

## **The Public Service Superannuation (Age of Retirement) Act 2018**

IFUT have been receiving queries regarding the extension of the compulsory retirement age to 70, as a result of the Public Service Superannuation (Age of Retirement) Act 2018, which came into effect from 26 December 2018.

The Department of Public Expenditure and Reform (DPER) has prepared the following FAQs which cover issues that have been arising since the enactment of the legislation, which members may find useful.

### **Compulsory Retirement Age of Public Servants recruited before 1 April 2004**

#### **Q.1 What was the recent change in relation to compulsory retirement age?**

**A.1** The Public Service Superannuation (Age of Retirement) Act 2018 was enacted on 26 December 2018 and came into effect immediately from that date. 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. Under the Act, any relevant public servant who had not already reached his/her compulsory retirement age before 26 December 2018 has a new compulsory retirement age of 70.

#### **Q.2 What public servants are covered by the Act?**

**A.2** The public servants covered by the Act are termed "relevant public servants" as defined in Section 2 of the Act. The vast majority of pre-2004 public servants are covered by the new arrangements and there is no distinction made between industrial and non-industrial public servants.

The following groups are **not** covered:

- "Uniformed pension fast accrual" group: There are certain groups of employees in the public service who, for operational reasons are required to retire early. This is the group comprising members of An Garda Síochána, members of the Permanent Defence Force, Firefighters and Prison Officers.
- Groups who, by convention, have no compulsory retirement age: The President of Ireland, a Member of either House of the Oireachtas or a member of the European Parliament, the holder of a qualifying office as defined in the Public Service Superannuation (Miscellaneous Provisions) Act 2004 (e.g. members of the Government, Ministers of State, Ceann Comhairle, Attorney General).
- Members of the Judiciary and others whose compulsory retirement age is the responsibility of the Minister for Justice and Equality under Court and Court Officers legislation: Judges, Master of the High Court, County Registrars, etc.
- Public servants who have retired and been re-hired on contract. Their fixed term contract terms continue to apply.

- Q.3 Why does the Act only cover pre-2004 public servants?**  
**A.3** Most public servants recruited before 1 April 2004 previously had a compulsory retirement age of 65. Public servants who were recruited between 1 April 2004 and 31 December 2012 (“new entrants”) have no compulsory retirement age and are not affected by this legislation. Public servants who were recruited since 1 January 2013 are members of the Single Pension Scheme and already had a compulsory retirement age of 70. With the enactment of the Public Service Superannuation (Age of Retirement) Act 2018, no public servant, other than a member of the uniformed fast accrual group has a compulsory retirement age of less than 70.
- Q.4 Where public servants are covered by the legislation, does the Act apply to pre-2004 public servants in the same way, regardless of whether they joined the public service pre-1995 or post-1995?**  
**A.4** Yes. There is no distinction made in the legislation between public servants with pre-1995 pension terms and post-1995 pension terms.
- Q.5 Does the Act apply to public servants classed as industrials?**  
**A.5** Yes. There is no distinction made in the legislation between industrial and non-industrial public servants.
- Q.6 Are public servants affected by the new compulsory retirement age now obliged to work for longer?**  
**A.6** No. There is no change to the minimum pension age for these staff, i.e. the age at which they can retire and receive their pension benefits. For example, for those pre-2004 public servants who have a minimum pension age of 60, that minimum pension age is unchanged.
- Q.7 Do these public servants need to apply for approval to remain until age 70?**  
**A.7** No. Public servants covered by the legislation now have the choice to work beyond the age of 65 to age 70, if they so choose, subject to the normal standards of health and performance, etc., in the same way as they were enabled to stay until age 65 in the past.
- Q.8 Does my salary reduce if I decide to stay after age 65?**  
**A.8** No. Any public servant who remains between age 65 and age 70 does so on their existing terms and conditions. They can continue to move up the incremental scale in accordance with existing rules.
- Q.9 If I stay on, will I accrue additional pension?**  
**A.9** Any public servant covered by the legislation will continue to be a member of the relevant pension scheme and any additional years of service between the ages of 65 and 70 are reckonable for pension purposes, subject to the statutory maximum of 40 years’ service. As is the case at present, the 40 year rule means that no more than 40 years’ service can be taken into account when calculating retirement benefits.
- Q.10 I am currently availing of the interim arrangements. Does the legislation allow me to stay until age 70?**  
**A.10** No. The legislation has no effect on those public servants who are currently availing of the interim arrangements, whereby they have retired and been rehired for a period of 1 year until they reach the age of 66. The terms of their fixed term contracts will continue to apply and they will cease working at age 66 as previously provided.

**Q.11 I applied for the interim arrangements but did not reach my compulsory retirement age until after the legislation came into effect. Am I covered?**

**A.11** Yes. A public servant who had not already reached his/her compulsory retirement age prior to 26 December 2018 is covered by the legislation and has a new compulsory retirement age of 70, even if they had applied for the interim arrangements before the legislation was enacted.

**Q.12 Can I claim the State Pension (Contributory) if I am still working when I reach the qualifying age?**

**A.12** Yes. Under current Department of Employment Affairs and Social Protection rules, all workers (public and private sector) who have paid the necessary PRSI contributions are entitled to receive the State Pension (Contributory) at the age of eligibility (age 66 at present), whether or not they remain in employment. Entitlement to the State Pension (Contributory) is not income-related, it is based on contributions made and the payment is taxable. Responsibility for the State Pension (Contributory) is a matter for the Minister for Employment Affairs and Social Protection.

**Q.13 Can I be promoted if I remain at work after the age of 65?**

**A.13** Yes, subject to the terms and conditions of the relevant competition.

**Q.14 Do I still get my lump sum at age 65?**

**A.14** No. Where a public servant who is covered by the Act chooses to remain at work past 65, there is no lump sum payable at 65. They remain a member of the pension scheme and continue to accrue pension benefits in accordance with the Scheme rules. Retirement benefits (pension and lump sum) will be payable when the individual public servant actually retires, provided they have reached minimum pension age.

**Q.15 Does the legislation have any direct impact on professional added years, the purchase of notional added years, cost neutral early retirement or added years for retirement on medical grounds?**

**A.15** The legislation makes no provision in relation to any of these matters.