

**Reference No:** P18/12/67; **Date:** 18/05/84

## **Circular 16/1984:- Civil Service Spouses' and Children's Contributory Pension Scheme**

A Dhuine Uasail

I am directed by the Minister for the Public Service to state that he has accepted an agreed recommendation made by the General Council, under the scheme of conciliation and arbitration for the civil service, regarding the amendment of certain provisions of the Civil Service Spouses' and Children's Contributory Pension Scheme (General Council Report 1018 refers).

### New Scheme

2. In accordance with the agreed recommendation, a new scheme is being established which will provide pension benefits for the following categories of dependents, who are excluded from the scope of the existing scheme:-

- (a) the spouse and children of a member who marries after retirement
- (b) illegitimate children of members
- (c) children conceived after a members retirement
- (d) children of a member whose spouse died before his/her membership began.

Details of the scope of the new scheme and of the contribution arrangements are set out in the Appendix to this Circular.

3. Arising from the additional benefits being provided under the new scheme, the contribution conditions governing that scheme will differ from those applicable to the existing scheme, in that the provisions for refund of periodic contributions will be more restrictive. Specifically, the provisions in the existing scheme for (a) full refund of periodic contributions to members who remain unmarried throughout their contributing membership and (b) partial refund of periodic contributions to certain members whose spouses are deceased at the time they retire or resign, will not apply. Under the new scheme, the only circumstances in which any refund of periodic contributions would be due is where a member retires or resigns without entitlement to pension or to preserved pension and does not transfer his/her service to another employment or where a member pays periodic contributions for a period in excess of 40 years.

4. The date of commencement of the new scheme will be 1 September 1984.

### Membership of New Scheme

5. Membership of the new scheme will be compulsory for all officers who are appointed to established positions on or after 1 September 1984.

6. Staff who are serving in an established capacity (including staff on special leave) both on, and immediately prior to, 1 September 1984, will be admitted to membership of the new scheme if they exercise an option to join during the period ending on 31 August 1984.

7. Members of the existing scheme who do not exercise an option to join the new scheme within the period specified in paragraph 6 will retain their membership of the existing scheme. They will accordingly continue to qualify for refunds of contributions under the terms of the existing scheme, but will not benefit from the extended coverage of dependents available under the new scheme.

8. Serving staff who are not members of the existing scheme (viz staff who have previously exercised an option not to join the existing scheme) will be eligible for admission to the new scheme only,

in accordance with the provisions of paragraph 6 above - they will not be permitted to join the existing scheme.

#### Exercise of Options by Serving Staff

9. A copy of this circular must be given to all officers now serving in an established capacity in your Department/Office and to all officers recruited to established posts prior to 1 September 1984. Each such officer should also be given a copy of Form S.P.1 (supplies of which are available from the Stationery Office). Care should be taken to ensure that every officer concerned returns the acknowledgement slip on Form S.P.1 immediately. All officers should be advised to study the terms of the circular and the explanatory material contained in the Appendix. Their attention should be drawn to the fact that the remainder of Form S.P.1 on which Part A or Part B has been completed, as appropriate, must be returned not later than 31 August 1984, and that any officer who does not comply with this requirement may not subsequently be admitted to membership of the new scheme.

10. The acknowledgement slip and the remainder of Form S.P.1, as completed by each officer, should be retained with the officer's personal papers. Lists showing the names and grades of the officers who:

- (1) completed Part A of Form S.P.1
- (2) completed Part B of Form S.P.1 and who are members of the existing scheme
- (3) completed Part B of Form S.P.1 and who are not members of the existing scheme

should be forwarded to this Department as soon as possible after 31 August 1984.

#### Deduction of Contributions

11. In the case of serving officers who are not members of the existing scheme and who exercise the option to join the new scheme by completing Part A of Form S.P.1 on or before the prescribed date, Departments/Offices should commence deduction of periodic contributions from salary with effect from 1 September 1984.

#### Retired or Deceased Officers

12. The agreed recommendation referred to above also provides for the inclusion in the new scheme of certain categories of officers who are retired or deceased prior to the date of commencement of the scheme. A further communication will issue in relation to these categories.

#### Queries and Difficulties

13. Any queries which officers may have in connection with this circular should be dealt with by the employing Departments/Offices in the first instance. Queries which cannot be answered at Departmental level, or any other difficulties which may arise out of the application of this circular, should be referred in writing to the Pensions Section of this Department by the Personnel Sections concerned.

Mise le meas,  
William P Smith  
Deputy Secretary

#### Appendix to Circular 16/84 - Scope of New Scheme

Beneficiaries under New Scheme

Beneficiaries under Existing Scheme

(1) Spouse of member, irrespective of marriage	(1) Spouse of member if marriage takes place before retirement	of date
(2) all legitimate children of member	(2) legitimate children of member if : (a) conceived before retirement and (b) member was married during the period of contributing membership	
(3) illegitimate children of member	(3) (not covered)	
(4) all step-children of member	(4) step-children of member if (a) member was married during the period of contributing membership and (b) member's marriage to child's parent takes place before retirement	
(5) all adopted children of member	(5) adopted children of member if (a) member was married during the period of contributing membership and (b) child was adopted while member was married and (c) adoption takes place before retirement	

#### Contribution Conditions

1. As in the case of the existing scheme, contributions under the new scheme take the form of

- (i) periodic contributions (deducted from salary), and
- (ii) non-periodic contributions (deducted from retirement lump sums or death gratuities).

The periodic contribution rate is 1½ per cent of salary.

2. Non-periodic contributions may be charged if at the time of retirement, or death-in-service, the member concerned (a) is married or (b) has been married at some time during his/her membership or either the existing scheme or the new scheme. The amount of the contribution is 1 per cent of pensionable salary at retirement or death in respect of each year of reckonable service (if any) for which contributions have not been paid.

Reckonable service in this context means

(i) if the member is married at retirement, all actual pensionable service (plus, in the case of ill-health retirement, potential service to normal retirement age) subject to a maximum of forty years

(ii) if the member is married and dies in service, all actual pensionable service, plus potential service to normal retirement age, subject to a maximum of forty years.

(iii) if the member is not married at the time of retirement or death-in-service (his/her spouse having died earlier), the amount of pensionable service up to the date of the spouse's death.

3. In the case of members who are unmarried at all times during their contributing membership\* (\*contributing membership means membership as a serving officer) of the scheme(s), non-periodic contributions will not be charged.

4. Periodic contributions paid by members may be refunded in the following circumstances:

(i) If the member resigns without entitlement to pension or preserved pension and does not transfer service to another employment. In such cases, periodic contributions are refunded in full.

(ii) If the member, on retirement or death, has paid periodic contributions for a period in excess of 40 years. In such cases, the member (or estate) will receive a refund of a portion of the initial contributions paid, such that the period in respect of which contributions are retained does not exceed 40 years.

(Example: A new entrant to the service takes up employment on 1 September 1984 and subsequently retires having paid periodic contributions over a period of 45 years. He/she would receive a refund of the amount of the contributions paid in the five-year period commencing on 1 September 1984).

5. Contributions deducted from salary, and contributions paid by deduction from lump sum or death gratuity, may be allowable as an expense for Income Tax purposes. Refunds of contributions made in the circumstances described in paragraph 4 above are subject to tax.

#### Form S.P.1 - Spouses' and Children's Contributory Pension Scheme for established officers

(Notes: (1) Any information given in this form will be treated as strictly confidential.

(2) On receipt of this form, you should detach the acknowledgement below and return it immediately to your Department)

#### Part A

Complete this section if you wish to join the new Spouses' and Children's Pension Scheme referred to in Circular 16/84.

I, \_\_\_\_\_ (Christian Names) \_\_\_\_\_ (Surname in BLOCK CAPITALS)

at present serving as \_\_\_\_\_ (Grade) in \_\_\_\_\_ (Department or Office)

have read and noted the contents of Circular 16/84. I hereby declare that I wish to join the new Spouses' and Children's Pension Scheme referred to in that circular. I appreciate that as a member of the Scheme I will have to pay the appropriate contributions required under the terms of the Scheme.

I hereby declare that I am married and my spouse is alive/am single or widowed (delete whichever is not applicable).

I hereby undertake to notify my Department immediately if my spouse should die or if I should marry.

Date \_\_\_\_\_

Signed \_\_\_\_\_

Part B

Complete this section if you have not completed Part A, i.e. if you do not wish to join the new Spouses' and Children's Pension Scheme referred to in Circular 16/84.

I, \_\_\_\_\_ (Christian Names) \_\_\_\_\_ (Surname in BLOCK CAPITALS)

at present serving as \_\_\_\_\_ (Grade) in \_\_\_\_\_ (Department or Office)

have read and noted the contents of Circular 16/84. I hereby declare that I do not wish to join the new Spouses' and Children's Pension Scheme referred to in that circular. I appreciate that, as a result of this declaration I may not subsequently apply for membership of the new Scheme. I further appreciate that as a result of this declaration, my spouse and children (if any) cannot benefit from the provisions of the new Scheme.

Acknowledgement

I, \_\_\_\_\_ (Christian Names) \_\_\_\_\_ (Surname in BLOCK CAPITALS)

at present serving as \_\_\_\_\_ (Grade) in \_\_\_\_\_ (Department or Office)

acknowledge receipt of Circular 16/84 and Form S.P.1.

Date \_\_\_\_\_

Signed \_\_\_\_\_