



# **The 1978 UCD Pension Scheme (With Amendments)**

## **Explanatory Booklet**

**The purpose of this Booklet is to provide general information on superannuation entitlements for staff members in a format that is easy to understand. That said, the Booklet is not a definitive legal interpretation of the superannuation provisions covering University College Dublin staff, nor does it purport to deal with every query that may arise concerning superannuation. Care has been taken to ensure that it is accurate but nothing can override the formal rules of the University College Dublin Superannuation Scheme.**

**The superannuation provisions set out in this Booklet apply equally to men and women. The UCD Pensions Office should be consulted should a staff member have a particular query which is not covered in the Booklet.**

**The basis for the UCD 1978 Pension Scheme (with Amendments) and Spouse/Civil Partner and Children's Contributory Pension Scheme is set out in Statute XCVI (With Amendments) of University College Dublin. This was made pursuant to the Universities Act 1908. This statute is now closed under S.I no. 96 of 2010.**

**The scheme is a defined benefit scheme for the purposes of the Pensions Act, 1990. In other words, benefits under the schemes are calculated by reference to a member's pensionable service and pensionable pay at retirement.**

**The scheme is registered with the Pensions Board, the registration number is 43812.**

**All discretionary benefits payable from the Pension Scheme are subject to the approval of the Minister for Education & Skills and the Minister for Finance at date of retirement.**

**If you require further information regarding your pension after reading this booklet, please check our website <http://www.ucd.ie/hr/pensions/> or contact the UCD Pensions Office by e-mailing your query and Personnel number to [pensions@ucd.ie](mailto:pensions@ucd.ie).**

The Booklet has been divided into three sections and outlines the rules of the scheme by answering a number of frequently asked questions.

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## **Section 1: STAFF PENSION SCHEME**

### **1. Who is eligible to join the UCD 1978/1985 Pension Schemes?**

Anyone who joins UCD before 31/12/2004 and pays modified PRSI Class D, will become members of the UCD 1985 Pension Scheme.

If you have difficulty identifying the category you fall into, please contact the UCD Pensions Office by emailing [pensions@ucd.ie](mailto:pensions@ucd.ie).

### **2. What benefits does the Scheme provide?**

The main benefits are

- retirement pension and gratuity (question 8)
- death gratuity (question 14)
- spouse/civil partner and children's pensions (Section 2).

### **3. What factors will be taken into account in determining benefits?**

The benefits will normally depend upon the following factors:

- (a) your gross reckonable pay
- (b) your pensionable allowances which are designated as pensionable by the University, but excluding certain payments e.g. overtime
- (c) your pensionable service (questions 5)

### **4. Are contributions payable towards the benefits of the Scheme?**

The scheme is non-contributory however contributions are payable towards spouse/civil partner and children's pensions (question 32).

### **5. What service is reckonable for benefits?**

- paid service as a pensionable employee;
- certain part-time or temporary service prior to becoming a member of the Scheme;
- certain transferred service (question 20);
- additional or added service allowed in certain circumstances (questions 10 and 19);
- certain service in respect of which you may already have received a refund of contributions provided you make an appropriate repayment.

### **6. On what rate of pay are benefits calculated?**

Your benefits are based on your gross reckonable pay.

### **7. When are benefits payable?**

Retirement pension and gratuity are payable on retirement. Maximum retirement age is age 65 but you may retire anytime between 60 and 65 on giving three months notice (excluding July/August/September) or before that age on grounds of ill-health – see question 10. A minimum of 2 years' reckonable service is required for pension and gratuity.

With the appropriate medical evidence, you may retire or resign on grounds of ill-health before age 60/65 with immediate payment of retirement pension and gratuity provided you have at least 5 years' reckonable service.

If you resign voluntarily before age 60 with at least 2 years' reckonable service and do not transfer within the Public Sector Transfer network, you may qualify for a preserved pension and gratuity at age 60/65, on written application you may opt for cost neutral early retirement (see question 18).

**8. What rate of retirement pension and gratuity is payable?**

The Scheme is designed to give you the maximum pension and gratuity after 40 years' service. Subject to a minimum requirement of 2 years' reckonable service (for normal retirements) or 5 years' reckonable service (for ill-health retirements), pension and gratuity are payable for each year of reckonable service (with fractions of a year counting proportionately) at the following rates:

**Pension:**

1/80th of gross reckonable pay

**Gratuity:**

3/80ths of gross reckonable pay.

**Example:**

A person retires at age 65 with 34.36 years' reckonable pensionable service and gross reckonable pay of €50,000. The entitlements are calculated as follows:

Pension	=	€50,000	x	34.36	x	1/80	=	€21,475.00
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Gratuity	=	€50,000	x	34.36	x	3/80	=	€64,425.00
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**9. What is the position if I become too ill to continue in employment?**

If a member is unable to work due to incapacity by reason of infirmity of mind and body and having medical evidence which indicates that this incapacity is likely to be permanent, the member may be eligible to receive an ill health pension & gratuity.

**10. What benefits are payable if I retire on ill-health grounds?**

A pension and gratuity, calculated in the same way as a normal retirement pension and gratuity (see question 8) will be paid to you provided you have a minimum of 5

years' reckonable service. Enhanced pensionable service may be granted in line with the following subject to medical evidence that the illness is likely to be permanent and subject to approval of the Minister for Education & Skills and the Minister for Finance.

- (a) a member with between 5 and 10 years actual service is credited with an equivalent amount of added service, provided this does not exceed the additional service which the member would have accrued if he/she had remained in employment up to age 65;
- (b) a member with between 10 and 20 years actual service is credited with the more favourable of –
  - (i) an amount of service equal to the difference between actual service and 20 years (provided this does not exceed the additional service which the member would have accrued if he/she had remained in employment up to age 65); or
  - (ii) 6 years and 243 days, provided this does not exceed the additional service which the member would have accrued if he/she had remained in employment up to age 60);
- (c) a member with more than 20 years actual service is credited with the same award of added service as at (b)(ii) above.

If you retire on ill-health grounds with at least 1 year and less than 2 years' reckonable service, you will not qualify for a pension and lump sum.

If you retire on ill-health grounds before age 60 and have at least 2 years and less than 5 years' reckonable service, you will qualify for a preserved pension.

**11. For how long is my pension paid?**

Your pension is paid for the period of your lifetime and a spouse/civil partner pension may be paid to a surviving spouse/civil partner. See Section 2.

**12. Is there any provision for my pension to be increased to take account of inflation?**

Yes. Your pension (or any spouse/civil partner and children's pension payable after your death) will generally be increased to take account of increases in the pay of your former grade. Pension increases are not guaranteed, however it is current practice to increase pensions in line with pay awards for serving staff from the same effective dates as those applying to serving staff.

**13. Are benefits affected if I become re-employed by the University after I retire or resign?**

Your pension would be reduced to ensure that your total pay and pension do not exceed the current equivalent of the pay you had on the date of your retirement or resignation.

**14. What benefits would apply if I died in service?**

Your legal personal representative would receive the greater of:

- (a) one year's reckonable pay (at the rate applicable on the date of your death), or
- (b) the gratuity that would have been paid to you had you retired on ill-health grounds on the date of your death (question 10).

A pension will also be payable to your spouse/civil partner and children if applicable. (Section 2)

**15. What benefits would apply if I died after retirement?**

If at the time of your death the total pension received by you since your retirement, together with the amount of your retirement gratuity, amounts to less than the gratuity that would have been paid to you had you died in service on the date of your retirement, a sum equal to the deficiency will be paid to your legal personal representative. Under normal circumstances the spouse/civil partner benefit will apply.

**16. What happens if I leave the service of the University otherwise than by reason of age or ill-health retirement?**

If you resign voluntarily you may transfer your pension rights to another Public Sector Body which participates in the Public Sector Transfer Network (question 20) or, if you have at least 2 years' reckonable service, qualify for a preserved pension and gratuity (question 17). A leaver with less than 2 years service that cannot transfer will receive a refund of their own contributions to the pension scheme less the prevailing rate of withholding tax.

**17. How or when do I qualify for preserved benefits?**

If you resign before age 60 and qualify for a preserved pension and gratuity, benefits will be based on your gross reckonable pay on the date of your resignation uprated to take account of increases in pensions generally between that date and your 60th birthday

To qualify for preserved benefits you must have one of the following: -

- (a) at least 2 years' reckonable service which you are not transferring to another Public Sector Organisation whose pension scheme allows for the reckoning of your service under the University College Dublin Superannuation Scheme, or
- (b) at least 2 years' reckonable service for retirement on ill-health grounds.

Your pension and gratuity entitlement is preserved to age 60. You must apply in writing for these benefits on reaching age 60.

Preserved pension and gratuity under (a) above will become payable earlier than your 60th birthday if you fall permanently ill before that date. Should you die before

reaching age 60 a preserved death gratuity (calculated in the same manner as a preserved lump sum) will be payable to your legal personal representative.

**18 What is cost neutral early retirement?**

You may, provided you are at least 50 years of age, decide to retire and take immediate payment of pension and gratuity in which case the benefits will be actuarially reduced to take account of the early payment of the gratuity and the longer period over which pension would be paid. This facility is known as cost neutral early retirement and the application to draw down these benefits must be made not later than the date of resignation. The amount of the actuarial reduction will depend on your age on resignation. Further information, including the actuarial reduction rates and other general conditions, is available from the UCD Pensions Office.

**19. What are added years?**

Added years are discretionary but may be awarded in certain circumstances:

- on ill-health retirement (question 10), and
- added years may be awarded at retirement by prior approval of the Minister for Education & Skills and the Minister for Finance provided that:

- the staff member's special qualifications and experience prior to joining the University are recognised by the Minister for Education & Skills and the Minister for Finance.
- the years added have been served prior to joining the University and have not qualified for gratuity, pension or other benefit.
- the years added do not exceed one-third of the actual years served.

**20. What does transferred service mean?**

Under approved arrangements you are able to transfer your service within a variety of public sector organisations such as the civil service, the local authority and health sectors, the Garda Síochána, the Defence Forces, the teaching sector and certain other state or semi-state bodies. The UCD Pensions Office will be able to advise you on the full extent of these transfers of service arrangements.

On joining UCD you should contact the UCD Pensions Office and advise if you have previous Public Sector Service that you may wish to transfer. Again on resigning you should contact your new employers Pensions Office if you wish to transfer your UCD Pensionable Service.

**21. What can I do if I have a shortfall of service?**

Under certain circumstances, you may purchase notional service at full actuarial cost to yourself. Details of the cost of purchase and the limits on the amount of notional service you may purchase are available from the UCD Pensions Office.

Alternatively, you may be able to contribute to an approved Additional Voluntary Contribution (AVC) Plan. However, this is outside of the University's



Superannuation Scheme. You should contact the UCD Pensions Office for further information.

**22. How are benefits and contributions treated for income tax purposes?**

Pensions payable are subject to income tax in the ordinary way.

Ordinary Contributions payable towards the staff scheme and spouse/civil partner and children's pension scheme would normally qualify for income tax relief (subject to certain limits).

Retirement Gratuities and Death Gratuities are paid tax free subject to certain limits.

## **Section 2: SPOUSE/CIVIL PARTNER AND CHILDREN'S PENSION SCHEME**

**23. What is the Spouse/Civil Partner and Children's Pension Scheme?**

It is a Scheme to provide pensions for the qualifying spouse/civil partner and/or qualifying dependent children of a member who dies in service or after qualifying for a pension or preserved pension.

**24. What is the definition of spouse/civil partner and child under the scheme?**

A spouse is the person to whom the member is legally married to.

A civil partner is the woman or man with whom the Member was in a civil partnership (as described under the Civil Partnership and Certain Rights and Obligations of Cohabitants Act 2010) at the date of his/her death.

A child is a person under 16 years of age or, if receiving full-time education or training, 22 years of age. Subject to certain conditions, no age-limit applies where a child is incapable of maintaining himself or herself because of mental or physical infirmity.

**25. Who does the Scheme apply to?**

The Scheme applies to all pensionable employees who are members of the Spouse/Civil Partner and Children's Scheme.

**26. Can I leave the Scheme?**

The Spouse/Civil Partner and Children's Pension Scheme is an integral part of the UCD Pension Scheme and it is a condition of employment that you become a member of the pension scheme.

**27. How are spouse/civil partner and children's pensions calculated?**

If you die in service or after retirement on ill-health grounds the spouse/civil partner and children's pensions will be calculated by reference to the pension you would have received had you continued in pensionable employment up to age 65 (this is known as your potential pension).

In all other cases the spouse/civil partner and children's pensions will be calculated by reference to your actual pension entitlement. It should be noted that any decision to opt for cost neutral early retirement in lieu of preserved benefits (question 18) will not affect spouse/civil partner and children's pension benefit, i.e. the spouse/civil partner and children's pension benefit will be the same as if the option had been for preserved benefits.

The spouse/civil partner pension is calculated at the following rates for each year (and portion of a year) of reckonable service:

1/160th of gross reckonable pay

An enhanced rate of pension may be payable for the first month after your death. This amounts to one month's pay if you die in service and one month's pension (your pension rate on the date of death) if you die after retirement.

**28. How are children's pensions payable?**

Children's pensions are normally paid to the spouse/civil partner.

**29. My spouse/civil partner has already died - can I provide for my children under the Scheme?**

Yes - your qualifying children would be covered under the Scheme.

**30. If my spouse/civil partner dies what happens to the children's pension?**

It depends on the number of children. If there is one child under 16, or under 22 if receiving full-time education, or incapable of maintaining himself or herself because of mental or physical infirmity, the pension goes up from one-sixth of the amount of your pension to one-third and, if there are two such children, from one-third to one-half. If there are three or more such children the total amount of their pension remains unchanged.

**31. If my spouse/civil partner re-marries or co-habits, what happens to the pension and the children's pension?**

The spouse/civil partner pension stops. The University may restore it if she/he again becomes a widow/widower/surviving partner or if compassionate grounds for so doing subsequently arise. The children's pension also stops unless the University directs otherwise.

**32. Do I have to contribute towards the benefits of the Scheme?**

Yes. The Scheme is contributory and all participating in it must pay contributions. These take the form of a periodic contribution of 1.5% of pay, plus a deduction of 1% of pensionable pay at retirement or death in respect of each year of reckonable service for which contributions from pay have not been paid.

**33. For how long do I have to contribute?**

Contributions must be paid to cover all reckonable pensionable service.

**34. Are my Spouse/Civil Partner and children's contributions refunded if I retire without a pension myself?**

Yes. Contributions (less an appropriate deduction for income tax) are returnable if your service terminates without entitlement to pension or preserved pension unless you transfer your service for superannuation purposes to another organisation (see question 20).

**35. Do I have to go on contributing if my spouse/civil partner dies while I am serving?**

Yes. However, years after the death of your spouse/civil partner during which you paid periodic contributions will, unless you have married or have a new civil partner again before retirement, be offset against any years for which you may be liable for contributions.

**36. Are my contributions refunded if I remain unmarried or without a civil partner throughout the time that the Scheme applies to me?**

Yes, if you joined the Spouse/Civil Partner & Children's Scheme prior to 01/04/1985.

### **Section 3: ADDITIONAL INFORMATION**

**37. What is a Pension Adjustment Order?**

In the event of judicial separation/divorce/civil partnership dissolution under the Family Law Acts, a Court Order for a Pension Adjustment Order in respect of the retirement or contingent benefits (benefits arising from death in service) payable to or in respect of a member who is married or has a civil partner may be sought and made. Further information about the operation and impact of Pension Adjustment Orders may be obtained from your Legal Representatives.

**38. Have I a right to make a complaint about any aspect of my pension entitlement?**

Yes. If you are unclear about your entitlements or are unhappy about any decision made by the University in relation to your pension position, you should contact the UCD Pensions Office and ask them to explain the position fully to you. If, following this contact, the matter has not been settled to your satisfaction, you may avail of a formal Internal Disputes Resolution Procedure (IDRP). Details of the UCD IDRP are available on <http://www.ucd.ie/hr/pensions/>. Under this procedure, you may appeal to the Minister for Education and Skills who will refer the complaint or dispute to the Minister for Finance for determination.

Should you still have a complaint or dispute following IDRP, you may, depending on the nature of the complaint or dispute, be entitled to refer the matter to the Pensions Ombudsman for determination. Information concerning IDRP and the role and functions of the Pensions Ombudsman is available from the Office of the Pensions Ombudsman, 36 Upper Mount Street, Dublin 2 – telephone 01 6471650 – or on the Pensions Ombudsman's website <http://www.pensionsombudsman.ie>