

Civil Service Conciliation and Arbitration Scheme

General Council Report 1469

(Meeting/s of 27 April 2005, 25 January 2006)

Schemes for purchase of notional service for superannuation purposes

1. At its meeting of 27 April 2005 the Council considered revised tables of rates for the purchase of notional service which the Official Side proposed to issue. The Staff Side could not agree to the issuing of those tables but following a meeting on 29 April 2005 it agreed to the immediate issuing of revised rates to be used for the purchase of notional service by lump-sum option and for valuing incoming Transfer Values from organisations which are not members of the Public Sector Transfer Network (PSTN). These rates were issued to Personnel Officers on 3 May 2005. Both sides agreed that these rates and the proposed revised rates for the purchase of service by periodic contributions would be examined by the Staff Side's actuaries with a view to the issuing of definitive revised rates shortly thereafter.

2. At the meeting of 29 April 2005, the Staff Side also requested that, for staff with a minimum retirement age of 60, purchase of notional service by reference to age 60 be permitted as well as to age 65. It also referred to the claim to allow for purchase of notional service by lump-sum option to be permitted at any time, which it had presented to Council at the meeting of 24 November 2004. The Official Side indicated that it was prepared to look favourably at these claims.

Revision of purchase rates

3. Following further consultations with the Staff Side the lump-sum purchase rates issued on 3 May 2005 were confirmed and revised rates for the purchase of notional service by periodic contributions were finalised.

4. The rates are set out in the attached tables and it should be noted that (i) the tables apply to both male and female (i.e. there is no distinction on gender basis for purchase), and (ii) the contribution rates for purchase by lump-sum option for officers whose pensions are integrated with the Social Welfare Old Age Pension are based on gross salary only (i.e. there are no net pay/pay contribution rates as heretofore for purchase by lump-sum option).

Purchase to age 60

5. The Official Side agreed to amend the purchase of notional service scheme to provide staff who have a minimum retirement age of 60 with an option to purchase service by reference to age 60, in addition to the existing age 65 option.

Purchase by lump-sum option

6. Subject to the rules of the purchase scheme concerning overall limits on purchase of notional service, purchase by lump-sum option is currently restricted to (i) within the first two years of joining the scheme, (ii) at, or within two years of, the date of retirement, and (iii) within six months of returning from a period of special leave without pay, in which case the period to be purchased cannot exceed the length of the period of special leave.

The Official Side agreed to amend the purchase scheme by replacing the arrangements at (i) and (ii) above so as to allow an officer to exercise a lump-sum option at any time during their career subject to a maximum of one such option in each calendar year. The minimum amount of lump sum contribution which may be made in this way is 10% of the officer's annual rate of salary, or, if less, the contribution required to purchase the officer's potential shortfall in service at the relevant age. In the case of worksharers or officers working part-time, "annual rate of salary" is the full-time rate of pay for the job, not the reduced worksharing or part-time rate of pay. The arrangements in relation to (iii) above will continue to apply.

Other changes

7. It was also agreed that Departments would be advised of certain other changes in the operation of the Purchase Scheme, including changes in relation to

- Purchase by worksharers/part-time staff
- Purchase by contract staff
- Reckoning of career breaks
- Unpaid contributions and cancellation of purchase agreements
- Treatment of EU severance payments.

Transitional arrangements

8. Agreement was also reached on transitional arrangements relating to the implementation of the revised periodic purchase rates and to the introduction of purchase by reference to age 60.

Review

9. The Official and Staff Sides agreed that the purchase rates would be reviewed in the second half of 2007 and every two years thereafter.

10. At the General Council meeting of 25 January 2006 the revised purchase

rates were adopted along with other amendments to the purchase scheme set out above.

11. This report recording agreement was adopted on 25 January 2006.

Eric Gargan Joan Byrne
Official Side Secretary Staff Side Secretary

Table 1: PERIODIC contribution rates for ESTABLISHED staff for purchase by reference to age 65 - MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales) *	Non-integrated (modified PRSI)	
	% of net salary	% of gross salary	% of gross salary
26	0.68%	0.09%	0.65%
27	0.70%	0.09%	0.67%
28	0.73%	0.10%	0.70%
29	0.75%	0.10%	0.72%
30	0.77%	0.10%	0.74%
31	0.80%	0.11%	0.76%
32	0.82%	0.11%	0.79%
33	0.84%	0.11%	0.81%
34	0.87%	0.12%	0.83%
35	0.89%	0.12%	0.86%
36	0.91%	0.12%	0.88%
37	0.93%	0.13%	0.91%
38	0.96%	0.13%	0.93%
39	0.98%	0.14%	0.96%
40	1.00%	0.14%	0.99%
41	1.03%	0.14%	1.02%
42	1.05%	0.15%	1.05%
43	1.07%	0.15%	1.09%
44	1.10%	0.16%	1.13%
45	1.13%	0.17%	1.17%
46	1.16%	0.17%	1.22%
47	1.23%	0.18%	1.30%
48	1.30%	0.20%	1.38%
49	1.39%	0.21%	1.48%
50	1.49%	0.22%	1.58%
51	1.60%	0.24%	1.71%
52	1.72%	0.26%	1.85%
53	1.87%	0.29%	2.01%
54	2.05%	0.31%	2.21%
55	2.26%	0.35%	2.44%
56	2.52%	0.39%	2.73%

57	2.84%	0.44%3.09%
58	3.25%	0.51%3.55%
59	3.80%	0.60%4.17%
60	4.57%	0.72%5.03%
61	5.72%	0.91%6.32%
62	7.64%	1.22%8.48%
63	11.48%	1.85%12.80%
* See footnote at the end of Table 2.		

Table 2: PERIODIC contribution rates for ESTABLISHED staff for purchase by reference to age 60 - MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales) *	Non-integrated (modified PRSI)
	% of net salary	% of gross salary % of gross salary
21	0.78%	0.09%0.74%
22	0.81%	0.10%0.77%
23	0.84%	0.10%0.79%
24	0.87%	0.11%0.82%
25	0.90%	0.11%0.85%
26	0.93%	0.11%0.88%
27	0.95%	0.11%0.90%
28	0.98%	0.12%0.93%
29	1.01%	0.12%0.96%
30	1.03%	0.12%0.98%
31	1.06%	0.13%1.01%
32	1.09%	0.13%1.04%
33	1.11%	0.14%1.07%
34	1.13%	0.14%1.10%
35	1.16%	0.14%1.13%
36	1.19%	0.15%1.17%
37	1.22%	0.15%1.21%
38	1.24%	0.16%1.24%
39	1.27%	0.17%1.29%
40	1.30%	0.17%1.34%
41	1.33%	0.18%1.39%
42	1.41%	0.19%1.48%
43	1.50%	0.20%1.57%
44	1.60%	0.21%1.68%
45	1.71%	0.23%1.80%
46	1.84%	0.25%1.94%
47	1.98%	0.27%2.10%
48	2.16%	0.29%2.29%
49	2.36%	0.32%2.51%

50	2.60%	0.35%2.78%
51	2.90%	0.39%3.11%
52	3.27%	0.45%3.51%
53	3.74%	0.51%4.04%
54	4.37%	0.60%4.74%
55	5.26%	0.73%5.71%
56	6.59%	0.92%7.18%
57	8.80%	1.23%9.63%
58	13.22%	1.86%14.52%

* NOTE: In the case of Integrated Officers contributions are payable on both Net Salary and Gross Salary. 'Net Salary' = gross salary less twice the rate of contributory old age pension payable at the maximum rate to a person with no adult dependent or qualified children. (This applies to Tables 1 & 2 above).

Table 3: LUMP-SUM contribution rates for ESTABLISHED staff for purchase by reference to age 65 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales)	Non-integrated (modified PRSI)
	% of gross salary	% of gross salary
26	27.5%	33.6%
27	28.0%	34.3%
28	28.4%	34.8%
29	28.8%	35.4%
30	29.2%	35.9%
31	29.5%	36.3%
32	29.8%	36.7%
33	30.0%	37.0%
34	30.1%	37.3%
35	30.2%	37.6%
36	30.3%	37.8%
37	30.2%	37.9%
38	30.2%	38.0%
39	30.0%	38.0%
40	29.8%	38.0%
41	29.6%	37.9%
42	29.3%	37.7%
43	28.9%	37.6%
44	28.5%	37.3%
45	28.0%	37.0%
46	27.5%	36.7%
47	26.9%	36.3%
48	26.3%	35.9%
49	25.6%	35.4%
50	24.9%	34.9%
51	24.1%	34.3%
52	23.3%	33.7%
53	22.5%	33.1%
54	21.9%	32.5%
55	22.2%	31.8%
56	22.4%	31.1%

57	22.6%	30.4%
58	22.8%	29.7%
59	23.1%	29.1%
60	23.3%	28.5%
61	23.3%	27.9%
62	22.9%	27.3%
63	23.0%	26.8%
64	23.4%	26.3%
65	23.7%	25.8%

Table 4: LUMP-SUM contribution rates for ESTABLISHED staff for purchase by reference to age 60 – MEMBERS of the Spouses' and Children's Scheme.

Age next birthday	Integrated (PPC scales)	Non-integrated (modified PRSI)
	% of gross salary	% of gross salary
21	31.5%	38.8%
22	32.1%	39.5%
23	32.6%	40.2%
24	33.1%	40.8%
25	33.5%	41.4%
26	33.8%	41.9%
27	34.1%	42.4%
28	34.4%	42.8%
29	34.5%	43.1%
30	34.7%	43.4%
31	34.7%	43.6%
32	34.7%	43.8%
33	34.6%	43.9%
34	34.4%	43.9%
35	34.2%	43.8%
36	33.9%	43.7%
37	33.5%	43.6%
38	33.1%	43.4%
39	32.6%	43.1%
40	32.1%	42.7%
41	31.4%	42.3%
42	30.8%	41.9%
43	30.0%	41.4%
44	29.2%	40.8%
45	28.4%	40.2%
46	27.5%	39.5%
47	26.6%	38.8%
48	25.6%	38.1%
49	25.1%	37.3%
50	25.3%	36.5%
51	25.6%	35.7%

52	25.8%	34.9%
53	26.0%	34.1%
54	26.3%	33.3%
55	26.6%	32.6%
56	26.5%	31.9%
57	26.0%	31.2%
58	25.6%	30.5%
59	26.2%	29.9%
60	26.8%	29.2%

Agreed report, recording agreement.

This report was adopted on 25 January 2006