



*To CHIEF EXECUTIVE OFFICERS OF
VOCATIONAL EDUCATION COMMITTEES*

CIRCULAR LETTER PEN 1/02

**Purchase of actual service given
in Secondary, Community and Comprehensive Schools**

1. The PCW Agreement introduced provisions for the purchase for pensions purposes of actual service given in secondary, community and comprehensive schools. The details of the scheme were notified to all first and second level schools and to all VECs in September 1997, with a reminder issuing in August 1998. Circular letters 26/97, 26a/97 and 31/98 refer. The closing date for receipt of applications in the Department was 30 October 1998.
2. Over 10,000 applications to purchase actual service were received in good time, including some 700 from vocational teachers who had formerly taught in secondary, community and comprehensive schools. The applicants were later requested to indicate whether they wished to purchase up-front, on the basis of pay at date of application, or purchase at retirement, on the basis of pensionable remuneration at retirement. Some 300 vocational teachers have indicated that they wish to purchase up-front and it is intended to process these applications over the coming months.
3. It was originally envisaged that the option to purchase service under the PCW Scheme would **not** be available to teachers who applied after the closing date. Following a review of the arrangements, it has been decided that a teacher whose application was not received in good time, or not received at all, **will still have the option of purchasing at retirement** (on the basis of pensionable remuneration at retirement).

(A teacher who has applied in good time will, of course, have the option of paying the contribution due up-front by way of a **lump sum** calculated on the basis of pay on date of application **or** of paying at retirement on the basis of pensionable remuneration at retirement.)

4. Where an application has been made, the Department will notify the VEC of the amount of service which is available to be purchased and, where the teacher has applied to purchase up-front, of the date on which the application was made. The Department will also notify the VEC of the rate of contribution payable. The notification will be issued in the coming months, where the teacher has applied to purchase up-front, or at retirement, where the teacher has opted to pay at retirement. It will be a matter for the VEC to issue a quotation for the purchase of service, based

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on the teacher's pay at date of application or pensionable remuneration at retirement, as appropriate.

A teacher who has applied to purchase up-front, i.e. on the basis of pay at date of application, will have **2 months** from the date of issue of the quotation by the VEC in which to make the payment. Where payment is not received by the VEC within the specified time-limit, **the option to purchase on the basis of pay at date of application will lapse** – but it will still be open to the teacher to purchase at retirement on the basis of pensionable remuneration at retirement.

5. Where, at retirement, the VEC finds no record of an application on the file of a teacher who is about to retire with less than 40 years of actual pensionable service and who gave service in a Secondary, Community or Comprehensive school, the VEC should contact this Department. Where the Department confirms that a period of service may be made pensionable through purchase, the VEC should bring this information to the notice of the teacher concerned.
6. VECs should now review the files of teachers who have retired since 1 March 1996, the commencement date of the PCW Purchase Scheme, and should contact this Department in the case of any teacher who has less than 40 years of pensionable service and who has given service in a Secondary, Community or Comprehensive School which has been treated as non-pensionable. All available details of the service in question should be provided to the Department.
7. Enquiries by VECs regarding the provisions of this Circular should be addressed to the Department at the address given below.

VEC/IOT PENSIONS
DEPARTMENT OF EDUCATION & SCIENCE
CORNAMADDY, ATHLONE
CO. WESTMEATH

Enquiries by phone should be made to 0902-74621 or 01-8734700: extensions 3657/3658.

John Feeney
Principal Officer
Pensions Unit

8 January 2002