided

(a) the first group established a pension scheme for the category of employees concerned between the date he left that group and the date on which he attains an age equivalent to the retiring age specified in the first group's scheme or, if earlier, the retiring age specified in the second group's scheme, or

(b) the pension scheme applicable to the first group allows members to reckon such service.

In any such case the employee will be required to make an appropriate payment to the second employer in respect of any contribution (including interest) which he would have been required to pay, or would have had an option to pay, in respect of the service now becoming reckonable, if he had remained in the first group.

3 A break in pensionable service will not debar the transfer of service. However, a person with reckonable service in more than two of the groups concerned will not be allowed to skip a group in transferring service i.e. he cannot transfer service from group A to group C while retaining a benefit from group B.

4 A person whose transfer takes place

(1) before 1 June 1973, may not receive a service credit in respect of service reckonable for purposes of the first group's pension scheme if

(a) a pension has been paid, or entitlement to pension is retained from any source other than under the Social Welfare Acts, in respect of all or part of the period during which that service was given, or in respect of an injury incurred in the course of that service,

(b) a payment such as a return of contributions or award of a lump-sum or gratuity has been made from any source in respect of the period concerned, or in respect of an injury incurred in the course of the service concerned (excluding any ex-gratia-type sum paid by an employer outside normal pension or insurance arrangements), unless an appropriate refund is made by him;

(2) on or after 1 June 1973 may opt within a period of three months from the date of the making of this Scheme, or, if later, from the date of his appointment, to have service in the first organisation reckoned, subject to the cessation of any entitlement to benefits (i.e. pension and retiring lump-sum, gratuity, widow's and children's benefits and refund of contributions, as appropriate, but excluding any ex-gratia-type sum paid by an employer outside normal pension or insurance arrangements) from any source other than under the Social Welfare Acts in respect of all or part of the period during which the service was given, or in respect of an injury incurred in the course of service concerned and to appropriate refund being made in respect of any benefit received by him.

"Appropriate refund" means an amount equivalent to the amount originally paid together with compound interest in respect of the period between the date of payment and the date of repayment; the rates of such interest applicable will be 3% per annum in respect of periods prior to 1 April 1971 and 6% per annum in respect of the periods subsequent to that date. The refund will be made to and retained by the organisation in which he is then serving.

An organisation may, however, at its discretion, decide that no interest be charged on gratuities paid under the Defence Forces (pension) Scheme, 1937, in respect of Defence Forces Emergency service provided that the gratuity concerned did not take account of service subsequent to the Emergency.

It should be noted that emergency Gratuities paid under Defence Force Regulation 4/1945 are not affected.

5 Where a person had service with a group referred to in paragraph 1 the service credit must be in respect of all that service, i.e. he will not be allowed a service credit in respect of part of that service and another benefit (whether immediate or preserved) in respect of the remainder of the service.

6 Where a person who has transferred service qualifies for a benefit from the final employing group, the rate of that benefit shall not exceed the maximum rate of benefit applicable under that group's pension scheme.

7 Where the first organisation's pension scheme imposes limitations on the reckoning of certain periods of service (e.g. service before the operative date of a scheme reckonable as to one-half only), then a similar limitation will apply to any such service involved in a transfer.

8 Service will not be transferable where any or all of the period concerned is already reckonable for purposes of the second employer's pension scheme or where credit in respect of it has been given under that scheme. In this connection, it should be noted that a person entitled to benefit under section 6(3) or (4) of the Superannuation and Pensions Act, 1963

(which allows the grant of notional service in respect of prior professional experience) will have his notional service reduced by reference to any transferred service which constitutes prior professional service in respect of which notional service falls to be granted.

9 (1) In the case of transfers between groups with normal superannuation terms (for purposes of this scheme, this would mean terms which feature a maximum pension of one half of retiring salary accruing over forty years and payable at or after age 60 in voluntary retirement cases), actual service will, subject to the foregoing paragraphs, be transferred.

(2) In the case of transfers to and from the Garda Síochána and Prisons Service (both of which allow doubling of service in excess of 20 years so that 30 years actual service is equivalent to 40 years pensionable service) a system of "uniform accrual" will apply. This will mean that a person transferring into either of those groups will be credited with 3/4ths of his service only - that service, as reduced, will, however, be treated for doubling purposes as if it were actual Garda Síochána or Prisons Service; a person transferring out of those groups will be credited with 4/3rds of his actual service; and a person transferring between the two groups will transfer actual service.

However, a person transferring into the Garda Síochána or Prisons Service will be allowed to carry his full actual service if the aggregate of that service and his actual Garda Síochána or Prisons Service exceeds the pensionable service arrived at by adding 3/4ths of his transferred service to his actual Garda Síochána or Prisons Service and doubling the number of years in excess of twenty. Where service is transferred at its actual value, however, doubling of service in excess of twenty years will not apply.

(3) In the case of the Army, a person transferring out will be credited with actual service (but subject to the reduction at (2) above if he transfers into either of those groups).

A person transferring into the Army will have his service credit reduced appropriately if he retires with a benefit under the Defence Forces (Pension) Schemes before age 50.

10 Only service which has been certified as satisfactory by an employer will be transferable. In the case of a person leaving the Civil Service, this means that the service must be such that a certificate of diligence and fidelity analogous to that required by section 8 of the Superannuation Act 1859 could be given.

11 Where a person is credited with transferred service under this scheme, the service so credited shall not operate so as to give him an option under a later organisation's superannuation scheme which applied only to employees serving on a date preceding the date on which the person in question took up employment with the later organisation.

12 Transfers between the groups in question will be on a "knock-for-knock" basis, i.e. the final employing organisation will carry the full cost of the transferred service without any contribution from the earlier employing organisation(s).

Part II

13 This part applies to or in respect of persons serving on or after 1 October 1975 in a pensionable capacity as a member of the Non-contributory pensions scheme for Non-Established State Employees having at no time previously been an established civil servant.

Part I of this Scheme will apply to this group with effect from 1 October 1975.

Part III

14 A person to or in respect of whom a pension was awarded under a scheme of one of the groups referred to in paragraphs 1 and 13 with effect from a date prior to 1 June 1973 (1 October 1975 in a case covered by paragraph 13) may have that pension, but not a lump sum, gratuity or other benefit, revised, with effect from 1 June 1973 (1 October 1975 in cases covered by paragraph 13), to take account of prior service with any of the other groups referred to in those paragraphs if such service would have been reckonable as a result of this scheme had he retired after (instead of before) 1 June 1973 (1 October 1975 in the case of paragraph 13).

Any refunds or contributions due under paragraphs 2 and 4 or due to a Widows' and Children's Contributory Pension Scheme should be recovered from the arrears of pension due.

Part IV

15 This part applies to

(a) local authorities, or bodies to which the Local Government Superannuation Act, 1956 applies (or may in future apply) as if they were local authorities (Appendix 2 lists the bodies in question and shows the Acts which apply the 1956 Act to them),

(b) organisations which have been, or may in future be, designated as approved organisations for purposes of section 4 of the Superannuation and Pensions Act, 1963 (see Appendix 3).

Any such body may, on application to the Minister for the Public Service and having accepted the terms of the new scheme become a member of the new transfer network. Transfers between that organisation and any of the groups referred to in paragraphs 1 and 13 and between that organisation and any other organisation which joins the network will be dealt with on the same basis as transfers between the groups referred to in paragraphs 1 and 13 except that,

(i) contributions as set out in paragraph 16 following may be payable by the organisation or group from which the person is transferring in respect of the service being transferred,

(ii) the operative date will be

(i) 27 May 1977 in the case of the bodies covered by sub-paragraph (a) above, or

(ii) such date, not earlier than 1 June 1973, or, if later, the date of designation under the 1963 Act, as is agreed by the organisation and the Minister for the Public Service;

where the two organisations involved in a transfer case have different operative dates, the later will apply,

(iii) only transfers occurring after the agreed operative date will be automatically covered. Persons who transferred before the operative date and are still serving on that date, and persons who retired on pension before the operative date, will only be covered if the final employing organisation so decides. If it decides to reckon the service, the earlier employing organisation may, if it so wishes, pay a contribution (other than a transfer value) to the second organisation,

(iv) adjustments in service credits equivalent to those specified in paragraph 9 may be required where

(A) a person's service credit is greater than the actual service in respect of which it is granted, or

(B) the second scheme has a retirement date lower than 60 and/or provides benefits greater than the equivalent of 1/60th of final salary for each year of service.

16 The following contribution systems will operate:-

(a) Knock for knock (see paragraph 12)

(b) A system similar to that applying to 1963 Act transfers, viz.

(i) where the transferred officer retires on pension on ill-health or age grounds, a contribution towards the cost of pension of 1/80th of his salary on the date of transfer for every year of reckonable service in the first organisation, payable six monthly in arrears for the duration of pension payments by the approved organisation, plus a contribution towards the cost of lump-sum of 3/80ths of the same salary figure for every year of that service,

(ii) where a transferred officer dies in the service of an approved organisation, a contribution equal to the contribution payable towards the cost of lump-sum,

(iii) where a widow's pension is payable, an ongoing contribution equivalent to one-half of that specified at (i) above in respect of pension.

(c) As at (b) but uprated in line with the annual pensions increases in the public service (i.e., the contributions would be based on retiring salary uprated to the 1st July preceding the date on which the contribution becomes payable; the pension or widow's pension contribution would be revised in each subsequent July).

(d) A transfer value calculated in accordance with the procedure and tables set out in Appendix 1.

Contributions would be based on full salary even in cases where coordination with Social Welfare pension applies. This means that in the case of an organisation with a co-ordinated scheme its payment in a transfer case would be based on full salary although its own scheme payments are modified to allow for co-ordination with Social Welfare pension. However, there is a gain in the case of transfers into the organisation from another body where co-ordination does not apply.

17 Where an employer receives a contribution under this scheme from an earlier employer, that contribution would fall to be reduced by the amount of any refund by the employee (see paragraphs 2(2) and (4)).

18 Where a person transfers from an organisation with a widows' scheme to one which does not operate such a scheme, his widows' scheme entitlement should be preserved if he is married at the date of transfer; if he is unmarried, his contributions under the widows' scheme (assuming it is a contributory scheme) would be refunded.

Part V

19 This part applies in respect of transfers to or from organisations (i.e. the EEC Commission) which do not form part of the network. Members of the network may pay transfer values, calculated in accordance with Appendix 1, to any such organisation provided the organisation's pension scheme is approved for this purpose by the Revenue Commissioners, and subject to the conditions prescribed by the Commissioners. Members may also accept transfer value from such organisations; the service to be credited in respect of any such transfer value should be calculated in accordance with Appendix 1 except that the officer's *age* and pensionable pay on joining the second organisation should be used.

APPENDIX 1

Transfer Values

1 Conditions:-

- (1) The two employers concerned must have agreed that this system of contributions is to apply.
- (2) The transfer must be directly between the two employments in question.
- (3) The pension schemes in question must either be
 - (a) statutory schemes, or
 - (b) approved for this purpose by the Revenue Commissioners-
- (4) Where the conditions in paragraph 184 of the Revenue Commissioners Practice Notes apply, the granting of service credits in respect of a transfer value should be cleared with the Retirement Benefits District of the Commissioners.

2 The transfer value will be calculated by applying the appropriate tables (attached) to the individual's notional preserved benefits as in the following example:-

Civil servant aged 30 with 5 years' service and pensionable salary of £6,000 a year.

His preserved benefits are as follows:-

Pension £375.00

Lump sum/Death Gratuity £1,125.00

Widow's Pension £177.50

The transfer value is, accordingly, £3,202.50

i.e. $(£375 \times 4.90) + (£1,125 \times 0.54) + (£177.50 \times 4.04)$.

Any lump sum contributions due in respect of service reckonable for purposes of the Civil Service Widows' and Children's Contributory Pension Scheme (or any equivalent scheme) will be deducted from the preserved lump sum before calculating the transfer value.

3 The transfer value will be applied by the second employer so as to give the same periods of reckonable service for personal pension, lump sum and widows pension. The second employer would normally calculate the service credit by reference to the officer's pensionable remuneration with the previous employer (even if his new salary was higher) and this would mean that the officer would get year for year credit for his transferred service (except in a uniform accrual case - see paragraph 9 (2)). However, if the transfer value was calculated by reference to a reduced preserved lump sum, the service credit should be reduced by $A/(A+B)$ where A is the amount of the reduction and B is the reduced transfer value.

4 In the case of transfers involving an employer who does not wish to give year for year credit, that employer may, in the case of a transfer-in, reduce the service credit provided that, in the case of a corresponding transfer out, the transfer value is of the Same amount.

5 If an employee in respect of whom a transfer value has been paid subsequently leaves the service of the second employer without qualifying for immediate pension or a transfer of pension rights, the case will be dealt with either by

(a) a refund of the transfer value, together with compound interest at 6% per annum, to the first employer which will then reinstate any preserved benefits which it would have provided if the pension rights had not been transferred, or

(b) the final employer will retain the transfer value and pay preserved benefits in lieu.

Age last birthday at date of transfer	Men			Women		
	Pension of £1 per annum	Lump Sum of £1	Widows Pension of £1 per annum	Pension of £1 per annum	Lump Sum of £1	Widowers' Pension of £1 per annum
Less than 20	3.90	0.44	4.80	4.85	0.46	3.82
20	3.95	0.45	4.70	4.95	0.47	3.80
21	4.00	0.46	4.60	5.05	0.47	3.78
22	4.10	0.46	4.50	5.15	0.48	3.71
23	4.20	0.47	4.40	5.25	0.49	3.62
24	4.30	0.48	4.30	5.35	0.50	3.52
25	4.40	0.49	4.21	5.45	0.51	3.46
26	4.50	0.50	4.13	5.55	0.52	3.34
27	4.60	0.51	4.06	5.65	0.53	3.32
28	4.70	0.52	4.04	5.75	0.54	3.30
29	4.80	0.53	4.02	5.85	0.55	3.28
30	4.90	0.54	4.04	5.95	0.56	3.25
31	5.00	0.55	4.07	6.10	0.57	3.22
32	5.10	0.56	4.10	6.25	0.59	3.20
33	5.20	0.57	4.14	6.40	0.60	3.18
34	5.30	0.58	4.18	6.55	0.61	3.18
35	5.40	0.59	4.21	6.70	0.62	3.18
36	5.50	0.60	4.24	6.85	0.63	3.18
37	5.60	0.61	4.26	7.00	0.64	3.18
38	5.70	0.63	4.26	7.15	0.66	3.18
39	5.85	0.64	4.26	7.30	0.67	3.18
40	6.00	0.66	4.27	7.45	0.68	3.18
41	6.15	0.67	4.29	7.60	0.69	3.18
42	6.30	0.68	4.31	7.75	0.70	3.18
43	6.45	0.69	4.29	7.95	0.72	3.18
44	6.60	0.70	4.26	8.15	0.73	3.17
45	6.75	0.72	4.22	8.35	0.74	3.17
46	6.90	0.73	4.17	8.55	0.76	3.14
47	7.05	0.74	4.11	8.75	0.77	3.10

48	7.25	0.76	4.07	8.95	0.78	3.08
49	7.45	0.77	4.05	9.15	0.80	3.04
50	7.65	0.79	4.03	9.35	0.82	3.00
51	7.85	0.80	4.01	9.60	0.83	2.94
52	8.05	0.82	3.99	9.85	0.84	2.85
53	8.30	0.84	3.97	10.10	0.86	2.80
54	8.55	0.85	3.95	10.35	0.87	2.70
55	8.80	0.86	3.92	10.65	0.88	2.62
56	9.05	0.88	3.89	10.95	0.90	2.54
57	9.35	0.90	3.85	11.25	0.92	2.45
58	9.68	0.91	3.79	11.60	0.93	2.34
59	9.95	0.93	3.73	11.95	0.94	2.22
60	10.35	0.94	3.66	12.30	0.95	2.20
61	10.35	0.95	3.66	12.30	0.96	2.20
62	10.35	0.96	3.66	12.30	0.97	2.20
63	10.35	0.97	3.66	12.30	0.98	2.20
64	10.35	0.99	3.66	12.30	0.99	2.20