

Reference No: P18/45/88; **Date:** 14/03/90

14/03/1990 GL:- Reckoning of Career Break Periods for Superannuation Purposes

A Chara

I enclose for your information a copy of General Council Report 1158, concerning arrangements to allow civil servants on career breaks the option of reckoning the career break periods for superannuation purposes.

Any officer who wishes to avail of these arrangements will be required to make appropriate contributions in respect of the period in question - at the rate of 18 1/6% for a member of the spouses' and children's scheme and 15 1/6% for a non-member. These contributions will be levied on the uprated equivalent of the officer's 8 salary on his/her last day of paid service prior to commencement of the career break and will be payable on a quarterly basis on receipt of notification from the officer's former Department/Office of the actual amount due.

Service which becomes reckonable by virtue of these arrangements will not reckon for the purpose of determining eligibility for benefit. The service will however be taken into account for the purposes of calculating all superannuation benefits (other than marriage gratuities and awards of notional service) provided the officer concerned has sufficient actual service to qualify for the relevant benefit.

While these arrangements will be separate from the existing arrangements in relation to the purchase of notional service, they will be regulated in essentially the same manner as the purchase scheme(s). It should be noted in particular that normal purchase rules governing

- (a) refunds of contributions and
- (b) limits on the amount of service which may be purchased

will also apply to the facility now being introduced. It should therefore be made clear to any officer who opts to avail of this facility that refunds of contributions will only be allowed in very limited circumstances. It will also be necessary to apply the limits outlined in Appendix 2 to the revised purchase scheme for established officers - see this Department's letter of 12 February 1990 to Personnel Officers - and in particular to ensure that the aggregate of the career break service which it is proposed to reckon and the officer's total potential service to age 65 does not exceed 40 years.

Tax relief in respect of contributions under this faculty will not be allowed during the period of the career break itself. Upon expiry of the career break and resumption of employment in the civil service, tax relief may be allowed on a "spread-forward" basis. Officers should be advised to take up the question of tax relief with the appropriate Inspector of Taxes.

The terms of this letter should be brought to the attention of any officers in your Department/Office who are granted career breaks in the future. It is not expected that many officers will avail of this facility, and it has been agreed with the Staff Side that a "trawl" of officers already on career breaks need not be undertaken. Any such officers who become aware of the revised arrangements may of course avail of them.

Any enquiries about this letter should be referred to the Pensions Section of this Department.

Mise le meas,

W Power
Principal/Pensions Section

Civil Service Conciliation and Arbitration Scheme
General Council Report 1158
(Meetings of 30 March 1988, 25 May 1988 and 28 June 1989).

Reckoning of career break service for superannuation purposes

1. The claim was that civil servants on career break be entitled to have the period of career break fully reckonable for superannuation purposes by making a contribution of an appropriate percentage of scale pay in respect of the career break period.
2. At the meeting of 30 March 1988 it was decided that the claim be referred to the Joint Official Side/Staff Side Working Party on Superannuation.
3. At the meeting of 28 June 1989 the report (copy attached) of the Working Party was before the Council and it was agreed to recommend that effect be given to that report.
4. This report was adopted on 27 November 1989.