Dear Personnel Officer,

1. I am directed by the Minister for Finance to say that he has accepted an agreed recommendation made by the General Council under the Scheme of Conciliation and Arbitration for the Civil Service (Report No1333) on the revised arrangements for established civil servants who (a) are dismissed or (b) resign in or to pre-empt dismissal. That agreement revises the arrangements set out in General Council Report No 1276.

2. This letter replaces this Department’s Letter to Personnel Officers of 8 February 1996 (Ref P18/06/94, Part II).

Scope of Letter

3. This letter applies in respect of all civil servants who are serving in an established capacity on or after 1 June 1973 and who, at the date of dismissal, were under the age of 60 and had at least 5 years’ reckonable service. Corresponding arrangements, modified as appropriate, will apply in relation to dismissals or resignations to pre-empt dismissal which occur after age 60.

Dismissal on or after 1 January 1994

4. In the case of officers who are dismissed or who resign to pre-empt dismissal on or after 1 January 1994, dismissal or resignation will not affect their entitlement to preserved lump sum and pension payable, on application, from age 60. Entitlement to preserved death gratuity and, where applicable, benefits under the Civil Service Spouses’ and Children’s Contributory Pension Scheme will be retained also.

Former Officers

5. The arrangements outlined in paragraph 4 will also apply to dismissals or pre-emptive resignations which have occurred between 1 June 1973 and 31 December 1993, both days inclusive, subject to the following modifications:

a) In the case of former officers who attain age 60 on or after 1 January 1994, preserved benefits will be payable, on application, with effect from their 60th birthday.

b) Former Officers who have attained the age of 60 before 1 January 1994 and who are still alive on that date will have their preserved benefits payable, on application, with effect from 1 January 1994, i.e. there will be no arrears of preserved pension paid in respect of periods prior to that date. In such cases, the lump sum will be calculated by reference to the relevant salary scale which was in force on the date of the officer’s 60th birthday and the pension will be calculated by reference to the relevant salary as at 1 January 1994.

6. Where an officer, to whom the revised arrangements would otherwise have applied, has died, the following will apply:

a) a preserved death gratuity, calculated by reference to the relevant salary scale applicable at the date of death, will be payable to the personal representative;
b) preserved spouses? and children? s pensions under the Civil Service Spouses? and the Children?s Contributory Pension Scheme will be payable subject to the normal provisions if the scheme, provided that:

- in the case of officers who died before 1 January 1994, the pension should be calculated by reference to the relevant salary scale as 1 January 1994, and be payable with effect from that date. As at 5(b) above there will be no arrears of preserved pension in respect of periods prior to 1 January 1994; and

- in the case of officers who died on or after 1 January 1994, the pension should be calculated by reference to the relevant salary scale as at the date of the officer? s date and be payable with effect from that date.

Losses to the Exchequer
7. In all cases involving financial loss to the Exchequer, the amount of the loss, plus interest, will be recouped from the officers concerned or, in the event that such losses plus interest are not otherwise repaid, they will be recouped from the preserved benefits payable. Interest in such cases will be charged at a compound rate of 6% per annum in respect of the period between the date on which the loss was incurred and the date of repayment.

Reckoning of Service
8. Service should be reckoned in the usual way; for interest, where an officer is suspended without pay prior to dismissal or pre-emptive resignation, the period while on suspension should not reckon for the purposes of calculating the preserved benefits.

9. In the case of officers to whom these revised arrangements apply, a notification should be sent by the employing Department / Office to the officer, or to the legal representative concerned, by registered post.

Further Information
10. Any doubts or difficulties arising out of the application of this letter should be referred to the Pensions Section of this Department.

Yours sincerely

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Michael Murphy