



An Roinn Oideachais
Department of Education

Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools

Handbook

April 2023.

Note

This handbook is not a legal interpretation of existing superannuation provisions for qualifying Clerical Officers on the Department of education Payroll, 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 relevant Statutes (including the Taxes Consolidation Act 1997), Regulations and other official documentation.

Preface

This handbook relates only to the Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools. Information about the Single Public Service Pension Scheme, which applies to public servants recruited since the start of 2013, can be found at <https://singlepensionscheme.gov.ie/>

Pensions Unit (Department of Education)

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Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools

Membership

1. Membership

1.1 Membership of the **Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools** (Clerical Officers Scheme) applies to permanent Clerical Officers employed by a primary or secondary school who:

- are in service on or after 1 October 1985¹ and prior to 2 September 2008;
- are paid directly by the Department of Education, i.e. are on the Department of Education payroll; and
- are not members of the Single Public Service Pension Scheme (see section 1.3).

Membership of the Clerical Officers Scheme is compulsory for such persons.

1.2 In addition to retirement benefits for members, the Clerical Officers Scheme also provides pensions for the survivors and/or dependant children of members who die in service or after qualifying for a pension or preserved pension.

1.3 In general, persons whose employment as Clerical Officers on the Department of Education payroll began on or after 1 January 2013 are members of the **Single Public Service Pension Scheme**. Information on that scheme can be found at www.singlepensionscheme.gov.ie

¹ Scheme membership was mandatory for those appointed from October 1985. An option to join the scheme was extended to those in service in 1985.

Benefits and Conditions for Benefits

2. Overview of Benefits

2.1 The benefits provided by the Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools are as follows:

- Retirement lump sum and pension (sections 17 and 18)
- Preserved pension and lump sum – for qualifying members who resign before minimum pension age (section 22)
- Cost Neutral Early Retirement – this facility enables payment of actuarially reduced pensions and retirement lump sums to members who wish to retire up to 10 years before minimum pension age (section 23)
- Medical grounds retirement – lump sum and pension (section 24)
- Death gratuity (section 26)
- Survivors' and Children's Pensions (section 27)

3. Factors that Determine Benefits

3.1 Superannuation benefits in the Clerical Officers Scheme are dependent on several factors, the most important of which are as follows:

- **Reckonable Service**, which includes:
 - actual pensionable service (years and days worked)
 - notional service, which may be purchased
 - ill-health added years, in qualifying cases of retirement on medical grounds

- **Pensionable Remuneration**, which is essentially salary level at the time of retirement, resignation, or death in service

3.2 All Clerical Officers Scheme members must pay the appropriate contributions (see section 5).

4. Rate of PRSI

4.1 All Clerical Officers pay PRSI at the full rate – PRSI Class A.

5. Contributions

Definitions and calculation

5.1 Members pay contributions in the Clerical Officers Scheme as follows:

- (a) For **personal scheme benefits**:
- (i) 1.5% of **gross pensionable remuneration**
PLUS
 - (ii) 3.5% of **net pensionable remuneration**

PLUS

- (b) For **dependant benefits** (Survivor's and Children's benefits):
- 1.5% of **net pensionable remuneration**.

Gross pensionable remuneration means salary expressed on a full-time working basis.

Net pensionable remuneration (also known as co-ordinated pay) means gross pensionable remuneration less twice the maximum personal rate of State Pension (Contributory) (SPC).

5.2 Therefore the total contributions deducted from Scheme members are as follows:

- 1.5% of gross pensionable remuneration
PLUS
- 5.0% of net pensionable remuneration

Calculation in the case of work-sharers, job-sharers and part-time members

5.3 When members work on a part-time basis (including work-sharing and job-sharing), they pay contributions on a pro rata basis. This means that the total contribution due from such a member is calculated by:

- working out first the amount the member would pay if working full-time (see section 5.1 above); and
- then applying to that amount the particular work pattern (e.g. 50%, 80%) which describes the member's contracted or rostered attendance (FTE).

Examples

5.4 Member pension calculations are shown in two examples below. Note that the State Pension (Contributory) rate used throughout this Handbook is €248.30, the weekly payment rate as of September 2021.

Example 1:

A Clerical Officer **working full-time** on a salary of €40,590 pays contributions worked out as follows:

- Gross pensionable remuneration = €40,590
- State Pension (Contributory) = €12,956 [€248.30 (weekly) x 52.18]
- State Pension x 2 = €25,913
- Net pensionable remuneration = €40,590 – €25,913 = €14,677
- 1.5% of gross pensionable remuneration = €609
- 5.0% of net pensionable remuneration = €734

Total contribution due = €1,343 (€609 + €734)

Example 2:

A part-time Clerical Officer with **work pattern of 60%** is paid on the basis of an annual salary, expressed in full-time terms, of €46,466. He pays contributions calculated as set out below. Note that the calculation method first works out the total contribution due as if he was working full-time, and only then applies a 60% pro-rata reduction based on his work pattern.

- Gross pensionable remuneration (salary) = €46,466
- State Pension (Contributory) = €12,956 [€248.30 (weekly) x 52.18]
- State Pension x 2 = €25,913
- Net pensionable remuneration = €46,466 – €25,913 = €20,553
- 1.5% of gross pensionable remuneration = €697
- 5.0% of net pensionable remuneration = €1,028
- Total contribution before pro-rata adjustment = €1,725 (€697 + €1,028)

Total contribution due applying 60% pro-rata = €1,035

6. Qualifying Conditions for Benefits

6.1 For a Clerical Officers Scheme member leaving employment on or after 2 June 2002, qualifying service is a minimum period of **two calendar years' service**, regardless of whether attendance is full-time, work-sharing, job-sharing or regular part-time. For example, 1 September 2010 to 31 August 2012 is two calendar years. Transferred service and prior reckonable service also count towards qualifying service. This qualifying service period of two calendar years is also known as the **vesting period**. It is the required minimum service to be eligible for Retirement Benefits, but not for Death in Service Benefits.

6.2 Prior to 2 June 2002, qualifying service was defined as a minimum period of **five years' actual pensionable service**. In measuring actual pensionable service, part-time work counts only pro rata to, or in proportion to, full-time service. This means, for example, that six years' part-time service on a 50% work pattern is three years' actual pensionable service.

Pensionable Service

7. Reckonable Service for Benefits

7.1 The following service is reckonable for benefits:

- Pensionable service in the Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools
- Temporary wholetime service which is pensionable on an ongoing basis, or temporary wholetime service which was not pensionable when the service was given but can now be reckoned for pension purposes
- Part-time service (see section 9)
- Transferred service
- Additional or added service in respect of ill-health added years (see section 24) or the purchase of added years under the Notional Service Purchase Scheme (see section 14)
- Certain service in respect of which the member may have already received a gratuity or refund of contributions

7.2 For service to be reckonable, the appropriate contributions must be paid.

7.3 From 28 July 2012 onwards, the aggregate of a public servant's reckonable service for superannuation purposes across all public service pension schemes (excluding the Single Scheme) cannot exceed 40 years. This is subject to the exception that if, on 27 July 2012 service in excess of 40 years has been earned in more than one public service pension scheme, the service is capped at the service accrued on that date. For further details of this service cap see section 36.2.

8. Reckonability of Wholetime Service

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

Example:

A member working in a full-time capacity is employed from 1 September 2003 to 31 December 2020. This is reckonable as follows:

- 1 September 2003 to 31 August 2020 = 17 years
- 1 September 2020 to 31 December 2020 = 122 days

In this case, **the reckonable service for pension benefit purposes is 17.3342 years**. This is calculated as follows:

- Complete years: 17
PLUS
- Part-years: $(122 / 365) = 0.3342$

Note that the divisor for part-years is always 365, not 365.25.

8.2 Contributions are paid on an ongoing basis for permanent wholetime service.

9. Contributions for Part-time Service, Including Prior Part-time Service Not Pensionable at the Time

9.1 When members currently work on a part-time basis (including work-sharing and job-sharing), they pay contributions on a pro-rata basis. This means that the total contribution due from such a member is calculated by:

- working out first the amount the member would pay if working full-time (see sections 5.1(a) and (b) above);
- then applying to that amount the particular work pattern (e.g. 50%, 80%) which applies to the member.

9.2 The cost of reckoning **prior** part-time service is as follows:

- 1.5% of current wholetime equivalent pensionable pay
- plus 3.5% of current net pensionable remuneration (current co-ordinated pay)

for each year and part thereof of reckonable prior part-time service calculated on pensionable salary at date of application.

9.3 Outstanding contributions due in respect of earlier service which is recognised as pensionable are deducted from the retirement lump sum.

9.4 The calculation of contributions due in respect of earlier service does not include contributions due for survivors' and children's (S&C) benefits. A member can opt to pay additional S&C contributions of 1.5% of net pensionable remuneration over the corresponding period of service (i.e. matching period of service to be reckoned). If the member does not so opt, then 1% of retirement salary for each year or part thereof of S&C liability will be deducted from the retirement lump sum.

10. Work-sharing and Job-sharing Service

10.1 Work-sharing/job-sharing means that a member works less hours than a wholetime comparator (i.e. the hours worked are reduced for the period of work-sharing or job-sharing). In accordance with the provisions of the Clerical Officers Scheme, a work-sharer/job-sharer is credited with pro-rata pensionable service in respect of each year of work sharing/job-sharing service. If a work-sharer/job-sharer retires whilst on reduced hours, pension benefits are based on the **wholetime equivalent** of their salary at retirement.

11. Career Break

11.1 Career breaks are not reckonable for pension purposes because they are periods of unpaid leave. However, a Pension Scheme member who has at least nine years' potential service by age 65 can purchase service in respect of their career break in accordance with the limits in section 14. There are two ways in which a member can purchase service in order to make the period of their career break reckonable for pension purposes.

(a) **When a member returns to employment:**

A member 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, or by periodic contributions from salary where the member decides to purchase at least one year. An option to purchase by lump sum must be made within six months of returning to duty. The cost of the lump sum payment will be based on the member'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 purchase tables in Appendix 2.

(b) **Purchasing the service loss while on a career break:**

The service loss while on a career break may be purchased while on the 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 career break. The rate of contribution is based on the lump sum purchase rates in accordance with the notional service tables in Appendix 2 and is determined by the member's age next birthday at the time the quarterly payment due is being calculated. There are two different rates, and the rate applying will depend on whether the member's minimum retirement age is age 60 or age 65. In the case of a new entrant (member appointed on or after 1 April 2004 – see section 15.3), the only rates available are the rates in the purchase-to-age-65 table, labelled Table B at Appendix 2. This is due to the minimum retirement age being 65 for new entrants.

12. Unpaid Leave

12.1 Unpaid leave or sick leave paid at the Temporary Rehabilitation Remuneration (TRR) rate is not reckonable for pension purposes. During such periods of leave the member was not receiving any salary, and therefore superannuation contributions were not deducted.

12.2 Examples of non-reckonable unpaid periods of leave or absence are: unpaid parental leave, unpaid maternity leave, career breaks, special leave without pay and strike days.

13. Previous Service in the Public Sector

13.1 Prior public service is normally transferable into the Clerical Officers Scheme, subject to the rules of the Public Sector Transfer Network. Where contributions in respect of the earlier service are outstanding, these must be repaid to the current employer in accordance with the Transfer Network rules.

13.2 If the member received a refund of contributions from any public sector body in the Public Sector Transfer Network in lieu of any retirement benefits, the member can re-instate this service by paying the appropriate contributions (i.e. repaying the adjusted gross refund received) to the current employer. In the event that PRD (Pension Related Deduction) or ASC (Additional Superannuation Contribution) deductions were also returned to the member on ceasing employment then this amount must be repaid, plus compound interest, to the former employer in order to re-instate the service.

13.3 If the member had previous service in another public body that was not pensionable at the time of their employment but would have been pensionable had the member still been employed in that organisation (i.e. part-time service), then this service may be transferred via the Public Sector Transfer Network and reckoned on payment of the appropriate contributions due. Such transfer is permitted whether or not the member is vested.

13.4 The transfer option only applies to organisations that are part of the Public Sector Transfer Network or the Local Government Transfer Network. The Public Sector Transfer Network is administered under rules set by the Department of Public Expenditure and Reform. The Department of Public Expenditure and Reform maintains a list of organisations approved for participation in the Public Service Transfer Network.

14. Purchase of Notional Service to Increase or Maximise Benefits

14.1 There is a Notional Service Purchase Scheme that allows members who do not have a full pension at retirement to purchase additional years to make up some or all of the difference.

Purchase Conditions and Rates

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

Actual Reckonable service (including transferred service and prior actual service which was “bought back”, but excluding purchased notional and notional added years) which the member would have if remaining in service until age 60 or 65 as appropriate (FTE Years)	Maximum service which can be purchased
20 years or more	Difference between 40 years and reckonable service at age 60 or 65 as appropriate
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.

14.3 Contribution rates vary by reference to age. Rates also depend on whether purchase is by reference to age 60 (only applicable to staff employed prior to 1 April 2004) or to age 65. The purchase rates are set out in Appendix 2.

14.4 Members who wish to purchase notional service must fulfil the following conditions:

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

Purchase options

14.5 There are two methods of purchase for notional service:

(a) Periodic deductions	This involves paying additional contributions from salary, each payment based on the rate applicable at the member's age next birthday and continuing up to age 60 or 65 as applicable. As it is based on a fixed percentage, the amount of payment will increase according as salary increases. This option can be made at any time up to two years before the appropriate retirement age.
(b) Lump sum contribution	This involves paying a once-off contribution based on salary at the time the option is exercised, with the rate based on the member'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.

14.6 With regard to the age-purchased-to, the position of members who otherwise meet the conditions for purchase of notional service is as follows:

- Members who are not new entrants can purchase to age 60 or to age 65.
- Members who are new entrants can purchase to age 65 only.

See section 15.3 for the definition of new entrant.

Part-time working and unpaid absence

14.7 Where a member 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.

Purchase examples

14.8 Two example cases of purchase of notional service are set out below:

Example 1:

A member wishes to purchase one year of notional service at age 52. The member has a salary of €40,590 per annum and commenced service prior to 1 April 2004 (i.e. is not a new entrant – see section 15.3).

Option	Retirement age	Rate applicable at age 53	Cost of purchase
Periodic deduction	65	0.29% of gross salary plus 1.87% of net salary*	$(€40,590 \times 0.29\%) + ((€40,590 - €25,913) \times 1.87\%)$ = €392.17 p.a. (initial cost**) until age 65
Periodic deduction	60	0.51% of gross salary plus 3.74% of net salary*	$(€40,590 \times 0.51\%) + ((€40,590 - €25,913) \times 3.74\%)$ = €755.93 (initial cost**) p.a. until age 60
Lump Sum	65	22.5% of salary	$€40,590 \times 22.5\% = €9,132.75$
Lump Sum	60	26.0% of salary	$€40,590 \times 26.0\% = €10,553.40$

* Net salary is gross salary less twice the annual State Pension (Contributory) (SPC) rate. The weekly SPC rate is €248.30 (rate at September 2021) therefore the offset is $€248.30 \times 52.18 \times 2 = €25,913$ per annum.

** Since it is a percentage-basis contribution, the initial annual cost will rise over the course of the purchase agreement according as salary increases. The annual cost will also be affected by any changes in the rate of State Pension (Contributory).

Example 2:

A member wishes to purchase one year of notional service at age 44. The member has a salary of €36,642 per annum and commenced service after 1 April 2004 (i.e. is a new entrant – see section 15.3).

Option	Retirement age	Rate applicable at age 45	Cost of purchase
Periodic deduction	65	0.17% of gross salary plus 1.13% of net salary*	$(€36,642 \times 0.17\%) + ((€36,642 - €25,913) \times 1.13\%)$ = €183.53 p.a. (initial cost**) until age 65
Lump Sum	65	28.0% of salary	$€36,642 \times 28.0\% = €10,259.76$

As this member is a new entrant, he or she 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) (SPC) rate. The weekly SPC rate is €248.30 (rate at September 2021) therefore the offset is €248.30 x 52.18 x 2 = €25,913 per annum.

** Since it is a percentage-basis contribution, the initial annual cost will rise over the course of the purchase agreement according as salary increases. The annual cost will also be affected by any changes in the rate of State Pension (Contributory).

Cancelling a notional service purchase contract

14.9 A periodic purchase option cannot be completely revoked once payments have commenced. However, a member who wishes to cease making periodic contributions can do so by giving notice, in writing, of his or her intention 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:

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

where:

- 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 member completed the purchase agreement.

14.10 The formula at section 14.9 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) or retiring or leaving before the purchase contract period has been completed.

14.11 The example below shows how purchase contract cancellation works:

Example

A member commenced purchase of 4 years of notional service from 30 April 2014 by periodic contributions up to age 65. The original purchase contract was for 14 years and was cancelled with effect from 1 December 2020.

The purchase of 4 years is reduced by use of the formula at section 14.9 above, which calculates the member's service credit as follows:

A = 4.0000

B = 6.5890 (30 April 2014 to 30 November 2020)

C = 14.0000 (30 April 2014 to 29 April 2028)

$$\frac{4.0000 \times 6.5890}{14.0000} = 1.8826 \text{ years credited}$$

If the member in this example retires prior to age 65, a further reduction will be made in accordance with the actuarial reduction factors in the tables at Appendix 3.

Actuarial reduction resulting from early drawdown of pension

14.12 If a member retires prior to age 60 or 65 (whether in the ordinary course, on medical grounds or on CNER terms), **the formula at section 14.9** is also used to take account of missed contributions due to an earlier retirement.

14.13 Where a member who is purchasing notional service:

- (i) retires on medical grounds with an immediate pension;
- (ii) retires on pension between ages 60 and 65 in the case of a member with a preserved age of 60 purchasing to age 65; or
- (iii) retires on Cost Neutral Early Retirement (CNER) terms in the case of a member with a preserved age of 60 who is purchasing by reference to age 65,

there will be an actuarial reduction using the appropriate Table (purchase to age 65 Table or purchase to age 60 Table) at Appendix 3. Each of these three case categories is considered further below:

(i) Purchasing member retires on medical grounds with an immediate pension.

Example

A Clerical Officers Scheme member with preserved pension age of 65 years retires on medical grounds at age 57. She has a salary of €40,590. At the time of retirement, she has 17 years' actual service, and has completed 2.5 years of a periodic payment-of-service agreement, in which she contracted to buy 3 year's service.

The formula at 14.9 is applied to determine the amount of purchased service which should be included for calculating her pension benefits:

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

$$\frac{\underline{3 \text{ [years contracted to buy]} \times 2.5 \text{ [years during which payments were made]}}}{10 \text{ [total years of payment had full payment been completed]}}$$

Therefore 0.75 years purchased service is added to the Clerical Officer's actual service of 17 years, so that a total of 17.75 years' service is used to calculate her pension and lump sum.

(ii) Purchasing member retires on pension between ages 60 and 65 in the case of a member with a preserved age of 60 purchasing to age 65

Example

A Clerical Officers Scheme member with preserved pension age of 60 retires on his 63rd birthday. He has a salary of €40,590. At the time of retirement, he has 19 years' actual service, and has completed 6 years of a periodic payment-of-service agreement, in which he contracted to buy 2 years' service.

The formula at 14.9 is applied to determine the amount of purchased service which should be included for calculating his pension benefits:

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

$$\frac{2 \text{ [years contracted to buy]} \times 6 \text{ [years during which payments were made]}}{8 \text{ [total years of payment had full payment been completed]}}$$

Therefore 1.5 years purchased service is added to the Clerical Officer's actual service of 17 years, so that a total of 18.5 years' service is used to calculate his pension and lump sum.

(iii) Purchasing member retires on Cost Neutral Early Retirement (CNER) terms in the case of a member with a preserved age of 60 who is purchasing by reference to age 65

For the CNER case type at (iii), the purchase actuarial reduction will reduce the purchased element of service by applying the reduction factors from the age-60 ("Age last birthday") row of the purchase to age 65 table at Appendix 3. The purchased service element, reduced in this way, will then be added to actual service. Only then will the separate reduction factors relevant to CNER (see section 23) be applied to the resultant total service.

Purchase of service by work-sharing / job-sharing / part-time members

14.14 Purchase of service by members who do not work full-time is subject to the following conditions:

- (a) Work-sharing, job-sharing or part-time members who have completed at least two years' consecutive service in such work patterns may, subject to the normal purchase scheme rules, consider purchasing service on the assumption that they will continue to work in 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 member or if the work/job-sharing member resumes full-time work, and as a result of any such change, the service purchased or being purchased exceeds the amount

required to bring the member's potential reckonable service, by age 60 or 65, as appropriate, to 40 years, then the contribution rate(s) must be adjusted (or purchase contributions cancelled altogether if required) and any excess contributions (including all contributions if necessary) should be refunded through the payroll system.

Refunds of notional service

14.15 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:

- where a member resigns, does not qualify for superannuation benefits, and does not transfer his or her service to another employment;
- where a member who is purchasing service leaves before attaining the minimum service requirement of nine years. In that situation all purchase contributions must be refunded. If a member who is purchasing service leaves the employer having attained nine years' service but before attaining the minimum service required in the table for limitations on service to be purchased (see section 14.2) an appropriate refund of purchase contributions must be made for any service in excess of the limitations;
- where a member, having exercised an option to purchase service, subsequently has service transferred-in, and as a result, his or her total service would be in excess of the maximum reckonable (40 years);
- where an excess contributions instance (as described in section 14.14(b) above) arises;
- where a member opts to work beyond the (purchase target age of 60 or 65) and as a result will have in excess of 40 years' service at retirement.

Retirement Age and Pension Calculations

15. Retirement Age and Minimum Pension Age

Minimum and compulsory retirement ages

15.1 The ages at which a Scheme member may retire with pension are shown in the following table:

Member cohort	Retirement Age
Clerical Officers employed in the public sector before 1 April 2004	Normal (minimum) retirement age: 60 CNER* minimum age: 50 Compulsory retirement age: 70**
Clerical Officers not employed in the public sector before 1 April 2004 (see section 15.2 below)	Normal (minimum) retirement age: 65 CNER* minimum age: 55 Compulsory retirement age: None

* CNER = Cost Neutral Early Retirement – see section 23.

** This applies to individuals in this group attaining age 65 after 26/12/2018.

15.2 Clerical Officers recruited on or after 1 January 2013 do not in general belong to the Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools. Instead, they are members of the Single Public Service Pension Scheme. Further details of that scheme are available at www.singlepensionscheme.gov.ie.

“2004 New Entrant”

15.3 Scheme members appointed on or after 1 April 2004, who were not employed in the public sector before that date, are "new entrants" for the purposes of superannuation. This means that, as indicated in the table at section 15.1 above, their normal (minimum) retirement age is 65, and they have no compulsory retirement age. However there are some exceptions:

- (a) 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;
- (b) staff who received a written offer of employment prior to 1 April 2004 but had not taken up duty by that date will not be regarded as new entrants on accepting that appointment;
- (c) 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;

- (d) any public servant who was serving on 31 March 2004 and who leaves employment but subsequently returns, within a period of 26 weeks, to employment in the public service, will not be regarded as a new entrant;
- (e) any public servant
 - (i) who was serving on 31 March 2004 or within 26 weeks prior to that date, or
 - (ii) any public servant to whom (i) applies who leaves employment but subsequently returns within a period of 26 weeks, to employment in the public service;

will not be regarded as new entrants on their return.

15.4 “2004 New Entrant” as defined at section 15.3 above essentially distinguishes between:

- members of the Clerical Officers Scheme who were recruited to the public sector before 1 April 2004, who are not new entrants; and
- members of the Clerical Officers Scheme who were recruited to the public sector from 1 April 2004 onward, who are new entrants.

It is important not to confuse this new entrant member category with membership of the Single Public Service Pension Scheme.

16. Pensionable Remuneration

16.1 Pensionable Remuneration is the annual rate of incremental salary held on the last day of service.

17. Retirement lump sum calculation

17.1 Retirement lump sum is 3/80ths of pensionable remuneration for each year of reckonable service, subject to a maximum of 1½ times pensionable remuneration.

Example:

A Scheme member retires on a wholetime equivalent salary (pensionable remuneration) of €40,590, with 40 years' reckonable service. She receives a retirement lump sum of €60,885, calculated as follows:

$$€40,590 \times 40.0000 \times 3/80\text{ths} = €60,885 \text{ (maximum payable)}$$

18. Pension Calculation

18.1 The Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools is an integrated scheme. This means that the pension at retirement is calculated with an offset in respect of the State Pension (Contributory) (SPC) and in addition to benefits from the Clerical Officers Scheme a member may qualify for a SPC.

Integration method of pension calculation

18.2 A revised integration method of pension calculation applies to all Clerical Officers who qualify for benefits on or after 1 January 2004. The method of calculation is as follows:

- 1/200th of pensionable remuneration up to 3 1/3 times SPC* x service PLUS
- 1/80th of any pay balance in excess of 3 1/3 times SPC* x service

Overall reckonable service for pension benefits 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 member's pensionable service.

A multiplier of 3.333333 (i.e. six decimal places) is used to calculate 3 1/3 times SPC, which is the **threshold pay level** for moving from the lower (1/200) to the higher (1/80) pension accrual rate.

Based on the 2021 weekly SPC rate of €248.30, the threshold value in annual terms is:

$$(\text{€}248.30 \times 52.18 \times 3.333333) = \text{€}43,187.64.$$

Integrated pension calculation method before 1 January 2004

18.3 Prior to 1 January 2004 the method of calculation of pension for staff appointed on or after 6 April 1995 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.

Pension calculation examples

18.4 The three examples below show the current integration method of pension calculation (in each case the member retires on or after 1 January 2004).

Example 1:

A Clerical Officer retires on 31 August 2021 with the following earnings and service.

Actual remuneration at retirement	=	€40,590
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State Pension (Contributory) annual rate at retirement (31 August 2021)	=	€12,956
3 1/3 x State Pension (Contributory) rate	=	€43,188
Service (actual reckonable)	=	30 years

Pension =

1/200 x pensionable remuneration up to €40,590 x service

[There is no pay balance over €40,590 to which 1/80th would be applied]

$\frac{€40,590 \times 30.0000}{200}$	=	€6,089
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Total pension: €6,089 per annum

Example 2:

A Clerical Officer was employed full-time for 20.00 years and then in a 50% work-sharing capacity for 18.00 years. On retirement on 31 August 2021 her total reckonable actual service is 29.0000 years. This 29 years' service is comprised of 20 years from her full-time attendance and 9 years (18 x 50% = 9) from her subsequent period of work-sharing.

Actual remuneration at retirement	=	€20,295
State Pension (Contributory) annual rate at retirement (31 August 2021)	=	€12,956
3 1/3 x State Pension (Contributory)	=	€43,188
Pensionable remuneration (notional full-time)	=	€40,590
Service (actual reckonable)	=	29 years

Pension =

1/200 x pensionable remuneration up to €43,188 x service, plus

[there is no pay balance over €43,188 to which 1/80th would be applied]

$\frac{€40,590 \times 29.0000}{200}$	=	€5,886
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Total pension: €5,886 per annum

Example 3:

A Clerical Officer was employed in a 60% part-time capacity for 20 years. On

retirement on 31 August 2021 his total reckonable actual service is 12.0000 years (20 x 60% = 12).

Actual remuneration at retirement	=	€24,354
State Pension (Contributory) annual rate at retirement (31 August 2021)	=	€12,956
3 1/3 x State Pension (Contributory)	=	€43,188
Pensionable remuneration (notional full-time)	=	€40,590
Service (actual reckonable)	=	12 years

Pension =

1/200 x pensionable remuneration up to €43,188 x service, plus

[there is no pay balance over €43,188 to which 1/80th would be applied]

$\frac{€40,590 \times 12.0000}{200}$	= €2,435
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Total pension: €2,435 per annum

19. Retirement from Part-time Employment

19.1 Where a Clerical Officer retires from pensionable part-time employment, pension benefits under the Clerical Officers Scheme are calculated on the basis of **pro-rata integration**. This means that award of pension and lump sum is based on:

- wholetime equivalent salary at retirement; and
- actual pensionable service, whereby the retiring Clerical Officer is given pro-rata service for each year of part-time service.

Example:

A Clerical Officer was employed in a part-time capacity for 12 years during which time his specific work pattern varied as shown in the table below. On retirement on 31 August 2021 his total reckonable actual service is calculated as being 8.05 years.

Employment dates (School years basis)	Work pattern (% of full-time)	Pro-rata service
1 September 2009 – 31 August 2010	50%	0.5000 years
1 September 2010 – 31 August 2011	50%	0.5000 years
1 September 2011 – 31 August 2012	50%	0.5000 years
1 September 2012 – 31 August 2013	60%	0.6000 years
1 September 2013 – 31 August 2014	60%	0.6000 years
1 September 2014 – 31 August 2015	60%	0.6000 years
1 September 2015 – 31 August 2016	75%	0.7500 years
1 September 2016 – 31 August 2017	80%	0.8000 years
1 September 2017 – 31 August 2018	80%	0.8000 years
1 September 2018 – 31 August 2019	80%	0.8000 years
1 September 2019 – 31 August 2020	80%	0.8000 years
1 September 2020 – 31 August 2021	80%	0.8000 years
Total Service		8.0500 years

Pension Calculation:

Wholetime salary	Reckonable Service	Pension (1/200 th of salary up to €43,188 for each year of service)
€40,590	8.0500 years	€1,634 per annum

Lump Sum Calculation:

Wholetime salary	Reckonable Service	Lump Sum (3/80th of salary for each year of service)
€40,590	8.0500 years	€12,253

20. Supplementary Pension

Assumptions and related

20.1 In calculating a pension for a Clerical Officers Scheme member (and other fully insured public servants), the State Pension (Contributory) (SPC) is factored into the calculation. Where this happens, it is assumed that the member:

- (a) is entitled to social insurance benefits, and
- (b) is entitled to the maximum personal rate of such benefits.

20.2 However, the member may not qualify for social insurance benefits, or if qualifying, may only be entitled to a reduced benefit. This can arise from insufficient social insurance contributions. In such cases, the member may apply for a **supplementary pension**, to take account of the difference between their personal circumstances and the general assumptions on which the pension calculation is based (see section 20(1) above).

Conditions and calculation

20.3 In order to be considered for a supplementary pension, the member must:

- (a) for reasons outside of his or her control, fail to qualify for a social insurance benefit, or qualify for a social insurance benefit only at a rate which is less than the full State Pension Contributory (SPC) 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 Cost Neutral Early Retirement pension (see section 23), the preserved pension age.

If the employer is satisfied that these preconditions are met, the member may, at the discretion of the employer and subject to the calculation at 20.4, be paid a supplementary pension.

20.4 The supplementary pension payable (if any) is calculated by comparing:

- (a) the amount of the actual Clerical Officer pension awarded to the member plus the amount (if any) of the personal rate of State Pension (Contributory) or other social insurance benefit (e.g. Jobseeker's Benefit) payable to him or her; and
- (b) **the amount of the Clerical Officer pension which would have been awarded to the member if that pension had been calculated by reference to the calculation method for public servants whose pension is not integrated with social insurance.**

If (b) is higher than (a), then a supplementary pension equal to the difference between them is payable. (b) is a “modified” Class D (PRSI) comparator case, whereas (a) is the member’s actual Clerical Officers Scheme pension (not including any supplementary pension), plus any social insurance benefit.

20.5 Notional service is excluded in the calculation of a supplementary pension.

Examples

20.6 The examples below show how supplementary pension eligibility is established and how the payment rate calculated:

Example 1:

A Clerical Officer Scheme member paying Class A PRSI and with salary of €40,590 retires on 31 August 2021. She has 28 years’ service:

Pensionable remuneration	=	€40,590
State Pension (Contributory) annual rate at retirement (31 August 2021)	=	€12,956
3 1/3 x State Pension (Contributory) rate	=	€43,188
Reckonable service	=	28 years

Clerical Officers Scheme Pension

= 1/200 x pensionable remuneration up to €43,188 x service, plus

[there is no pay balance over €43,188 to which 1/80th would be applied]

$\frac{€40,590 \times 28.0000}{200}$	=	€5,683
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Total Clerical Officers Scheme pension: €5,683 per annum

The member qualifies for a reduced-rate benefit from the Department of Social Protection. That benefit is Jobseeker’s Benefit, payable to the member at a personal reduced weekly rate of €159. In annual terms this amounts to **€8,297**.

Therefore, the total annual relevant income for the member, comprising Clerical Officers Scheme pension and the reduced-rate Department of Social Protection benefit is:

€13,980 (€5,683 + €8,297)

Pension calculation for Class D comparator:

If the member had paid the modified rate of PRSI (Class D), then her Clerical Officers Scheme pension would have been calculated as follows:

€40,590 (pensionable remuneration) x 28.0000 years' service x 1/80

= **€14,207**

(This €14,207 is the pension that would be awarded to the member if her pension was based on the calculation method for public servants whose pension is not integrated with social insurance.)

Therefore, the supplementary pension payable is:

Pension payable based on PRSI Class D calculation	€14,207
Pension payable from the Clerical Officers Scheme, plus the reduced rate social insurance benefit (Jobseeker's) being received	€13,980
Supplementary pension payable	€227 (per year)

Example 2:

A Clerical Officers Scheme member paying Class A PRSI and with salary of €40,590 retires on 31 August 2021. He has 19 years' service:

Pensionable remuneration	=	€40,590
State Pension (Contributory) annual rate at retirement (31 August 2021)	=	€12,956
3 1/3 x State Pension (Contributory) rate	=	€43,188
Reckonable service	=	19 years

Clerical Officers Scheme Pension =

1/200 x pensionable remuneration up to €43,188 x service, plus

[there is no balance over €43,188 to which 1/80th would be applied]

$\frac{€40,590 \times 19.0000}{200}$	=	€3,856
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Total Clerical Officers Scheme Pension: €3,856 per annum

The member qualifies for a benefit from the Department of Social Protection. That benefit is Jobseeker's Benefit, payable to the member at the full weekly rate of €203. In annual terms this amounts to **€10,593**.

Therefore, the total annual relevant income for the member, comprising Clerical Officers Scheme pension and the Department of Social Protection benefit is:

€14,449 (€3,856 + €10,593)

Pension calculation for Class D comparator:

If the member had paid the modified rate of PRSI (Class D), then his Clerical Officers Scheme pension would have been calculated as follows:

€40,590 (pensionable remuneration) x 19.0000 years' service x 1/80

= €9,640

(This €9,640 is the pension that would be awarded to the member if his pension was based on the calculation method for public servants whose pension is not integrated with social insurance.)

Therefore, the supplementary pension payable is:

Pension payable based on PRSI Class D calculation	€9,640
Pension payable from the Clerical Officers Scheme, plus the reduced rate social insurance benefit (Jobseeker's)	€14,449
Supplementary pension payable	NONE

Supplementary pension on retirement under Cost Neutral Early Retirement

20.7 Supplementary pension, where appropriate, is only payable to members availing of Cost Neutral Early Retirement (see section 23) on reaching the relevant preserved pension age (60 or 65 years, as appropriate).

Survivor's supplementary pension

20.8 Where a serving or retired member dies, and where his or her surviving spouse or civil partner fails to qualify for a social welfare contributory survivor's pension, or if qualifying is only entitled to a reduced rate of such survivor's pension, then, at the absolute discretion of the Minister for Education, a survivor's supplementary pension may be paid under the scheme, subject to the conditions in section 20.3.

21. Resignation from Service

21.1 Where a member resigns not having accrued the minimum service for preservation of benefits (see section 22 for details), the following options may be available.

- (a) If the member intends returning to employment covered by the Clerical Officers Scheme, then he or she need do nothing in regard to their pension contributions and, on return will accrue further service. The earlier service will be taken into account for calculation of benefit on ultimate retirement.
- (b) If moving to another body that participates in the Public Sector Transfer Network, the member may transfer the service to that body.
- (c) Application by the member for a refund of the contributions paid to the Clerical Officers Scheme. The refund currently payable is the total contributions paid less 20% tax.

21.2 Where the member 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 member intends returning to employment covered by this scheme, then he or she need do nothing in regard to their superannuation contributions and, on return will accrue further service. The earlier service will be taken into account for calculation of benefit on ultimate retirement.
- (b) If the member never returns to any public service employment, then a preserved benefit based on the accrued service will be payable on reaching preserved pension age. (This preserved pension age is 60 years in the case of a person whose employment commenced before 1 April 2004, and 65 years in the case of a person who is a new entrant [see section 15.3]). **NB: A member who has left service must apply for payment of the preserved benefits. Application should be made at least three months before reaching pension age.**
- (c) Transferring Service: If moving to another public sector body that participates in the Public Sector Transfer Network, the member may opt to transfer the service for pension purposes to that body. A member's decision on whether to transfer service to the new employment or instead preserve benefit in the former employment may be influenced by a number of factors, including potential pay progression in the new employment and the comparative range of benefits available in each pension scheme. The Department of Education will not provide any advice to a member on whether to transfer service or not. This is solely a matter for the member themselves.

21.3 As stated at sections 21.1(b) and 21.2(c) above, a member who ceases to be employed as a Clerical Officer and who takes up employment with a body which is a member of the Public Sector Transfer Network may have an option to transfer Clerical Officers Scheme service into that body's pension scheme. Please note however that such transfer is not possible where, on subsequently joining a public service body, the person is a member of the Single Public Service Pension Scheme. Persons who take up employment in the public service on or after 1 January 2013 following a break of more than 26 weeks since previously being employed in the public service normally become members of the Single Public Service Pension Scheme. Therefore, in order for 21.1 (a), 21.1 (b), 22.2 (a) and 22.2 (c) to apply an individual must not have a break of more than 26 weeks between public service employment.

22. Preserved Benefits

Eligibility

22.1 A Clerical Officers Scheme member who:

- (a) leaves the public service having completed a minimum of two years' **qualifying service** (calendar years' service – see section 6.1);
- (b) has not reached the minimum pension age (see section 15);
- (c) is not entitled to immediate superannuation benefits;
- (d) does not avail of Cost Neutral Early Retirement; and
- (e) does not transfer his or her service to another employment,

is entitled to preserved superannuation benefits payable, on application, at the preserved pension age.

22.2 Regarding section 22.1(a) above, note that a minimum of five years' actual reckonable service was required for preserved benefits entitlement in the case of resignations prior to 2 June 2002.

Benefits

22.3 The preserved benefits are:

- (a) preserved lump sum and pension; or
- (b) preserved ill-health lump sum and pension, if approved, prior to reaching preserved pension age,
- (c) preserved death gratuity (if the member dies before an entitlement to preserved pension and lump sum arises);
and
- (d) preserved survivors' and children's pensions, where applicable.

Calculation

22.4 The method of calculation of preserved benefits is as set out in sections 17 and 18. The preserved pension and preserved lump sum are based on:

- reckonable service;
- the member's pensionable remuneration on his or her last day of service; and
- the State Pension (Contributory) (SPC) rate on his or her last day of service;

as increased by reference to salary adjustments occurring between the date of resignation and the date the preserved benefits become payable from.

Payment

22.5 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 member incurs permanent ill-health and satisfies the ill-health retirement qualifying condition that if still serving, he or she would have been eligible to retire on

grounds of incapacity, then the preserved benefits, based on reckonable service at the date of resignation with no ill-health added years, may be paid from the date of the former member's application.

Death prior to payment of preserved benefits

22.6 If a former member with eligibility for preserved benefits dies before preserved pension and lump sum become payable to him or her, a preserved death gratuity equal to the amount of the preserved lump sum is payable, on application, to his or her legal personal representative. A survivor's pension may also be payable based on the former member's reckonable service at the date of resignation, with no ill-health added years.

23. Cost Neutral Early Retirement

23.1 Cost Neutral Early Retirement (CNER) allows qualifying scheme members retire up to ten years before preserved pension age, subject to employer approval. It provides immediate payment of pension and retirement lump sum, both of which are calculated by actuarially reducing the preserved benefit values that would arise if the person was resigning on the early retirement date. This actuarial reduction, which is described in sections 23.4 to 23.6 below, draws on tables of age-graduated reduction factors at section 23.7. For ease of reference these tables are also set out in Appendix 1.

Eligibility

23.2 A member who:

- (i) has completed two years' qualifying service (see section 6.1), and
- (ii) at intended date of early retirement 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.

23.3 The member's application for Cost Neutral Early Retirement must be made and approved not later than the intended early retirement date. This means that the member must be in service in order to apply for CNER; application after resignation is not possible. If a Scheme member resigns with preserved pension entitlements and is subsequently enrolled in the Single Public Service Pension Scheme in a new employment, then that person cannot apply for CNER benefits from the Clerical Officer Scheme.

Calculation

23.4 Members 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 appropriate table at section 23.7 below to the preserved benefit, with adjustment as necessary for exact age (years and days) at retirement.

23.5 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 correct table below (preserved age 60 or 65), 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 correct table below ((a) preserved age 60 or (b) preserved age 65), appropriate to the person's age at his or her next birthday. Where next birthday is the actual preserved age then C = 100%.

23.6 Any unpaid contributions in respect of Survivors' and Children's benefits must be deducted from the "preserved" lump sum. This means that the preserved gross lump sum should first be calculated and the unpaid contributions for survivors' and children's benefits should then be deducted from this amount. The appropriate cost neutral early retirement factor, as determined using the formula at section 23.5 is then applied to the resultant net lump sum. Outstanding main scheme contributions (if any) will be deducted from the lump sum gratuity as appropriate.

CNER Reduction Factor Tables with Examples

23.7 The factors to be applied to convert preserved benefit values to actuarially reduced benefit values are set out in the tables at Appendix 1. They are also set out, with examples, in the Tables at (a) and (b) below:

(a) Preserved age of 60:

Persons 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 Scheme member with a preserved pension age of 60 applies for Cost Neutral Early Retirement, with intended retirement date of 15 June 2021. The date of birth is 2 September 1965.

The member has 31.7863 years' reckonable service at retirement, pensionable remuneration is €40,590, and full-rate PRSI (Class A) applies.

The pension benefit award is calculated as follows:

Cost Neutral Pension Calculation:

Calculate the preserved pension value first:

Pension = (1/200th for salary up to €43,188 plus 1/80th for any balance above that) x service

- €40,590 x 1/200 x 31.7863 = €6,451
- [no pay balance at 1/80th]

Total preserved pension: €6,451

The preserved pension value should then be actuarially reduced by the percentage formula:

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

A = factor in table above relevant to age last birthday (age 55) = 77.8%

B = days since last birthday (period of 3 September 2020 to 15 June 2021) = 286 days

C = factor in table above relevant to age next birthday (age 56) = 81.6%

$$[77.8 + ((286 / 365) \times (81.6 - 77.8))]$$

$$= [77.8 + (0.7836 \times 3.8)]$$

$$= [77.8 + 2.98]$$

$$= 80.78\%$$

Therefore pension above will be actuarially reduced under CNER as follows:

$$\mathbf{€6,451 \times 80.78\% = €5,211 \text{ per annum}}$$

Cost Neutral Lump Sum Calculation:

Calculate the preserved lump sum value first:

Lump sum = Pensionable remuneration x 3/80 x service

- €40,590 x 3/80 x 31.7863 = €48,383

The preserved lump sum value should then be actuarially reduced by the percentage formula:

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

A = factor in table above relevant to age last birthday (age 55) = 90.7%

B = days since last birthday (period of 3 September 2020 to 15 June 2021) = 286 days

C = factor in table above relevant to age next birthday (age 56) = 92.4%

$$[90.7 + ((286 / 365) \times (92.4 - 90.7))]$$

$$= [90.7 + (0.7836 \times 1.7)]$$

$$= [90.7 + 1.33]$$

$$= 92.03\%$$

Therefore lump sum above will be actuarially reduced under CNER as follows:

$$\mathbf{€48,383 \times 92.03\% = €44,527 \text{ per annum}}$$

Example 1A:

In Example 1 just above, the member retires early under CNER terms with a preserved pension age of 60. If he or she were to subsequently die leaving qualifying dependants, then the survivors' and children's benefits payable to those dependants would be calculated by reference to the preserved pension of €6,451, not the actuarially reduced pension of €5,211.

(b) Preserved age 65:

Persons 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 2:

A Scheme member with a preserved pension age of 65 applies for Cost Neutral Early Retirement, with intended retirement date of 28 May 2021. The date of birth is 5 August 1959.

The member has 15.8137 years' reckonable service at retirement, pensionable remuneration is €40,590, and full-rate PRSI (Class A) applies.

The pension benefit award is calculated as follows:

Cost Neutral Pension Calculation:

Calculate the preserved pension value first:

Pension = (1/200th for salary up to €43,188 plus 1/80th for any balance above that) x service

- €40,590 x 1/200 x 15.8137 = €3,209
- [no balance at 1/80th]

Total preserved pension: €3,209

The preserved pension value should then be actuarially reduced by the percentage formula:

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

A = factor in table above relevant to age last birthday (age 61) = 79.0%

B = days since last birthday (period of 6 August 2020 to 28 May 2021) = 296 days

C = factor in table above relevant to age next birthday (age 62) = 83.6%

$$[79.0 + ((296 / 365) \times (83.6 - 79.0))]$$

$$= [79.0 + (0.8110 \times 4.6)]$$

$$= [79.0 + 3.73]$$

$$= 82.73\%$$

Therefore, pension above will be actuarially reduced under CNER as follows:

$$\mathbf{€3,209 \times 82.73\% = €2,655 \text{ per annum}}$$

Cost Neutral Lump Sum Calculation:

Calculate the preserved lump sum value first:

Lump sum = Pensionable remuneration x 3/80 x service

- €40,590 x 3/80 x 15.8137 = €24,070

The preserved lump sum value should then be actuarially reduced by the percentage formula:

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

A = factor in table above relevant to age last birthday (age 61) = 92.5%

B = number of days since last birthday (period of 6 August 2020 to 28 May 2021) = 296 days

C = factor in table above relevant to age next birthday (age 62) = 94.3%

$[92.5 + ((296 / 365) \times (94.3 - 92.5))]$

= $[92.5 + (0.8110 \times 1.8)]$

= $[92.5 + 1.46]$

= 93.96%

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

€24,070 x 93.96% = €22,616 per annum

23.8 The actuarially reduced rate applies throughout the lifetime of the payment of a pension subject to adjustments in line with public service 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).

Survivors' & Children's benefits in relation to Cost Neutral Early Retirement

23.9 Benefits payable to Survivors and Children are not affected by Cost Neutral Early Retirement. This means that any such benefits payable in respect of a member who retired on CNER terms will be the same as if that member had instead resigned with preserved benefits on the date he or she retired early.

Supplementary Pension in relation to Cost Neutral Early Retirement

23.10 Supplementary pensions, where appropriate, are only payable to members availing of Cost Neutral Early Retirement on reaching the relevant preserved pension age (60 or 65 years as appropriate).

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

23.11 Cost Neutral Early Retirement will have an impact on the benefit derived from purchase options. Two reductions will apply:

- (i) Firstly, **the relevant purchase scheme reduction arrangements**, as appropriate including
 - (a) the application in some cases of purchase scheme actuarial reduction factors appropriate to payment of pension at preserved pension age, and specifically in a case where a member with preserved age 60 is purchasing to age 65 (see Appendix 3), and

- (b) the application in all cases of the purchase scheme reduction arrangements applying in the case of early cessation of periodic contributions.
- (ii) Secondly, the resultant purchased service – as reduced, if appropriate, at (a) and in all cases at (b) – will then be added to actual service which will be used to calculate a preserved pension and preserved Lump Sum, with **the relevant Cost Neutral Early Retirement factor** only then being applied to that preserved pension and Lump Sum.

Implications for Social Protection benefits:

23.12 Since the arrangements for securing social insurance credits may vary from time to time, all members should check their individual situation with the Department of Social Protection prior to availing of Cost Neutral Early Retirement. They should also check periodically thereafter as to the up-to-date position. Failure to make these checks could adversely affect any subsequent entitlement to social protection benefits, such as State Pension or social welfare survivor's pension.

24. Retirement on Medical Grounds

Procedure for applying for retirement on medical grounds

24.1 The following procedure is required to be followed in all cases of application for retirement on medical grounds:

- An application for retirement on medical grounds is made by completing two forms:
- RET.D2 (application for benefits) – which is returned to the Pension Unit, Department of Education, Cornamaddy, Athlone, Co. Westmeath.
- TMED 2 form – the member must complete the relevant part of this form and give to his/her treating physician for completion.
- 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.
- On receipt of TMED 2 (including all the necessary reports) and notification from the Pension Unit that RET.D2 has been received, the OHS will contact the member to arrange an appointment.
- The member will attend for a medical assessment, part of which will involve completing an assessment form.
- A recommendation will issue to the Pension Unit, following medical assessment by the OHS.
- A report will be retained on file by the OHS.
- The decision to approve or reject an application for ill-health retirement is made by the Minister for Education in their role as pension scheme provider. The decision is based on the recommendation of the OHS. The member may appeal the recommendation of the OHS to another occupational health physician or service nominated by the Department. The Ill-Health Retirement Procedures will be provided on application for ill-health retirement.

Ill-health vesting period

24.2 The ill-health vesting period means the period of service that must be attained in order that a person approved for retirement on medical grounds can be paid an immediate pension and retirement lump sum. The ill-health vesting period, covering retirements on or after 1 August 2012, is five calendar years' service.

Added years

24.3 Where a member retires on medical grounds having completed at least five years' actual service, notional service may be added to his or her actual service on

the basis set out below, so as to enhance (increase) the retirement pension and lump sum:

Actual Service	Added years:
Between 5 – 10 years	Equivalent amount of added service subject to potential service to age 65. Service doubled or potential service to age 65 – whichever is the lesser.
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.

As can be seen in the above table, "potential service" to age 60 or age 65 may be a factor in determining the amount of added service granted to a medical grounds retiree. The calculation of this potential service for part-time members of the Pension Scheme may be based on the working/attendance pattern at the time of retirement, thereby delivering a lower added years award than would be the case were that person to be a full-time attendee. In certain circumstances a different basis of calculation may apply. In cases where a person's contract requires them to work fluctuating hours, or where a person's normal working hours were reduced in the last three years of pensionable service, a working / attendance pattern may be based on the average annual number of hours worked in the last three years of pensionable service. In all cases of ill-health retirement involving work-sharing members of the Pension Scheme, Department of Public Expenditure and Reform Circular 11 of 2012 (paragraphs 19-20) should be consulted.

24.4 In the event of a member who has retired on medical grounds recovering from an illness and returning to employment, pension will cease. On subsequent retirement, pension and lump sum will be based on total pensionable service, excluding the added years previously awarded on the earlier retirement on medical grounds. In addition, the amount of lump sum paid on the retirement on medical grounds will be recovered from the final lump sum payment.

25. Gratuities

Short Service Gratuity

25.1 A short service gratuity is payable to a Scheme member who retires on medical grounds and who has at least one year of actual reckonable service but less than the ill-health vesting period (five calendar years' service – see section 24.2).

25.2. The amount of the short service 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 that the member has served the scheme membership vesting period** (two calendar years service – see section 6.1).

A member with more than two calendar years' service may opt for a preserved benefits award in lieu of the Short Service Gratuity in the instance at (b) above.

Death Gratuity

25.3 See section 26.1 for details of death gratuity.

Balancing Death Gratuity

25.4 See section 26.2 for details of balancing death gratuity.

Death Benefits

26. DEATH IN SERVICE AND DEATH AFTER LEAVING SERVICE

Death in service

26.1 When a Scheme member dies, whether in service or after retirement:

- (a) a **death gratuity** may be payable to his or her **legal personal representative** (i.e. to his or her estate) – see sections 26.2 and 26.3 below for details; and
- (b) **pensions** may be payable to his or her **surviving spouse / civil partner and qualifying children** – see section 27 for details.

An example covering these both payment categories – (a) and (b) above – following a member's death is given at section 27.17.

26.2 If a **full-time Scheme member** dies in service, his or her legal personal representative is paid a **death gratuity** equal to the greater of:

- (a) the deceased member's pensionable remuneration (see section 16 for details);
or
- (b) the amount of the retirement lump sum which the member would have received if he/she had retired on grounds of ill-health on the date of his or her death.

If a **part-time scheme member** dies in service, his or her legal personal representative is paid a death gratuity equal to the greater of:

- (a) the deceased member's actual salary (not wholtime equivalent salary, see paragraphs 22 and 23 of [Department of the Public Service Circular 11/2012](#));
or
- (b) the amount of the retirement lump sum which the member would have received if he/she had retired on grounds of ill-health on the date of his or her death.

A pension may also be granted to the survivor or any eligible children (see section 27).

Death after retirement

26.3 If a member 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 member's pensionable remuneration, a **balancing death gratuity** equal to the amount of that shortfall is payable to the deceased member's legal personal representative.

A pension may also be granted to the survivor or any eligible children (see section 27).

Payment of death gratuity or balancing gratuity

26.4 In order for any death gratuity (section 26.2) or balancing death gratuity (section 26.3) to be paid, the original probate of the will, or if the member dies intestate original letters of administration, should be submitted to the Department of Education.

27. Survivors' and Children's Benefit

27.1 Provided the Scheme member is also a member of the Survivor's and Children's (S&C) scheme, then Survivor's and Children's benefits are payable. These S&C benefits provide pensions for the survivor and/or dependant children of a member who dies in service or after qualifying for a pension award. Only those Clerical Officers appointed on or after 1 October 1985 and those who availed of an option approved by the Department to join the S&C scheme within the specified time frame are members of the S&C scheme. Please note therefore that the details and examples in respect of S&C benefits below only apply to those members of the Clerical Officers Scheme who are also members of the S&C scheme.

Beneficiaries and qualification

27.2 The beneficiaries of Survivor's and Children's benefits are as follows:

- Spouse / civil partner regardless of date of marriage or civil partnership registration
- All eligible children

27.3 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 child.

Rate of payment

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

Where the member dies in service	A pension equal to 1/12 of the deceased member's salary
Where the member dies on pension	A pension equal to <ul style="list-style-type: none">• 1/12 of the annual retirement pension which the deceased would have had,or• 1/12 of the annual rate of the survivor's pension (see immediately below), whichever is greater.

Thereafter, the spouse/civil partner will receive a survivor's pension as follows:

Where the member dies in service or while in receipt of an ill-health pension	A pension equal to 50% of the pension the member would have had at age 65
Where the member dies on pension	A pension equal to 50% of the member's pension
Where the member dies with an entitlement to a preserved benefit	A pension equal to 50% of the member's preserved pension

Example:

A member dies in service on 1 July 2021 at age 46 with 15 years' service. Her preserved pension age is 65, and her potential service to age 65 is 19 years. Her pensionable remuneration at the time of death was €46,466 per annum.

The survivor's pension payable to the spouse / civil partner is calculated as follows:

Pensionable remuneration	€46,466
State Pension (Contributory) at 1 July 2021	€12,956
Notional member's pension based on 34 years' service (€46,466 x 34.0000 x 1/200)	€7,899
Spouse's / civil partner's pension (€7,899 x 50%)	€3,950

27.5 Where the deceased member has eligible dependant children, a pension will be payable to each such dependant child. The maximum amount of children's pension will be the equivalent of the survivors' pension. Where the deceased leaves a surviving spouse / civil partner and up to three dependant children, the pension payable to each child will be at the rate of one third of the survivor's pension. Where there are more than three dependant children, the maximum amount will be divided equally between the children.

In the example above, if there were two eligible children, the pension payable to each child would be:

$$€3,950 / 3 = €1,317$$

Therefore a total of €2,634 (€1,317 x 2) would be paid out in pensions to the two children.

If there were four eligible children, the maximum payable would be €3,950 divided equally among the four children.

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

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

Contributions

27.7 Scheme members pay Periodic Contributions in respect of Survivors' and Children's benefits. Non-periodic Contributions may also be payable for prior service in respect of which contributions have not been paid.

Periodic Contributions

27.8 Periodic contributions are paid by deduction from salary on a continuous basis. The contribution rate is 1.5% of net pensionable remuneration. Periodic contributions are only payable in respect of periods of pensionable service; they are not paid during periods of unpaid special leave, unpaid sick leave, or sick leave at Temporary Rehabilitation Remuneration (TRR) rate of pay. Contributions are however payable during periods of paid sick leave, whether at full pay or half pay, and the contribution for these periods is 1.5% of net pensionable remuneration (even where sick pay is at half-rate).

Non-periodic Contributions

27.9 Non-periodic contributions are paid (by deduction from retirement lump sum, preserved lump sum, death gratuity or preserved death gratuity, as appropriate) in respect of members who, on 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 Scheme.

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

- (a) for a member who is married or in a civil partnership, all service (including notional service) which is reckonable for survivor's pension;
- (b) for a widowed member or a member who has had a divorce or civil partnership dissolution, the period from the start of the member's reckonable service up to the date of the end of the marriage/civil partnership.

27.11 The non-periodic contribution rate is:

- 1% of net pensionable remuneration for each year of relevant service, less any years in respect of which periodic contributions (or purchase contributions) were paid.

27.12 **Non-periodic contributions are not payable** by any member who was unmarried and not in a civil partnership at all times during his or her membership of the Scheme.

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

- (a) in cases of death in service or retirement on medical grounds (where the spouse or civil partner of the member is credited with the member's potential service to age 65); or
- (b) prior transferred service or any other period of service for which periodic contributions were not paid; or
- (c) added years granted for retirement on medical grounds.

27.14 A member with "pre-Scheme service" (as at (b) in section 27.13) 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 net pensionable remuneration for the corresponding period of service for which contributions are owed. Alternatively the member may "double up" ongoing contributions (or pay some other multiple of ongoing contributions) to discharge the liability.

Example:

A Clerical Officers Scheme member is married and has previous part-time service which amounts to 2.50 years. No contributions were made for Survivors' and Children's benefits and therefore at retirement there is a liability of 2.50 years.

The liability cost is $(2.50 \times 1\%) = 2.50\%$ of net pensionable remuneration to be deducted from the retirement lump sum.

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

Refund of contributions

27.15 Contributions in respect of Survivor's and Children's benefits by Clerical Officers Scheme 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 two years' service);

- (b) 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).

27.16 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.

Combined example – death gratuity and survivor’s pension (covering Sections 26 & 27)

27.17 Maura, a whole-time Clerical Officer and Scheme member dies in service and is survived by her husband Seán. She is a member of the S&C scheme and her details relevant for calculation of death gratuity and survivor’s pension are as follows:

- Born: 31 May 1965
- Died: 24 March 2021
- Service at time of death: 12.6 years
- Salary at time of death: €40,590
- Preserved pension age: 65

Following Maura’s death, the example workings below show how the

- the death gratuity payable to her legal personal representative, and
- the survivor’s pension payable to her husband Seán

are calculated.

Survivor’s pension

Maura’s preserved pension age is 65, and, as she worked whole-time, her potential service at the time of death is 9.1863 years. This is added to her actual service of 12.6 years, to give a total service amount of 21.7863 years.

The survivor’s pension payable to her husband Seán is calculated as follows:

Pensionable remuneration	€40,590
State Pension (Contributory) at 24 March 2021	€12,956
Notional member’s pension based on 21.7863 years’ service (€40,590 x 21.7863 x 1/200)	€4,422
Spouse’s / civil partner’s pension (€4,422 x 50%)	€2,211

Death Gratuity

As stated in section 26.2, the death gratuity payable where a full-time member such as Maura dies in service is equal to the greater of:

- (a) the deceased member's actual pensionable salary received (see paragraphs 22 and 23 of Department of the Public Service Circular 11/2012);
or
- (b) the amount of the retirement lump sum which the member would have received if he/she had retired on grounds of ill-health on the date of his or her death.

Calculate (a)

In Maura's case, (a) just above is €40,590.

Calculate (b)

Calculating (b) – the notional ill-health pension award – requires first ascertaining the number of added years awardable to Maura if she had retired on grounds of ill-health on the date of her death (see section 26.3). In his case, it would be the more favourable of:

- (i) difference between actual service and 20 years, subject to a maximum of potential service to age 65 (which in this case, as she worked full-time, amounts to 9.1863 years),
= $20.0000 - 12.6000 = 7.4$ years
or
- (ii) 6.6667 years, subject to potential service to age 60, which amounts to just 4.1863 years

Since (i) is more favourable than (ii), therefore:

- the added years enhancement is 7.4 years;
- the total service for notional ill-health award is 20 years [$12.6 + 7.4$]; and
- the lump sum awardable to Maura under calculation (b) had she retired on medical grounds on the date of death is €30,443 (calculated as $€40,590 \times 20.0000 \times [3/80]$) = €30,443).

In her case, (a) above – one year's salary of €40,590 – is greater than (b) above – €30,443 – so that

Gross death gratuity = €40,590

Deduction from the gross death gratuity in respect of unpaid Survivors' and Children's contributions must then be assessed. **This non-periodic deduction is calculated at a rate of 1% of net pensionable remuneration per year, based on potential service to age 65** (see section 27.11).

Net pensionable remuneration = €14,677 [€40,590 – (€12,956 x 2)]

Deduction = €14,677 @ 1% per year for 9.1863 years = €1,348

Nett death gratuity = €39,242

Application for Benefits and Payment of Benefits

28. Application for Benefits (including declarations)

28.1 For any pension benefit to be processed, an application form must be completed and submitted to the Pensions Section, Department of Education, Cornamaddy, Co. Westmeath. Each section should be completed, and details of any previous service should be submitted for verification for pension purposes.

28.2 The application form requires a number of declarations to be made. A member who has any other private pension or Additional Voluntary Contribution (AVC) plan should ensure that details of those pension entitlements are included in the completed application form.

28.3 The requirement to make these declarations is a statutory requirement – see section 36.3.

28.4 Particular other application forms which may need to be completed include: D2 Ill Health, NTS 1 Voluntary/Compulsory and Preserved, NTS 3 CNER.

29. Payment of Pensions

29.1 Under the current arrangement, all pensions are paid fortnightly in arrears by Payroll Section. All payments, including payment of the retirement lump sum, are made directly into a bank account. On retirement, a new pay mandate must be completed with the nominated bank account since employers are not permitted to transfer a member's bank account details.

29.2 The Retired Staff Payroll System provides a facility for deductions, such as for health insurance contributions, life assurance policies and Local Property Tax. You will need to contact the service provider to set up deductions from your pension payment. If you wish to have your local property tax deducted from your pension payments, you should contact your local Revenue Office and advise them of your wishes.

Miscellaneous Provisions

30. Abatement of Pension

30.1 Where a member retires, and is subsequently re-employed in the public service, the pension is, where necessary, abated (i.e. reduced) during the period of subsequent employment 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 or she had remained in the post which he or she held on the last day of reckonable service.

Example:

A Scheme member retires on a pension of €8,118. The pensionable remuneration on retirement is €40,590. The member is subsequently re-employed in the public sector on a salary of €37,000 per annum.

Since the combined pension and new salary exceed the pensionable remuneration at retirement by **€4,528** [(€8,118 + €37,000) – €40,590], the pension will be abated (reduced) by that amount.

The pension is therefore reduced to €3,590 (€8,118 – €4,528). This reduction ensures that the combined earnings (pension and new salary) do not exceed €40,590 per annum.

30.2 Please note that in assessing any possible abatement of pension, “the remuneration which the member would have received” in respect of the previous (first) post should be uprated to take account of any pay increases applied to that rate of remuneration following the member's original retirement.

31. Implications of the Family Law Acts

Trustees of schemes under the Family Law Acts

31.1 If a member requires information for pension purposes under the Family Law Acts, the Department of Education are deemed to be the Trustees for the purposes of the Family Law Acts.

Provision of Information under the Family Law Acts

31.2 Parties to proceedings under the Family Law Acts 1995 (Judicial Separation) or 1996 (Divorce) or the Civil Partnership and Certain Rights and Obligations of Cohabitants 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. Please note the following points:

- (a) All requests for information must be made in writing.
- (b) All requests for information must state that the information is required in connection with Family Law proceedings and which Act applies; and
- (c) Spouses and civil partners of members are entitled to general information about the rules of the scheme, but member-specific information can only be supplied with the written consent of the member or on foot of a court order.

Pension Adjustment Orders (PAOs)

31.3 PAOs are orders granted by a court order directing that some or all of the member's superannuation benefits should be paid to the member's spouse or former spouse or registered civil partner and/or dependant children. Such orders are granted only if a decree of judicial separation (under the Family Law Act 1995), divorce (under the Family Law (Divorce) Act 1996) or dissolution of a civil partnership (under the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010) 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.

Implementation of PAOs

31.4 The courts will not make PAOs unless the trustees have seen the draft orders and verified that they are capable of being 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.

Further information on PAOs

31.5 Further information on PAOs is contained in the [Family Law Guidelines](#) published by the Department of Public Expenditure and Reform (edition dated 2 February 2021). That Guidelines document aims to assist trustees of public service pension schemes in the administration and implementation of PAOs in respect of benefits payable under their schemes. It is not however intended to be a legal interpretation of the legislation and should be read in conjunction with the relevant legislation and the [Pensions Authority's Guidance Notes](#). Where trustees are in doubt in relation to the implementation of a PAO, legal advice should be sought.

32. Dispute Resolution and Appeals

32.1 Serving or retired Clerical Officers who have a complaint about a pensions issue should raise it with their employer. If the complaint is not resolved through this process the person making the complaint or a person acting on his or her behalf may apply to the Minister for Education for a determination in relation to a complaint or dispute through the Internal Disputes Resolution (Appeals) Process.

Timescale for certain appeals

32.2 Appeals may be made directly by the member under:

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

These Acts set out strict time limits for the making of appeals. The limits are:

- in the case of Part VII of the Pensions Act, 6 or 12 months from date of termination of employment; and
- in the case of the other two Acts, 6 or 12 months from the date of the claimed contravention to which the appeal relates, or from the date of the termination of the employment, whichever is earlier.

Determination

32.3 The Minister for Education, having considered the appeal, and in advance of the finalisation of the Determination, shall share with the complainant the material on which the Determination will rely. The complainant will then have ten working days/two weeks to respond to this shared evidence. After this period has elapsed, the Minister, shall notify in writing the complainant of the determination which will be (including the sharing period) within 3 months from the date on which all the details specified above at section 32.2 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 Authority, 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 the 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 Financial Services and Pensions Ombudsman has jurisdiction to investigate under section 131 of the Pensions

Act 1990 and that further information can be found in an information booklet available from the Office of the Financial Services and Pensions Ombudsman, Lincoln House, Lincoln Place, Dublin 2, D02 VH29, Telephone (01)5677000 or www.fspo.ie

Financial Services and Pensions Ombudsman

32.4 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 above, the complainant may be entitled to make a complaint to the Financial Services and Pensions Ombudsman.

The Financial Services and 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.

A determination by the Financial Services and Pensions Ombudsman cannot require:

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

Time Limits for Complaints to the Financial Services and Pensions Ombudsman

32.5 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.

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

32.6 Except in exceptional cases, the Financial Services and 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's decision is NOT final as the Minister's determination may be appealed to the Financial Services and Pensions Ombudsman.

Appeals Process

32.7 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 of 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.

33. Pension Adjustments

33.1 Increases in public service pensions are awarded at the discretion of the Minister for Public Expenditure and Reform under Regulations made under section 29 of the Pensions (Increase) Act 1964.

33.2 In practice, general pay increases since 1984 have been passed on to public service pensioners on the same basis as to serving staff. This policy, sometimes known as "pay parity", has been subject to the important exception that:

- where a pay increase is reversing or part-reversing a pay cut; and
- where the pay level following such a pay increase remains lower than the pay rate underlying the pension,

then the pension is not increased.

General pay cuts were imposed across the public service in 2010 (all pay levels affected) and in 2013 (pay levels above €65,000 per annum affected).

33.3 The pay parity policy for pension increases referred to above was confirmed until end-2020 in the *Public Service Stability Agreement 2018-2020* (paragraph 6.2). That Agreement was extended to end-2022 by *Building Momentum - A new public service agreement, 2021-2022* (paragraphs 3.1.1 and 3.1.2). Pension increase policy is covered in more detail in [Department of Public Expenditure and Reform Circular 19/2019: Further instruction on the pension increase policy in the public service until end-2020](#).

33.4 The Minister for Public Expenditure and Reform has power under the Public Service Pensions (Single Scheme and Other Provisions) Act 2012 to make regulations to link public service pension increases to the Consumer Price Index (CPI), in a manner similar to practice in the Single Public Service Pension Scheme. Exercise of this power by the Minister for Public Expenditure and Reform would require approval by both Houses of the Oireachtas.

34. Tax Relief on Superannuation Contributions

34.1 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 as of September 2021):

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

This tax relief is also subject to an earnings limit. The maximum amount of earnings taken into account for calculating tax relief on pension contributions is €115,000 per year.

34.2 Tax relief for periodic purchase contributions is given at source through the payroll, at the member's marginal income tax rate. However, for the 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' and 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, work-sharing / job-sharing / part-time Scheme 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.

34.3 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 or contact www.revenue.ie.

35. Taxation

35.1 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 (No. 2) Act 2013. Where the threshold, or the personal fund threshold (PFT) a person has received from Revenue) is exceeded, an upfront income tax charge of 40% on the chargeable 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. No benefits can be approved until the necessary completed forms have been received by the Scheme administrators.

35.2 In respect of pension accrued after 1 January 2014, the defined benefits factors in the Revenue Commissioners table below provide the age-related “decimal” term which is used in calculation of any “chargeable excess” taxation exposure, of the kind described just above.

Defined Benefit Factors			
Age	Factor	Age	Factor
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

A factor of 20 applies in respect of pension accrued up to 1 January 2014.

Example:

A member retires on 31 August 2021 aged 65 on a pension of €6,718 and a lump sum of €50,388. Pensionable service at retirement is 40 years. The member also has an AVC policy which at drawdown has a fund value of €166,000. We calculate any liability to tax as follows:

The formula applicable is:

[Pension amounts accrued to 01/01/2014 x **decimal** (20)] + [Pension amounts accrued after 01/01/2014 x **decimal** (which is age-related)] + value of any lump sum received

Benefit Amount	Decimal	Amount
Pension from Clerical Officers Scheme of €6,718 x (32.3342/40) (proportion of pension accrued up to 1 January 2014)	20	€108,611
Pension from Clerical Officers Scheme of €6,718 x (7.6658/40) (proportion of pension accrued up to 1 January 2014)	26	€33,474
Lump Sum Clerical Officers Scheme	N/A	€50,388
AVC Fund value at drawdown	N/A	€166,000

Total Benefit: €358,473

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

35.3 With effect from 1 January 2011, the combined value of a person's lump sums from approved Pension Schemes (including defined benefit / defined contribution occupational pension schemes, retirement annuity contracts, PRSAs and Additional Voluntary Contribution (AVC) arrangements) is subject to tax when that combined value exceeds a threshold of €200,000. Under the terms of the Closed Pension Scheme for Qualified Clerical Officers in Primary and Secondary Schools, there is a retirement lump sum limit of 1.5 times retirement salary. Therefore, unless there is a private pension or AVC policy in place, Clerical Officers are not likely to be taxed on their retirement lump sum. However, if the aforementioned threshold is exceeded, tax will apply above that point.

35.4 Tax due on retirement lump sums is calculated as follows:

Lump sum taxation rates	
Amount of lump sum	Income tax rates
Up to €200,000	0%
€200,001 – €500,000*	20%
Over €500,000	PAYE and USC apply

* The upper limit of €500,000 in this band of the table is based on 25% of the standard fund threshold (SFT). The SFT, which is the generally applicable maximum

tax-relieved pension fund for an individual, was set at €2 million in 2014 and that amount continues to apply (as of September 2021). The 20% tax rate on this band is the standard rate of income tax at the time the lump sum is paid. (Source: Revenue Commissioners Pensions Manual, Chapter 27 [“last reviewed September 2019”], paragraphs 3 and 5.)

36. Chapter 4 of the Public Service Pensions (Single Scheme and other Provisions) Act 2012 in so far as it Relates to the Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools

36.1 Chapter 4 (sections 49–54) of Part 2 of the Public Service Pensions Single Scheme and Other Provisions) Act 2012 deals with “**Provisions Applicable to all Public Service Pension Schemes**”. It became fully operational with effect from 1 November 2012.

36.2 Chapter 4 of the Act brings several provisions together in one area of primary legislation, including:

- a 40-year limit on total pensionable service across membership of one or more “**pre-existing**” public service pension schemes;
- extending the scope of pension abatement: and
- several provisions designed to support efficient pension administration.

“**Pre-existing**” schemes are the pension schemes to which public servants recruited before 2013 belong; the definition includes the Closed Pension Scheme for Qualifying Clerical Officers in Primary and Secondary Schools but excludes the Single Public Service Pension Scheme.

36.3 The relevant sections in Chapter 4 of the Act can be summarised as follows:

- **Section 49 (Duty to give information, etc)**
When a member is applying for a pension or is in receipt of a pension, there is 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. This section allows the PPSN to be shared with other public bodies for pension administration purposes.
- **Section 51 (Duty to make declarations, etc)**
There is a duty on a person taking up employment to give details of any entitlement to any preserved benefit and to notify the employer if he or she is in receipt of any retirement benefits. This requirement is further underpinned by the Data Sharing and Governance Act 2019.
- **Section 52 (Abatement and reckoning of pensionable service)**
 - Section 52 **extends the scope for abatement (reduction) of a public service pension** where the retired public servant to whom the pension is payable returns to work in the public service. Subject to the pay and pension specifics of each case, such abatement can now happen regardless of the particular area of the public service in which the

pensioner returns to work. An abatement example is given in section 30 of this Handbook.

- Section 52 also imposes an overall **cap of 40 years' service** across membership of one or more "pre-existing" public service pension for the calculation of retirement benefits. Further details of this 40-year service cap are given in [Department of Public Expenditure and Reform Circular 13/2020: Guidance on the application of the Pensions Benefit Cap under section 52 \(6\) and \(7\) of the Public Service Pensions \(Single Scheme and Other Provisions\) Act 2012](#).

- **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 service body. The benefits can be reduced to recoup this loss.

- **Section 54 (Survivor's entitlement to pension)**

Section 54 limits the payment of a Survivor's Pension under the Scheme to one deceased member. However, if a case arises where a deceased member was entitled to receive more than one public service pension, the surviving spouse/civil partner may receive more than one survivor's pension.

Appendix 1: Cost Neutral Early Retirement – Tables of Actuarial Reduction Factors

(a) Preserved age 60:

Persons 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%

(b) Preserved age 65:

Persons 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%

Appendix 2: Notional Service Purchase – Tables of Contributions Payable

TABLE A – Purchase by reference to age 65, periodic contribution rates
 [These rates also appear in Table 9 of Appendix 1 to Circular 0129/2006.]

Age next birthday	Integrated (Class A PRSI)*	
	% of net salary	% of gross salary
26	0.66%	0.09%
27	0.69%	0.09%
28	0.71%	0.10%
29	0.73%	0.10%
30	0.76%	0.10%
31	0.78%	0.11%
32	0.80%	0.11%
33	0.82%	0.11%
34	0.85%	0.12%
35	0.87%	0.12%
36	0.89%	0.12%
37	0.91%	0.13%
38	0.93%	0.13%
39	0.95%	0.14%
40	0.97%	0.14%
41	0.99%	0.14%
42	1.02%	0.15%
43	1.04%	0.15%
44	1.06%	0.16%
45	1.09%	0.17%
46	1.12%	0.17%
47	1.18%	0.18%
48	1.26%	0.20%
49	1.34%	0.21%
50	1.43%	0.22%
51	1.54%	0.24%
52	1.66%	0.26%
53	1.80%	0.29%
54	1.97%	0.31%
55	2.18%	0.35%
56	2.42%	0.39%
57	2.73%	0.44%
58	3.13%	0.51%
59	3.66%	0.60%
60	4.40%	0.72%
61	5.51%	0.91%
62	7.37%	1.22%
63	11.07%	1.85%

* See Footnote to Table C.

TABLE B – Purchase by reference to age 65, lump sum contribution rates
 [These rates also appear in Table 10 of Appendix 1 to Circular 0129/2006.]

Age next birthday	Integrated (Class A PRSI)
	% of gross salary
26	27.0%
27	27.5%
28	27.9%
29	28.3%
30	28.7%
31	29.0%
32	29.3%
33	29.5%
34	29.6%
35	29.7%
36	29.8%
37	29.7%
38	29.7%
39	29.5%
40	29.3%
41	29.1%
42	28.8%
43	28.4%
44	28.0%
45	27.5%
46	27.0%
47	26.4%
48	25.8%
49	25.1%
50	24.4%
51	23.6%
52	22.8%
53	22.0%
54	21.4%
55	21.7%
56	21.9%
57	22.1%
58	22.3%
59	22.6%
60	22.8%
61	22.8%
62	22.4%
63	22.5%
64	23.9%
65	23.2%

TABLE C – Purchase by reference to age 60, periodic contribution rates
 [These rates also appear in Table 11 of Appendix 1 to Circular 0129/2006.]

Age next birthday	Integrated (Class A PRSI)*	
	% of net salary	% of gross salary
21	0.77%	0.09%
22	0.80%	0.10%
23	0.83%	0.10%
24	0.85%	0.11%
25	0.88%	0.11%
26	0.91%	0.11%
27	0.94%	0.11%
28	0.96%	0.12%
29	0.99%	0.12%
30	1.00%	0.12%
31	1.03%	0.13%
32	1.06%	0.13%
33	1.08%	0.14%
34	1.11%	0.14%
35	1.13%	0.14%
36	1.15%	0.15%
37	1.18%	0.15%
38	1.21%	0.16%
39	1.24%	0.17%
40	1.27%	0.17%
41	1.30%	0.18%
42	1.37%	0.19%
43	1.46%	0.20%
44	1.55%	0.21%
45	1.66%	0.23%
46	1.78%	0.25%
47	1.93%	0.27%
48	2.09%	0.29%
49	2.29%	0.32%
50	2.52%	0.35%
51	2.81%	0.39%
52	3.17%	0.45%
53	3.63%	0.51%
54	4.24%	0.60%
55	5.10%	0.73%
56	6.38%	0.92%
57	8.53%	1.23%
58	12.81%	1.86%

FOOTNOTE: * Contributions are payable on both Net Salary and Gross Salary. "Net Salary" = gross salary less twice the maximum personal rate of State Pension (Contributory). (This footnote also applies to Table A above.)

TABLE D – Purchase by reference to age 60, lump sum contribution rates
 [These rates also appear in Table 12 of Appendix 1 to Circular 0129/2006.]

Age next birthday	Integrated (Class A PRSI)
	% of gross salary
21	31.0%
22	31.6%
23	32.1%
24	32.6%
25	33.0%
26	33.3%
27	33.6%
28	33.9%
29	34.0%
30	34.2%
31	34.2%
32	34.2%
33	34.1%
34	33.9%
35	33.7%
36	33.4%
37	33.0%
38	32.6%
39	32.1%
40	31.6%
41	30.9%
42	30.3%
43	29.5%
44	28.7%
45	27.9%
46	27.0%
47	26.0%
48	25.1%
49	24.6%
50	24.8%
51	25.1%
52	25.3%
53	25.5%
54	25.8%
55	26.0%
56	26.0%
57	25.5%
58	25.1%
59	25.7%
60	26.3%

Appendix 3: Notional Service Purchase – Tables of Actuarial Reduction Factors

This Appendix 3 contains two tables. As is clear from the table headings;

- the first table relates to cancellation of agreements to **purchase service to age 65**;
- the second table relates to cancellation of agreements to **purchase service to age 60**.

For details of situations which require the use of these tables, please see sections 14.10 and 23.11.

Actuarial reduction factors which may apply on cancellation of an agreement to purchase to age 65		
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 which may apply on cancellation of an agreement to purchase to age 60		
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%