

To: All Secretary Generals

13 March 2004

Dear Secretary General

Public Service Superannuation (Miscellaneous Provisions) Bill 2004

As you are aware, the Minister for Finance announced a package of pension reforms in the 2004 Budget on 3 December 2003. The Public Service Superannuation (Miscellaneous Provisions) Bill 2004 has been drafted to give effect to the age related provisions of the reform package and is currently passing through the Houses of the Oireachtas. The aim is to have the Bill signed into law before 1 April 2004.

The Bill, if passed, will change the superannuation terms of new entrant public servants appointed on or after 1 April 2004. The purpose of this letter is to alert all Departments to these changes and the need to ensure their implementation as and from 1 April 2004. Full details of the Bill (which has passed all stages in the Seanad and Second and Committee Stages in the Dáil) are available on the Oireachtas and Department of Finance websites.

In summary, the purpose of the Bill is to

- (1) **increase the minimum age at which pension is payable to new entrant public servants** (*with the exception of staff in commercial State Sponsored Bodies, the President, the Judiciary and the Master of the High Court, Taxing Masters or County Registrars and certain fire brigade employees*); **the new minimum pension age will be 65** (*except in the case of the Gardai, Prison Officers and certain specified Fire Brigade Employees, where the minimum pension age will be 55; in the case of the Permanent Defence Force (excluding the Army Nursing Service), the minimum pension age will be 50*); and
- (2) **remove compulsory retirement ages for new entrant public servants** (*except in the case of the Gardai, Prison Officers, certain specified Fire Brigade Employees and the Permanent Defence Force (excluding the Army Nursing Service). In the case of the Gardai, the compulsory retirement age is being raised to 60, subject to meeting certain criteria*).

In addition, there are some related consequential provisions. These include the removal of fast accrual from certain staff in the fire brigade and from psychiatric nurses and some other staff employed under the Mental Treatment Act 1945.

The immediate administrative/Human Resource consequences of the Public Service Superannuation (Miscellaneous Provisions) Bill 2004 being passed are that it will be essential for all Departments/Offices to ensure that new appointees are made fully aware of and are treated in accordance with the revised arrangements. Accordingly, in the case of staff taking up duty on or after 1 April 2004, it will be necessary to determine, at the outset, whether an employee should be treated as a 'new entrant' for the purposes of the Bill. For this purpose, it will be necessary to establish the previous public sector employment history (if any) of each new employee. Once that has been established, the potential employee should be given a clear statement as to which superannuation arrangements apply to him/her. This should form part of the offer of appointment so that the person is fully aware of his or her superannuation position before taking up appointment.

In general, a new entrant to the public service is defined as a person who becomes a public servant on or after 1 April 2004. The new arrangements do not apply to public servants who are serving on 31 March 2004. A broad scope has been given to the term "serving" in the context of this Bill. The general principle is that anyone who has an employment relationship with the public service as of 31 March 2004 will not be deemed to be a new entrant. "New entrant" is defined in detail in Section 2 of the Bill and "public service body" is defined in Section 1.

More detailed guidelines will issue when the Bill is passed. In the meantime, it is recommended that an information note on the lines of the attached be supplied to people who are on panels for appointment or are candidates for positions within your organisation, except in the case of competitions run by the Civil Service Commission. A similar note has already been supplied to the Civil Service Commission for use in civil service open competitions.

You are asked to bring this letter to the attention of all bodies which are under the aegis of your Department and which fall within the definition of "public service body" as defined in the Bill.

If you have any queries, either of us will be pleased to help you.

Yours sincerely

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