To: All Personnel Officers

20 September 2005

Rate to be charged for pension contributions in respect of civil servants who are seconded to bodies outside the civil service (including public service bodies)

Dear Personnel Officer

The Department of Finance has recently carried out an examination of the cost to the Exchequer of civil service pensions. Arising from this examination, it has been decided to increase the pension contribution to be made in respect of civil servants who are seconded to bodies outside the civil service (including bodies in the public service).

The revised pension contributions outlined in this letter must be applied to all secondments of civil servants to bodies outside the civil service (including public service bodies) which begin on or after 3 October 2005. In the case of civil servants who have already begun secondments, the present pension contribution will continue to apply.

At present, Departments/Offices charge 16\(\frac{2}{3}\) % of gross salary towards the cost of pensions in respect of civil servants who are seconded to bodies outside the civil service. The secondee’s salary and the contribution in respect of superannuation are recoupable by the Department/Office from the organisation to which the civil servant is seconded.

On and after 3 October 2005, the pension contribution of civil servants on secondment to bodies outside the civil service (including secondments to public service bodies) should be increased to 30% of gross salary in the case of staff who entered the civil service before 6 April 1995 (modified staff), and to 25% of gross salary in the case of staff who entered the civil service after 6 April 1995 (integrated staff). The 30% and the 25% of gross salary referred to in this context are the pension contributions to be paid by the outside body to which the civil servant is seconded - they do not include any pension contributions which staff make themselves, e.g. contributions for Spouses and Children’s Scheme or the personal pension contribution (PPC) being made by integrated staff.

Yours sincerely,

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Marie McLaughlin
Personnel and Remuneration Division