



Supplementary Pension Information Note

Please find information below that you may find useful regarding the application and conditions upon receipt of a Supplementary Pension from the Department of Education. It is important that you retain this document and all documents you have received in your retirement pack for future reference.

Contents:

1. What is a Supplementary Pension?
2. What is a Co-ordinated Pension?
3. Under what circumstances am I entitled to a Supplementary Pension?
4. How is the rate of my Supplementary Pension determined?
5. Am I automatically entitled to a Supplementary Pension payment?
6. How do I apply for any potential Supplementary Pension payment?
7. Further Enquiries and relevant sources of information

1. What is a Supplementary Pension?

In accordance with the terms of the individual pension scheme, a supplementary pension may form part of the pension paid to retirees who paid full-rate PRSI contributions in respect of all or part of pensionable service and/or in respect of purchased service. Full rate PRSI contributions are Class A contributions which may entitle the retiree to certain benefits from the Department of Social Protection.

Any retiree with a period of service given at Class A PRSI will have their benefits in respect of this service paid in the following ways subject to certain terms and conditions (which are outlined below in more detail).

Payment of Coordinated Pensions from the Department of Education	
(a) Co-ordinated Occupational Pension Payment and a DSP social welfare benefit/ pension	(b) Co-ordinated Occupational Pension Payment and Supplementary pension paid by this Department (in full or partially depending on any DSP social welfare benefit payable to the retiree)

2. What is a Co-ordinated Pension?

Co-ordination or 'Integration' is a term used in public sector pension schemes to indicate that the potential benefits payable under the Social Welfare system are taken into account in the occupational pension scheme. The purpose of co-ordination is to ensure that the combined amount of the occupational pension plus the Social Welfare benefit a member may be entitled to, approximates to the total of the non-coordinated occupational pension.

Co-ordinated Occupational Pension (Class A PRSI)	+	Supplementary Pension	=	Unco-ordinated Occupational Pension (Class D PRSI)
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Co-ordination refers to the pension contributions that you have paid during your service with the public sector and to how the benefits in respect of these contributions are calculated. Members' pension contributions are determined by their PRSI (Pay-related social insurance) class. The two main PRSI classes of public sector employees in Education are PRSI class D and PRSI class A. Class A PRSI was introduced for all public sector employees who started employment on or after the 6 April 1995 or who after this date had any unsanctioned break in service.

- Class D PRSI: Pay a higher rate of pension contributions than class A employees, and pay a lesser rate of PRSI than A class employees.
- Class A PRSI: Pay a reduced rate of pension contributions than class D employees, and pay a higher rate of PRSI contribution, as they will have a potential entitlement to a State pension.

The potential entitlement to any part of a co-ordinated pension arises under the following circumstances:

- A member has paid PRSI class A for a period of pensionable service
- A member has purchased service at PRSI class A (substitute; unqualified; previously non-pensionable and part-time service (includes all PCW service)).

3. Under what circumstances am I entitled to a Supplementary Pension?

Supplementary pension is available to retirees in order to make up the shortfall in pension for the period between the date of retirement and the age of eligibility for the State Contributory Pension. A retiree's eligibility for a supplementary pension is assessed following receipt of an application.

In order to be considered for a supplementary pension, the retiree must:

- a) for reasons outside of his or her control, fail to qualify for a social insurance benefit, or qualify for a social insurance benefit only at a rate which is less than the full State Pension Contributory (SPC) rate ;
- b) be unemployed; and
- c) other than a person in receipt of a pension on medical grounds, have reached the minimum pension age or, in the case of a member in receipt of a Cost Neutral Early Retirement pension, the preserved pension age.

or

qualifies for DSP social welfare benefits at less than the maximum personal rate due to causes outside his/her personal control,

The DSP social welfare benefits in question are:

- Jobseeker's Benefit
- Illness Benefit
- Invalidity Pension
- Benefit payment for 65 year olds
- State Pension (Contributory)

The eligible age for the Department of Social Protection State Contributory Pension is currently 66. Retirees may be eligible for Jobseekers Benefit in advance of reaching the eligible age for the State Contributory Pension.

A supplementary pension may be payable, on application, after a retiree reaches the eligibility age for State Contributory Pension where;

- the retiree is not qualified to receive a State Pension payment, supplementary pension may continue
- the rate of State Pension payable is less than the maximum potential rate of supplementary pension, in which case a reduced rate of supplementary pension may be payable to make up the shortfall.

4. How is the rate of my Supplementary Pension determined?

A co-ordinated pension is calculated with reference to a retiree's pensionable remuneration (salary and allowances on last day of service) less 3.333333 times the maximum annualised personal rate of the State Contributory Pension (SPC) which currently amounts to € 43,187.64 (€248.30 per week; effective from 29/03/2019). You will see these figures on the calculation sheet included with your retirement pack.

Below is an example of how a coordinated pension and resulting supplementary portion of the pension is calculated.

The maximum supplementary pension equates to the difference between the (i) unco-ordinated pension and (ii) co-ordinated pension for a distinct period of service.

$$(i) = \frac{\text{Service} \times \text{Salary}}{80}$$

$$(ii) = \frac{\text{Service} \times (\text{Salary} \leq \text{SPC} \times 3.333333)}{200} + \frac{\text{Service} \times (\text{Salary} > \text{SPC} \times 3.333333)}{80}$$

Example: A member retires with gross pensionable remuneration of: max point of the salary scale €65,588, a pass degree €1,939, special duties post €3,967 and who participated in supervision and substitution.

Pensionable remuneration = €71,494

Pensionable service at A PRSI = 38 years 42 days

Decimalised Service = 38.1151 years

State Pension Contributory = € 12,956.29

Pension: (i) Potential Unco-ordinated pension:

$$\frac{38.1151 \times \text{€}71,494}{80} = \text{€}34,062.51$$

Pension: (ii) Actual Co-ordinated pension:

$$\frac{38.1151 \times (\text{€}12,956.29 \times 3.333333)}{200} + \frac{38.1151 \times (\text{€}71,494 - \text{€}12,956.29) \times 3.333333}{80} = \text{€}21,716.75$$

Maximum Supplementary pension payable: (i) – (ii) = €34,062.51– €21,716.75	=	€12,345.76
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5. Am I automatically entitled to a Supplementary Pension payment?

No. A person does not have an automatic entitlement to a supplementary pension.

In the case of Cost Neutral Early Retirement, Supplementary Pension is not payable before the age of 60 (in the case of an old entrant) or 65 (in the case of a new entrant) as appropriate, when the criteria outlined in point 3 apply. You can refer to the following documents for more information on this.

- Circular PEN 07/2005
(<https://circulars.gov.ie/pdf/circular/education/2005/PEN07.pdf>)
- Statutory Instrument 434 of 2009
(<http://www.irishstatutebook.ie/eli/2009/si/434/made/en/pdf>) (Article 60 (3))
- Statutory Instrument 435 of 2009
(<http://www.irishstatutebook.ie/eli/2009/si/435/made/en/pdf>) (Article 60 (3))

It is important to note that the Department of Education **will not pay Supplementary Pension** if you fail to claim one of the benefits to which you are entitled.

6. How do I apply for any potential Supplementary Pension payment?

You must apply to the Pension Unit in the DE for a Supplementary Pension payment. To apply for a Supplementary Pension you must submit two relevant application forms. You must complete and sign a SUPP 1 (Application Form) and, **one of**; a SUPP3, SUPP 4 or SUPP 5 depending on your personal circumstances (details of which are outlined below). You may need to have PART 2 of the SUPP 3, SUPP 4 or SUPP 5 completed by your local Department of Social Protection INTREO office.

6.1 Which of the three forms do I need to submit?

- Retiring on Medical Grounds: If you have retired on Medical Grounds you will need to submit a completed SUPP 3 with your completed SUPP1. If you have received a letter from the Department of Social Protection outlining your entitlements to Illness Benefit or Invalidity Pension you can include a copy of this letter with your application form. You are then not required to have PART 2 completed by your local INTREO office.
- Retired before the age of 66: If you have retired before the age of 66 you will need to complete and submit a SUPP 4 with your completed SUPP1.
- Retired on or after the age of 66: If you have retired on or after the age of 66 you will need to complete and submit a SUPP 5 with your completed SUPP1. If

you have received a letter from the Department of Social Protection outlining your entitlements to a State Contributory or Widow/Widower's pension, you can include a copy of this letter with your application form. You are then not required to have PART 2 completed by your local INTREO office.

6.2 Where can I get the relevant forms and where do I send them once completed?

Please note that if incomplete forms are submitted there may be a delay in the processing of any potential Supplementary Pension benefits. These forms are available for download from our webpage:

<https://www.gov.ie/en/service/891c7-supplementary-pensions/>

You can submit your completed forms to the following address:

Pension Unit
Cornamaddy
Athlone
Co. Westmeath
N37 X659

7. Further Enquires, useful websites and important information

This information leaflet is provided for assistance and guidance. This document is not a legal interpretation of the nature of a Supplementary pension or the relevant legislation, and does not purport to deal with every query that may arise. Further information relating to the benefits and schemes available from the Department of Social Protection are available from their website (www.welfare.gov.ie).

Further information regarding the pension schemes administered by the Department of Education can be found on our website (www.gov.ie/education)

Useful Websites:

Department of Education: www.gov.ie/education

Department of Social Protection: www.welfare.gov.ie

Citizens Information: www.citizensinformation.ie