

**DEPARTMENT OF EDUCATION
PRIMARY BRANCH**

**TO THE BOARDS OF MANAGEMENT AND PRINCIPAL TEACHERS OF PRIMARY
SCHOOLS**

**REVISED SOCIAL INSURANCE STATUS AND CONDITIONS OF SERVICE OF CERTAIN
TEMPORARY AND PERMANENT PRIMARY TEACHERS**

1. I am directed by the Minister for Education to inform you that the Minister for Social Welfare has made amending regulations which provide that modified social insurance status (Class D) will no longer apply to temporary and permanent teachers appointed on or after 6 April 1995. Such teachers will also be covered by revised conditions of service that take account of their entitlement to the full range of social insurance benefits. (In other words, their "occupational" benefits - the benefits provided by the employer - will be "coordinated" with their social insurance benefits.)
2. The revised arrangements outlined in this circular apply only to pensionable temporary and permanent teachers paying Class A PRSI contributions - they do not apply to temporary and permanent teachers paying modified insurance.

Those affected

3. The Class A rate of PRSI contribution will apply to temporary and permanent teachers appointed by Boards of Management to teaching posts in primary schools on or after 6 April 1995 unless any such person was, immediately prior to appointment, serving elsewhere in the public sector in a position in respect of which s/he was paying the Class B, C or D rate of PRSI contribution.
4. The following points should also be noted:
 - (a) Permanent and temporary teachers appointed before 6 April 1995 who resigned from their teaching position prior to or after that date and who are subsequently re-appointed or re-admitted to permanent and temporary positions on or after 6 April 1995 will, subject to paragraph (b), be covered by Class A insurance;
 - (b) leave (with or without pay) or career breaks prior to that date, or who are granted unpaid leave or a career break after that date, will not, on resuming duty on or after 6 April 1995, be liable for Class A insurance; and
 - (c) temporary teachers who are serving on 5 April 1995 and who, without a break in their employment, are subsequently appointed to permanent positions will not, on such appointment, be liable for Class A insurance.
5. Teachers covered by Class A insurance will be treated no differently than other Class A contributors as far as social insurance contributions and benefits are concerned.

Revised sick pay arrangements

6. Temporary and permanent teachers covered by Class A insurance will qualify for the same sick leave allowance and, subject to the conditions and exceptions outlined in paragraphs 7 to 9 following, such teachers will also continue to receive the same sick pay as currently applies to serving pensionable temporary and permanent teachers.
7. The grant of paid sick leave will be subject to the following conditions:

- (a) On appointment, temporary and permanent teachers will be required to sign suitable mandates authorising the Department of Social Welfare to pay any benefits due to them under the social insurance system directly to the Department of Education.
- (b) When absent on sick leave, each temporary and permanent teacher will be required to make the necessary claims for social insurance benefit to the Department of Social Welfare within the required time limits and to comply with whatever requirements are laid down by that Department as a condition of claiming benefit.
- (c) In the event of a teacher failing to abide by the foregoing conditions, arrangements will be made by the Department of Education to recoup from the teacher's salary an amount equivalent to the total benefits that would otherwise have been transmitted to the Department of Education in respect of that absence.

8. The rate of sick pay will be calculated as follows:

- (a) if sick pay is more favourable to a teacher than the rate of benefit payable to her/him under the social insurance scheme, sick pay will issue in the normal way;
- (b) if the rate of benefit payable to a teacher under the social insurance scheme is more favourable than sick pay, the equivalent of the rate of social insurance benefit will be paid to the teacher by the Department of Education on behalf of the Board of Management of the school;
- (c) in the foregoing situations, the actual social welfare benefit received from the Department of Social Welfare will be retained by the Department of Education.

9. The following additional points should also be noted:

- (a) payment of the equivalent of the full rate of social insurance benefit in lieu of sick pay under paragraph 8(b) above will not affect either the sick leave allowable (i.e. the period will still reckon as sick leave at full pay as appropriate) or the reckoning of such periods for superannuation purposes;
- (b) in deciding whether the rate of benefit payable to a teacher under the social insurance scheme is more favourable than sick pay, account would be taken of
 - (i) the deductions which would fall to be made from the salary payment or the social welfare benefit in respect of PRSI and income tax, and
 - (ii) the superannuation contribution payable in respect of the period involved.

Revised maternity pay arrangements

10. Arrangements corresponding to those outlined at paragraphs 7 to 9 above will also apply to paid maternity leave, viz.

- (a) each teacher will be required to sign a mandate authorising the Department of Social Welfare to pay any benefit due to her under the social insurance system directly to the Department of Education on behalf of the Board of Management of the school;
- (b) when absent on paid maternity leave, each teacher will be required to make the necessary claims for social insurance benefit to the Department of Social Welfare within the required time limits and to comply with whatever requirements are laid down by that Department as a condition of claiming benefit;
- (c) if full pay is more favourable to a teacher than the rate of benefit payable to her under the social insurance scheme, the Department of Education will issue full pay in respect of the period of paid maternity leave in the normal way and retain the social insurance benefit;

- (d) if the rate of benefit payable to a teacher under the social insurance scheme is more favourable to her than full pay, the equivalent of the full rate of benefit will be paid to her by the Department of Education and the actual social welfare benefit received from the Department of Social Welfare will be retained by the Department of Education.

Revised superannuation arrangements

11. The revised superannuation arrangements being introduced for temporary and permanent teachers covered by Class A insurance will include provisions for a new employee contribution in respect of personal superannuation benefits (see paragraph 14).
12. Teachers covered by modified social insurance can qualify for a maximum pension of 50% of pensionable remuneration plus a maximum lump sum of 1½ times pensionable remuneration. (Pensionable remuneration means the aggregate of retiring pensionable salary and pensionable allowances.) In the case of teachers covered by Class A insurance, the following arrangements will apply:
- (a) no change will be made in the occupational lump sum (because social insurance benefits are in pension form only);
 - (b) the occupational pension benefits will be calculated on the basis of 1/80th of net pensionable remuneration per year of service. (Net pensionable remuneration means the amount by which pensionable remuneration exceeds twice the annual rate of social insurance old age contributory pension payable at the maximum rate to a person with no adult dependant or qualified children.)
 - (c) provision will be made for the payment of a supplementary pension to pensioners in respect of periods during which the pensioner is not employed in any capacity which involves a social insurance contribution and fails to qualify for social insurance benefit or qualifies for such benefit at less than the maximum personal rate (in both cases due to causes outside his/her control): the supplementary pension will be equal to the difference between
 - (i) the occupational pension which would have been payable had it been based on pensionable remuneration instead of net pensionable remuneration, and
 - (ii) the aggregate of the actual occupational pension payable and actual rate of social insurance benefit payable (including any payments for dependants).
13. The occupational spouses' and children's pensions of the teachers covered by Class A insurance will, as is the case for teachers in modified insurance, be based on the pension which was, or would have been payable to the former member but, as already indicated, the latter pension will be based on the member's net pensionable remuneration. It has, however been agreed that any temporary or permanent teacher covered by Class A insurance will pay an extra contribution as detailed in Paragraph 14 below which will result in spouses' and children's pensions being based on pensionable remuneration less once the annual rate of social insurance old age contributory pension (ie. the old age pension figure is not doubled as is the case for the personal pension). In addition, provisions will be included in respect of such Class A insurance teachers to allow for payment of
- (a) one –twelfth of full un co-ordinated pensionable remuneration for the first month after death in the event that a member dies in service and
 - (b) a supplementary pension along the lines of that referred to at Paragraph 12(c) above ie. to provide that in the event of a spouse failing to qualify for a social insurance spouses' pension (or less than the maximum personal rate of such pension) due to causes outside his/her control, a supplementary pension would be payable which would be equal to the difference between
 - (i) the occupational pension which would have been payable if the deceased member's pension had been based on pensionable remuneration instead of the special net pensionable remuneration arrangement referred to earlier in this paragraph and
 - (ii) the combined value of the occupational pension and any social insurance pension which were actually payable (including any payment for dependants).

14. As indicated at paragraph 11 above, employee contributions for personal superannuation benefits will be adjusted for temporary and permanent teachers covered by Class A insurance. This will involve the payment by the teachers concerned of a contribution equal to 1½% of remuneration plus 3½% of net remuneration (i.e. remuneration less twice the annual rate of social insurance old age contributory pension payable at the maximum rate to a person with no adult dependant or qualified children). A contribution of 1.5% of net remuneration together with 1.5% of twice the annual rate of social insurance old age contributory pension **(ie. in effect 1.5% of full remuneration)** would also be payable by such teachers in respect of spouses' and children's benefits. Non -periodic contributions to be deducted from retirement lump sum/death gratuity in respect of spouses' and children's benefits would be at the rate of 1% of full pensionable remuneration.
15. The rates of periodic and lump sum contributions under the Notional Service Purchase Scheme fall to be revised in the case of teachers covered by Class A insurance to reflect the coordinated pension benefit which would accrue in respect of each year of service purchased.
16. In the event that a temporary or permanent teacher covered by Class A insurance had previous service as a teacher in respect of which s/he paid modified PRSI contributions, s/he may exercise a once-off option at any time up to retirement in favour of either of the following arrangements:
- (i) aggregating all such prior service with her/his future service under the new superannuation terms, or
 - (ii) retaining all preserved superannuation benefits which s/he had prior to re-entry in respect of the previous service in which event only the future service would be governed by the new terms. (This option is subject to an overriding limit of 40 years' reckonable service and to the proviso that the preserved benefits would not become payable from an earlier date than would have been the case had the teacher aggregated all her/his service.)
17. Corresponding arrangements will apply to temporary and permanent teachers covered by Class A insurance who have had previous service elsewhere in the public sector in respect of which they paid modified PRSI contributions and which is transferable under the Scheme for the Transfer of Service for Superannuation Purposes.

Occupational Injuries Benefits

18. Permanent and temporary teachers covered by class A PRSI will be eligible for full Occupational Injuries benefits. The pay of any such teachers who are absent on sick leave arising from an occupational injury or disease will be dealt with in much the same way as "ordinary" sick leave (see paragraphs 7 to 9) with the exception that the following arrangements will apply in respect of disablement benefit:
- (a) the mandate referred to at paragraph 7(a) will not cover any disablement benefit which a teacher may qualify for and, accordingly, the appropriate full rate of benefit will be payable directly to the individual teacher by the Department of Social Welfare;
 - (b) no account will be taken of disablement benefit where
 - (i) a teacher remains at or resumes work after an occupational injury or disease or
 - (ii) a teacher is entitled to a social insurance disablement pension while at work and is subsequently absent on "ordinary" sick leave;

General

19. Enquiries about PRSI contributions and benefits should be addressed to the Department of Social Welfare.

Form of Authorisation (sick pay)

I have read and understand the conditions and procedures involved in the operation of the sick pay scheme applicable to temporary and permanent primary teachers. I am aware that depending on my PRSI contribution record I may be entitled to payment from the Department of Social Welfare in respect of absences under this scheme. I acknowledge that payment from the Department of Education during absence on sick leave (including absences arising from an occupational injury or disease) will be subject to the following conditions:

- (a) that I will authorise the Department of Social Welfare to pay any benefit due to me in respect of such absences under the social insurance system directly to the Department of Education;
- (b) that I will make the necessary claims for social insurance benefit to the Department of Social Welfare within the required time limits and will, to the best of my ability, comply with whatever requirements are laid down by that Department as a condition of claiming benefit.

I also acknowledge that any payments made to me by the Department of Education in respect of such absences may be recovered from me in the event that I fail to comply with the foregoing conditions.

Accordingly, I accept that in order to ensure compliance with the above undertaking and the sick leave regulations, The Department of Education may be required to make direct contact with the Department of Social Welfare to establish what payments were made to me, when they were and the amount and duration of such payments. I hereby authorise the Department of Education to make such enquiries. I understand that any information obtained from the Department of Social Welfare will be used only for the foregoing purposes and will not be disclosed to any unauthorised person.

I hereby authorise the Department of Social Welfare to pay any social insurance benefit due to me in respect of any future absences from duty on sick leave (including absences arising from an occupational injury or disease) directly to The Secretary, Department of Education, Marlboro Street, Dublin 1.

Signed: _____ Date: _____

Teacher No. _____

Name: (please print) _____

Home Address: _____

PRSI No. _____

Note: This form should be completed, on initial appointment, by temporary and permanent primary teachers who will be paying Class A PRSI and should be forwarded to Payments Section, Department of Education, Cornamaddy, Athlone.

Form of Authorisation (maternity leave)

I have read and understand the conditions and procedures involved in the operation of the maternity leave scheme applicable to temporary and permanent teachers. I am aware that depending on my PRSI contribution record I may be entitled to payment from the Department of Social Welfare in respect of absences under this scheme. I acknowledge that payment from my Department during absences under this scheme will be subject to the following conditions:

- (a) that I will authorise the Department of Social Welfare to pay any benefit due to me in respect of such absences under the social insurance system directly to the Department of Education;
- (b) that I will make the necessary claims for social insurance benefit to the Department of Social Welfare within the required time limits and will, to the best of my ability, comply with whatever requirements are laid down by that Department as a condition of claiming benefit.

I also acknowledge that any payments made to me by my Department in respect of such absences may be recovered from me in the event that I fail to comply with the foregoing conditions.

Accordingly, I accept that in order to ensure compliance with the above undertaking and the sick leave regulations, the Department of Education may be required to make direct contact with the Department of Social Welfare to establish what payments were made to me, when they were and the amount and duration of such payments. I hereby authorise the Department of Education to make such enquiries. I understand that any information obtained from the Department of Social Welfare will be used only for the foregoing purposes and will not be disclosed to any unauthorised person.

I hereby authorise the Department of Social Welfare to pay any social insurance benefits due to me in respect of any future absences from duty on maternity leave directly to The Secretary, Department of Education, Marlboro Street, Dublin 1 .

Signed: _____ Date: _____

Teacher No. _____

Name: (please print) _____

Home Address: _____

PRSI No. _____

Note: This form should be completed, on initial appointment, by female temporary and permanent primary teachers who will be paying Class A PRSI and should be forwarded to the Payments Section, Primary Branch, Department of Education, Cornamaddy, Athlone, Co. Westmeath. In the event of you transferring subsequently to another school, the Board of Management should notify the Department