



Circular Letter Pen 45/00

TO: CHIEF EXECUTIVE OFFICERS OF VOCATIONAL EDUCATION COMMITTEES

Purchase of Professional/Technical Added Years for Superannuation Purposes

1. Introduction.

A member of the staff of a local authority who is appointed to a post where the recruitment conditions are such that the staff member would be unable to acquire maximum pensionable service, i.e. 40 years, by age 65 may purchase added years for superannuation purposes.

The scheme for this purpose was introduced in 1987 by the Department of Environment and provides that the appropriate amount of added years in the case of any staff member must be sanctioned by the Minister. Circular letters S.6/87 and 4/90 refer.

Following the transfer of functions from the Minister for the Environment to the Minister for Education and Science, it has been decided that the sanction of the Minister will no longer be required in all cases.

The purpose of this letter is to convey delegated sanction to VECs and to clarify the existing arrangements for the information of VECs. The purpose of the letter is also to provide VECs with application forms which incorporate the qualifying conditions and have been designed with a view to ensuring that only applications which meet the basic qualifying conditions will be pursued.

2. Circulation.

This circular, including Appendices 1 and 2, should be issued, instead of circulars 6/87 and 4/90, to any person who seeks information regarding the provisions for professional/technical added years in the case of vocational teachers. It is suggested that the Application Forms, as set out in Appendices 3 and 4 of the circular, need be issued only to staff who indicate, having read the circular, that they intend to make application.

3. Applications.

An application to purchase professional/technical added service should be made to the VEC **at or close to retirement** since the amount of added service which may be purchased cannot be determined until the final amount of the applicant's actual pensionable service and superannuation entitlements AT RETIREMENT are known. Actual pensionable service includes any transferred service but does not include added service or service purchased under the notional service purchase scheme.

An application should also be made by a teacher who **is considering the purchase of notional service** since the purchase of professional/technical added service will reduce the need for notional service. In this case, however, it will be possible to provide the teacher only with an ESTIMATE of the amount of professional/technical added service which might be purchased.

Applications should be made on the prescribed forms:- Forms [ADD/1](#) and [ADD/2](#), samples of which are attached at Appendices 3 and 4, respectively. (Form ADD/1 has been designed to be completed by the teacher concerned. Where the application is made following the teacher's death, the form should be adapted by the VEC for completion by the teacher's legal personal representative.)

4. General Provisions.

The scheme was introduced by Department of Environment Circular letter S.6/87 to provide for the purchase of added years for superannuation purposes by certain professional, technical and specialist members of the Local Government Superannuation Scheme.

In the case of vocational teachers, the scheme applies to those in service **on or after 1 January 1985** and who meet the qualifying conditions.

5. Qualifying conditions.

The following conditions must be met before an application can be considered:

- (a) The applicant's appointment was to a **permanent and pensionable teaching post.**
- (b) Minimum professional, technical or specialist qualifications and/or a minimum number of years of essential experience were required for entry to the post

or
the minimum entry age specified for appointment to the post was over 25.
- (c) It was not possible, **by reason of such entry requirement**, to have 40 years service by the applicant's 65th birthday.
- (d) The applicant must have **at least 10 years of actual pensionable service** (ie excluding added years or purchased notional service) at the time of retirement.
- (e) The applicant has not retired or resigned before the age of 60 or, if retired before age 60, has retired on grounds of permanent infirmity.

6. Recruitment as a Woodwork-and-Building-Construction Teacher.

It has been established that applicants who were recruited from the special competition for appointment as a Woodwork-and-Building-Construction Teacher, **and only such applicants**, are capable of meeting the above conditions. Special competitions for the recruitment of vocational teachers were not held after 1980.

The minimum age limit specified for entry to the special competition for appointment as Woodwork-and-Building-Construction Teacher was 25 years of age. However, it was also specified that such candidates had to have "**adequate supervisory experience**". It is in the light of this latter condition that applications from persons appointed to such posts can be considered.

Note, in particular, that candidates for the special competitions for recruitment as a Woodwork Teacher or as a Metalwork Teacher were **not** required to have adequate **supervisory** experience and that the minimum age limit specified for these candidates was less than 25 years of age. Since recruitment conditions would not prevent such candidates from attaining 40 years of pensionable service by age 65, applications from persons who were recruited to the post of Woodwork Teacher or to the post of Metalwork Teacher cannot be considered.

7. Establishing the amount of added service that may be purchased.

In order to arrive at this amount it is necessary to take the following steps:-

Ascertain the maximum amount of added service which may arise from recruitment conditions;

- 1) Ascertain the maximum amount of added service which is available for purchase, (ie the gross amount);
- 2) Calculate the actual amount of added service that may be purchased by making deductions from the gross amount in respect of Social Welfare pensions and other retained benefits.

Each of the above steps is fully set out in the following paragraphs.

8. The maximum amount of added service which may arise from recruitment conditions.

The scheme provides that the maximum amount of added years which may arise from recruitment conditions will be the greater of:

- a) The aggregate of the minimum number of years in which the qualifications can be obtained and the minimum number of years of essential experience required, such aggregate to be calculated as if the commencement date was the applicant's eighteenth birthday
- or**
- b) the minimum entry age for the competition from which the applicant was recruited reduced by 25.

The special competition for appointment to the post of Woodwork-and-Building-Construction Teacher was held between the 1940s and 1980. The minimum age specified for entry to the competitions for these posts was 25 years and, therefore, the amount of added service available under (b) above is nil.

However, it has been established that up to 7.9166 years may be available under (a) above, having regard to the requirement that candidates had to have essential experience, including adequate supervisory experience, and to the fact that successful candidates were required to undergo a training course of 11 months duration before being appointed. This, in practice, meant that the minimum age on taking up a teaching post was 25.9166 years.

No specified number of years was defined for the purposes of the competition as constituting adequate supervisory experience (but all successful candidates would, of course, have satisfied this condition). Taking these circumstances into account, it has been determined that up to 7.9166 years of added service may be available in the case of an appointee to the post of Woodwork-and-Building-Construction Teacher. This period consists of up to 7 years in respect of essential experience between age 18 and age 25 and of a training period of 0.9166 years. The maximum of 7.9166 years could apply only in the case of a person who was in the continuous practice of his/her trade between age 18

and age 25 and whose service as a Woodwork-and-Building-Construction Teacher commenced after the age of 32.

Where the applicant was NOT in the continuous practice of his/her trade between age 18 and age 25, the amount of 7.9166 years should be reduced appropriately. For example, the amount would be reduced to 5.9166 years in the case of an applicant who was unemployed for 2 years between age 18 and age 25.

9. The gross amount of added service available for purchase.

9.1 The **gross** amount of added service available for purchase by an applicant who was appointed to the post of Woodwork and Building Construction Teacher, before adjustments to take account of Social Welfare pensions and other retained benefits and of pensionable service prior to appointment, is **whichever is the lesser of:** -

- i the maximum amount of added years which may arise from recruitment conditions, (usually 7.9166 years - see paragraph 8 above),
or
- ii the difference between 40 years and the amount of pensionable service which the applicant would have by his/her **65th birthday**.

9.2 Where the applicant retires before age 65, except on grounds of permanent infirmity, the gross amount of added years available for purchase **will be reduced by the difference between the applicant's 65th birthday and his/her date of retirement.**

(Remember that where the applicant retires before age 60, except on grounds of permanent infirmity, no added years may be purchased - see 6(e) above.)

9.3 Examples:-

9.3(1) Teacher appointed at age 29.75 years, having been in the continuous practice of his/her trade between age 18 and age 25. Retires at age 65.75 years (end of school year in which age 65 is attained). The teacher would have 36 years service at retirement.

The gross amount of added service available for purchase is 4 years (to bring total pensionable service up to 40 years).

NOTE 1: If the teacher in this example had retired on his 65th birthday, the gross amount of added service available for purchase would have been 4.75 years.

NOTE 2: If the teacher had been unemployed for 5 years between age 18 and age 25, the gross amount available for purchase would be 2.9166 years, (7.9166 years less 5 years).

9.3(2) Teacher appointed at age 29.75 years, having been in the continuous practice of his/her trade between age 18 and age 25. Retires at age 62.75 years with a total of 33 years of service. The teacher could have attained 35.25 years by remaining in service until his 65th birthday.

The gross amount of added service available for purchase is 2.50 years. The 2.50 years is calculated by deducting 2.25 years (the difference between age 65 and the age at retirement of 62.75 years) from 4.75 years (the difference between 40 years and 35.25 years of service).

9.3(3) Teacher appointed at age 33.75 years, having been in the continuous practice of his/her trade between age 18 and age 25. Retires at age 65.75 years. The teacher would have 32 years service at retirement.

The gross amount of added service available for purchase is 7.9166 years.

9.4 Provisions where an applicant retires on grounds of permanent infirmity.

In this case the gross amount of added service is first calculated on the basis that the applicant had been able to continue in service to age 65. (Since the applicant has retired on grounds of permanent infirmity, this amount does NOT fall to be reduced by the difference between the applicant's date of retirement and his 65th birthday.)

The gross amount as at age 65 is then combined with the amount of added years which has been granted because of the existence of the permanent infirmity. Where the combined amount of added years exceeds 10 years, the gross amount available for purchase will be the difference, if any, between 10 years and the amount of added years granted because of the permanent infirmity.

Example :

Teacher appointed at age 29, having been in the continuous practice of his/her trade between age 18 and age 25. Retires on grounds of permanent infirmity at age 50, with 21 years of actual pensionable service.

If the applicant had been able to continue in service to age 65, the gross amount of added service available for purchase would be 7.9166 years

The applicant is entitled to the award of 6 years and 243 days because of the permanent infirmity.

Since the combined amount of added years would exceed 10 years, the gross amount of added service available for purchase is 3 years and 122 days, i.e. 10 years less (6 years and 243 days).

NOTE: If the teacher in this example had been unemployed for 5 years between age 18 and age 25, the gross amount available for purchase would be 2.9166 years, (7.9166 years less 5 years).

9.5 Provisions applicable in the case of death in service.

The gross amount of added service for purposes of a death gratuity may not exceed 10 years. Where the combined amount of added years would exceed 10 years, the gross amount available for purchase will be the difference, if any, between 10 years and the amount of added years granted because of death.

9.6 Provisions applicable where a Spouses' Pension becomes payable following death in service or following retirement on disability pension.

In this case the limit of 10 years on the gross amount of added service does not apply. The spouse may be awarded a Spouses' and Childrens' Pension based on the member's potential service to compulsory retirement at age 65, together with the full amount of added service that would have been available for purchase if the deceased had remained in service up to his/her 65th birthday. (Note that the full amount available for purchase is the gross amount less abatement for retained benefits - see paragraph 10 following.)

The contributions due should be deducted from the retirement gratuity or death gratuity, as appropriate. Where added years have not been included in the Retirement Gratuity or Death Gratuity (because, for example, an application was not made until after cesser of office), the contributions should be offset against the increase in gratuity resulting from the added years.

Any balance of contributions due should be offset against the increase in pension which has resulted from the added years.

10. Calculation of the actual amount of added service that may be purchased.

10.1 The actual amount of added service that may be purchased by an applicant is arrived at by **making deductions from the gross amount** in respect of **prior pensionable service** and in respect of **entitlements to Social Welfare pensions and other retained benefits**.

10.2 Prior pensionable service.

A deduction should be made in respect of any periods of service which were given prior to appointment to the added years post and which were pensionable under the Local Government Superannuation Scheme.

A deduction should also be made in respect of any prior service which was transferred or **could have been transferred** into a Vocational Education Committee or Local Authority,

10.3 Retained Benefits - Social Welfare pensions.

The only social welfare pensions that are considered to be retained benefits are Retirement Pension and Old Age Contributory Pension (OACP). An applicant who does not enter permanent teaching employment until after age 25 may have had a significant period of employment prior to permanent teaching in respect of which social insurance at the full rate was paid. This full rate social insurance may well entitle the teacher to a Retirement Pension under the Social Welfare Acts on reaching age 65 or to an OACP on reaching age 66.

Such an applicant who retires since 1993, when provisions for pensions based on mixed rate social insurance were introduced, will almost certainly qualify for a pension under the Social Welfare Acts.

A deduction should be made in respect of such pensions.

The amount of the deduction should be calculated in accordance with the formulae and tables set out in Appendices 1 and 2. These formulae, devised by the Department of Finance, are intended to reflect the value, expressed as a period of service, of any benefits payable.

10.4 Other retained superannuation benefits.

An applicant may have been in prior pensionable employment and may have received or may retain entitlement to a pension, preserved pension or other superannuation benefit (including a refund of superannuation contributions) in respect of that employment.

Where an applicant is entitled to a retained superannuation benefit, other than a Social Welfare pension, **this Department should be consulted regarding the appropriate deduction.**

11. Non-transferability of added years.

With the exception of certain teachers whose schools have been amalgamated, a person who is not, at the time of retirement, a member of the Local Government Superannuation

Scheme or of the Vocational Teachers' Superannuation Scheme, will not be eligible to purchase added years.

Exceptionally, a teacher who is a member of the Secondary Teachers' Superannuation Scheme because, following amalgamation, responsibility for the administration of his/her school was transferred from a VEC will, if recruitment was to the post of Woodwork-and-Building- Construction Teacher with a VEC, be eligible to purchase added years.

12. Contributions.

A teacher or former teacher who purchases added service under these arrangements is required to make a contribution in respect of such service. The contribution will be based on pensionable remuneration at date of retirement or death-in-service. The rate of contribution payable will be 6% of pensionable remuneration in respect of each year or portion of a year which is being purchased or, where the purchaser is not a member of the Spouses' and Childrens' Pension Scheme, 5% of pensionable remuneration.

13. Providing estimates of purchasable added years.

In view of the adjustments which are necessary to take account of Social Welfare benefits and other retained benefits, it is not possible to calculate precisely how much added service may be purchased by an individual until at, or close to, retirement.

Notwithstanding this, it is particularly important for members **who are considering the purchase of notional service**, and who were recruited to the post of Woodwork-and-Building-Construction Teacher, to be provided with an estimate of how much added service they may be eligible to purchase.

Example:-

The member intends to purchase notional service from his next birthday, age 54. He wants to know how much notional service he needs to purchase in order to maximise his pension.

In order to give him this information it is first necessary to estimate how much added service he may be eligible to purchase. In order to arrive at this estimate, account needs to be taken of the member's service, the member's pay and the member's other superannuation entitlements.

(a) Service.

The member was appointed to the post of Woodwork and Building Construction Teacher at age 29.75 years, having been in the continuous practice of his trade between age 18 and age 25.

He was employed in a pensionable position in the public sector, (as a Clerk of Works in a County Council), for one year prior to appointment to the added years post.

Including his year as a Clerk of Works, he will have **37 years service** at compulsory retirement age, ie at the end of the school year in which he attains age 65, and has indicated his intention to give service until the end of that school year, when he will be 65.75 years of age.

(b) Pay.

The member's pay is currently **£30,000 per year**.

(c) Other superannuation entitlements.

The Department of Social, Community and Family Affairs has advised that on retirement at age 65.75 the member would, at current rates, be entitled to a personal rate of Retirement Pension - ie excluding increases for dependants - of **£1,109. 94 per year**. (Note that in order to calculate this figure, the Department will need to know the date on which the member plans to retire - at age 65.75 in this example).

The member's employment prior to his pensionable service as a member of the Local Government Superannuation Scheme has not given him entitlement to any superannuation benefits (other than Social Welfare pensions).

(d) Taking into account the service, the pay and the value of other superannuation entitlements, an estimate of purchasable added service can now be made: -

The gross amount available for purchase is 3.75 years, being the difference between 40 years and the amount of actual pensionable service attainable by the member's 65th birthday (and being less than 7.9166 years).

The gross amount falls to be reduced by:

1 year because of pensionable service (as a Clerk of Works) prior to recruitment to the added years post, and

2.2199 years because of SW entitlements (see Appendix 1 for examples of this type of calculation).

This leaves a balance of **an estimated 0.5301 added years** (3.75 less 3.2199) which may be purchased by the member.

(e) Notional Service. The applicant can now be advised as to the amount of notional service which is purchasable: -

In the current example, the member will on retirement at age 65.75 have the following pensionable service –

37 years of actual service, including 1 year as a Clerk of Works.

an estimated 0.5301 years purchasable under the added years scheme.

The purchase of 2.4699 years of notional service would bring pensionable service at retirement up to **approximately 40 years**.

Note that the estimate of purchasable added years is based on the current ratio between the member's pay and his potential SW entitlements. Unless the Social Welfare code is substantially changed, it is likely that the level of the member's pay, taking annual increments and additional allowances arising from posts of responsibility into account, will rise faster than increases in SW pensions. In these circumstances, it is likely that the purchase of 2.4699 years of notional service would be more than enough to bring the member's total pensionable service up to 40 years and that, at retirement, the member would be due a refund of a small amount of notional service contributions.

The member should be advised that, in the unlikely event of a deficit in total pensionable service, because increases in SW pensions have outstripped increases in pay, he will have the option of making up the deficit through the purchase of an additional amount of notional service by payment of a lump sum at retirement. If the member wishes to provide against the possibility of a deficit by purchasing more notional service at the outset than 2.4699 years, he should, of course, be facilitated on the understanding that a refund will

be made where the purchase of notional service brings total pensionable service to more than 40 years.

14. Purchase of notional service: refunds.

If, after the purchase of added years, a teacher would have more than 40 years of pensionable service at age 65, arrangements should be made for a refund in respect of purchased notional service over and above the 40 year maximum allowable.

Since, in these circumstances, a refund of contributions is essentially an amount of pay, any refund due will be liable for income tax and PRSI deductions. Liability for income tax will be at the rates current at the time the refund is made. Liability for PRSI will be at the rates payable on the last day of pensionable service.

Example:-

Teacher retires with 42 years of pensionable service, consisting of 34 years of actual service, 3 purchased added years and 5 years of purchased notional service.

The teacher is due a refund of 2 years of notional service contributions, amounting to 2/5 of the total amount paid for notional service.

15. Appeals.

Appeals against a decision by a Vocational Education Committee concerning the amount of added years which may be purchased should be submitted in writing, via the relevant VEC, to the Vocational Teachers' Superannuation Section, Department of Education and Science.

The basis for the appeal, taking into account the provisions of this Circular, should be stated in all cases. The VEC should forward to the Department its own observations on the appeal, together with a copy of the appellant's Application Forms (ADD/1 and ADD/2) for the Purchase of Added Service.

Appellants should note that the provisions of the Vocational Teachers' Superannuation Scheme are of general application and that the Minister for Education and Science has no discretion to depart from these provisions in individual cases.

16. Enquiries.

Enquiries from individual teachers regarding the provisions of this Circular should if at all possible be addressed to the Department, at the address given above, in writing.

Enquiries from individual teachers by phone, where required, should be made

between the hours of 2.30 p.m. and 4.30 p.m. each day.

Phone calls should be made to 0902-74621 or 01-8734700:

Extensions 3657 or 3658

The Department requests the co-operation of teachers in restricting enquiries by phone to the hours specified.

Principal Officer
Pensions Unit

14 December 2000

Appendix 1 to Circular Letter 45/2000

Formulae For Use Where Gross Added Service Falls To Be Reduced Because Of Retained Pension Benefits.

1. **The formula for expressing the value of the retained pension benefit in terms of years is**

$(P/S)*F$ where:-

“P” is the annual monetary value of the retained pension benefit, **expressed in values current at the applicant's date of retirement;**

“S” is the annual rate of the applicant's pay at retirement;

“F” is the factor taken from Appendix 2.

2. By far the most common situation which arises is where an applicant is qualified for a Retirement Pension and/or an Old Age Contributory Pension from the Department of Social, Community and Family Affairs. The following sets out the method for calculating the value of the retained benefit in such cases.

- (a) Where the applicant is qualified for Retirement Pension payable from age 65 and the rate of OACP payable from age 66 is not more than the rate of Retirement Pension, apply the Formula $(P/S) * F$, where F = the appropriate increasing pension factor from Appendix 2 attached and P = the annual value of the personal rate of Retirement Pension (= weekly personal rate x 52.18).
- (b) Where the applicant is not qualified for Retirement Pension but is qualified for OACP from age 66, apply the Formula $(P/S) * F$, where F = the appropriate increasing pension factor from Appendix 2 attached and P = 91.6% of the annual value of the personal rate of OACP. (In this case the annual value of the Social Welfare pension is reduced because the SW pension was not payable at age 65.)
- (c) Where the applicant is **qualified** for a Retirement Pension at age 65 but a **higher rate of OACP** will be payable at age 66, it will be necessary to calculate the value of each pension separately, as follows:-
 - The total amount of the personal rate of Retirement Pension payable up to the day prior to the applicant's 66th birthday should be treated as a lump sum payable at age 66, by multiplying by 91.6%, and the lump sum should be expressed in **fixed pension terms by using a divisor of nine, (9)**. Apply the Formula $(P/S) * F$, where P = the fixed pension amount which has been calculated and F = the appropriate fixed pension factor from Appendix 2 attached.
 - In the case of the OACP, apply the Formula $(P/S) * F$ where F = the appropriate increasing pension factor from Appendix 2 attached and P = the annual value of the personal rate of OACP multiplied by 91.6%.

3. The basic formulae above will be sufficient in all cases where the retained benefit is a Retirement Pension or OACP from the Dept of Social, Community and Family Affairs. These will be the vast majority of cases.

This Department should be consulted in any case where the retained benefit does not consist of a Retirement Pension or OACP.

Appendix 1 to Circular Letter 45/2000 (cont'd)

4. Examples of calculations:

- 4.1 A teacher who was recruited to the post of Woodwork-and-Building-Construction Teacher retires at age 65 in September 1996. Applies to purchase added years in 1999, (at age 68).

Applicant is currently in receipt of a **personal rate** of Retirement Pension from the Department of Social Community and Family Affairs of £22.00 per week. However, in 1996, the personal rate of the Retirement Pension was £18.50 per week, ie £965.33 per year, (£18.50 x 52.18).

Teacher retired with salary and allowances of £30,000 in 1996.

In this example:-

P = the annual value of the pension at retirement	=	£	
965.33			
S = salary at retirement	=		
			£30,000.00
F = the <u>Increasing Pension</u> Factor (age 65) from Appendix 2	=		60

Applying formula of (P/S) * F:-

$$\frac{965.33}{30,000.00} \times 60 = 1.9306 \text{ years}$$

The amount of 1.9306 years falls to be deducted from the gross amount of added service.

- 4.2 A teacher who was recruited to the post of Woodwork-and-Building-Construction Teacher retires at age 65 with effect from 1 September 1999. Applies to purchase added years at retirement in 1999. The teacher will be 66 on 1/4/2000.

The Department of Social Community and Family Affairs has certified that the applicant will be entitled to a personal rate of Retirement Pension of £18.00 per week from 1/9/99 and will, instead, be entitled to a personal rate of Old Age Contributory Pension of £22 per week (at rates current on 1/9/99) from 1/4/2000.

(£18 per week x 52.18 = £939.24 per year; £22 per week x 52.18 = £1,147.96 per year.)

1. Calculate the abatement in added years which will arise from the Retirement Pension.

The amount of the Retirement Pension from 1/9/99 to 31/3/2000	=		
			$\frac{£939.24 \times 30.43 \text{ (weeks)}}{52.18}$
			= £547.74
91.6% Retirement Pension expressed as a lump sum payable at age 66	=		£547.74 x
			= £501.73
£55.75 Lump Sum expressed as a <u>Fixed Pension</u> :-	P =	£501.73	=
			9
Teacher retired with salary and allowances of £33,000:-			S =
£33,000			
<u>Fixed Pension</u> Factor (age 65) from Appendix 2:-	F =		46.67

$$(P/S) * F = \frac{\pounds 55.75 \times 46.67}{\pounds 33,000} = 0.0788 \text{ years}$$

(Example 4.2 is continued over)

Appendix 1 to Circular Letter 45/2000 (cont'd)

2. Calculate the abatement in added years which will arise from the OACP.
 $P = \text{the annual value of the OACP} \times 91.6\% = £1147.96 \times 91.6\% = £1,051.48$

Teacher retired with salary and allowances of £33,000:- S =
 £33,000

Increasing Pension Factor (age 65) from Appendix 2:- F = 60

$(P/S) * F = \frac{£1,051.48 \times 60}{£33,000} = 1.9118 \text{ years}$

3. Total abatement in added years = 1.9118 + 0.0788 = 1.9906 years

The amount of 1.9906 years falls to be deducted from the gross amount of added service.

- 4.3 A teacher who was recruited to the post of Woodwork-and-Building-Construction Teacher retires at age 62 with effect from 1 September 1999. Applies to purchase added years at retirement in 1999. The teacher will be 65 on 1/4/2002 and 66 on 1/4/2003.

The Department of Social Community and Family Affairs has certified at the time of retirement that, at current rates, and providing the applicant remains in retirement, the applicant will be entitled to a personal rate of Retirement Pension of £18.00 per week from 1/4/2002 and will, instead, be entitled to a personal rate of Old Age Contributory Pension, at current rates, of £22 per week from 1/4/2003.

(£18 per week x 52.18 = £939.24 per year; £22 per week x 52.18 = £1,147.96 per year.)

1. Calculate the abatement in added years which will arise from the Retirement Pension.
 The annual value of the Retirement Pension = £939.24

Retirement Pension expressed as a lump sum payable at age 66 = £939.24 x
 91.6%

= £860.34

Lump Sum expressed as a Fixed Pension:- P = £860.34 =
 £95.59

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Teacher retired with salary and allowances of £33,000:- S =
 £33,000

Fixed Pension Factor (age 62) from Appendix 2:- F = 30.66

$(P/S) * F = \frac{£95.59 \times 30.66}{£33,000} = 0.0888 \text{ years}$

2. Calculate the abatement in added years which will arise from the OACP.
 The annual value of the OACP = £1,147.96

Multiply by 91.6% because OACP is not payable until age 66 = £1,051.48

Teacher retired with salary and allowances of £33,000:- S

= £33,000

Increasing Pension Factor (age 62) from Appendix 2:- F = 45.64

$$(P/S) * F = \frac{\pounds 1,051.48 \times 45.64}{\pounds 33,000} = 1.4542 \text{ years}$$

3. Total abatement in added years = 1.4542 + 0.0888 = 1.5430 years

The amount of 1.5430 years falls to be deducted from the gross amount of added service.

Appendix 1 to Circular Letter 45/2000 (cont'd)

Notes on Example 4.3

Note that, unless the applicant's retirement before age 65 was because of permanent infirmity, a deduction of 2.5835 years, (the difference between 1/9/99 and the applicant's 65th birthday) also falls to be made from the gross amount of added service.

Note also that it is the estimate by the Department of Social, Community and Family affairs, at the rates current at the date of retirement, of the rate of pension which will be payable at age 65 which is important - there is no question of revisiting the calculation at age 65 when the actual rate of pension is known.

APPENDIX 2 TO CIRCULAR LETTER 45/2000

Factors To Be Used To Estimate Value Of Retained Benefits

AGE	TABLE A	TABLE B
<i>AT RETIREMENT</i>	<i>(Increasing Pension)</i>	<i>(Fixed Pension)</i>
65	60	46.67
64	54.61	40.45
63	49.85	35.17
62	45.64	30.66
61	41.88	26.80
60	38.54	23.48
59	35.53	20.63
58	32.84	18.15
57	30.41	16.01
56	28.22	14.14
55	26.23	12.53
54	24.43	11.11
53	22.79	9.87
52	21.29	8.78
51	19.92	7.82
50	18.67	6.99
49	17.52	6.24
48	16.46	5.59
47	15.49	5.00
46	14.59	4.49
45	13.75	4.03
44	12.98	3.62
43	12.26	3.26
42	11.60	2.94
41	10.98	2.65
40	10.40	2.39
39	9.86	2.16
38	9.35	1.95
37	8.88	1.76
36	8.44	1.59
35	8.02	1.44
34	7.63	1.31
33	7.26	1.18
32	6.92	1.07
31	6.59	0.97
30	6.28	0.88

APPENDIX 3 TO CIRCULAR LETTER 45/2000

FORM ADD/1

Application for the Purchase of Added Years by a Vocational Teacher or former Vocational Teacher who was recruited through special competition.

Important Note

It is important that you read Circular Letter 45/2000 and, in particular, paragraphs 4, 5 and 6 of that Circular, before completing this Application Form.

Special competitions for the recruitment of vocational teachers were not held after 1980.

Note, in particular, that if no minimum age limit was specified for entry to the competition or if the minimum age limit specified was 25 years or less, an application to purchase added years will not be considered unless "adequate supervisory experience" was specified as a requirement of candidates. VECs are aware that candidates for the post of

Woodwork-and-Building-Construction Teacher

were required to have adequate supervisory experience and, therefore, applications from persons appointed to such posts will be considered.

VECs are also aware that candidates for the special competitions for recruitment as a Woodwork Teacher or as a Metalwork Teacher were not required to have adequate supervisory experience and that the minimum age limit specified for these candidates was less than 25 years of age. Since recruitment conditions would not prevent such candidates from attaining 40 years of pensionable service by age 65, applications from persons who were recruited to the post of Woodwork Teacher or to the post of Metalwork Teacher cannot be considered.

1. 1. Name: _____

2. 2. Date of retirement/resignation: _____

(If you retired or resigned earlier than 1 January 1985, you will not be eligible to purchase added service)

3. *Date of Birth:* _____

*(If you retired or resigned before age 60, unless retirement was because of **permanent infirmity**, you will not be eligible to purchase added service)*

4. Name/Address of employer at time of retirement/resignation:

5. Date of first recruitment to a permanent teaching post with a VEC: _____
6. Name the VEC at Question 5: _____
7. State the title of the special competition from which you were first recruited to a permanent teaching post with the VEC:

8. State the qualifications and/or experience specified for the special competition:

FORM ADD/1 (cont'd)

9. State the minimum age specified for entry to the special competition: _____

10. List all employments prior to your first appointment to a permanent teaching post:

11(1). Employer's Name: _____

Title of post held: _____

From: _____ To: _____

Have you received or do you retain entitlement to a pension, preserved pension or other superannuation benefit from this employment? _____

(Yes/No)

If yes, state value of benefit: £ _____ per annum
(N/B: Attach Statement from previous employer regarding the benefit)

11(2). Employer's Name: _____

Title of post held: _____

From: _____ To: _____

Have you received or do you retain entitlement to a pension, preserved pension or other superannuation benefit from this employment? _____

(Yes/No)

If yes, state value of benefit: £ _____ per annum
(N/B: Attach Statement from previous employer regarding the benefit)

(If you had more than 2 previous employers, please give full details of the additional employments on a separate sheet)

12. Were you engaged in the practice of your trade at all times between your 18th birthday and your 25th birthday?

(Yes/No)

If the answer is "No", please give details of any periods when you had another occupation (unconnected with your trade) or were unemployed.

-
13. State the amount of notional service, if any, purchased under the Local Government Purchase scheme, or a similar public sector purchase scheme. (Note that the purchase of added years - if you are eligible to do this - may be offset against expenditure on the purchase of notional service).
-

FORM ADD/1 (cont'd)

13. Social Welfare Acts.

Please attach form ADD/2, with Part 1 of that Form completed.

(Form ADD/2 will be used by your VEC to obtain information from the Department of Social Community and Family Affairs regarding your entitlements, if any, to a Retirement Pension or Old Age Contributory Pension. This information is needed by your VEC in order to determine the amount of professional/technical added years which may be purchased by you.)

14. Declaration to be completed by the teacher

"I declare that the information given on this Application Form is true to the best of my knowledge and belief.

- (a) *I declare that I am not entitled to a superannuation benefit from a previous employment.*

OR

- (b) *I attach a statement from my previous employer regarding my superannuation entitlements from that employment."*

(Delete (a) or (b) above as appropriate)

Signed: _____

Date: _____

Address for correspondence:-

This Application Form, when completed in full, should, together with Form ADD/2 (with Part 1 of Form ADD/2 completed), be addressed to the Vocational Education Committee by which you are currently employed, if you are a serving vocational teacher.

If you are a former vocational teacher, the completed Forms should normally be addressed to the Vocational Education Committee by which you were last employed.

Exceptionally, if you are a former vocational teacher and at the time of retirement you are or were a member of the Secondary Teachers' Superannuation Scheme, because responsibility for the administration of your school was transferred from the VEC as a result of an amalgamation of schools, the completed Forms should be addressed to the Pensions Unit of this Department in Athlone.

Note that, with the sole exception referred to above, an application cannot be considered from a person who is not at the time of retirement a member of the Local Government Superannuation Scheme or the Vocational Teachers' Superannuation Scheme.

Appendix 4 to Circular Letter 45/2000

FORM ADD/2

Purchase of Added Years

**Statement from the Department of Social and Family Affairs
regarding pension entitlements or potential pension entitlements.**

Part 1. To be completed by the applicant:

(The applicant may be the teacher or, where the teacher is deceased, the teacher's legal personal representative)

Teacher's Name: _____

PRSI Number: _____

Date of Birth: _____

Address: _____

Expected Date of Retirement: _____

OR Date of Death-in-Service: _____

OR Date of Retirement: _____

Authorisation:- I authorise the VEC named below to obtain information from the Department of Social and Family Affairs regarding my entitlements or potential entitlements to Retirement Pension or Old Age Contributory Pension.

Signature of teacher: _____ Date: _____

OR, where the teacher is deceased,

Authorisation:- I authorise the VEC named below to obtain information from the Department of Social and Family Affairs regarding the entitlements or potential entitlements of the deceased to Retirement Pension or Old Age Contributory Pension.

Signature of Legal
Personal Representative: _____ Date: _____

Part 2. To be completed by the VEC:

Name of VEC: _____

Address of VEC: _____

Form ADD/2

Part 3. To be completed by the VEC and by the Department of Social and Family Affairs:

Complete only ONE of the following boxes.

*Note 1 – In entering the amount of actual pensionable service in the appropriate box below, the VEC is reminded that actual pensionable service does **not** include added service or notional service.*

*Note 2 - It is important for the Department of Social and Family Affairs to be able to verify the amount of service given by the teacher at the modified (Class D) rate of PRSI. This rate of PRSI applies only to periods of **permanent** pensionable employment.*

BOX 1 – Teacher has not yet retired

SECTION A For completion by the VEC

Teacher's Name: _____

PRSI Number: _____

Expected Date of Retirement: _____

*(If the above date is different from that quoted by the teacher, the VEC should clarify the date with the teacher **before** completing this section of the Form.)*

Commencement date of employment in a **permanent** post: _____

Amount of **actual pensionable service** from commencement date of employment in a **permanent** post to expected date of retirement: _____

Signed: _____

(VEC Stamp)

Date: _____

SECTION B For completion by the Department of Social + Family Affairs

On the basis of the teacher's social insurance record and on the basis of the information given above, the teacher will, **at current rates**, and on the basis of **retirement** on the expected date, be qualified for the following **PERSONAL RATE** of pension:

Retirement Pension: £ _____ *per week*

Old Age Contributory Pension: £ _____ *per week*

Signed: _____

Date: _____
(Department of Social and Family Affairs Stamp)

Form ADD/2

BOX 2 – Teacher has died in service

SECTION A For completion by the VEC

Teacher's Name: _____

PRSI Number: _____

Date of Death-in-service: _____

Commencement date of employment in a **permanent** post: _____

Date on which compulsory retirement would have occurred: _____

Total potential service from commencement
date of employment in a **permanent** post
to date on which compulsory retirement would
have occurred: _____

Signed: _____

Date: _____

(VEC Stamp)

SECTION B For completion by the Department of Social + Family Affairs

On the basis of the teacher's social insurance record and assuming that service had continued to compulsory retirement date, the teacher would, **at the rates current at date of death**, be entitled to the following **PERSONAL RATE** of pension:

Retirement Pension: £ _____ *per week*

Old Age Contributory Pension: £ _____ *per week*

Signed: _____

Date: _____
(Department of Social and Family Affairs Stamp)

Form ADD/2

BOX 3 – Teacher has retired at age 65

SECTION A **To be completed by the VEC**

Teacher's Name: _____

PRSI Number: _____

Date of Retirement: _____

Commencement date of employment in a **permanent** post: _____

Total service from commencement
date of employment in a **permanent** post
to date of retirement: _____

Signed: _____

Date: _____

(VEC Stamp)

SECTION B For completion by the Department of Social + Family Affairs

On the basis of the teacher's social insurance record and on the basis of the information given above, the teacher was, **at the rates current at date of retirement**, qualified for the following **PERSONAL RATE** of pension:

Retirement Pension: £ _____ *per week*

and will be at age 66 or was at age 66 qualified, **at the rates current at date of retirement**, for the following **PERSONAL RATE** of pension:

Old Age Contributory Pension: £ _____ *per week*

Signed: _____

Date: _____
(Department of Social and Family Affairs Stamp)

Form ADD/2

BOX 4 – Teacher retired before age 65 and applied for added years before age 65

SECTION A To be completed by the VEC

Teacher's Name: _____

PRSI Number: _____

Date of Retirement: _____

Commencement date of employment in a **permanent** post: _____

Total service from commencement
date of employment in a **permanent** post
to date of retirement: _____

Signed: _____

Date: _____

(VEC Stamp)

SECTION B For completion by the Department of Social + Family Affairs

On the basis of the teacher's social insurance record and on the basis of the information given above, the teacher will, **at rates current at date of retirement**, be qualified for the following **PERSONAL RATE** of pension:

Retirement Pension: £ _____ *per week*

Old Age Contributory Pension: £ _____ *per week*

Signed: _____

Date: _____

(Department of Social and Family Affairs Stamp)

Form ADD/2

BOX 5 – Teacher retired before age 65 and applied for added years at age 65 or later

SECTION A To be completed by the VEC

Teacher's Name: _____

PRSI Number: _____

Date of Retirement: _____

Commencement date of employment in a **permanent** post: _____

Total service from commencement
date of employment in a **permanent** post
to date of retirement: _____

Signed: _____

(VEC Stamp)

Date: _____

SECTION B For completion by the Department of Social + Family Affairs

On the basis of the teacher's social insurance record and on the basis of the information given above, the teacher would, **at rates current at date of retirement**, have qualified for the following **PERSONAL RATE** of pension:

Retirement Pension: £ _____ *per week*

Old Age Contributory Pension: £ _____ *per week*

Signed: _____

Date: _____

(Department of Social and Family Affairs Stamp)

Form ADD/2, when fully completed, should be returned by the Department of Social and Family Affairs to the VEC (Vocational Education Committee) named in Part 2.

