



### **Frequently Asked Questions**

Provision to allow for certain education and training sector staff to be retained in employment beyond their Compulsory Retirement Age of 65 years until they reach the age of eligibility for the Contributory State Pension –

**These questions must be read in conjunction with Circular 0027/2018**

#### **1. Who can avail of the Temporary Arrangements?**

Persons who are in service on or after 5 December 2017 **and**

- (i) whose service commenced before 1 April 2004 and has not been interrupted by a break of more than 26 week(excluding approved/statutory leave) at any time before reaching compulsory retirement, **and,**
- (ii) has a compulsory retirement age of 65 (or, for certain staff, the end of the school/academic year in which age 65 is reached), and will reach the compulsory retirement age between 5 December 2017 and the commencement of the necessary legislation to give effect to the Government Decision.

#### **2. How long may I be retained beyond compulsory retirement age under the temporary arrangements?**

A person whose compulsory retirement age is the date on which age 65 is reached may apply to be retained until the date age 66 is reached. However, in the case of certain staff, who currently have a compulsory retirement date of the end of the school/academic year in which age 65 is reached, the person may be retained to the end of the school/academic year in which age 66 is reached.

#### **3. Am I required to remain in employment beyond my compulsory retirement date under the temporary arrangements?**

No. Neither the temporary arrangements nor the proposed legislation make it mandatory to remain beyond the compulsory retirement date of those effected.

#### **4. Is there any change under the temporary arrangements to the earliest date at which a person may currently retire?**

No. Neither the temporary arrangements nor the proposed legislation will alter the early retirement arrangements where these currently exist.

#### **5. I will reach compulsory retirement age in 2018 but wish to be retained under the temporary arrangements, do I have to retire?**

Yes your compulsory retirement date remains as it is until the proposed legislation takes effect, accordingly you must retire on reaching compulsory retirement age. You may however, apply to be retained until your 66<sup>th</sup> birthday or, in the case of those who currently have a compulsory retirement date at the end of the school/academic year in which age 65 is reached, you may apply to be retained until the end of the school/academic year in which age 66 is reached.

## **6. How do I apply for retention?**

A person may apply to their employer seeking this arrangement. For the purpose of this Circular in the case of staff of recognised primary, secondary and community comprehensive schools the employer is the Board of Management. In the case of Education and Training Boards (ETBs), Institutes of Technologies (IOTs), universities and other education related bodies the employees should direct their applications to their organisations HR Unit.

## **7. Is there an application form?**

Yes, an application form is appended to this Department's Circular reference 0027/2018 and can be accessed at:

[https://www.education.ie/en/Circulars-and-Forms/Active-Circulars/cl0027\\_2018.pdf](https://www.education.ie/en/Circulars-and-Forms/Active-Circulars/cl0027_2018.pdf)

A teacher who proposes to continue teaching in a whole time capacity in the school year following reaching compulsory retirement age should advise the principal and managerial authority /ETB as soon as possible. In the case of teachers paid on payrolls operated by the Department, the principal should include this information in the annual change of staff form (CP1). A specific form which will be available with the change of staff pack issued to schools should also be completed and returned to the appropriate section in the Payroll Division of the Department. This form will also be available on the Department website.

## **8. When should I apply for retention?**

It is a matter for each employer, based on the business needs of their area, to determine how much notice is required from an employee who may wish to be considered for retention under this Circular. Employers are required to engage in a timely manner with employees who fall into this age category so that the necessary arrangements can be made to minimise workplace disruption.

In the case of teachers and non-teaching staff in recognised primary, secondary, community and comprehensive schools and in education and training boards who have a compulsory retirement age of the end of the school year in which they reach age 65, notification of retention should be made to their employer no later than **end of April** each year.

## **9. If I retire on my compulsory retirement date, may I subsequently apply under the temporary arrangements?**

No. An application under the temporary arrangements must be made ahead of the compulsory retirement date. It is not possible to apply for retention after the date of compulsory retirement.

**10. If my retention is approved, do I remain in my current post?**

Yes. While the period of employment under the temporary arrangements is considered a new contract of employment the temporary arrangements envisage a continuation of the person in the current post. For example, where a person was employed as a school Principal prior to retirement, they will continue as Principal of that school for the period of employment under the interim arrangements. However this may not always be possible and where it is not the employer may at its discretion, assign the person to another post at the same grade in the employment. (Such an arrangement should fall within the existing rules for re-location)

**11. Can I change my work pattern for the period of employment under the temporary arrangements?**

You will return on a work pattern with the same or fewer hours. Any application for a reduction in hours is subject to the business needs of the organisation and the agreement of the employer.

**12. Will the period of my retention count towards pension?**

No. Under the temporary arrangement, pensionable service will end on the day compulsory retirement age is reached. Accordingly the retention period does not count towards pension.

**Pay and Pension**

**13. Will any change in salary occur for the period of retention?**

Yes, for the period of employment under the temporary arrangements the person will be placed on the **first point of the relevant pay scale (where a new entrant salary scale exists for the grade, the person will be placed on the first point of the new entrant salary scale)**. If immediately prior to retirement the person was on a PPC rate, then following retention the person will be placed on the first point of the non-PPC scale (to take account of the fact that no pension contribution is payable).

**14. I was in receipt of pensionable allowances, additional to basic pay, will these allowances continue to be paid during the temporary period?**

Allowances which were withdrawn for new beneficiaries in February 2012 under the public service review of allowances will not be payable during the temporary period. Allowances which remain payable to new beneficiaries may be paid, subject to the conditions for payment of the allowance being fulfilled. For example, where a person was employed as an Assistant Principal in a school prior to retirement, they will continue as Assistant Principal for the period of employment under the temporary arrangements and will be paid an Assistant Principal allowance.

**15. I would have been due a pay increment had I remained in service for a further 6 months, will I progress from the 1<sup>st</sup> point of the salary scale when that period has elapsed?**

No. The period of employment under the temporary arrangements is considered to be a new employment and accordingly, service towards an increment given prior to retirement does not carry forward into that period.

**16. I would have reached the point where the Long Service Allowance (teachers) would have become payable after a further 4 months of service, will retention during the temporary arrangement count towards the period?**

No. The period of employment under the temporary arrangements is considered to be a new employment and accordingly does not towards the service threshold for the Long Service Allowance for teachers.

**17. I am a Special Needs Assistant. If my retention is approved do I retain my place on the seniority listing in my school/ETB scheme?**

No. Effectively you will be deemed as a new entrant under these temporary arrangements and therefore you will not retain your pre-retirement date seniority listing.

In addition, in approving your application for retention, your employer must be satisfied that a business need exists to warrant the retention, i.e. that a continuing role is available for you for the duration of the approved retention period. Therefore if the SNA allocation for your school/ETB is reduced during the period of these interim arrangements it will be deemed that there is no longer a continuing role available for you.

**18. Will I be liable for payment of pension contributions for the retention period?**

No. since the period is not pensionable service no pension contributions will be payable.

**19. Will I continue to be liable for Pension Related Deduction (PRD) from pay during the retention period?**

Yes, PRD will continue to be deducted. (In broad terms PRD applies in the case of public servants who are in pensionable public service employment, or, in the case of persons in receipt of salary from public service funds, but not in pensionable service, who have accrued an entitlement to a superannuation benefit under a public service pension scheme.)

**20. What happens to my pension and lump sum, if I am retained under the temporary arrangements beyond compulsory retirement age?**

You will need to apply for pension benefits in the normal way as you approach compulsory retirement date. In addition you will need to provide the Pension Unit of your employer with proof of your retention as early as possible. This could be done by providing a copy of retention form (appendix B of the circular) signed by your employer and yourself.

Lump Sum Gratuity will be paid (following receipt of your Retirement application) as soon as practicable after your compulsory retirement date.

Annual Pension will be calculated in the normal way. However your pension will be abated, which means some or all of the pension may not be payable while you remain employed under the retention arrangement. This is called pension abatement. **See Illustrative Examples of the operation of Abatement at the Appendix to this document.**

Where your pension is stopped in full for the duration of the retention in employment, it will commence immediately following the ending of the retention period. Likewise where your pension is paid at a reduced level it will be restored to full value at the end of the retention period.

(**Note:** To avoid any delay in its activation the person should contact the Pension Unit of your employer close to the ending of the retention.)

21. **If I retire before the date of my compulsory retirement is reached, can I apply for retention beyond compulsory retirement date?**

No. The temporary arrangements will not apply to any person who retires before their compulsory retirement date is reached.

22. **Will the temporary Arrangements apply to anybody with a compulsory retirement date beyond age 66?**

No, the temporary arrangements do not apply in such a case.

23. **I will be age 66 in October 2018 and intend to apply for retention from my compulsory retirement date of 31 August this year. I will be eligible for a small Contributory State Pension at that time. If I claim the State Pension at that time will it impact in any way on my continued employment in the education sector?**

No

24. **Who can I contact if I have further queries?**

Queries should be emailed to: [retirementage@education.gov.ie](mailto:retirementage@education.gov.ie)

5<sup>TH</sup> April 2018

## APPENDIX (FAQ)

### Abatement:

**What is Pension Abatement:** Abatement is a mechanism by which a public service pension is reduced or ceased where the recipient, following retirement from public service employment, is subsequently engaged in public service employment.

Under the principle of abatement the person's combined earnings – (pension plus pay in the new role) is assessed to establish whether it exceeds the pay on which the pension benefits were calculated. In broad terms your pension could be (i) un-affected, or (ii) ceased in its entirety, or (iii) paid at a reduced level. The following outlines the different impacts in such cases.

- (i) Where the combined income (pension plus pay in the new employment) is less than the pay on which the pension is based, then no adjustment to pension will occur.
- (ii) Where the pay in the new employment is equal to or greater than the pay on which the pension is based, pension, in its entirety, ceases for the duration of the new employment.
- (iii) Where the pay in the new employment is less than the pay on which the pension is based, but the new pay when combined with the pension is greater than the pay on which the pension is based, then pension is reduced accordingly.

### Illustrative examples:

Illustrative example of (i) above – Final pay for calculation of pension = €64,000; Annual Pension = €32,000; New pay in current role = €30,000. Since (32,000+30,000) is less than €64,000 there is no abatement in this instance.

Illustrative example of (ii) above – Final pay for calculation of pension = €60,000; Annual Pension = €30,000; New pay in current role = €65,000. Since new pay is greater than €60,000, pension is abated in full. Pension only may be abated, however it is important to note that abatement does not impact on the new pay (which in this example is greater than the pay on which the pension was based).

Illustrative example of (iii) above – Final pay for calculation of pension = €60,000; Annual Pension = €30,000; New pay in current role = €35,000. Since (30,000+35,000) is greater than €60,000, pension is abated (reduced) by €5,000. Accordingly the person, in addition to the annual rate of pay in the new employment of €35,000, is entitled to pension at the reduced annual rate of €25,000. Potential earning (pay + pension) for a year is therefore €60,000.