

**Explanatory Booklet on the
Local Government
Superannuation Scheme
1956 SCHEME EMPLOYEES**

1. **What is the basis for the Local Government Superannuation Code?**
The superannuation provisions are set out in schemes and regulations made under the Local Government (Superannuation) Act, 1980.
2. **What types of Schemes are involved?**
The schemes are statutory schemes to which section 776 of the Taxes Consolidation Act, 1997 applies. They are defined benefit schemes for the purposes of the Pensions Act, 1990. The schemes are not funded and benefits are met on a "pay-as-you-go" basis.
3. **What benefits does the Scheme provide?**
The main benefits are
 - retirement pension (question 9)
 - death gratuity (question 13)
4. **What factors will be taken into account in determining benefits?**
The benefits will normally depend upon one or more of the following factors:
 - (a) your basic wages
 - (b) your pensionable allowances, if any
 - (c) your service (questions 6 and 18).
5. **Are contributions payable towards the benefits of the Scheme?**
Contributions are payable towards your retirement pension at the rate of 4% of your basic wages and pensionable allowances.
6. **What service is reckonable for benefits?**
 - pensionable service (your total reckonable service days are converted to years by dividing by 300; service in any year when you have less than 200 service days, except the year when you retire, is disregarded; a maximum of 300 days per year is reckonable. Service days in any year when you opt not to be pensionable are also disregarded);
 - certain wholtime service prior to becoming pensionable;
 - certain other transferred service (question 18);
 - certain service in respect of which you may already have received a gratuity or a refund of contributions provided you make an appropriate repayment.
7. **On what rate of pay are benefits calculated?**
In most cases benefits are based on basic wages, plus any pensionable allowances, on the last service day. If, however, you change grade or receive a personal increase in wages within 3 years of your last service day, an average wages figure will be used.

Pensionable allowances are always averaged over the 3 years ending on the last service day.
8. **When are benefits payable?**
Retirement pension is payable on retirement. You may retire at any time after reaching age 60 (or before that age on grounds of ill-health). A minimum of 20 years' reckonable service is required for pension purposes or 10 years if an ill-health retirement or retirement at or over age 65 is in question.

9. **What rate of retirement pension is payable?**

The Scheme is designed to give you the maximum pension after 40 years' service. Subject to the relevant minimum service requirement outlined in question 8, pension is payable for each year of reckonable service (with any fraction of a year being disregarded) at the following rate:

Pension: $1/60$ th of reckonable pay

Example:

A person retires at age 63 with 33.46 years' reckonable service and reckonable pay of €340. The pension entitlement is as follows:

Pension: $1/60 \times 33 \times €340 = €187$

10. **For how long is my pension paid?**

Your pension is paid for the period of your lifetime.

11. **Is there any provision for my pension to be increased to take account of inflation?**

Yes. Your pension will generally be increased to take account of increases in the pay of your former grade.

12. **Are benefits reduced if I become re-employed by a local authority in a temporary capacity after I retire or resign?**

Your pension would be reduced to ensure that your total pay and pension do not exceed the current equivalent of the pay you had on your last service day.

13. **What benefits would apply if I died in service?**

If you have at least one year and less than five years of reckonable service your legal personal representative would receive a gratuity equal to your reckonable pay multiplied by four and one-third, multiplied by your service (whole) years. If you have five or more years' service, the gratuity is equal to your reckonable pay multiplied by fifty-two (i.e. a year's pay).

14. **What benefits would apply if I died after retirement?**

If at the time of your death the total pension received by you since your retirement amounts to less than one year's reckonable pay as at your last service day, a sum equal to the deficiency will be paid to your legal personal representative.

15. **What happens if I leave the local authority service otherwise than by reason of age or ill-health retirement?**

If you resign voluntarily you may be able to transfer your pension rights to an approved organisation (question 18).

16. **Who can qualify for a marriage gratuity?**

A female employee with five or more years' reckonable service who ceases to hold her employment by reason of her marriage will subject to certain conditions (details of which may be obtained from the Personnel Department of your local authority) receive a gratuity

equal to the lesser of (a) her reckonable pay multiplied by four and one-third, multiplied by her service (whole years), or (b) her reckonable pay multiplied by fifty-two (i.e. a year's pay).

17. Can I obtain a refund of my contributions in any circumstances?

Your contributions (less an appropriate deduction for income tax) will be refunded to you if you are not entitled to any pension or gratuity and are not entitled to transfer your service (question 18).

18. What does transferred service mean?

Under the local government transfer of service arrangements you are able to transfer your service to or from a variety of public sector organisations such as the civil service, the Garda Síochána, the Defence Forces, the national and secondary teaching sectors and certain other state or semi-state bodies. The Personnel Department of your local authority will be able to advise you of the full extent of these transfer of service arrangements.

If you are resigning you should give details of your prospective employer, if any, to the Personnel Department of your local authority so that a transfer of your service can be arranged, if possible.

19. What can I do if I have a shortfall of service?

You may be able to contribute to a union-based Additional Voluntary Contribution (AVC) Plan. However, this is outside of the Local Government Superannuation Scheme. You should contact your union or the Personnel Department of your local authority for further information.

20. Can I allocate part of my pension?

Yes - in order to provide a pension for your spouse or other dependent relative.

21. How are benefits and contributions treated for income tax purposes?

All gratuities are exempt from income tax.

Pensions are subject to income tax in the ordinary way.

Contributions would normally qualify for income tax relief (subject to certain limits).

22. Is there any other information available regarding my pension entitlements?

You should contact the Personnel Department of your local authority if you require any other details.

The information given in this Booklet is of a general nature only and should not be taken as an interpretation of the statutory provisions.