

Pinsin Rannóg  
An Roinn Oideachais agus Eolaíochta  
Cor na Madadh  
Baile Átha Luain  
Co. na hIarmhí



Pensions Section  
Department of Education and Science  
Cornamaddy  
Athlone  
Co. Westmeath

~~CIRCULAR LETTER 0087/2008~~

Copy to: 2-3-08

To: VOCATIONAL EDUCATION COMMITTEES  
INSTITUTES OF TECHNOLOGY  
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### *Pension Reform*

### *Revised method of reckoning variable allowances for pension purposes*

#### 1. INTRODUCTION

- 1.1 In June 2008 the Department of Finance issued Circular Letter 10/2008 announcing a change in the method of reckoning variable allowances for pension purposes in the public service. The change announced in the Circular is effective from 1 April 2004. A copy of the Circular Letter is enclosed.

#### 2. WHAT DOES THE REVISED METHOD CHANGE?

- 2.1 A person's pension is based on a combination of his or her service and final pay. Where a person holds a pensionable allowance, this is included in the calculation of final pay. Allowances normally comprise the total of the annual rate of each allowance held by a person. However, if an allowance has not been held during each of the 3 years immediately before retirement, it will be averaged based on the number of days on which the allowance is held.
- 2.2 The effect of the Department of Finance Circular is to move away from the focus on the final 3 years of service for pension purposes in the case of variable allowances only. A variable allowance is one which—
- (a) Varies in line with pay increases, whether general or special/grade specific, and
  - (b) Is always calculated by dividing the actual amount of the pensionable allowance paid to a person in the last 3 years of service by 3 to determine the allowance component of final salary.
- 2.2 As a result of the reform, the reckoning of variable allowances under the 3 year averaging rule will change to an average of the variable pensionable allowances received in the best 3 consecutive years in the 10 years preceding retirement, as uprated to the date of retirement. Other allowances are not affected.

### **3. WHO IS AFFECTED BY THIS CHANGE?**

- 3.1 Allowances can be calculated in different ways for pension purposes. In the education sector most pensionable allowances are not variable allowances. They are considered to be in the nature of pay and comprise the total of the annual rate of each allowance held by a person. If such an allowance has been held in each of the last 3 or more years immediately before retirement, it is not subject to averaging. If it has not been held during each of the last 3 years, averaging will apply. The average of a relevant allowance is determined by multiplying the annual rate of the allowance appropriate on the last day of pensionable service by  $\frac{1}{1095}$  and multiplying that result by the number of days during the last 3 years of pensionable service in respect of which the allowance was payable. Because these allowances are not always subject to averaging and are based on the rate payable on the last day of pensionable service rather than the actual amount received by a person, they do not come within the definition of "variable allowances". Therefore, they are not affected by this Circular Letter.
- 3.2 The supervision and substitution payment to teachers is also unaffected. While it is always subject to averaging and is based on the actual payment received rather than the rate of the allowance at retirement, it is considered to be a payment rather than an allowance and so it too is outside the scope of the Department of Finance Circular.
- 3.3 In the VEC and institute of technology sector there are pensionable allowances which come within the definition of "variable allowances" and so are affected by the change. These include the compulsory overtime and clothing allowances payable to caretakers.
- 3.4 In the case of these allowances, they should be averaged in accordance with the terms of Department of Finance Circular 10/2008. This change takes effect from 1 April 2004 and any person whose pension was paid on or after that date should have his or her pension position reviewed.

### **4. ANY QUESTIONS?**

- 4.1 Caretakers who are in receipt of a compulsory overtime or clothing allowance and have queries on this Circular Letter should contact their employing VEC / institute of technology.
- 4.2 A copy of this Circular Letter and a link to the Department of Finance Circular 10/2008 are available on the Department's website [www.education.gov.ie](http://www.education.gov.ie).



E157/19/2000

29 July 2008

**Circular 17/2008: Retirement lump sums of groups covered by the recommendations of the Review Body on Higher Remuneration in the Public Sector**

A Dhuine Uasail

1. I am directed by the Minister for Finance to refer to retirement lump sums of groups covered by the recommendations in Report No. 42 of the Review Body on Higher Remuneration in the Public Sector.
2. On 8 July 2008 the Government decided that all of the pending increases recommended by the Review Body on Higher Remuneration in the Public Sector in Report No. 42 dated 14 September 2007 will not be implemented. The issue will be reviewed in September 2010 but without commitment at this stage to the outcome.
3. In view of this decision, it has now been decided that from 8 July 2008 retirement lump sums will be based on the pensionable remuneration payable at the time of retirement only, subject to the rules governing superannuation including averaging. The death gratuity of an officer who dies in service after 8 July 2008 should be calculated on the same basis. Therefore, subject to Paragraph 5 below, from 8 July 2008 retirement lump sums and death gratuities will **not** be based on the full increases recommended by the Review Body. This revision alters from 8 July 2008 the terms previously sanctioned in Circular 35/2007, dated 2 November 2007. Pensions of the relevant grades are not affected by this decision.
4. The terms of this Circular will apply as appropriate to the public service groups covered by the terms of reference of the Review Body (as set out in the Body's report) **and** those whose remuneration is adjusted by reference to these groups.

5. In accordance with an earlier Government decision, groups covered by the terms of reference of the Review Body (other than Ministerial and Parliamentary office-holders) have received an increase of 5% from 14 September 2007, the date of the report of the Review Body, or where the total increase was less than 5%, the full increase from that date. Accordingly, some groups have already received the full increase recommended by the Review Body (since the increase was in the region of 5% or less) and are not affected by the terms of this Circular.

### **General**

6. The terms of this Circular should be brought to the attention of the relevant organisations and persons coming within the remit of Departments.
7. Queries in relation to this letter from bodies/agencies should be dealt with by the line Department in the first instance, or, in the case of queries from line Departments, should be directed to Tony Jordan at [tony.jordan@finance.gov.ie](mailto:tony.jordan@finance.gov.ie)

### **Electronic Copies of Circular**

8. This circular is also available on the Department's web-site at <http://www.finance.gov.ie>.

Mise le meas

Brendan Duffy  
Assistant Secretary

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P18/012/08

19 June 2008

**To: All Heads of Department/Office**

**Circular 10/2008: Public Service Pension Reform: Revised method of reckoning variable pensionable allowances for pension purposes**

A Dhuine Uasail,

1. I am directed by the Minister for Finance to announce a change in the method of reckoning variable pensionable allowances for pension purposes in the public service. The change announced in this Circular is effective from 1 April 2004.

**Background**

2. The Commission on Public Service Pensions, as part of its terms of reference, had regard to claims for improvements in existing pension scheme benefits, including claims for a move away from the focus on the final three years of service under the three-year averaging rule for the calculation of pension on variable pensionable allowances (such as unsocial hours payments).
3. Following consideration of the issue, the Commission concluded that the pension system should not result in a distortion of preferred work choices and recommended that the reckoning of variable pensionable allowances under the three-year averaging rule should be changed to an average of the variable pensionable allowances received in the best three consecutive years in the ten years preceding retirement, as uprated to the date of retirement.
4. In *Budget 2004*, the Minister for Finance announced that the Government had decided to implement the bulk of the recommendations of the Commission on Public Service Pensions. Discussions were held with the Staff Side on the treatment of allowances for pension purposes and other issues and, on 14 September 2004, the Minister announced Government approval for the introduction of a change in the method of reckoning variable pensionable allowances for pension purposes.



## Scope

5. This Circular applies to staff who
  - (a) are serving in a public service body as defined in the Public Service Superannuation (Miscellaneous Provisions) Act 2004,
  - (b) are members of the appropriate superannuation scheme of that body and that scheme is a public service pension scheme, as defined in that Act,
  - (c) hold or have held a variable pensionable allowance (see paragraph 10 below) at some time within their last ten years of service, and
  - (d) meet the requirements specified in paragraphs 10-15 below.
6. The revised method of reckoning allowances is also to be made available to people who resigned/retired on or after 1 April 2004 and before this Circular issued and who fell within the scope of the Circular, as set out above, at the time of resignation/retirement.
7. The purpose of this Circular is to change the method of reckoning variable pensionable allowances for pension purposes by (i) removing (where applicable) the requirement to be holding an allowance on the last day of reckonable service and (ii) increasing the time span during which payment of an allowance may qualify for inclusion in final pensionable remuneration. This Circular does not confer pensionability on any allowance which has not been pensionable to date, nor change any rules other than those specified in this Circular. For example, if there is currently a requirement to hold an allowance for a particular length of time in order for it to reckon in final pensionable remuneration, then this Circular does not alter that requirement. In addition, any revised methods of reckoning the value of allowances for pension purposes introduced on foot of this Circular are designed to provide an administrative mechanism for implementing the Commission's recommendation and should not be used for any other purpose.
8. It is essential that each person who is being placed on an allowance is informed in writing as to whether the allowance is pensionable and, if pensionable, the conditions which may apply and whether the allowance is covered by the terms of this Circular.
9. In general, unless covered by an appropriately approved specific agreement to the contrary, for an allowance to be pensionable, it should:
  - (i) be the subject of an appropriately approved central or local written management-staff agreement which specifies that the allowance is pensionable or specifies that the allowance is in the nature of pay;
  - (ii) meet the standard conditions governing the pensionability of allowances, namely that the allowance is in respect of specified duties which are permanent or quasi-permanent and are continuous or regular;
  - (iii) not be a payment for work of a casual or temporary nature; and
  - (iv) not be a payment for or in lieu of overtime, travel, subsistence or other expenses.

The criteria at (i) to (iv) above are indicative only and are not exhaustive. They are for guidance purposes and are not intended to change existing agreements. If a Department has any doubts about the pensionability of a Civil Service allowance, they should consult the Department of Finance. If another public service body has any doubts about the pensionability of an allowance, they should consult the relevant parent Department.

### Requirements

10. This Circular applies only in respect of an allowance which is a **variable** pensionable allowance. A variable pensionable allowance is one which, as of 31 March 2004, varied in line with pay increases, whether general increases only or general and special/grade increases, **and** was subject to the three-year averaging rule (i.e. the actual amount of pensionable allowances paid in the last three years of service is divided by three to determine the allowance component of final pensionable remuneration). The new arrangement will also apply as appropriate to variable pensionable allowances created or made pensionable on or after 1 April 2004.
11. In general, an allowance for the performance of the duties of a higher grade must have been held continuously for twelve months in order to be deemed reckonable for the purposes of this Circular.
12. References in this Circular to periods of time when an allowance is held are not affected by the allowance-holder's actual attendance pattern. Thus, for example, where a person is worksharing on a 50% attendance basis or working part-time at a rate of 50% of a full-time worker for a year, this period reckons as a year for the purposes of this Circular. This does not affect the calculation of service for superannuation purposes as set out in Department of Finance Circular 20/2005.
13. The terms of this Circular do not apply where an allowance has been incorporated into pay-scales as a result of restructuring, regrading, productivity, or other such arrangements and where the person concerned has benefited from same in pension terms.
14. Where a person is promoted three or more years before retirement, allowances held in the former grade do not fall within the scope of this Circular. As a transitional arrangement, if a case arises where (i) such a person was promoted in the period from 14 September 2004 (when Government approval in principle was announced) to the date of this Circular, (ii) the allowance was not taken into account when calculating starting pay on promotion and (iii) the person's overall pensionable remuneration at retirement is less than it would have been had they remained in their former grade, this Department should be consulted.
15. Where a person is promoted in their last three years of service, there is no change in practice with regard to averaging of allowances held in the former grade.
16. Where more favourable arrangements than those outlined in paragraphs 10-15 above currently apply they will not be affected.



### Calculation

17. When a person indicates an intention to retire, the Personnel Section must ascertain whether or not that person was in receipt of a variable pensionable allowance in the grade from which he or she is retiring and, if so, whether that allowance was paid within the person's last ten years of service and whether the allowance meets the requirements in paragraphs 10-15 above. If any such allowance earnings arose, then the Personnel Section must, in consultation with the person if necessary, examine the person's remuneration history in respect of variable pensionable allowances.
18. The purpose of the examination is to determine which period of three consecutive years within the last ten years is the most favourable to reckon for pension purposes. The primary focus of the introduction of the change outlined in this Circular is to reduce the negative impact on pension of certain preferred work choices in the three years preceding retirement. For that reason, in cases where a person holds an allowance throughout the last three years of service and has not held any other pensionable allowance in the ten years prior to the date of retirement, in general only the last three years of service need be examined – see Examples 1, 3 and 4 in the Appendix.
19. Civil Service Schemes:
  - (a) In cases where a person has not been promoted within the last ten years of service, there are eight potential overlapping three-year periods to be examined, with the first (earliest) such three-year period commencing ten years before the final day of service, the second such three-year period commencing nine years before the final day of service and so on. As mentioned in paragraph 12 above, the ten-year period is not affected by a person's attendance pattern during that period. Where a person has been promoted more than three years but less than ten years before retirement, the number of three-year periods to be examined will be fewer as they will reckon backwards only to the date of promotion. Where a person is promoted within three years of retirement, paragraph 15 above will apply.
  - (b) The method of averaging and uprating the qualifying allowance(s) will be the same as that currently used for allowances when calculating preserved pension benefits. In the Civil Service, variable allowances are categorised for pension increase purposes as attracting general pay increases only, or attracting general and special/grade pay increases. Allowances are uprated by reference to those categories when calculating preserved pension benefits.
  - (c) This means that, for each allowance earned, the total amount received in each of the three-year periods is divided by three to get the annual average amount earned in that three-year period. The averages are then uprated between the end of each three-year period and the retirement date by reference to the appropriate category (see (b) above).
  - (d) The uprated averages for the different allowances are then added together in each three-year period, after which the resultant **uprated average totals** for each three-year period are compared to find the highest figure for the purposes of final pensionable remuneration – see Examples 6, 7 and 8 in the Appendix.



20. Other public service pension schemes: It is at the discretion of Departments to adopt a method of calculation similar to that set out in paragraph 19 above or to agree suitable alternative methods with the appropriate staff representatives, having regard to all the relevant circumstances and subject to the approval of the Department of Finance.
21. In determining the best three-year period, it is the uprated value of the allowance averages that should be used. In the case of the three-year period comprising the final three years of service, there is no change in the method of averaging used prior to the issuing of this Circular.

### **Contributions**

22. The reckoning of allowances for pension purposes is subject to the payment of appropriate contributions in accordance with the rules of the relevant scheme. It should also be noted that deduction of contributions does not in itself indicate that the allowance will reckon as pensionable remuneration at the time of retirement (e.g. the allowance may not be held within the last ten years of service or contributions may have been deducted in error). Public service employers should take steps to ensure that contributions are not deducted from allowances which are not pensionable.

### **Record Keeping**

23. Allowances can potentially reckon for superannuation purposes over a period as long as ten years. This makes it essential for public service employers to keep detailed accurate records of when each member of staff held allowances, the nature of the allowances, the amounts paid, any conditions which applied to the holding of the allowances and any other data which might be required in order to calculate the person's superannuation entitlements.

### **Effective Date**

24. The effective date of this Circular is 1 April 2004 and the arrangements outlined apply to all relevant cases from that date.

### **Review**

25. The administration of the arrangements introduced by this Circular will be reviewed as appropriate in the light of the experience of its practical operation.

### **Circulation**

26. Please bring this Circular to the notice of all staff serving in your Department/Office and to the attention of all public service bodies under the aegis of your Department. For this purpose, the definition of "public service body" in the Public Service Superannuation (Miscellaneous Provisions) Act 2004 should be used.

### Queries

27. Queries from individual staff members in connection with this Circular should be directed to the Personnel Section of their own Department/Office/public service body. Queries from public service bodies themselves should be referred in the first instance to the appropriate parent Department. If Departments wish to enquire about any issues or difficulties arising from the implementation of this Circular then they should email the Department of Finance at the appropriate address as set out below:

For enquiries relating to the Civil Service contact

[Circ10-2008cs@finance.gov.ie](mailto:Circ10-2008cs@finance.gov.ie)

For enquiries relating to the public service other than the Civil Service contact

[Circ10-2008ps@finance.gov.ie](mailto:Circ10-2008ps@finance.gov.ie)

Mise le meas,

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**Stephen O'Sullivan**  
Assistant Secretary



**EXAMPLES OF THE APPLICATION OF CIRCULAR 10/2008  
IN THE CIVIL SERVICE**

**Guidelines**

- (1) Has the person held any allowance in the ten-year period prior to retirement?
- (2) If yes, was that allowance held in the grade from which the person is retiring (or in their previous grade if promoted less than three years before retirement)?
- (3) If yes, was that allowance pensionable? [See paragraph 9 of this Circular. For example, Children's Allowance is not pensionable.]
- (4) If yes, was that allowance a variable allowance within the meaning of this Circular? [See paragraph 10 of this Circular.]
- (5) If yes, does that allowance meet the other criteria set out in this Circular? [See paragraphs 11, 13, 14 and 15.]
- (6) Is the allowance increased by reference to general pay increases only or by reference to both general and special/grade pay increases?

**It is assumed in Examples 1, 3 and 4 that the person is working full-time throughout the period and that the allowance(s) are such that a person is assigned to the allowance for a continuous period, i.e. the allowances in these examples are not paid on an occasional basis or on the basis of the number of times on which a specified duty is performed.**

**Example 1**

*A Higher Executive Officer retires on 1 June 2008, having been promoted to that grade on 1 May 1996. This person held a variable pensionable allowance (e.g. Private Secretary allowance at the full rate) throughout the period 1 January 2000 to the date of retirement.*

This Circular has no impact on the method of calculation (i.e. the allowance component of final pensionable remuneration continues to be based on the last three years of service).

**Example 2**

*A Staff Officer retires on 1 May 2008 having been promoted to that grade on 1 January 2005. Prior to promotion this person held a variable pensionable allowance as a Clerical Officer, but has held no allowances as a Staff Officer.*

In general this Circular has no impact – no allowances are reckoned in final pensionable remuneration. However in accordance with paragraph 14 (concerning persons promoted three or more years before retirement), and as a transitional arrangement, if a case arises where (i) a person was promoted in the period from 14 September 2004 to the date of this Circular, (ii) the allowance was not taken into account when calculating starting pay on promotion and (iii) the person's overall pensionable remuneration at retirement is less than it would have been had they remained in their former grade, this Department should be consulted.

### **Example 3**

*A Higher Executive Officer retires on 1 May 2008 having been promoted to that grade on 1 January 2000 and holding two variable pensionable allowances. Allowance A has been paid from 1 October 2001 to the date of retirement; Allowance B has been paid from 1 January 2005 to the date of retirement.*

This Circular has no impact on the method of calculation (i.e. the allowance component of final pensionable remuneration continues to be based on the last three years of service).

### **Example 4**

*A Higher Executive Officer retires on 1 June 2008, having been promoted to that grade on 1 May 1996. This person held a variable pensionable allowance throughout the period from 1 August 2005 to 31 March 2008.*

This Circular has an impact in that the allowance now reckons even though it was not held on the last day of service. However, as it was only held within the last three years of service, no uprating is necessary (i.e. the amount earned is averaged, but not uprated).

### **Example 5**

*A Higher Executive Officer retires on 1 June 2008, having been promoted to that grade on 1 May 1996. This person held a Private Secretary allowance (variable pensionable allowance which increases in line with general and special/grade pay increases) at the full rate throughout the period 1 January 2000 to 31 December 2004 and at the subsequent half rate from 1 January 2005 to the date of retirement.*

This Circular does make a difference to the method of calculation in this case, i.e. the comparison exercise provided for in the Circular must be carried out – see examples 6, 7 and 8 below.

### **Example 6**

*A Higher Executive Officer retires on 30 April 2008 having been promoted more than ten years before retirement, and holding two variable pensionable allowances. Allowance A has been paid throughout the period from 1 June 2004 to retirement. Allowance B has been paid over the period from 1 July 2001 to retirement, but not continuously over that period.*



This Circular does make a difference to the method of calculation in this case, i.e. the comparison exercise provided for in the Circular must be carried out. The required calculations are set out below.

This person's pensionable allowance earnings in the ten years before retirement were:

<b>Allowance earnings in the ten years before retirement</b>			
<i>Year</i>	<i>Allowance A (€)</i>	<i>Allowance B (€)</i>	<i>Total (€)</i>
1 May 1998 – 30 April 1999	0	0	0
1 May 1999 – 30 April 2000	0	0	0
1 May 2000 – 30 April 2001	0	0	0
1 May 2001 – 30 April 2002	0	600	600
1 May 2002 – 30 April 2003	0	510	510
1 May 2003 – 30 April 2004	0	540	540
1 May 2004 – 30 April 2005	1,140	840	1,980
1 May 2005 – 30 April 2006	1,350	690	2,040
1 May 2006 – 30 April 2007	1,410	480	1,890
1 May 2007 – 30 April 2008	1,530	510	2,040

Both allowances are linked for adjustment purposes to general pay round increases only. This means that they can be added together in each year at the outset of the calculation process, as per the totals in the above table.

For each of eight three-year periods the allowance earning totals must be added and averaged. The averages are then uprated to the date of retirement using appropriate multipliers as set out in the table below.

<b>Calculation of uprated average allowance earnings</b>				
<i>Three-year period</i>	<i>Total (€)</i>	<i>Average (€)</i>	<i>Multiplier</i>	<i>Uprated average (€)</i>
1 May 1998 – 30 April 2001	0	0	1.337028	0
1 May 1999 – 30 April 2002	600	200	1.267325	253.47
1 May 2000 – 30 April 2003	1,110	370	1.218582	450.88
1 May 2001 – 30 April 2004	1,650	550	1.183089	650.70
1 May 2002 – 30 April 2005	3,030	1,010	1.137149	1,148.52
1 May 2003 – 30 April 2006	4,560	1,520	1.103787	1,677.76
1 May 2004 – 30 April 2007	5,910	1,970	1.045500	2,059.64
1 May 2005 – 30 April 2008	5,970	1,990	1.000000	1,990.00

(Note: The above multipliers derive from cumulative general pay increases for the Higher Executive Officer grade between the end of each three-year period and the retirement date. The multipliers will vary from case to case depending on the retirement date, and are also liable to vary across the public service depending on the amounts and dates of general pay awards for individual grades. Note also that different multipliers will apply where an allowance is related to both general and special/grade pay increases.)

The table shows that the highest uprated average was for the three-year period 1 May 2004 to 30 April 2007. So the uprated average allowance figure for that period of €2,059.64 is deemed to be the allowance component of final pensionable remuneration.

### Example 7

An Executive Officer retires on 31 December 2007, having been promoted more than ten years before retirement. No allowances were payable in the two years before retirement, but in the six years before that the officer held one variable pensionable allowance. This allowance increases in line with general pay round increases.

This Circular does make a difference to the method of calculation in this case, i.e. the comparison exercise as set out in the Circular must be carried out. The required calculations are set out below.

This person's pensionable allowance earnings in the ten years before retirement were as follows:

Allowance earnings in the ten years before retirement	
Year	Allowance (€)
1 January – 31 December 1998	0
1 January – 31 December 1999	0
1 January – 31 December 2000	1,500
1 January – 31 December 2001	2,100
1 January – 31 December 2002	2,160
1 January – 31 December 2003	1,800
1 January – 31 December 2004	2,250
1 January – 31 December 2005	2,310
1 January – 31 December 2006	0
1 January – 31 December 2007	0

For each of eight three-year periods the above allowance earnings are added and averaged. The averages are then uprated to the date of retirement using appropriate multipliers as set out in the table below. (The allowance is linked for adjustment purposes to general pay round increases.)

Calculation of uprated average allowance earnings				
Three-year period	Total (€)	Average (€)	Multiplier	Uprated average (€)
1 January 1998 – 31 December 2000	1,500	500	1.330506	665.25
1 January 1999 – 31 December 2001	3,600	1,200	1.236415	1,483.70
1 January 2000 – 31 December 2002	5,760	1,920	1.188861	2,282.61
1 January 2001 – 31 December 2003	6,060	2,020	1.188861	2,401.50
1 January 2002 – 31 December 2004	6,210	2,070	1.109413	2,296.48
1 January 2003 – 31 December 2005	6,360	2,120	1.076865	2,282.95
1 January 2004 – 31 December 2006	4,560	1,520	1.020000	1,550.40
1 January 2005 – 31 December 2007	2,310	770	1.000000	770.00

The table shows that the highest uprated average was for the three-year period 1 January 2001 to 31 December 2003. So the uprated average allowance figure for that period of €2,401.50 is deemed to be the allowance component of final pensionable remuneration.



### Example 8

A Higher Executive Officer retires on 31 December 2007, having been promoted more than ten years before retirement. No allowances were payable in the two years before retirement, but in the six years before that the officer held one variable pensionable allowance. This allowance increases in line with general and special/grade pay increases.

This Circular does make a difference to the method of calculation in this case, i.e. the comparison exercise as set out in the Circular must be carried out. The required calculations are set out below.

This person's pensionable allowance earnings in the ten years before retirement were as follows:

Allowance earnings in the ten years before retirement	
Year	Allowance (€)
1 January – 31 December 1998	0
1 January – 31 December 1999	0
1 January – 31 December 2000	2,709
1 January – 31 December 2001	2,901
1 January – 31 December 2002	3,063
1 January – 31 December 2003	3,153
1 January – 31 December 2004	3,297
1 January – 31 December 2005	3,414
1 January – 31 December 2006	0
1 January – 31 December 2007	0

For each of eight three-year periods the above allowance earnings are added and averaged. The averages are then uprated to the date of retirement using appropriate multipliers as set out in the table below. (The allowance is linked for adjustment purposes to general and special/grade pay increases.)

Calculation of uprated average allowance earnings				
Three-year period	Total (€)	Average (€)	Multiplier	Uprated average (€)
1 January 1998 – 31 December 2000	2,709	903	1.466633	1,324.37
1 January 1999 – 31 December 2001	5,610	1,870	1.329025	2,485.28
1 January 2000 – 31 December 2002	8,673	2,891	1.277908	3,694.43
1 January 2001 – 31 December 2003	9,117	3,039	1.277908	3,883.56
1 January 2002 – 31 December 2004	9,513	3,171	1.136039	3,602.38
1 January 2003 – 31 December 2005	9,864	3,288	1.076865	3,540.73
1 January 2004 – 31 December 2006	6,711	2,237	1.020000	2,281.74
1 January 2005 – 31 December 2007	3,414	1,138	1.000000	1,138.00

The table shows that the highest uprated average was for the three-year period 1 January 2001 to 31 December 2003. So the uprated average allowance figure for that period of €3,883.56 is deemed to be the allowance component of final pensionable remuneration.

