

Reference No: P18/30/84; **Date:** 19/02/87

19/02/1987 LP:- Additional Voluntary Contributions

To each Personnel Officer

A Chara,

I am directed by the Minister for the Public Service to refer to Circular 16/79, which deals with the purchase of notional service for superannuation purposes and to say that we have been approached by civil service unions about the possibility of our facilitating related, though distinct, arrangements called AVC Schemes.

These schemes, which we have agreed to facilitate, are intended to provide staff with alternative arrangements for obtaining additional superannuation benefits, by means of payments to an outside agency. They are designed to cater for civil servants who would have a shortfall of service at retirement or whose ultimate superannuation benefits would fall short of limits set by the Revenue Commissioners.

The intention at this stage is that union-based group AVC schemes will operate in the civil service and will be administered by Trustees (i.e the specialist brokers offering the particular group scheme) appointed by this department under an approved Trust Deed document. This document will make it clear that the State as employer will have only a facilitating, and not an administering, role. In order to assess the correct contribution rate, Trustees will require information on the superannuation entitlements of those individuals opting into the AVC arrangements. Departments should, with the permission of the individuals concerned, furnish this information.

The administration of the proposed AVC schemes will require the provision of deduction facilities for remission of payments to the brokers administering the schemes. Accordingly, it is intended that employing Departments/Offices will provide deduction facilities from a commencement date of 1 April 1987. In addition, it is intended to issue a standard AVC application form to Departments/Offices shortly. If you have any queries on the foregoing please contact Mr. Paul Ryan (Ext 539) or Ms Grainne Mc Guckin (Ext 565).

Mise, le meas,

P. O Donoghue
Superannuation Scheme.