

Circular Letter S.2/2002

Our Ref:- S.306/3/III.

1 March 2002

Superannuation Contributions – Officers on Full PRSI

A Chara

I refer to Circular Letter LA 6/95 of 30 March 1995 and the Department of Health's Circular 11/95 of 31 March 1995 regarding the application of full PRSI to pensionable local authority officers appointed on or after 6 April 1995.

It has recently come to light that some local authorities are incorrectly calculating the superannuation contributions due from salary where a member is on sick leave and qualifies for Disability Benefit or other benefit from the Department of Social, Community and Family Affairs. The correct procedure for the deduction of contributions in such cases is set out below.

1. Officer on sick leave at full rate of pay who qualifies for Disability Benefit

Main Scheme:- 1.5% of **full** pay, in respect of Lump Sum.
3.5% of (**full** pay less twice the maximum personal rate of Old Age Contributory Pension) in respect of Pension.

Spouses/Childrens 1.5% of **full** pay.

2. Officer on sick leave at half rate of pay who qualifies for Disability Benefit

Main Scheme:- 1.5% of **full** pay, in respect of Lump Sum.
3.5% of (**full** pay less twice the maximum personal rate of Old Age Contributory Pension) in respect of Pension.

Spouses/Childrens 1.5% of **full** pay.

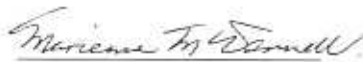
It is important to note that contributions in respect of a fully insured officer in receipt of half-pay should be calculated on **full** pay (as for an officer on full pay) and not half-pay as appears to have been the practice in the majority of local authorities. In this regard, your attention is directed to the definition of "salary" in article 3 of the Local Government (Superannuation) (Consolidation) Scheme, 1998, in particular, the following extract:-



"and, in the case of an officer who is suspended or absent on leave and who, as respects the period of suspension or absence, does not receive a part of the payments as salary to him or her for his or her own use which such person would have received if he or she had not been suspended or absent on leave, includes that part".

It should also be noted in dealing with any such cases that the amount of Disability Benefit is not to be deducted from gross pay for the purpose of calculating the amount of the contribution due.

Yours sincerely



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To each local authority to which the Local Government Superannuation Scheme applies.