



Supplementary Pension – Explanatory Note

Supplementary Pension may be payable to retirees in one the following schemes:

- PRIMARY SCHOOL TEACHERS PENSION SCHEME
- SECONDARY, COMMUNITY AND COMPREHENSIVE SCHOOL TEACHERS PENSION SCHEME
- SUPERANNUATION (EDUCATION) SCHEME (SNA and Caretaker)
- CONTRIBUTORY PENSION SCHEME FOR CLERICAL OFFICERS SERVING IN PRIMARY AND SECONDARY SCHOOLS

1. WHAT IS SUPPLEMENTARY PENSION?

- 1.1 In accordance with the terms of the individual pension scheme [for example Primary School Teachers Pension Scheme 2009, S.I. No 434 of 2009, Article 8 (3)] 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 Social Welfare benefits.
- 1.2 The pension payable by this Department is calculated and paid, subject to certain terms and conditions, as outlined here:
- Co-ordinated Occupational pension
and either
 - Social Welfare benefits/pension
- or*
- Supplementary pension paid by this Department or Social Welfare benefit.

This is called a co-ordinated pension as it has the potential to have occupational pension co-ordinated with Social Welfare Benefits.

2. CO-ORDINATED PENSION

- 2.1 The purpose of co-ordination is to ensure that the combined amount of the occupational pension plus Social Welfare benefit approximates to the total amount of the non co-ordinated occupational pension.



2.2 Co-ordination refers to pension contributions and to benefits paid in respect of these contributions. The pension contribution payable is determined by the PRSI class. Those paying Class D PRSI make a higher contribution towards occupational pension than those on Class A. Conversely, those paying Class A PRSI pay a reduced pension contribution and pay a higher PRSI contribution given that they are providing for a state pension.

2.3 Co-ordinated pension in full or in part arises in the following circumstances:

- Payment of Class A PRSI contribution for a period of pensionable service.
- Payment of Class A PRSI contribution in respect of purchased service such as non-pensionable, unqualified, substitute and part time service.

SUPPLEMENTARY PENSION

3.1 Co-ordinated Pension is calculated by reference to pensionable remuneration less $3 \frac{1}{3}$ times the maximum personal rate of State Pension (Contributory), (SPC), currently €42,317.98. (*This figure could change following each annual budget*)

3.2 The eligible age for Social Welfare State Pension (Contributory) is 66.
This is subject to rise again to aged 67 from 2021 and 68 from 2028.

3.3 Retirees may be eligible for Jobseekers Benefit in advance of reaching the eligible age for State Pension.

3.4 Supplementary pension is available, **on application**, to retirees in order to make up the shortfall in pension for the period between date of retirement and the age of eligibility for State Pension (Contributory) where the non-payment of Social Welfare Benefits is through no fault of the retiree.
In the case of Cost Neutral Retirement, Supplementary Pension is not payable before age 60 or 65 as appropriate, when the above criteria apply
– see Circular Pen 07/05 - SI 434 of 2009 and SI 435 of 2009 Article 60 (3).

3.5 Supplementary pension may also be payable, **on application**, after the eligible age for State Pension (Contributory);

- where the retiree is not qualified for State Pension, supplementary pension may continue.
- where the rate of State Pension payable is less than the rate of supplementary pension, a reduced rate of supplementary pension may be payable to make up the shortfall.



3.6 Supplementary pension may be paid where the retiree:

- (a) is not employed in any capacity which involves the payment of a PRSI contribution (including self employment),

AND

(b) **due to circumstances outside his/her control**, fails to qualify for the following Social Welfare benefits **or** qualifies for such benefits at less than the maximum personal rate:

- Jobseeker's Benefit
- Illness Benefit
- Invalidity Pension
- State Pension (Contributory)

3.7 Supplementary Pension is calculated for each year of service as 1/200th of such Final Annual Salary as does not exceed the threshold of €42,317.98 together with (where appropriate) 1/80th of such Final Annual Salary as does exceed the threshold.

4 DISQUALIFICATION FROM RECEIPT OF SUPPLEMENTARY PENSION

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

5 FURTHER ENQUIRIES.

This information leaflet is provided for assistance and guidance.
It does not purport to be a legal interpretation or to be exhaustive.
Further information regarding Social Welfare schemes and benefits is available on the Department of Employment Affairs and Social Protection website,

www.welfare.ie.

Further information on Department of Education and Skills pension schemes is available on the website Pensions - Department of Education and Skills.

<https://www.education.ie/en/Education-Staff/Services/Retirement-Pensions/>