Most staff are members of either the Teagasc Draft Staff Superannuation Scheme, or the Single Public Service Pension Scheme. However, a small number of staff are members of the Agricultural Colleges Staff Superannuation Scheme. Membership to these schemes provides generous pension and life cover benefits where eligible. Each scheme provides security for employees and their families in the event of

- Retirement (Lump Sum, and Pension)
- Ill Health (Early payment of Lump Sum and Pension)
- Leaving Teagasc (Refunds or Preserved Pension Benefits)
- Death (Death Gratuity and/or Pension due to Spouse and eligible Children)

The Single Scheme, as it is known, commenced on 1 January 2013 and applies to anyone who was recruited on or after that date, with no previous Public Sector service or with a break in Public Sector service of more than 6 months. Full details of the Scheme conditions and benefits can be seen in **The Single Public Service Pension Scheme (Single Scheme).**

Teagasc Draft Staff Superannuation Scheme (Pre-2013 Pension Schemes)

The Teagasc Draft Staff Superannuation Scheme is a Public Sector Defined Benefits Scheme. One of the advantages of a defined benefit scheme is that members will generally know in advance of their retirement what their pension will be. For example, in Teagasc' case, similar to other Public Sector schemes, pension benefits are defined by final pay and length of service. The Scheme has two components, namely the Main Scheme and the Spouses and Children's Scheme. The Spouses and Children's Scheme provides a pension to a spouse and eligible children in the event of the death of a staff member in service or following retirement. Please note that some staff may not be members of the Spouses and Children's scheme.

Retirement Benefits

Prior to 25 March 2004, typically the minimum retirement age for Public Servants was 60 years and the maximum retirement age, in general, was 65 (non-new entrants). However, the Public Service Superannuation (Miscellaneous Provisions) Act 2004 introduced new superannuation and retirement provisions for **new entrants** to the public service appointed on or after 1 April 2004. In summary, the Act increased the minimum age at which pension may be paid to new entrants to 65 years and also provided for no compulsory retirement age for new entrants. The maximum retirement age for non-new entrant salaried staff has also changed as a result of the enactment of the new Public Service Superannuation (Age of Retirement) Act 2018. The Act provides for an increase in the compulsory retirement age of most public servants recruited prior to 1 April 2004, from age 65 to age 70.

Note: A new entrant is a person appointed by a public service body on or after 1 April 2004 to 31 December 2012 who was not employed in the Irish public sector before that date, or - if so employed – joined a public service body after a break in service of at least 6 months duration.

In order to qualify for maximum lump sum and pension benefits forty years pensionable service is required. However, many staff retire with less than forty years' service. The following formula is applied to calculate these benefits:

- Lump sum: pensionable remuneration* x 3/80 x pensionable service, and

- Pension: pensionable remuneration* x 1/80 x pensionable service (Staff paying D1 PRSI), **or**
- Pension: (pensionable remuneration* – (2 x OAP)) x 1/80 x pensionable service (Staff paying A1 PRSI who are entitled to claim the State Pension)

**Pensionable remuneration means basic pay that is reckonable for pension purposes, generally comprising salary and pensionable allowances, but excluding overtime. Where an employee is or has been in receipt of a pensionable allowance within the last ten years of service, the allowance can be averaged, based on the best three consecutive years. This allowance average is included for the purposes of calculating the pension and lump sum.*

A member's retirement lump sum is payable at retirement date and his/her pension is payable monthly in arrears, commencing the day after retirement. As and from 1 January 2011, the maximum tax-free limit on retirement lump sums is €200,000. This tax-free amount is a lifetime limit and applies to all retirement lump sums paid to an individual on or after 7 December 2005. Further details are available at revenue online Pension payments may be subject to tax and also USC.

Employees can log into the Core Pensions Portal to view their accrued benefits under the Teagasc Draft Superannuation Scheme. The Core Pensions Portal enables the user to project out their estimate retirement benefits based upon different scenarios (e.g. higher/lower salary, a different work pattern) through the Pensions Calculator. Frequently Asked Questions and Video on the Core Pensions Portal can be viewed here on the Tnet: http://tnet.teagasc.net/hr/pensions_and_retirement/faq.asp

Ill-Health Benefits

A staff member who has completed five or more years of actual pensionable service may retire or be retired on medical grounds, subject to Teagasc consent, in accordance with the conditions of the Scheme. Typically a member will have been out on long term sick leave, and will have a permanent disability/illness. He/she may have a period of notional service added to pensionable service, provided that the aggregate of pensionable service and notional service does not exceed 40 Years.

Additions of notional service are as follow:

- Staff Member with 5 to 10 Years' Service - equal amount of service added but the total cannot be greater than potential service to Age 65.

- Staff Member with 10 to 20 Years' Service - the most beneficial of either :
  - Balance to 20 years but not greater than potential service to Age 65 OR
  - $6^{2}/_{3}$ years but not greater than potential service to Age 60.

- Staff Member with over 20 Years' Service - the least beneficial of either :
  - $6^{2}/_{3}$ years OR
  - Potential service to Age 60

Preserved Pension Benefits

Members who have two years or more pensionable service at a departure date which is before normal retirement age (Age 60/65), will have their lump sum and pension frozen (i.e. preserved) and paid, on application, at normal pension age, provided their service is not transferred to another Public Sector/Government body. Preserved benefits (lump sum and pension) are based on a member's actual pensionable accrued service, and his/her grade and point on the relevant salary scale at departure date. However preserved pension benefits are uprated in line with any increases/decreases in pay between a members' resignation date and payment due date (Age 60/65). Former members are required to apply in writing to the Teagasc Pensions Manager or Pensions Officer at least three months prior to preserved pension age, in order to claim preserved pension entitlements.

In the unfortunate event of a former members' death before reaching preserved benefit age, a preserved death gratuity will be payable to his/her legal personal representative, upon grant of probate. A pension will also be payable to his/her spouse and eligible children, provided he/she was a member of the Spouses and Children's Scheme, during his/her employment.

Return of Contributions

Any member who has less than two years pensionable service at his/her departure date from Teagasc, can claim a refund of all pension (less 20% tax) and ASC/PRD contributions less statutory deductions, by completing a Pension and ASC/PRD Refund Request Form and submitting it to the Pensions Manager or Pensions Officer. Full details are provided by HR Services before a member's departure date.

Entitlements in the event of Death

In the event of the death of a **serving staff member**, the following payments are due:

- A death gratuity is payable to the Legal Personal Representative nominated in the will of the deceased, upon grant of probate. The value of this Death Benefit ranges from a minimum of 1 times salary to a maximum of 1.5 times salary (depending on age and service of staff member), and is income tax free.

Plus, where the deceased was a member of the Spouses' and Children's Pension Scheme

- Surviving spouse is paid late spouses' salary for 1 month following death
- Surviving spouse is paid a pension based on 50% of the notional potential pension payable to the deceased staff member, if he/she had retired on ill health grounds.
- Eligible children (to Age 16 or to Age 22 if in full time education), to a maximum of three, are entitled to an additional 33.3% of Spouses Pension. Subject to certain conditions, no age-limit applies where a child is incapable of maintaining himself or herself because of mental or physical infirmity.

In the event of the death of a **retired staff member** who was a member of the Spouses' and Children's Pension Scheme, the following payments are due:

- Surviving spouse is paid late spouses' pension for 1 month following death
- Surviving spouse is paid a pension based on 50% of the deceased retiree's pension
- Eligible children if any (to Age 16 or to Age 22 if in full time education), to a maximum of three, are entitled to 33.3% of Spouses Pension. Subject to certain conditions, no age-limit

applies where a child is incapable of maintaining himself or herself because of mental or physical infirmity.

The surviving spouse may also be entitled to the Social Welfare Contributory Survivors Pension (non means tested) if the deceased staff member or retiree paid either Class D1 or A1 PRSI contributions.

Pension Scheme Contribution Rates

Main Scheme rates are as follow:

- Salaried staff employed pre 6 April 1995 (who pay the reduced rate of PRSI, Class D) pay 5% of gross pay
- Salaried staff employed on or after 6 April 1995 (who pay the full rate of PRSI, Class A) pay 1.5% of gross pay and 3.5% of *net pay
- Waged staff (who pay the full rate of PRSI, Class A) pay 1.5% of gross pay and 3.5% of *net pay
- Ex-Private College Staff (who pay the full rate of PRSI, Class A) pay 1.5% of gross pay and 3.5% of *net pay

Spouses and Children's Scheme rates are as follows (in addition to Main Scheme):

- Salaried staff pay 1.5% of gross pay to the Scheme
- Waged staff pay 1.5% of *net pay to the Scheme
- Ex-Private College Staff pay 1.5% of *net pay to the Scheme

**Net pay is equal to gross pay less twice the rate of the State pension.*

Not all staff are members of the Spouses and Children's Scheme, as membership was optional at different times, in the past. However, it is now compulsory for all new Teagasc staff, to join the scheme. Please note that the contributions paid under the Spouses and Children's Scheme and under the Main Scheme are not itemised separately on pay-slips.

The Pension Related Deduction (PRD) which was introduced in March 2009 is in essence a levy on Public Sector Pension Schemes, and therefore is an additional contribution payable by members of the Teagasc Staff Superannuation Scheme. No additional pension benefits arise as a result of PRD payments. Please note that the Additional Superannuation Contribution (ASC) was introduced on 1 January 2019 replacing PRD. Whereas PRD was a temporary emergency measure, ASC is a permanent pension contribution payable in addition to existing pension contributions and attracting tax relief at the marginal rate.

ASC only applies to gross pensionable remuneration. A key difference between ASC and PRD is that ASC is chargeable on pensionable income and not taxable income. This means that, unlike PRD, remuneration such as non-pensionable allowances and non-pensionable overtime is not generally subject to ASC, further reducing ASC liability compared to the previous PRD liability. While ASC attracts tax relief, it does not contribute to benefits generated for pension and lump sum purposes.

ASC 2020 and 2021 rates that apply to members of Teagasc Draft Superannuation Scheme are; first €34,500 @ 0%, next €25,500 @ 10%, balance @ 10.5%

Version	Revision Date	Summary of Changes	Policy Owner
2.0	October 2020	Information included on the 'New age of retirement act 2018' for non-new entrants.	HR – Pensions
2.0	October 2020	Further information on child pensions, if child is permanently incapable of maintaining themselves.	HR – Pensions
2.0	October 2020	ASC has replaced PRD from Jan 2019. 2020 rates have been outlined	HR – Pensions
2.0	October 2020	Information on the Core Pensions Portal	HR – Pensions