



Your Superannuation Scheme Explained

**EMPLOYEES PAYING MODIFIED (CLASS D) PRSI
WHO ARE NOT NEW ENTRANTS**

**[FOR THE PURPOSES OF THE PUBLIC SERVICE SUPERANNUATION
(MISCELLANEOUS PROVISIONS) ACT 2004]**

i.e. those who joined the Public Sector prior to 6th April 1995

Explanatory Booklet on The Child and Family Agency Superannuation Scheme (covering Staff and Survivors & Children's Pension Benefits)



WELCOME

The purpose of this Booklet is to provide general information on superannuation entitlements for staff members in a format that is easy to understand. That said, the Booklet is not a definitive legal interpretation of the superannuation provisions covering The Child and Family Agency staff, nor does it purport to deal with every query that may arise concerning superannuation. Care has been taken to ensure that it is accurate but nothing can override the formal rules of The Child and Family Agency Superannuation Scheme.

The superannuation provisions set out in this Booklet apply equally to men and women. The Child and Family Agency (see question 47) should be consulted should any staff member have a particular query which is not covered in the Booklet.

1. What is the basis for The Child and Family Agency Superannuation Scheme 2016?

Section 54 of The Child and Family Agency Act 2013 (No. 40 of 2013) gives The Child and Family Agency the power to make superannuation schemes for staff of The Child and Family Agency with the approval of the Minister for Children and Youth Affairs and the consent of the Minister for Public Expenditure and Reform.

The Child and Family Agency, with the approval of the Minister for Children and Youth Affairs and the consent of the Minister for Public Expenditure and Reform, will adopt the Rules For Pre-Existing Public Service Pension Scheme Members set out in S.I. No. 582 of 2014 for the purposes of the making of a Superannuation Scheme for The Child and Family Agency.

2. What type of Scheme is it?

The scheme is a defined benefit scheme for the purposes of the Pensions Act 1990. In other words, benefits under the schemes are calculated by reference to a member's pensionable service and pensionable pay at retirement. The cost of the benefits is met on a "pay-as-you-go" basis, i.e. benefits are paid each year out of current revenue.

I PERSONAL BENEFITS

3. What benefits does the Scheme provide?

The main benefits are

- retirement pension and lump sum (question 10)
- death in service gratuity (question 16)
- survivors' and children's pensions (questions 27 - 43).

4. Who is eligible to join the Scheme?

If you are appointed to a pensionable post with The Child and Family Agency you must join the Scheme. Membership is compulsory for all permanent and contract staff.

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

The benefits will normally depend upon one or more of the following factors:

- (a) your basic salary
- (b) your pensionable allowances, if any i.e. allowances in the nature of pay lawfully determined or lawfully approved by The Child and Family Agency, which are designated as pensionable by The Child and Family Agency, but excluding certain payments such as overtime,

(c) your service (questions 7, 12, 21, 22 and 23).

6. Are contributions payable towards the benefits of the Scheme?

Contributions are payable towards your own retirement pension and lump sum benefits at the rate of 5% of your basic salary and pensionable allowances. In addition, contributions are payable towards spouses' and children's pensions (question 37).

7. What service is reckonable for benefits?

- paid service as a pensionable employee;
- temporary wholtime service prior to becoming a member of the Scheme for which contributions have been paid;
- part-time service prior to becoming a member of the Scheme, provided certain conditions are fulfilled;
- certain other service transferred from other public sector bodies (question 22);
- additional or added service allowed in certain circumstances (questions 12 and 21);
- certain service in respect of which you may already have received a refund of contributions provided you make an appropriate repayment;
- service credit in respect of a transfer value received from a private pension scheme or arrangement or a foreign pension scheme using the relevant Purchase of Notional Service Scheme tables.

8. On what rate of pay are benefits calculated?

Your benefits are based on your pensionable pay which, in most cases, means your basic salary, plus any pensionable allowances, on the date of retirement or death. If, however, you change grade or receive a personal increase in salary within the last 3 years of service – other than a general or grade increase or normal increments - an average salary figure will be used. This averaged figure will reflect the time spent in each post during the last 3 years of service and the salary of each post at the time of your retirement.

Pensionable allowances are assessed on the basis of the best 3 consecutive years in the final 10 years of reckonable service. The pensionable allowances earned in whichever 3 year consecutive period is the best are averaged over that period. If the best 3 consecutive year period is other than the final 3 years of reckonable service, the amount of the averaged allowance(s) is uprated to the values appropriate to the last 3 years of reckonable service.

9. When are benefits payable?

Retirement pension and lump sum are payable on retirement. Maximum retirement age is 65 but you may retire at any time after reaching age 60 (or

before that age on grounds of ill-health – see question 12). A minimum of 2 years' reckonable service is required for pension and lump sum. You may retire or resign on grounds of ill-health before age 60 with immediate payment of retirement pension and lump sum provided you have at least 5 years' reckonable service. If you resign voluntarily before age 60 with at least 2 years' reckonable service and do not transfer to another organisation whose pension scheme allows for the reckoning of your service under The Child and Family Agency Superannuation Scheme, you may qualify for a preserved pension and lump sum at age 60, on written application by you or you may, instead, opt for cost neutral early retirement provided you are at least age 50 (see question 19).

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

The Scheme is designed to give you the maximum pension of 50% of pensionable pay and the maximum lump sum of one and one-half times pensionable pay after 40 years' service. Subject to a minimum requirement of 2 years' reckonable service (for all retirements at or over age 60) or 5 years' reckonable service (for ill-health retirements before age 60), pension and lump sum are payable for each year of reckonable service (with fractions of a year counting proportionately) at the following rates:

Pension: 1/80th of pensionable pay.
Lump Sum: 3/80ths of pensionable pay.

Example:

A person retires at age 61 with 34.36 years' reckonable service and pensionable pay of €50,000. The entitlements are calculated as follows:

$$\text{Pension} = \text{€50,000} \times 34.36 \times \frac{1}{80} = \text{€21,475.00}$$

$$\text{Lump Sum} = \text{€50,000} \times 34.36 \times \frac{3}{80} = \text{€64,425.00}$$

If you resign before age 60 and qualify for a preserved pension and lump sum, they will be based on your pensionable pay on the date of your resignation adjusted to take account of pay changes for your grade and point on scale between that date and your 60th birthday.

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

Subject to certain conditions you may retire with the approval of The Child and Family Agency on ill-health grounds.

12. What benefits are payable if I retire on ill-health grounds?

A pension and lump sum, calculated in the same way as an age retirement pension and lump sum (see question 10) will be paid to you provided you have a minimum of 5 years' reckonable service (if under age 60) or 2 years' reckonable

service (if age 60 or over). As well as your actual service you may be allowed an additional period of notional service provided you have at least 5 years' reckonable service. This added service, which is calculated by reference to the length of your actual service, is to compensate you for the fact that you have to retire prematurely. An addition of 6 2/3rds years (6 years 243 days) is common. The maximum addition is 10 years but very few, if any, employees will qualify for this. The actual addition allowable in any case will depend on the employee's age and service as follows:

- (a) a member with between 5 and 10 years actual service is credited with an equivalent amount of added service, provided this does not exceed the additional service which the member would have accrued if he/she had remained in employment up to age 65 or, if earlier, the date on which the member's contract of employment would expire;
- (b) a member with between 10 and 20 years actual service is credited with the more favourable of –
 - (i) an amount of service equal to the difference between actual service and 20 years (provided this does not exceed the additional service which the member would have accrued if he/she had remained in employment up to age 65 or, if earlier, the date on which the member's contract of employment would expire); or
 - (ii) 6 years and 243 days, provided this does not exceed the additional service which the member would have accrued if he/she had remained in employment up to age 60 or, if earlier, the date on which the member's contract of employment would expire);
- (c) a member with more than 20 years actual service is credited with the same award of added service as at (b)(ii) above.

If you retire on ill-health grounds with at least 1 year and less than 2 years' reckonable service, you will not qualify for a pension and lump sum. However, a short service gratuity, related to your actual service, will be paid to you (see question 24).

If you retire on ill-health grounds before age 60 and have at least 2 years and less than 5 years' reckonable service, you will be given a once-off irrevocable option of accepting a short service gratuity (see question 24) in lieu of a preserved pension and lump sum (see question 19). To assist you in making your option, you will be given relevant information, including -

- an estimate of the benefits available under each option
 - a statement that where you opt to receive the short service gratuity, contributions paid by you in respect of Survivors' and Children's Pension
-

- benefit will be refunded and that the refund will discharge The Child and Family Agency's liabilities under that Scheme
- the time-limit within which the option must be exercised.

All options must be given in writing. If you do not exercise an option in writing within the time-limit specified by The Child and Family Agency, you will be deemed to have decided to avail of preserved lump sum and pension and will be notified accordingly.

There is no ill-health addition to service in either of these options.

13. For how long is my pension paid?

Your pension is paid for the period of your lifetime.

14. Is there any provision for my pension to be adjusted after I retire?

Under current policy your pension (or any survivor's and children's pension payable after your death) is generally linked to the pay of your former grade. This policy may change however and it should be noted that pensions have been reduced in line with Financial Emergency legislation enacted over the period 2010 to 2015.

15. Are benefits affected if I become re-employed by The Child and Family Agency or elsewhere in the public sector after I retire or resign?

Yes. You should contact The Child and Family Agency for more information if this situation arises.

16. What benefits would apply if I died in service?

Your legal personal representative would receive the greater of:

- (a) one year's pensionable pay (at the rate applicable on the date of your death), or
- (b) the lump sum that would have been paid to you had you retired on ill-health grounds on the date of your death (questions 10 and 12).

In addition, if you are covered for Survivors and Children's Pension benefit, a pension will be payable to your survivor and children (questions 27 - 43).

17. What benefits would apply if I died after retirement?

If at the time of your death the total pension received by you since your retirement, together with the amount of your retirement lump sum, amounts to

less than the gratuity that would have been paid to you had you died in service on the date of your retirement, a sum equal to the deficiency will be paid to your legal personal representative.

If you are covered for Survivors and Children's Pension benefit, 50% of your pension would be payable to your survivor – please refer to the section on Survivors' & Children's Pension Benefits for full details.

18. What happens if I leave the service of The Child and Family Agency otherwise than by reason of age or ill-health retirement?

If you resign voluntarily you may either transfer your pension rights to an approved organisation (question 22) or, if you have at least 2 years' reckonable service, qualify for a preserved pension and lump sum (question 19).

19. How or when do I qualify for preserved benefits and what is cost neutral early retirement?

If you resign before age 60 -

- (a) other than on ill-health grounds with at least 2 years' reckonable service and you are not transferring your service to another organisation whose pension scheme allows for the reckoning of your service under The Child and Family Agency Superannuation Scheme (see question 22), or
- (b) on ill-health grounds with at least 2 years' reckonable service and do not opt in writing to receive a short service gratuity (question 12),

your pension and lump sum entitlement is preserved to age 60. As explained in questions 9 and 10 you must apply in writing for these benefits on reaching age 60 and they will be based on your reckonable service and on your pensionable pay on the date of your resignation adjusted to take account of pay changes between that date and your 60th birthday for your grade and point on scale. Preserved pension and lump sum will become payable earlier than your 60th birthday if you fall permanently ill before that date. Should you die before reaching age 60 a preserved death gratuity (calculated in the same manner as a preserved lump sum) will be payable to your legal personal representative.

As an alternative to taking preserved benefits, you may, provided you are at least 50 years of age, decide to retire and take immediate payment of pension and lump sum in which case the benefits will be actuarially reduced to take account of the early payment of the lump sum and the longer period over which pension would be paid. This facility is known as cost neutral early retirement and the application to draw down these benefits must be made not later than the date of resignation. The amount of the actuarial reduction will depend on your age on resignation. Further information, including the actuarial reduction rates and other general conditions, is available from The Child and Family Agency.

² Survivors' pension is payable to a spouse (or a civil partner where the partnership is recognised under the Civil Partnership legislation).

20. Can I obtain a refund of my contributions in any circumstances?

Your contributions (less an appropriate deduction for income tax – currently 20%) will be refunded to you if you resign with less than 2 years' reckonable service and are not entitled to transfer your service (question 22). Otherwise contributions are not refundable in any circumstances.

21. What are added years or additions to service?

Notional service or added years may be awarded in certain circumstances

- on ill-health retirement (question 12), and
- where certain professional, technical, specialist qualifications and/or experience are required for appointment.

In no circumstances can the purchase of or granting of additional service result in an entitlement to more than 40 years service / 50% of pensionable pay as pension.

22. What does transferred service mean?

Under approved arrangements you are able to transfer your service to or from a variety of public sector organisations such as the civil service, the local authority and health sectors, the Garda Síochána, the Defence Forces, the teaching sector and certain other state or semi-state bodies. The Child and Family Agency (see question 47) will be able to advise you of the full extent of these transfer of service arrangements.

You should notify The Child and Family Agency of any previous employment and if you are resigning you should give details of your prospective employer, if any, to The Child and Family Agency so that a transfer of your service can be arranged, if possible.

23. What can I do if I have a shortfall of service?

You may purchase additional notional service at full actuarial cost to yourself. Details of the cost of purchase and the limits on the amount of notional service you may purchase are available from The Child and Family Agency.

Alternatively, you may be able to contribute to an approved Additional Voluntary Contribution (AVC) Plan. However, this is outside of The Child and Family Agency's Superannuation Scheme.

24. What is a short service gratuity?

A short service gratuity may be paid to you if you are forced to retire permanently on ill health grounds after at least 1 year's service before you have

the required service to qualify for a lump sum and pension. It may also be paid in lieu of preserved benefits if you retire or resign on ill health grounds with between 2 and 5 years' service and opt for same (see question 12).

The gratuity amounts to 1/12th of pensionable remuneration for each year and fraction of service. In addition, if you have over 2 years' service, an extra sum amounting to 3/80ths of pensionable remuneration for each year and fraction of service is payable.

No Survivors' and Children's Pension is payable on the subsequent death of the former member.

25. What is the Survivors' and Children's Pension?

A brief explanation is set out at questions 27 – 43.

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

All lump sum payments (including gratuities) up to a limit of €200,000 are exempt from income tax.

Pensions are subject to income tax in the ordinary way.

Additional tax is payable in the event that a member's total pension benefits exceed the Standard Fund Threshold (currently €2 million). The accompanying document "The Child and Family Agency Summary Pensions Information" contains more information (see notes 9 to 13 of that document) about the Standard Fund Threshold and lump sum taxation.

Contributions payable towards the Scheme would normally qualify for income tax relief (subject to certain limits) and are deducted from salary before tax.

II SURVIVORS'² AND CHILDREN'S PENSION BENEFIT

27. What is Survivors' and Children's Pension Benefit?

It is a pension for the survivor and/or dependent children of a member who dies in service or after qualifying for a pension or preserved pension.

28. Who qualifies for the Survivors' and Children's Pension?

The survivor and children of a deceased Scheme member will qualify.

29. Can I opt out of Survivors' and Children's cover?

No.

30. How are survivors' and children's pensions calculated?

If you die in service or after retirement on ill-health grounds the survivor's and children's pensions will be calculated by reference to the pension you would have received had you continued in pensionable employment up to age 65 or, if earlier, the date on which your contract of employment would expire (this is known as your potential pension).

In all other cases the survivor's and children's pensions will be calculated by reference to your actual pension entitlement. It should be noted that any decision to opt for cost neutral early retirement in lieu of preserved benefits (question 19) will not affect survivor's and children's pension benefit, i.e. the survivor's and children's pension benefit will be the same as if the option had been for preserved benefits.

Subject to the foregoing, pensions are calculated according to the following table:

Details of Dependants	Fraction of your pension or potential pension payable to survivor Incoming	Fraction of your pension or potential pension payable to children Resolved	Total Fraction of your pension or potential pension payable
Survivor	$\frac{1}{2}$	-	$\frac{1}{2}$
Survivor and 1 child	$\frac{1}{2}$	$\frac{1}{6}$	$\frac{2}{3}$
Survivor and 2 children	$\frac{1}{2}$	$\frac{1}{3}$	$\frac{3}{6}$
Survivor and 3 children	$\frac{1}{2}$	$\frac{1}{2}$	Full amount
1 child	-	$\frac{1}{3}$	$\frac{1}{3}$
2 or more children	-	$\frac{1}{2}$	$\frac{1}{2}$

Example A

A member dies in service at age 50 with 20 years' service and pensionable pay of €60,000. Had the member served to age 65, the service would have been 35 years. The member leaves a spouse and one eligible child. The pensions payable to the spouse and child are as follows:

Spouse's Pension: $\frac{1}{2} \times 35/80 \times €60,000 = €13,125$

Child's Pension: $\frac{1}{6} \times 35/80 \times €60,000 = €4,375$

Example B

A member retires on ill-health grounds at age 56 with 29 years' service and pensionable pay of €80,000. Had the member served to age 65, the service would have been 38 years. The member leaves a spouse. The pension payable to the spouse is as follows:

Spouse's Pension: $\frac{1}{2} \times 38/80 \times €80,000 = €19,000$

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

31. Who is regarded as a "child" for the purposes of the Scheme?

A person under 16 years of age or, if receiving full-time education or training, 22 years of age. Subject to certain conditions, no age-limit applies where a child is incapable of maintaining himself or herself because of mental or physical infirmity.

32. To whom are children's pensions payable?

Children's pensions are the entitlement of the children concerned and, as such, are payable to the children.

33. My survivor has already died - can I provide for my children under the Scheme?

Yes - your children would be covered under the Scheme.

34. I have four children - can I provide for all of them?

The children's pension is for the joint benefit of all your children. If you leave a survivor and three or more children, the maximum children's pension will be payable. Similarly, if you leave no survivor the maximum children's pension will be payable so long as at least two children remain eligible. Children's pension is divided equally among all eligible children. In your case each child would receive one-quarter of the total children's pension payable. Put another way, if the survivor is still alive, it takes three children to qualify for the maximum children's pension. If the children are orphans, then it takes two children to qualify for the maximum children's pension.

35. If my survivor dies what happens to the children's pension?

It depends on the number of children. If there is one child under 16, or under 22 if receiving full-time education, or incapable of maintaining himself or herself because of mental or physical infirmity, the pension goes up from one-sixth of the amount of your pension to one-third and, if there are two such children, from one-third to one-half. If there are three or more such children the total amount of their pension remains unchanged (this is because three children

would have resulted in the maximum children's pension being paid while the survivor was still alive).

36. If my survivor re-marries or co-habits or enters a civil partnership, what happens to the pension and the children's pension?

The survivor's pension stops. The Child and Family Agency may restore it if the marriage or civil partnership has ceased because of the death of the other person concerned, or has been duly dissolved, or if The Child and Family Agency is satisfied that co-habitation has ceased or that compassionate grounds for payment of the pension subsequently arise. The children's pension also stops unless The Child and Family Agency directs otherwise.

37. Do I have to contribute towards the Survivors' and Children's pension benefits?

Yes. The contributions take the form of a periodic contribution of 1.5% of pay, plus a deduction of 1% of pensionable pay at retirement or death in respect of each year of reckonable service for which contributions from pay have not been paid.

If you gave reckonable service prior to the date from which periodic contributions commenced a deduction from the lump sum or death gratuity would normally be due. However, you may opt instead to contribute for that service by extra contributions from pay provided certain conditions are fulfilled. Further information in relation to extra periodic contributions is available from HR.

38. For how long do I have to contribute?

Your survivor gets a pension which is calculated on your actual pensionable service plus, if you die in service or after retirement on ill-health grounds, potential service to age 65 or, if earlier, the date on which your contract of employment would expire. The total is your "reckonable service" and you must therefore pay contributions to cover the whole of that service (see question 30).

39. Please tell me more about the system of contributions?

Contributions, once started, will continue until you are pensioned or die, even if you do not marry or enter a civil partnership or if your survivor should die. (See, however, the provisions described under questions 40, 41 and 42 below).

40. Are my contributions refunded if I retire without a pension myself?

Yes. Contributions (less an appropriate deduction for income tax) are returnable if your service terminates without entitlement to pension or preserved pension (i.e. if you have less than 2 year' pensionable service) unless you transfer your service for superannuation purposes to another organisation (see question 22).

41. Do I have to go on contributing if my survivor dies while I am serving?

Yes. However, years after the death of your survivor during which you paid periodic contributions will, unless you have married again or entered a civil partnership before retirement, be offset against any years for which you may be liable for contributions. What this means is that if a member was married or in a civil partnership for part of his/her membership of the scheme, then contributions continue to be paid after the survivor's death. The total contributions liability if any will be assessed on pensionable service on the date of the survivor's death.

42. Are my contributions refunded if I remain unmarried or have not entered a civil partnership throughout the time that the Child and Family Agency Superannuation Scheme applies to me?

Generally, no. However, certain staff may be members of the Old Survivors' and Children's Pension Scheme (which does not cover marriages after retirement), as opposed to the Revised Scheme (which does), and they will be entitled to have their contributions refunded if they were unmarried or did not enter into a civil partnership during their membership of the Scheme, subject to deduction of relevant income tax. Further information about the Survivors' and Children's Pension Scheme which applies to you is available from HR.

43. Does being covered for Survivors' and Children's Pension benefit affect my own pension?

No.

III COMPLAINTS/DISPUTES**44. Have I a right to make a complaint about any aspect of my pension entitlement?**

Yes. If you are unclear about your entitlements or are unhappy about any decision made by The Child and Family Agency in relation to your pension position, you should contact The Child and Family Agency and ask them to explain the position fully to you. If, following this contact, the matter has not been settled to your satisfaction, you may avail of a formal Internal Disputes Resolution Procedure (IDRP). Under this procedure, you may appeal to the Minister for Children and Youth Affairs who will refer the complaint or dispute to the Minister for Public Expenditure and Reform for determination.

Should you still have a complaint or dispute following IDRP, you may, depending on the nature of the complaint or dispute, be entitled to refer the

matter to the Pensions Ombudsman for determination. Information concerning IDRPs and the role and functions of the Pensions Ombudsman is available from the Office of the Pensions Ombudsman, 4th Floor, Lincoln House, Lincoln Place, Dublin 2 – telephone 01 6766002 – or on the Pensions Ombudsman’s website <http://www.pensionsombudsman.ie>

IV ADDITIONAL INFORMATION

45. Is the scheme registered with the Pensions Authority?

The Scheme awaits ministerial approval before it can be a member of the Pensions Authority.

46. What is a Pension Adjustment Order?

In the event of judicial separation or divorce under the Family Law Acts, a Court Order for a Pension Adjustment Order in respect of the retirement or contingent benefits (benefits arising from death in service) payable to or in respect of a member may be sought and made. The Family Law Acts have been amended to cover civil partnerships as well as marriages. Further information about the operation and impact of Pension Adjustment Orders may be obtained from The Child and Family Agency.

47. Is there any other information available regarding my pension entitlements?

For generic high level enquires in relation to the superannuation scheme provisions to be routed to Gerry.mescall@hse.ie ; HSE Pensions Manager, Standards and Quality

Specific requests relating to service and benefits to be routed to francis.haran@hse.ie HSE Pensions Management Business Manager for assignment to the relevant local area superannuation manager.



An Ghníomhaireacht um
Leanaí agus an Teaghlach
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