

**Explanatory Booklet on the  
Local Government  
Superannuation Scheme**

**Revision Scheme Officers  
Paying Modified (Class D) PRSI**

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.

## **I OFFICERS MAIN SCHEME**

3. **What benefits does the Scheme provide?**  
The main benefits are
  - retirement pension and lump sum (question 10)
  - death gratuity (question 16)
  - spouses' and children's pensions (questions 29 - 45).
4. **Who is eligible to join the Scheme?**  
If you are appointed to a permanent wholetime post with a local authority you are eligible to join the Scheme. Membership of the Scheme is compulsory for any officer who is eligible to join it.
5. **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 salary
  - (b) your pensionable allowances, if any
  - (c) your service (questions 7, 12, 22, 23 and 24).
6. **Are contributions payable towards the benefits of the Scheme?**  
Contributions are payable towards your own retirement pension and lump sum benefits at the rate of 5% of your salary and pensionable allowances. Additional contributions are payable towards spouses' and children's pensions (question 39).
7. **What service is reckonable for benefits?**
  - pensionable service;
  - temporary wholetime service which precedes permanent wholetime (i.e. pensionable) service;
  - certain part-time service;
  - certain other transferred service (question 23);
  - additional or added service allowed in certain circumstances (questions 12 and 22);
  - certain service in respect of which you may already have received a gratuity or a refund of contributions provided you make an appropriate repayment.

8. **On what rate of pay are benefits calculated?**

In most cases benefits are based on basic salary, plus any pensionable allowances, on the date of retirement or death. If, however, you change grade or receive a personal increase in salary within the last 3 years of service, an average salary figure will be used.

Pensionable allowances are always averaged over the last 3 years of service.

9. **When are benefits payable?**

Retirement pension and lump sum are payable on retirement. Maximum retirement age is 65 but you may retire at any time after reaching age 60 (or before that age on grounds of ill-health). A minimum of 5 years' reckonable service is required for pension and lump sum. If you resign voluntarily before age 60 with at least 5 years' reckonable service and do not transfer to another organisation whose pension scheme allows for the reckoning of your local authority service you may qualify for a preserved pension and lump sum at age 60, on written application by you (question 20).

10. **What rate of retirement pension and lump sum is payable?**

The Scheme is designed to give you the maximum pension and lump sum after 40 years' service. Subject to a minimum requirement of 5 years' reckonable service, pension and lump sum are payable for each year of reckonable service (with fractions of a year counting proportionately) at the following rates:

Pension:	1/80th of reckonable pay
Lump Sum:	3/80ths of reckonable pay.

**Example:**

A person retires at age 63 with 32.76 years' reckonable service and reckonable pay of €31,433. The entitlements are as follows:

Pension:	$1/80 \times 32.76 \times €31,433 = €12,871.81$
Lump Sum:	$3/80 \times 32.76 \times €31,433 = €38,615.44$

If you resign before age 60 and qualify for a preserved pension and lump sum, they will be based on your reckonable pay on the date of your resignation uprated to take account of increases in pensions generally between that date and your 60th birthday.

11. **What is the position if I become too ill to continue in employment?**

Subject to certain conditions you may retire on ill-health grounds.

12. **What benefits are payable if I retire on ill-health grounds?**

A pension and lump sum, calculated in the same way as an age retirement pension and lump sum (question 10) will be paid to you provided you have a minimum of 5 years' reckonable service. As well as your actual service you may be allowed an additional period of notional service. This added service, which is calculated by reference to the length of your actual service, is to compensate you for the fact that you have to retire prematurely. An addition of 6 2/3rds years is common. The maximum addition is 10 years but very few, if any, officers will qualify for this. The actual addition allowable in any case will depend on the officer's age and service.

If you have less than 5 years' reckonable service and you retire on ill-health grounds you will not qualify for a pension and lump sum or ill-health added years. However, a gratuity, related to your actual service, will be paid to you.

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

Your pension is paid for the period of your lifetime.

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

Yes. Your pension (or any spouse's and children's pension payable after your death) will generally be increased to take account of increases in the pay of your former grade.

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

Lump sum benefits are not affected by re-employment. However, 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 the date of your retirement or resignation.

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

Your legal personal representative would receive the greater of:

- (a) one year's reckonable pay (at the rate applicable on the date of your death), or
- (b) the lump sum that would have been paid to you had you retired on ill-health grounds on the date of your death (question 12).

If you are a member of the Spouses' and Children's Contributory Pension Scheme a pension will be payable to your spouse and children (questions 29 - 45).

**17. 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, together with the amount of your retirement lump sum, amounts to less than one year's reckonable pay as at the date of your retirement, a sum equal to the deficiency will be paid to your legal personal representative.

**18. 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 either transfer your pension rights to an approved organisation (question 23) or, if you have at least 5 years' reckonable service, qualify for a preserved pension and lump sum (question 20).

**19. Can I qualify for a marriage gratuity?**

Only certain female officers can qualify for a marriage gratuity. Any female who became pensionable since 1st June 1978 has no entitlement and specific conditions must be fulfilled for females appointed before that date.

**20. How or when do I qualify for preserved benefits?**

If you resign before age 60 (other than on ill-health grounds) with at least 5 years' reckonable service your pension and lump sum entitlement is preserved to age 60. As explained in questions 9 and 10 you must apply in writing for these benefits on reaching age 60 and they will be based on your reckonable service and on your reckonable pay on the date

of your resignation uprated by the appropriate increases between that date and your 60th birthday. If you take up a position with another organisation to which you are entitled to transfer your service (question 23) you may avail of preserved benefits instead but subject to different conditions.

Preserved pension and lump sum will become payable earlier than your 60th birthday if you fall permanently ill before that date. Should you die before reaching age 60 a preserved death gratuity (calculated in the same manner as a preserved lump sum) will be payable to your legal personal representative.

**21. 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 resign with less than 5 years' reckonable service and are not entitled to transfer your service (question 23). If you have at least 5 years' reckonable service and are resigning with an entitlement to preserved benefits you may, subject to certain conditions, opt to receive a refund of contributions instead. The option of a refund of contributions is not available under any circumstances if you became pensionable on or after 1st February, 1995 and are resigning with 5 or more years' service.

**22. What are added years or additions to service?**

Notional service or added years may be awarded in certain circumstances

- on ill-health retirement (question 12), and
- where certain professional, technical, specialist qualifications and/or experience are required for appointment.

**23. 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.

Newly-appointed officers should notify their Personnel Department of any previous employment and if you are resigning you should give details of your prospective employer, if any, to the Personnel Department so that a transfer of your service can be arranged, if possible.

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

You may purchase additional notional service at full actuarial cost. Details of the cost of purchase and the limits on the amount of notional service you may purchase are available from the Personnel Department of your local authority.

Alternatively, 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.



25. **Can I allocate part of my pension?**  
Yes - in order to provide a pension for your spouse or other dependent relative. An allocation does not affect any pension payable under the Spouses' and Children's Contributory Pension Scheme.
26. **What is the Spouses' and Children's Pension Scheme?**  
A brief explanation of that Scheme is attached (questions 29 - 45).
27. **How are benefits and contributions treated for income tax purposes?**  
All lump sum payments (including gratuities) are exempt from income tax.  
  
Pensions are subject to income tax in the ordinary way.  
  
Contributions payable towards the main scheme and the spouses' and children's pension scheme would normally qualify for income tax relief (subject to certain limits).
28. **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.

## II SPOUSES' AND CHILDREN'S PENSION SCHEME

29. **What is the Spouses' and Children's Pension Scheme?**  
It is a Scheme to provide pensions for the spouse and/or dependent children of a member who dies in service or after qualifying for a pension or preserved pension.
30. **Who does the Scheme apply to?**  
The Scheme applies to any officer who is appointed to a pensionable post on or after 1 January, 1986. Any officer in a pensionable post immediately prior to that date had an option to join the Scheme. Some officers would have decided to remain in the Widows' and Orphans' Scheme which is broadly similar to the Spouses' and Children's Scheme, while others would not be members of either scheme. (Further details of the Widows' and Orphans' Scheme may be obtained from the Personnel Department of your local authority).
31. **Can I leave the Scheme?**  
No - Once you join the Scheme you must remain in it.
32. **How are spouses' and children's pensions calculated?**  
If you die in service or after retirement on ill-health grounds the spouse's and children's pensions will be calculated by reference to the pension you would have received had you continued in pensionable employment up to age 65 (this is known as your potential pension).

In all other cases the spouse's and children's pensions will be calculated by reference to your actual pension entitlement.

Pensions are calculated according to the following table:

Details of Dependants	Fraction of your pension or potential pension payable to spouse	Fraction of your pension or potential pension payable to children	Total Fraction of your pension or potential pension payable
Spouse	$\frac{1}{2}$	-	$\frac{1}{2}$
Spouse and 1 child	$\frac{1}{2}$	$\frac{1}{6}$	$\frac{2}{3}$
Spouse and 2 children	$\frac{1}{2}$	$\frac{1}{3}$	$\frac{5}{6}$
Spouse and 3 or more children	$\frac{1}{2}$	$\frac{1}{2}$	Full Amount
1 child	-	$\frac{1}{3}$	$\frac{1}{3}$
2 or more children	-	$\frac{1}{2}$	$\frac{1}{2}$

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

**33. Who is regarded as a "child" for the purposes of the Scheme?**

A person under 16 years of age or, if receiving full-time education or training, 22 years of age. Subject to certain conditions, no age-limit applies where a child is incapable of maintaining himself or herself because of mental or physical infirmity.

**34. To whom are children's pensions payable?**

Children's pensions are normally paid to the spouse.

**35. My spouse has already died - can I provide for my children under the Scheme?**

Yes - your children would be covered under the Scheme.

**36. I have four children - can I provide for all of them?**

The children's pension is for the joint benefit of all your children. If you leave a spouse and three or more children, the maximum children's pension will be payable. Similarly, if you leave no spouse the maximum children's pension will be payable so long as at least two children remain eligible. Children's pension is divided equally among all eligible children. In your case each child would receive one-quarter of the total children's pension payable.

**37. If my spouse dies what happens to the children's pension?**

It depends on the number of children. If there is one child under 16, or under 22 if receiving full-time education, or incapable of maintaining himself or herself because of mental or physical infirmity, the pension goes up from one-sixth of the amount of your pension to one-

third and, if there are two such children, from one-third to one-half. If there are three or more such children the total amount of their pension remains unchanged.

**38. If my spouse re-marries, what happens to the pension and the children's pension?**

The spouse's pension stops. The local authority may restore it if she/he again becomes a widow/widower or if compassionate grounds for so doing subsequently arise. The children's pension also stops unless the local authority directs otherwise.

**39. Do I have to contribute towards the benefits of the Scheme?**

Yes. The Scheme is contributory and all participating in it must pay contributions. These take the form of a periodic contribution of 1.5% of pay, plus a deduction of 1% of reckonable pay at retirement or death in respect of each year of reckonable service for which contributions from pay have not been paid.

If you gave reckonable service prior to the date from which periodic contributions commenced a deduction from the lump sum or death gratuity would normally be due. However, you may opt instead to contribute for that service by extra contributions from pay provided certain conditions are fulfilled.

**40. For how long do I have to contribute?**

Your spouse gets a pension which is calculated on your actual pensionable service, plus, if you die in service or after retirement on ill-health grounds, potential service to age 65. The total is your "reckonable service" and you must therefore pay contributions to cover the whole of that service.

**41. Please tell me more about the system of contributions?**

Contributions, once started, will continue until you are pensioned or die, even if you do not marry or if your spouse should die. (See, however, the provisions described under questions 42 and 43 below for the return of contributions in certain cases).

**42. Are my contributions refunded if I retire without a pension myself?**

Yes. Contributions (less an appropriate deduction for income tax) are returnable if your service terminates without entitlement to pension or preserved pension unless you transfer your service for superannuation purposes to another organisation.

**43. Do I have to go on contributing if my spouse dies while I am serving?**

Yes. However, years after the death of your spouse during which you paid periodic contributions will, unless you have married again before retirement, be offset against any years for which you may be liable for contributions.

**44. Are my contributions refunded if I remain unmarried throughout the time that the Scheme applies to me?**

No.

**45. Does being a member of the Scheme affect my own pension?**

No.

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