

APPENDIX 2 TO CIRCULAR LETTER S.8/2007

**Occupational Pension Schemes (Disclosure of Information) Regulations 2006
(S.I. No. 301 of 2006)**

**Benefit Statement Requirements effective from 1 January 2007 for Public
Authority Defined Benefit Schemes, including the Local Government
Superannuation Scheme (LGSS)**

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SECTION A

SECTION A – INTRODUCTION

Section 13 of the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 (S.I. No. 301 of 2006), which deals with the requirements on public authorities (including local authorities) to provide information to pension scheme members, is effective from 1 January 2007. The new Regulations can be accessed at http://www.welfare.ie/topics/legis/iorps06_disclosure.pdf

Date of Statement

The date of this Statement is 17th September 2007.

SECTION B

SECTION B – DESCRIPTION OF THE BENEFITS AVAILABLE UNDER THE LGSS

The main benefits available under the LGSS are as follows:

Pension

Provided the member has at least 2 years pensionable service and has reached minimum retirement age¹ or resigns on ill-health grounds with at least 5 years pensionable service, a pension is payable at the rate of –

- For members who are not fully insured², 1/80th of pensionable pay for each year of pensionable service³, subject to a maximum of 40 years
- For members who are fully insured⁴ –
 - for pensionable pay up to 3.333333 times the current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependants⁵ - 1/200th of pensionable pay for each year of pensionable service³, subject to a maximum of 40 years and
 - for pensionable pay in excess of 3.333333 times the current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependants - 1/80th of such excess for each year of pensionable service³, subject to a maximum of 40 years.

Certain categories of employees who are members of the **1956 Scheme** (closed to new members since 1 June 1978) are entitled to receive a pension calculated as 1/60th of pensionable pay for each year of pensionable service, subject to a maximum of 40 years. To be eligible, such employees must have at least 20 years pensionable service at minimum retirement age or resign on ill-health grounds with at least 10 years pensionable service. **No retirement lump sum is payable to such employees.**

Retirement Lump Sum

Provided the member has at least 2 years pensionable service and has reached minimum retirement age or resigns on ill-health grounds with at least 5 years pensionable service, a retirement lump sum is payable at the rate of 3/80^{ths} of pensionable pay for each year of pensionable service⁶, subject to a maximum of 40 years.

¹ Minimum retirement age is 65 for a person who is a new entrant for the purposes of the Public Service Superannuation (Miscellaneous Provisions) Act 2004 and 60 for a person who is not a new entrant. However, the minimum retirement age for full-time firefighters is 55, whether new entrants or not.

² Not fully insured means a person who is not fully insured under the Social Welfare Acts. Such persons would typically pay Class D PRSI contributions.

³ Part-time pensionable employees have their service pro-rated to its full-time equivalent. For example, a part-time employee who works 40% of the equivalent full-time hours over a period of 20 years will be credited with 8 years' pensionable service, i.e. 20 x 40%. Benefits are then calculated on the full-time pay equivalent.

⁴ Fully insured means a person who is fully insured under the Social Welfare Acts. Such persons would pay Class A PRSI contributions.

⁵ The current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependant is €209.30 with effect from 5 January 2007. 3.333333 times this amount is €697.67 and annualised equals €36,404.25.

⁶ Part-time pensionable employees have their service pro-rated to its full-time equivalent. For example, a part-time employee who works 40% of the equivalent full-time hours over a period of 20 years will be credited with 8 years' pensionable service, i.e. 20 x 40%. Benefits are then calculated on the full-time pay equivalent.

Death Gratuity

A death gratuity is payable where a member dies in pensionable local authority employment. The minimum death gratuity is either one year's pensionable pay or an amount related to a particular point on the Craftworker's pay scale, depending on the category of employee concerned. The maximum death gratuity is one and one-half times pensionable pay. There is no minimum service requirement for payment of a death gratuity.

Short Service Gratuity

A short service gratuity is payable where a member resigns on ill-health grounds with short service.

- For service between 1 and 2 years, a gratuity at the rate of 1/12th of pensionable pay for each year of pensionable service⁶ is payable.
- For service between 2 and 5 years, a gratuity at the rate of 1/12th of pensionable pay for each year of pensionable service⁶ is payable together with an additional gratuity of 3/80^{ths} of pensionable pay for each year of pensionable service⁶. However, if such a person has already reached minimum retirement age, a pension and retirement lump sum are payable instead. Also, if such a person has not already reached minimum retirement age, he or she may opt for a preserved pension and preserved lump sum in lieu of the short service gratuity.

Preserved Pension

A preserved pension is payable to a member who resigns before minimum retirement age⁷ and has at least 2 years pensionable service at the rate of –

- For members who are not fully insured⁸, 1/80th of pensionable pay for each year of pensionable service⁶, subject to a maximum of 40 years
- For members who are fully insured⁹ –
 - for pensionable pay up to 3.333333 times the current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependants¹⁰ - 1/200th of pensionable pay for each year of pensionable service¹¹, subject to a maximum of 40 years and

⁷ Minimum retirement age is 65 for a person who is a new entrant for the purposes of the Public Service Superannuation (Miscellaneous Provisions) Act 2004 and 60 for a person who is not a new entrant. However, the minimum retirement age for full-time firefighters is 55, whether new entrants or not.

⁸ Not fully insured means a person who is not fully insured under the Social Welfare Acts. Such persons would typically pay Class D PRSI contributions.

⁹ Fully insured means a person who is fully insured under the Social Welfare Acts. Such persons would pay Class A PRSI contributions.

¹⁰ The current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependant is €209.30 with effect from 5 January 2007. Therefore, 3.333333 times this amount is €697.67 which annualised equals €36,404.25.

¹¹ Part-time pensionable employees have their service pro-rated to its full-time equivalent. For example, a part-time employee who works 40% of the equivalent full-time hours over a period of 20 years will be credited with 8 years' pensionable service, i.e. 20 x 40%. Benefits are then calculated on the full-time pay equivalent.

- o for pensionable pay in excess of 3.333333 times the current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependants - 1/80th of such excess for each year of pensionable service¹¹, subject to a maximum of 40 years.

Preserved Lump Sum

A preserved lump sum is payable to a member who resigns before minimum retirement age¹² and has at least 2 years pensionable service at the rate of 3/80^{ths} of pensionable pay for each year of pensionable service¹¹, subject to a maximum of 40 years.

Spouse's and Children's Pensions

Provided you are a member of the Spouses' and Children's Contributory Pension Scheme, a pension would be payable to your spouse and eligible children¹³ in the event of your death, whether during service or following retirement. A spouse's pension is calculated as one-half of the deceased member's pension¹⁴. Children's pensions are also calculated as fractions of the deceased member's pension, with the fraction depending on the number of children and whether the spouse is alive or not. The following table explains the position:

Details of Dependants	Fraction of the deceased member's pension ¹⁵ payable to spouse	Fraction of the deceased member's pension ¹⁵ payable to children	Total Fraction of the deceased member's pension ¹⁵ payable
Spouse	1/2	-	1/2
Spouse and 1 child	1/2	1/6	2/3
Spouse and 2 children	1/2	1/3	5/6
Spouse and 3 or more children	1/2	1/2	Full Amount
1 child	-	1/3	1/3
2 or more children	-	1/2	1/2

¹² Minimum retirement age is 65 for a person who is a new entrant for the purposes of the Public Service Superannuation (Miscellaneous Provisions) Act 2004 and 60 for a person who is not a new entrant. However, the minimum retirement age for full-time firefighters is 55, whether new entrants or not.

¹³ Children eligible for pension are persons under age 16, or under 22 if pursuing full-time education or training, e.g. apprenticeship or permanently incapacitated children.

¹⁴ For spouse's and children's pension purposes, the deceased member's pension generally is –

- where the member dies following age related retirement, the actual amount of the deceased's pension
- where the member either dies in service or following retirement on ill-health grounds, the pension to which he or she would have been entitled had he or she remained in employment to age 65.

¹⁵ For spouse's and children's pension purposes, the deceased member's pension generally is –

- where the member dies following age related retirement, the actual amount of the deceased's pension
- where the member either dies in service or following retirement on ill-health grounds, the pension to which he or she would have been entitled had he or she remained in employment to age 65.

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

Contributions

Pension contributions under the LGSS are deducted at a rate of –

- Main Scheme Benefits: 5% of pensionable remuneration if not fully insured¹⁶ and 1.5% of pensionable remuneration plus 3.5% of net pensionable remuneration¹⁷ if fully insured¹⁸
- Spouses' and Children's Scheme 1.5% of pensionable remuneration or 1.5% of net pensionable remuneration in the case of those categories of employees who were subject to Class A PRSI contributions prior to 6 April 1995¹⁹.

Members who resign or retire with insufficient service to qualify for a pension and lump sum, preserved pension and preserved lump sum or a gratuity have their pension contributions refunded to them, less the appropriate tax deduction.

Pensionable Service

Pensionable service would include –

- permanent service with a local authority
- temporary wholtime service with a local authority
- certain part-time service with a local authority
- service transferred from other public service bodies
- additional or added service which may be allowed in certain circumstances (typically in ill-health retirement cases)
- Notional service which the member may have purchased
- Certain service in respect of which a member may already have received a gratuity or a refund of contributions provided an appropriate repayment is made.

Pension Adjustment Orders

Benefits payable under the LGSS may be adjusted due to Pension Adjustment Orders²⁰.

¹⁶ Not fully insured means a person who is not fully insured under the Social Welfare Acts. Such persons would typically pay Class D PRSI contributions.

¹⁷ Net pensionable remuneration means pensionable remuneration less twice the annual equivalent of the maximum personal weekly rate of social welfare old age contributory payable to an adult with no dependant. The current rate of Social Welfare Old Age Contributory Pension [now known as State Pension (Contributory)] payable to an adult with no dependant is €209.30 with effect from 5 January 2007. Therefore, twice this amount is €418.60 which annualised equals €21,842.55.

¹⁸ Fully insured means a person who is fully insured under the Social Welfare Acts. Such persons would pay Class A PRSI contributions.

¹⁹ The categories involved would be manual workers in the main, including craft workers, operatives, cleaners and attendants.

²⁰ Pension Adjustment Orders are made pursuant to the Family Law Act 1995 and the Family Law (Divorce) Act 1996.

SECTION C

SECTION C – OTHER INFORMATION ABOUT THE LGSS BENEFITS AND PROVISIONS

Integration

For those members of the LGSS who are fully insured²¹, the scheme provides a pension which is integrated with the social welfare pension, i.e. it takes account of the social welfare pension.

How this system of integration works is explained under the headings “Pension” and “Preserved Pension” in Section B.

Qualification for Social Welfare Pension

Qualification for the social welfare pension is subject to tests administered by the Department of Social and Family Affairs. The address and telephone number of the information service of the Department of Social and Family Affairs is as follows:

Information Services
Department of Social and Family Affairs
Oisín House
Pearse Street
Dublin 2

Telephone: (01) 7043000
Email: info@welfare.ie
Website: www.welfare.ie

Additional Benefits

Additional benefits can be secured, purchased or granted under the scheme by way of any or all of –

- (i) notional service purchased under the LGSS,
- (ii) additional voluntary contributions made under an approved trade union(s) sponsored AVC scheme, or
- (iii) transfer of rights from another scheme.

Further information may be obtained from the contact person mentioned in Section E.

²¹ Fully insured means a person who is fully insured under the Social Welfare Acts. Such persons would pay Class A PRSI contributions.

SECTION D

SECTION E

SECTION E – NAMES OF THE TRUSTEES OF THE LGSS

The LGSS is managed and administered by each local authority in respect of its members employed by that authority. Therefore, in your case -

The Trustee is:- DUN LAOGHAIRE RATHDOWN COUNTY COUNCIL

Address : - COUNTY HALL
MARINE ROAD
DUN LAOGHAIRE
CO DUBLIN

Contact Person(s) :- Sharon Stevenson, Janet Deithrich

Telephone Number(s) : - 2054306, 2054309

Email address: - pensions@dlrcoco.ie