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6/95 (PC 14)

Circular 6/95: Revised social insurance status and conditions of service of certain civil servants

A Dhuine Uasail

I am directed by the Minister for Finance to inform you that the Minister for Social Welfare is making amending regulations which provide that modified social insurance status will no longer apply to civil servants appointed on or after 6 April 1995. Such officers will also be covered by revised conditions of service which take account of their entitlement to the full range of social insurance benefits. (In other words, their "occupational" benefits - the benefits provided by the employer - will be "coordinated" with their social insurance benefits.)

2. The revised arrangements outlined in this circular apply only to established civil servants paying Class A PRSI contributions - they do not apply to established officers paying modified insurance or to unestablished staff.

Those affected

3. The Class A rate of PRSI contribution will apply to persons appointed to established civil service positions on or after 6 April 1995 unless any such person was, immediately prior to appointment, serving elsewhere in the public sector in a position in respect of which s/he was paying the Class B, C or D rate of PRSI contribution.

4. The following points should also be noted:

- (a) an officer's date of appointment will be the determining factor in deciding which PRSI class is applicable - officers appointed on or after 6 April 1995 from competitions advertised and run before that date will, subject to paragraph 3, be covered by Class A insurance;
- (b) officers appointed before 6 April 1995 who resign from the civil service prior to or after that date and who are subsequently re-appointed or re-admitted to established positions on or after 6 April 1995 will, subject to paragraph 3, be covered by Class A insurance;
- (c) officers appointed before 6 April 1995 who were granted special leave (with or without pay) or career breaks prior to that date, or who are granted special leave after that date, will not, on resuming duty on or after 6 April 1995, be liable for Class A insurance; and

To/

All Departments etc

- (d) unestablished officers who are serving on 5 April 1995 and who, without a break in their employment, are subsequently appointed to established positions will not, on such appointment, be liable for Class A insurance.

5. Officers covered by Class A insurance will be treated no differently than other Class A contributors as far as social insurance contributions and benefits are concerned.

Revised salary scales

6. The revised superannuation arrangements being introduced for established officers covered by Class A insurance will include provision for an employee contribution in respect of personal superannuation benefits (see paragraph 14). As a result, revised salary scales are also being introduced for such staff. These scales will be equivalent to 20/19ths of the corresponding salary scales applicable to established members of the relevant grade at 5 April 1995.

7. The revised scales, effective from 6 April 1995, for certain grades are set out in the Appendix to this circular. Details of the scales applicable to other grades may be got, on request, from the **Pay Section** of this Department.

Revised sick pay arrangements

8. The current sick leave allowance for established civil servants is set out in Appendix A to Circular 25/78. Established officers covered by Class A insurance will qualify for the same sick leave allowance and, subject to the conditions and exceptions outlined in paragraphs 9 to 11 following, such officers will also continue to receive the same sick pay as currently applies to serving established officers.

9. The grant of paid sick leave will be subject to the following conditions:

- (a) On appointment, officers will be required to sign suitable mandates authorising the Department of Social Welfare to pay any benefits due to them under the social insurance system directly to their employing Departments.
- (b) When absent on sick leave, each officer will be required to make the necessary claims for social insurance benefit to the Department of Social Welfare within the required time limits and to comply with whatever requirements are laid down by that Department as a condition of claiming benefit.
- (c) In the event of an officer failing to abide by the foregoing conditions, arrangements will be made by the employing Department to recoup from the officer's salary an amount equivalent to the total benefits which would otherwise have been transmitted to the relevant Department in respect of that absence.

10. The rate of sick pay will be calculated as follows:

- (a) if sick pay at full pay or half pay is more favourable to an officer than the rate of benefit payable to her/him under the social insurance scheme, sick pay should issue in the normal way;
- (b) if the rate of benefit payable to an officer under the social insurance scheme is more favourable than sick pay, the equivalent of the rate of social insurance benefit should be paid to the officer by her/his employing Department;
- (c) if the sick leave with pay allowable has been exhausted, the equivalent of the rate of benefit payable to an officer under the social insurance scheme should be paid to the officer by her/his employing Department in addition to any pay at pension rate for which the officer is eligible (it should be noted that the revised superannuation, and hence pay at pension rate, arrangements for established officers covered by Class A PRSI assume payment of a social insurance benefit);
- (d) in all of the foregoing situations, the actual social welfare benefit received from the Department of Social Welfare should be retained by the employing Department.

11. The following additional points should also be noted:

- (a) payment of the equivalent of the rate of social insurance benefit in lieu of sick pay under paragraph 10(b) above will not affect either the sick leave allowable (i.e. the period will still reckon as sick leave at full or half pay as appropriate) or the reckoning of such periods for superannuation purposes;
- (b) periods in respect of which the equivalent of the rate of social insurance benefit is paid under paragraph 10(c) above (i.e. where sick leave with pay has been exhausted) will not reckon for superannuation purposes and no superannuation contributions will be payable in respect of same;
- (c) in deciding whether the rate of benefit payable to an officer under the social insurance scheme is more favourable than sick pay at full or half pay, account should be taken of -
 - (i) the deductions which would fall to be made from the salary payment and the social welfare benefit in respect of PRSI and income tax, and
 - (ii) the superannuation contribution payable in respect of the period involved (paragraph 17(a) below deals with the calculation of superannuation contributions in respect of such periods).

Revised maternity pay arrangements

12. Arrangements corresponding to those outlined at paragraphs 8 to 11 above will also apply to paid maternity leave, viz.

- (a) each officer will be required to sign a mandate authorising the Department of Social Welfare to pay any benefit due to her under the social insurance system directly to her employing Department;
- (b) when absent on paid maternity leave, each officer will be required to make the necessary claims for social insurance benefit to the Department of Social Welfare within the required time limits and to comply with whatever requirements are laid down by that Department as a condition of claiming benefit;
- (c) if full pay is more favourable to an officer than the rate of benefit payable to her under the social insurance scheme, the employing Department should issue full pay in respect of the period of paid maternity leave in the normal way and retain the social insurance benefit;
- (d) if the rate of benefit payable to an officer under the social insurance scheme is more favourable to her than full pay, the equivalent of the full rate of benefit should be paid to her by her employing Department and the actual social welfare benefit received from the Department of Social Welfare should be retained by the employing Department.

Revised superannuation arrangements

13. Established civil servants covered by modified social insurance can qualify for a maximum pension of 50% of pensionable remuneration plus a maximum lump sum of 1½ times pensionable remuneration. (Pensionable remuneration means the aggregate of retiring pensionable salary and pensionable allowances.) In the case of officers covered by Class A insurance, the following arrangements will apply:

- (a) no change will be made in the occupational lump sum; and
- (b) the occupational pension will be calculated on the basis of 1/80th of net pensionable remuneration per year of service. (Net pensionable remuneration means the amount by which pensionable remuneration exceeds twice the annual rate of social insurance old age contributory pension payable at the maximum rate to a person with no adult dependant or qualified children.) In the case of staff to whom the terms of the Superannuation (Prison Officers) Act, 1919 apply, the pension benefit for each year of service in excess of twenty will be 2/80ths of net pensionable remuneration.

14. As indicated at paragraph 6 above, employee contributions for personal superannuation benefits will be introduced for established officers covered by Class A insurance. This will involve the payment by the officers concerned of a contribution

equal to 1½% of remuneration plus 3½% of net remuneration (i.e. remuneration less twice the annual rate of social insurance old age contributory pension payable at the maximum rate to a person with no adult dependant or qualified children).

15. The occupational spouses' and children's pensions of serving officers covered by Class B insurance are based on the pension which was, or would have been, payable to the former member. As indicated above, the latter pension will, in the case of established officers covered by Class A PRSI, be based on the member's net pensionable remuneration. In normal circumstances, therefore, the spouses' and children's pensions of the latter group would, in effect, be based on the member's net pensionable remuneration and the contribution of 1½% in respect of these benefits would be levied on net remuneration, rather than full remuneration. It has, however, been agreed that such officers will pay a contribution of 1½% of full remuneration and will, in return, qualify for benefits based on the pension which would have been paid to the deceased member if her/his net pensionable remuneration had been defined as remuneration less once the annual rate of social insurance old age contributory pension payable at the maximum rate to a person with no adult dependant or qualified children (i.e. the old age pension figure is not doubled as is the case for the personal pension). It has also been agreed that the payment made for the first month after death in the event that a member dies in service will be based on full pensionable remuneration.

16. In calculating periodic employee contributions for both personal and survivors' benefits account will be taken of any pensionable allowances which are payable from time to time. As a corollary to this, where such allowances are not explicitly expressed as a percentage of salary (i.e. are expressed as monetary amounts) the rate of allowance payable to an officer covered by Class A insurance will be increased to 20/19ths of the rate effective at 5 April 1995. Details of the revised rates may be got, on request, from the Pay Section of this Department.

17. The following additional points in relation to superannuation contributions should also be noted:

- (a) If an officer is in receipt of a reduced rate of pay because of absence from employment (eg. during periods of sick leave at half pay) employee contributions in respect of that period for both personal and survivors' benefits will be calculated by reference to the rate of remuneration (full and net as appropriate) that would have been payable to her/him if s/he was not so absent.
- (b) In the case of staff to whom the terms of the Superannuation (Prison Officers) Act, 1919 apply, employee contributions in respect of personal benefits will be payable in respect of each year of reckonable service but, as is the situation under the existing Spouses' and Children's Scheme, employee contributions in respect of occupational survivors' benefits will be due in respect of up to a maximum 40 years' service.
- (c) In the case of an officer who is appointed to an established position on or after 6 April 1995 and who is covered by Class A insurance, employee contributions for personal benefits will not be payable in respect of any

previous reckonable service under the Non-Established State Employees' Scheme.

18. The revised superannuation arrangements include provision for the payment of a supplementary pension in certain circumstances to pensioners in respect of periods during which the pensioner is not employed in any capacity which involves a social insurance contribution and, due to causes outside his/her own control, fails to qualify for social insurance benefit or qualifies for such benefit at less than the maximum personal rate. The supplementary pension will be equal to the difference between

- (i) the occupational pension which would have been payable if it had been based on pensionable remuneration instead of net pensionable remuneration and
- (ii) the aggregate of the actual occupational pension payable and the actual rate of social insurance benefit payable (including any payments for dependants).

19. At present, job-sharing officers are eligible for superannuation benefits on the same basis as full-time staff, save that each year of service given in a job-sharing capacity reckons as six months service for superannuation purposes. In addition, for the purpose of calculating retirement pension, lump sum, etc., pensionable remuneration is deemed to be the pensionable remuneration which would be applicable if the officer had returned to full-time employment immediately prior to retirement or death. The spouses' and children's contribution of 1½% is levied on the job-sharing salary. The provisions regarding reckonable service and calculation of benefits will continue to apply to established job-sharing officers covered by Class A insurance. The superannuation contributions payable by such officers will be levied on the remuneration applicable to them as job-sharers and, as appropriate, on their net remuneration. However, in the case of such job-sharing officers, net remuneration will mean the amount by which their remuneration exceeds once the annual rate of social insurance old age contributory pension payable at the maximum rate to a person with no adult dependant or qualified children (i.e. the old age pension figure is not doubled as is the case for full-time staff).

20. The scheme of "professional added years" provides that any added years entitlement will be appropriately reduced where there are pension entitlements under the Social Welfare Acts. This provision will not apply to established officers covered by Class A insurance.

21. The rates of periodic and lump sum contributions under the Purchase Scheme (set out in Tables I & II of the Scheme enclosed with the Letter to Personnel Officers of 12 February 1990) fall to be revised in the case of officers covered by Class A insurance to reflect the coordinated pension benefit which would accrue in respect of each year of service purchased. Details of the revised contribution rates will be circulated to Departments in due course.

22. In the event that an established officer covered by Class A insurance has previous service in the civil service in respect of which s/he paid modified PRSI contributions, s/he may exercise a once-off option at any time up to retirement in favour of either of the following arrangements:

- (i) aggregating all such prior service with her/his future service under the new superannuation terms (employee superannuation contributions for personal benefits would not be payable in respect of such prior service in the civil service) or
- (ii) retaining all preserved superannuation benefits which s/he had prior to re-entry in respect of the previous service (such benefits would be based on the officer's former grade) in which event only the future service would be governed by the new terms. (This option is subject to an overriding limit of 40 years' reckonable service - 30 years' for certain grades - and to the proviso that the preserved benefits would not become payable from an earlier date than would have been the case had the officer aggregated all her/his service.)

23. Corresponding arrangements will apply to established officers covered by Class A insurance who have had previous service elsewhere in the public sector in respect of which they paid modified PRSI contributions and which is transferable under the Scheme for the Transfer of Service for Superannuation Purposes.

Occupational Injuries Benefits

24. The application of full PRSI status to new appointees to established civil service positions will entail eligibility for full Occupational Injuries benefits (rather than the reduced benefits for which established staff are currently eligible) and the arrangements outlined in Circular 25/75 will be adjusted accordingly in the case of such staff. The pay of any such officers who are absent on sick leave arising from an occupational injury or disease will be dealt with in much the same way as "ordinary" sick leave (see paragraphs 8 to 11) with the exception that the following arrangements will apply in respect of disablement benefit:

- (a) the mandate referred to at paragraph 9(a) will not cover any disablement benefit which an officer may qualify for and, accordingly, the appropriate full rate of benefit will be payable directly to the individual officer by the Department of Social Welfare;
- (b) no account will be taken of disablement benefit where
 - (i) an officer remains at or resumes work after an occupational injury or disease or
 - (ii) an officer is entitled to a social insurance disablement pension while at work and is subsequently absent on "ordinary" sick leave;

- (c) this Department should be consulted about cases involving officers who are absent on sick leave arising from an occupational injury or disease and are in receipt of a disablement pension while so absent.

Claims in respect of the cost of medical care will be the responsibility of the Department of Social Welfare.

Injury Warrant

25. Any social welfare benefits payable, whether under the Occupational Injuries scheme or otherwise, are already taken into account in the calculation of personal benefits under the Injury Warrant (paragraph 4(b) of this Department's Letter to Personnel Officers of 11 April 1990 refers). In the case of officers covered by Class A insurance, the survivors' benefits payable under the Injury Warrant will, as at present, be based on the deceased officer's pensionable remuneration but the actual rate of benefit payable will be the relevant proportion of pensionable remuneration less the amount of any social insurance pension payable to the survivor.

General

26. Any difficulties which arise out of the application of this circular should be addressed to this Department (Tel. No. 6767571 - GTN 7109 - Ext. 3544 in relation to sick pay and Ext. 3520 in relation to superannuation). Enquiries about PRSI contributions and benefits should be addressed to the Department of Social Welfare. **Personal enquiries from individual officers should be addressed to the Personnel Unit of their employing Department/Office and not to this Department.**

27. Additional copies of this Circular may be obtained from the Government Supplies Agency, 4/5 Harcourt Street, Dublin 2.

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J McGovern
Assistant Secretary

APPENDIX to Circular 6/95

Revised pay - with effect from 6 April 1995 - for established officers paying the Class A rate of PRSI contribution and serving in the grades shown hereunder

Administrative Officer	£14,236 - £15,523 - 16,835 - 17,961 - 19,094 - 20,228 - 21,329 - 22,437 - 23,429
Executive Officer	£9,918 (at 18 or under), £10,564 (at 19), £11,336 (at 20), £12,119 (at 21), £12,993 (at 22), £13,885 (at 23 or over), £14,555 - 15,179 - 15,835 - 16,456 - 17,078 - 17,686 - 18,309 - 18,897 - 19,373
Clerical Assistant	£158.57 (under 19), £166.13 (at 19), £172.56 (at 20 or over), £182.15 - 191.23 - 199.00 - 206.07 - 213.20 - 219.36 - 223.49 - 235.55
Clerical Assistant (Data Entry)	£158.57 (under 19), £166.13 (at 19), £172.56 (at 20 or over - progress beyond this point is dependent on the achievement of proficiency), £182.15 - 191.23 - 199.00 - 206.07 - 213.20 - 219.36 - 223.49 - 235.55