



CDP/CO/APP
Vnc/Hsh/Meeting
14-03-01

To CHIEF EXECUTIVE OFFICERS OF
VOCATIONAL EDUCATION COMMITTEES

Circular Letter PEN 3/01

Admission of Chaplains to the Superannuation Scheme

1. Introduction.

Following the PCW Agreement on superannuation, Circular 30/99 introduced arrangements for the admission to the Superannuation Scheme of teachers other than permanent teachers. One of the requirements specified in Circular 30/99 for entry to the Superannuation Scheme is that the person must be

“fully-qualified for purposes of appointment to a permanent post as a teacher with a VEC”.

This provision excludes Chaplains who are not fully-qualified as teachers from membership of the Superannuation Scheme. The purpose of this Circular is to provide for the admission of such Chaplains.

2. The post of Chaplain.

As Chief Executive Officers will be aware, each **designated** Community College has been allocated a wholetime post of Chaplain. However, Chaplains hold their posts on the nomination of the ecclesiastical authorities and may be withdrawn from their posts at the discretion of the ecclesiastical authorities. For this reason it is not normally appropriate for Chaplains to hold permanent posts. Furthermore it is not a requirement for the post of Chaplain that the person be a fully-qualified teacher.

3. Eligibility of Chaplains for admission to the Scheme.

Under existing provisions, Chaplains who are fully-qualified as teachers may be admitted to the Superannuation Scheme. It has now been decided that, irrespective of teaching qualifications, wholetime Chaplains in designated Community Colleges may be admitted to the Superannuation Scheme, provided they are of satisfactory health. Admission will be with effect from 1 September 1996 or date of appointment, whichever comes later.

4. Payment of Contributions.

A Chaplain who is admitted to the Scheme under the provisions of this Circular should pay superannuation contributions by ongoing deductions from pay from **1 April 2001** or as soon as possible thereafter. Arrears of superannuation contributions in respect of the period since 1 September 1996 or date of appointment, if later, will also be payable. Where service as a Chaplain has been given by the Scheme member in a designated Community College prior to 1 September 1996, the service in question must also be purchased for pensions purposes.

5. Arrangements for the purchase of service for pensions purposes.

- 5.1 The arrangements for the purchase of service for pensions purposes by teachers are set out in Appendix 3 of Circular 30/99. They provide that temporary wholetime service (and certain part-time service) must be purchased for pensions purposes on appointment to a permanent post or on death-in-service or at retirement, whichever comes first. Chaplains, (provided they are not also fully-qualified as teachers), do not hold permanent posts and, under current arrangements, have no prospect of appointment to permanent posts. In these exceptional circumstances, it has been decided that **Chaplains in temporary wholetime posts** will not have to wait until retirement in order to purchase service: they will have the option of purchasing previous service at retirement or of purchasing by instalments out of ongoing pay.
- 5.2 These options, including details of the amount of service which falls to be purchased, should now be brought to the notice of all Chaplains holding temporary wholetime posts in designated Community Colleges and, in future, should be brought to the attention of all such Chaplains as soon as they take up their appointments.
- 5.3 Where a temporary wholetime Chaplain opts to purchase service **at retirement**, the cost will be:-

- 2.5% (or 1.5%) of Pay at Retirement* AND
- 3.5% of Co-ordinated Pay at Retirement.

Co-ordinated Pay at Retirement means Pay at Retirement less twice the maximum personal rate of Social Welfare Old Age Contributory Pension at retirement.

Where a temporary wholetime Chaplain opts to purchase service **by instalments**, the cost will be:-

- 3% of Current Pay, including 1.5% towards the Spouses' and Childrens' Pension Scheme* AND
- 3.5% of Current Co-ordinated Pay

Current Pay means the pay the Chaplain is in receipt of at the time the service is being paid for.

Current Co-ordinated Pay means the pay the Chaplain is in receipt of at the time the service is being paid for less twice the maximum personal rate of Social Welfare Old Age Contributory Pension at the time the service is being paid for.

Note that in the event of retirement or death before purchase has been completed, any outstanding contributions will be deducted from the Retirement Gratuity or Death Gratuity.

** N/B:- All Chaplains admitted to the Superannuation Scheme on the basis of this Circular Letter will also become members of the Revised Spouses' and Childrens' Pension Scheme.*

Exceptionally, persons in religious orders bound by a vow of celibacy will be eligible for a refund of Spouses' and Childrens' Scheme contributions at retirement or death-in-service provided that, at retirement or death-in-service, they are still in religious orders and have not ceased to be bound by a vow of celibacy. Thus, a Chaplain opting to pay at retirement will owe either 2.5% or 1.5% of Pay at Retirement, subject to this provision.

- 5.4 A Temporary Wholetime Chaplain who opts to pay by instalments will purchase each year of previous service through making instalments over the course of a year. For example, a Chaplain who has 3 years of reckonable previous service and opts to pay by instalments, will pay the instalments for a period of 3 years.

Where a Temporary Wholetime Chaplain opts to purchase previous service by instalments, the purchase contribution should be collected BEFORE the collection of arrears due in respect of the period 1 September 1996 to the date of commencement of ongoing contributions. Where the collection of arrears has already commenced, the collection should be suspended until the purchase of previous service by instalments has terminated.

- 5.5 Purchased service should be credited to the Chaplain in accordance with Appendix 4 of Circular 30/99.

6. **Income Tax Relief.**

Full tax relief is automatically granted by the VEC on superannuation contributions which are deducted from salary payments made by the VEC.

The overall position and, in particular, the position regarding the payment of superannuation contributions by lump sums - for the payment of certain contributions to the Spouses' and Childrens' Pension Scheme, for example - is set out in Appendix 2 of Circular Letter 30/99. Questions relating to this should be taken up by the Chaplain concerned with his/her Inspector of Taxes.

7. **Enquiries.**

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,
CORNAMADDY,
ATHLONE

Enquiries by phone should be made to 0902-74621 or 01-8734700: extensions 3657/8

John Feeney
Principal Officer
Pensions Unit

12 March 2001